

Arnold's global warming ardor cooling

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Days after the state Air Resources Board touted the economic benefits of curbing greenhouse gas emissions, Gov. Arnold Schwarzenegger advised his climate bureaucracy to slow down the rush to impose carbon dioxide cap-and-trade regulations.

Facing growing public opposition and a well-financed ballot initiative to suspend the governor's signature Global Warming Solutions Act, which mostly takes effect in January 2012, Mr. Schwarzenegger last week wrote to the air board, asking it to consider a less-costly approach to restricting greenhouse gas emissions.

Rather than auction government-invented "rights" to emit greenhouse gases, the governor suggested companies be rewarded with free permits to invest in energy conservation and emission reduction. Proponents estimate auction costs to private companies at \$22 billion a year, but opponents say it will be \$144 billion. Mr. Schwarzenegger suggested "a very small percentage" of government-issued emission permits still could be auctioned "to replace a fee system" the air board is considering.

Clearly, the governor is anxious about the costs of global warming regulations on the staggering state economy. Critics say the regulations still being written will cost billions, and up to 1 million jobs will be lost. The air board responded last week, claiming regulations "won't hurt" California and will add 10,000 new jobs in 10 years.

Despite the governor's boast that "California leads the nation" in global warming regulations, he's probably noticed there are fewer following that lead. A prime proponent, Sen. Lindsey Graham, R-S.C., declared recently cap-and-trade is dead in Congress. New Jersey allowed a law requiring reporting of greenhouse gases to die rather than enforce it, and imposed cost-benefit analyses on other climate regulations. Even the French cancelled their cap-and-trade plan, citing adverse economic effects.

There's growing awareness in government that costly regulations mean dire economic consequences. Sacramento, which led the charge to curb global warming, appears more inclined now to join the retreat. It's about time.