

Madam Chair, thank you for inviting me to discuss California's experience confronting climate change.

In California, we saw the threat to Los Angeles residents and Central Valley farmers if the fresh water they need is contaminated with salinity.

We saw the threat to our natural resources, including key environmental and economic treasures like the coast, Yosemite and Lake Tahoe.

In response, through an unusual partnership between Democratic legislators and a Republican governor, we passed gold-standard legislation, AB 32, The California Global Warming Solutions Act.

AB 32 establishes regulations that will phase in a 25 percent cut in carbon dioxide emissions from the state's five largest emitters by 2020.

In 2008, the California Air Resources Board will begin requiring industry to report carbon dioxide emissions. The board will also establish a cap on greenhouse gas emissions.

The data we collect over a four year period will determine which industries are the most significant on dioxide.

From 2008 until 2012, outreach programs will educate industry on how to achieve reductions.

From 2012 on to 2020, industry will begin to implement efforts to reduce carbon output and take advantage of established market mechanisms.

That cut will bring carbon emissions down to 1990 levels.

In addition to strong environmental support, even one of our state's largest utilities, PG&E, backed AB 32.

Several high tech CEOs and venture capital leaders also came on board, including John Doerr whose firm provided venture capital to Amazon.com, Google, Intuit and other technology firms.

I think they see the clear market signal we are sending to spur a high-tech, green economy for our state.

For me, elected from inner-city Los Angeles, environmental justice and economic opportunity are powerful motivators.

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I want the economy for our children to be a clean economy. I want the neighborhoods they live in to be clean neighborhoods.

Our enforceable limit provides clear market incentives to reduce pollution, unleashing entrepreneurs to pursue clean technologies.

One study found meeting the limit we've established will create 83,000 jobs.

UC economists predict a boost to our state's annual Gross Product of \$60 billion.

Gold built the California economy. Green will sustain it.

This year, in addition to overseeing the implementation of AB 32 the Assembly is advancing legislation on green building and alternative fuels; developing R&D opportunities; reducing emissions from landfills, and using bond funds to promote sustainability.

And in all of these efforts, we are at this committee's disposal to help replicate California's experience at the national level.

Thank you for this opportunity. Madam Chair. And thank you for your dynamic leadership on this issue.