



**CALIFORNIA**

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**Date: March 11, 2025**

The Honorable Brian Jones  
California State Senate  
1021 O Street, Suite 7640  
Sacramento, CA 95814

Re: SB 2 (Jones): Repeal of CARB's LCFS amendments from 11/8/24

Position: **Support**

Senator Jones:

California's economic engine is fueled in large part by small businesses. Over 95% of all businesses are small businesses nationwide, and they generate roughly half of the country's GDP.

On November 8, 2024, NFIB testified in opposition to the California Air Resources Board (CARB) proposed updates to its Low Carbon Fuel Standard (LCFS) regulations. NFIB contends that shifting dollars to subsidize unclean biofuels does nothing to further California's stated goals of reaching a zero-emissions, fully-electrified state. Instead, the LCFS amendments, if implemented, would only serve to economically hurt small business owners and their employees while simultaneously driving up the costs of goods and services for all Californians.

Originally, CARB had indicated that its proposed amendments would increase gas prices at the pump by some forty-seven cents a gallon. Later, it revised that number and indicated that the fiscal impact at the pump would be "negligible," without providing any methodological data or inputs to account for that revision. CARB should show its homework by providing the data used to come to those two, polar-opposite conclusions.

The Kleinman Center of Energy Policy at the University of Pennsylvania says that Californians would pay an additional 65-85 cents a gallon at the pump if the proposed

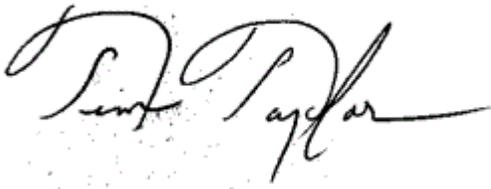
amendments were implemented. Californians already pay the highest prices in the country for gasoline, some \$1.60 over the national average; tack onto that an additional 65 to 85 cents a gallon and CARB would be stage-managing a spiraling economic collapse that would devastate all Californians.

It is a fact that California is a commuter state. In fact, many small business employees cannot afford to live in the affluent zip codes in which they work. Potentially paying \$2.40 a gallon *more* than the national average could very well lead to a shortage of qualified workers. Additionally, the downstream economic impact of the entire supply chain would also be staggering, further driving up the costs of goods and services throughout California.

The LCFS amendments represent a de facto tax foisted on small business owners, their employees and all Californians by an unelected body that is not held accountable by an electorate. It is challenging to understand how these amendments will improve the lives of Californians, much less how they will improve our air quality or decrease greenhouse gas emissions. Subsidizing dirty bio-fuels at the economic expense of Californians is not the answer.

NFIB strongly supports Senator Jones' bill, SB 2, repealing *in toto* the November 8, 2024, LCSF amendments.

Thank you,

A handwritten signature in black ink, appearing to read "Tim Taylor". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tim Taylor  
Legislative Director  
National Federation of Independent (NFIB)