

# Schwarzenegger wants more drilling, less greenhouse gas

Steve Wiegand, Sacramento Bee, 3-10-10

Gov. Arnold Schwarzenegger on Tuesday simultaneously defended the state's greenhouse gas reduction law and repeated his support of expanded oil drilling off the Santa Barbara coast.

On Monday, the nonpartisan Legislative Analyst's Office concluded that AB 32, the landmark 2006 law that mandates cuts in greenhouse gas emissions would cost the state jobs in the near term, and have uncertain effects in the long term.

Speaking to reporters after a luncheon speech at a downtown Sacramento hotel, Schwarzenegger, who has ardently championed the law, dismissed the LAO report as so much armchair analysis.

"I travel up and down the state, unlike others that only have theoretical opinions," the governor said. "I see firsthand ... that all kinds of (green industry) places want to expand, all we have to do is give them the incentives, the tax incentives and the job creation packages. I know that AB 32 will create jobs."

The law is the target of a proposed initiative, primarily financed by two Texas-based oil companies. The measure would delay AB 32 from being fully implemented until the state's unemployment rate drops below 5.5 percent for four straight quarters.

But Schwarzenegger said "we can't change these things every five minutes when the economy goes up and down. I'm absolutely convinced that AB 32 will create more jobs than kill jobs, and this is why I insist we keep it in place."

The governor and LAO are in agreement about a Schwarzenegger proposal to a limited expansion of oil drilling at Traquillon Ridge, off the Santa Barbara coast. "This project provides the opportunity to gain significant and much-needed revenues for the General Fund that could help to preserve state programs that it considers to be a high priority," says the LAO report released Monday.

"Analyzing these potential risks and trade-offs, we find, on balance, that the Tranquillon Ridge project merits legislative approval."

Schwarzenegger said that "ideally, I don't want to do any oil drilling, but we need fuel ... we don't want to rely on the Middle East, on countries that hate us. Plus we need the revenues."

But the analyst and governor differ on how to use the \$1.8 billion in royalties expanded drilling might raise over the next 14 years.

Schwarzenegger has proposed using the money to finance the state's parks system, while the LAO says the money would be better used to pay the state's day-to-day bills.

The "T-Ridge" proposal was approved by the state Senate last year but rejected by the Assembly.