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OFFICE OF THE PRESIDENT

DANIEL M. DOOLEY
Senior Vice President – External Relations

Office of State Governmental Relations
1130 K Street, Suite 340
Sacramento, California 95814
(916) 445-9924
Steve Juarez, Associate Vice President and Director

April 22, 2013

The Honorable Jerry Hill
Chair, Senate Environmental Quality Committee
State Capitol, Room 2205
Sacramento, CA 95814

RE: SB 497 (Walters) as amended April 15, 2013
Scheduled for hearing May 1, 2013 in the Senate Environmental Quality Committee
Position: SUPPORT

Dear Senator Hill:

The University of California (UC) is pleased to support SB 497 and the author's efforts to exempt California's institutions of higher education from the costs associated with California's Cap-and-Trade program.

The bill would require the California State Air Resources Board (CARB) to freely allocate greenhouse gas emissions allowances to the California State University, the University of California, and private colleges and universities for purposes of any market-based compliance mechanism adopted by the state board. The bill would also prohibit the state board from assessing a fee on the California State University, the University of California, or a private college or university for purposes of any program or regulation adopted pursuant to the act.

It is estimated that the state's program will cost UC $8 million annually at a time when the University has been significantly challenged with dwindling state financial support over the last several years, and thus we appreciate and support Senator Walters' efforts to aid the University of California in this manner.

However, we would also note that the University has worked closely with CARB to seek solutions to the significant financial burden that California's Cap-and-Trade program would impose on the state's institutions of higher education, and based on the positive response the University has received thus far we remain optimistic that we'll be able to address our concerns administratively through our continued work with CARB.

Thank you for your consideration of the University's views. Should you have any questions regarding the University's position on this measure, please don't hesitate to contact me.

Sincerely,

Jason Murphy
Legislative Director

cc: Senator Mimi Walters
Members, Senate Environmental Quality Committee
President Mark G. Yudof
Provost Aimée Dorr
Senior Vice President Daniel Dooley
Associate Vice President and Director Steve Juarez