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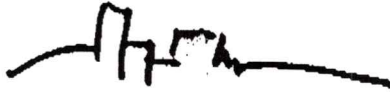
REFERENCE: _____

FROM: DR. J. HARRIS

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COMMUNITY
AIR QUALITY
TASK FORCE

**PRESS RELEASE**

**For Immediate Release
September 30, 1992**

**Contact: J. Haring
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**EMISSION CREDITS CAN CREATE 55,000 JOBS
IN SOUTHLAND, INDUSTRIALIST CLAIMS**

Newport Beach, California, Sept. 30 - "After threatening 351,000 jobs and precipitating massive layoffs in seven out of eight industries, the local air quality district is ready to create 55,000 new jobs through its emission credits program," exclaimed industrialist William Huston at an international clean-air conference attended by 500 delegates.

"Better late than never," lamented Huston, Chairman of the Community Air Quality Task Force, in commenting on a three-year delay in providing incentives to reduce smog. "Command-and-control regulations are negative and kill job-creating energies," said Huston.

Three years ago the Task Force recommended a voluntary program of scrapping heavy-polluting old cars, but were rebuffed by the then AQMD staff. "Jobs have been driven out of the region by impossible, irresponsible restrictions on factory operations," added Huston.

"Jobs can be created by economic incentives like the emission reduction credits program of the Air Quality District, based on an old-car scrap program like the one scoffed at by the AQMD, said economist Joseph Haring of the Pasadena Research Institute. "Emission credits can create at least 55,000 Southern California jobs," reported Haring, who is analyzing the economic impact of new air quality regulations.

"Preliminary studies indicate that emission credits can replace one-seventh of jobs already lost," Dr. Haring added, "and partially reverse the multiplier/acceleration effects of job losses that have already occurred."

The Community Air Quality Task Force, a coalition of 100 business, labor, and local government leaders, has recently published eight reports on the employment impacts of air quality regulations.

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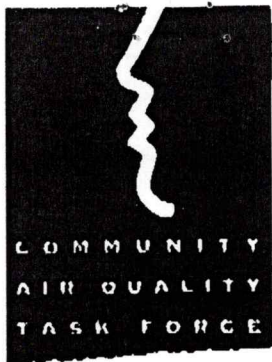
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For Immediate Release

227,000 JOBS LOST IN SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Sacramento, January 29, 1992 - 226,551 jobs have been lost in the South Coast Air Quality Management District since 1988, industrialist William Huston told the Assembly Sub-Committee on International Trade and Business Development at the Hearings on Job Retention chaired by Assemblyman Richard Polanco.

The huge 227,000 job loss was monitored by Pasadena Research Institute economist Dr. Joseph Haring, who updated a widely quoted 1990 report, "Employment Impacts of Proposed Air Quality Regulations in Southern California," by the Institute, in which a total of 350,000 job losses were forecast for 1993.

Both studies analyzed labor-intensive industries, including: construction; furniture and fixtures; chemicals, rubber and plastics; fabricated metal products; high technology (aerospace and electronics); motion pictures, and restaurants.

"Overbuilding of commercial offices, military expenditure cut-backs, new aircraft order cancellations, workers' compensation abuse, and the current recession all contributed to the layoffs," explained Dr. Haring, who noted that the job losses in construction far exceeded the expected losses due to air quality regulation.

"Air quality regulations started the snowball of layoffs, and now workers compensation and the recession have multiplied the problem enormously," explained industrialist William Huston, chairman of the Community Air Quality Task Force, which studies air quality and recommends alternative methods for achieving it.

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(227,000 jobs lost cont'd)

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"We need clean air more quickly than the South Coast District's command and control system can give it to us," Huston added, "and this means go after mobile sources (cars) and promote van pooling and car pooling."

"Unemployment in the South Coast District has risen to over 8.6%," said Dr. Haring, "and this unemployment rate is higher than for Los Angeles County alone (8.3%), the State of California (7.7%), or the nation (7.1%)."

Construction employment fell by 60,000 workers - almost three times the 24,000 predicted by the Institute in 1990. The furniture and fixtures industry lost one-third of its jobs, mostly to Mexico, while metal fabricating lost one-fourth of its employment rolls, according to the Pasadena Research study.

"Job retention has failed in Southern California but could be significantly restored by market-oriented air quality regulations," Dr. Haring declared, citing recent studies by DRI/McGrawHill, the Pasadena Research Institute and other independent researchers that would accelerate clean air and employment by recycling old cars. Over half of the jobs lost could be recreated in southern California by vigorous implementation of recycling and requiring large energy firms to fund the program in exchange for emission credits, according to a recent Pasadena Research study.

Endorsed by a coalition of 25 leading industry associations and labor unions in the south Coast region, the proposed legislation would reform air quality regulations throughout the state. Key elements would include:

(1.) Publication of Internal Policies: The South Coast Air Quality Management District should simplify, state succinctly, and publish its internal policies regarding the issuance of Emission Reduction Certificates (ERC's), specific criteria for earning, documenting, and trading them.

(2.) Small Business Access. Small business should have full access to the market for emissions reductions credit.

(3.) Mobile Source Emissions. The Air Quality Management Plan shall be revised to include both mobile and stationary sources in the Marketable Permits Section. In particular, tradeable permits should be issued for mobile sources and stationary sources so that Emission Reduction Certificates (ERC's) from mobile sources may be sold to owners of stationary sources who need to reduce emissions.

-more-

(227,000 jobs lost cont'd)

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(4.) Clearinghouse. The California Department of Commerce should designate the Pacific Stock Exchange or other qualified financial institution in each air quality district to establish a clearinghouse for ERC information and exchange. This clearinghouse would receive ERC's for sale on consignment, list them in a public place and inform the public about their availability. Prospective buyers of ERC's would also be invited to list their needs with the clearinghouse for potential suppliers to consider.

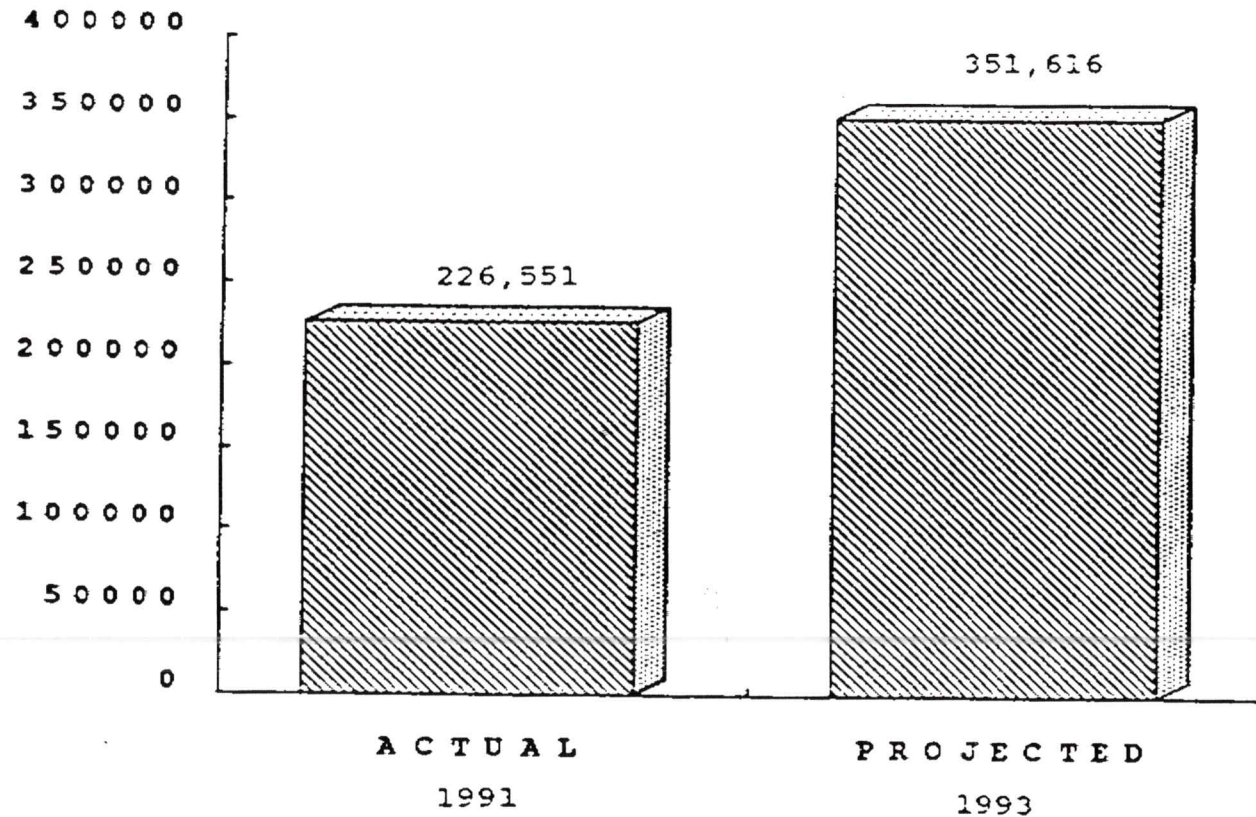
(5.) The South Coast Air Quality Management District should offer emission reduction credits on terms that will precipitate action now, not in a few years.

(6.) Positive incentives to increase van pools and ride-sharing should be provided by the SCAQMD:

- (A.) Offering emission-reduction credits to firms that succeed in getting a high percentage (say 25%, with a 5% increase each succeeding year) of its workers using ride-sharing vans, buses, cars, or public transportation.
- (B.) Offering SCAQMD-guaranteed loans to van-pool drivers whose (small) businesses cannot afford to subsidize van purchases.
- (C.) Securing fuel discounts for van-pool drivers from oil companies or other large companies desiring to help clean our air.
- (D.) Securing maintenance contracts for van-pool drivers from small businesses who use the proposed SCAQMD-guaranteed loans.

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EMPLOYMENT LOSSES IN SIX INDUSTRIES SOUTHERN CALIFORNIA 1991 AND 1993



Note: This is for 6 industries including Construction; Furniture & Fixtures; Chemical & Allied; Fabricated Metal Products; High Technology; and Motion Pictures.

Sources: U.S. Department of Commerce, Bureau of the Census. Count Business Patterns; and State of California, Employment Development Department, Labor Market Bulletins. Projections by Pasadena Research Institute.

JOBS LOST IN THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Peak to Trough, 1988 to December, 1991

	Base 1988	Peak June 1990 (except where noted)	Trough Dec. 1991 (est.)	Actual Losses, Peak To Dec. 1991	Projected Losses, Peak Through 1993
Construction	201,672	267,320	208,200	59,120	24,568
Furniture & Fixtures***	65,143	65,143	45,920	19,223	45,745
Chemical & Allied; Rubber & Plastic	93,659	105,780	100,040	5,740	45,618
Fabricated Metal Products*	125,750	125,750	91,840	33,910	62,372
High Technology Electrical & Electronic, Aircraft & Parts, Guided Missile Instruments and Related	475,086	606,404	501,566	104,838	160,049
Motion Pictures	107,431	115,196	111,476	3,720	13,264
Totals	1,068,741	1,285,593	1,059,042	226,551	351,616
Eating & Drinking**	304,353	393,600	393,600	gain	gain

*Peak year for this year was 1988; declines in employment have continued since then.

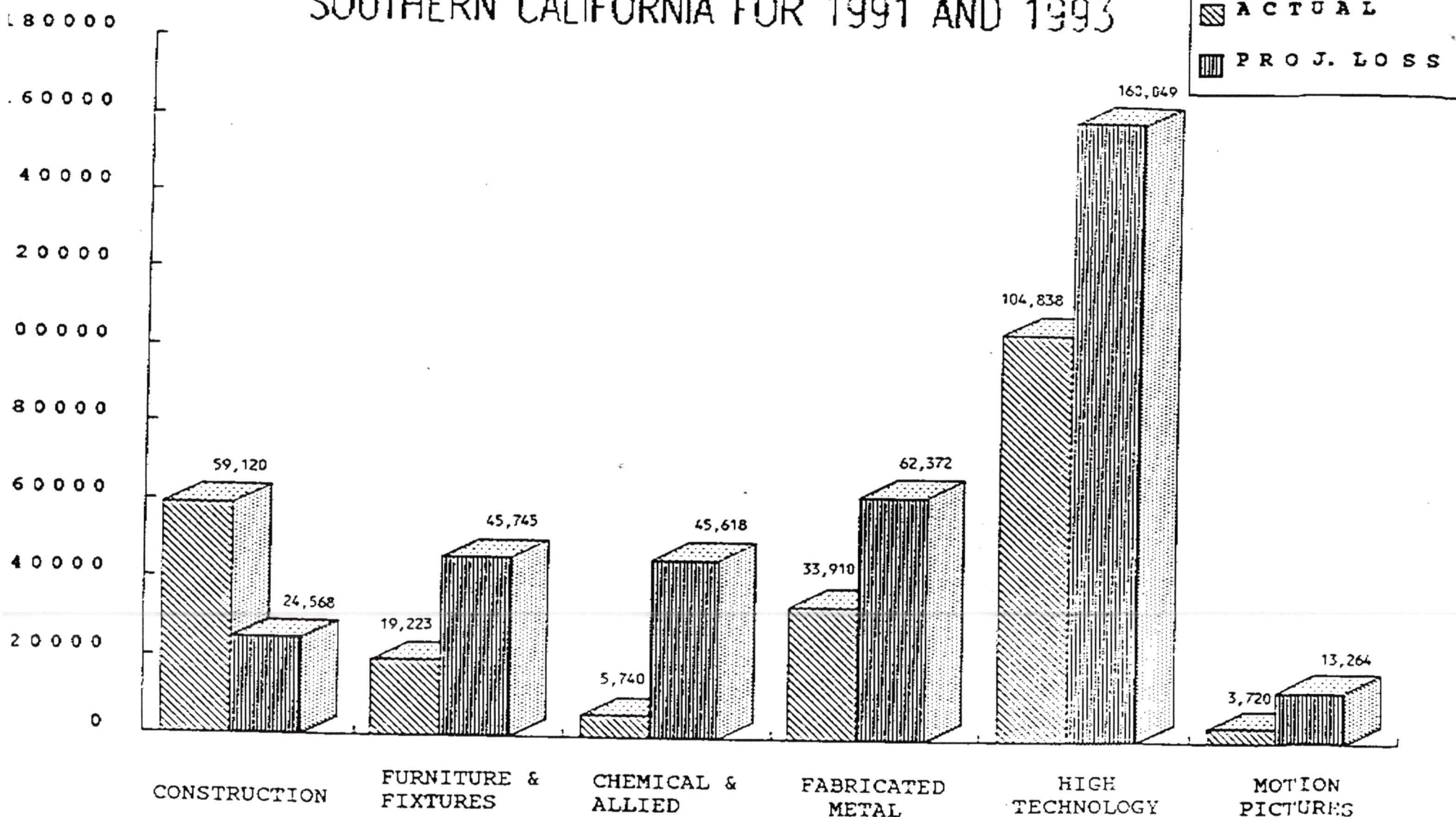
**Eating & Drinking jobs continued to increase throughout the years surveyed.
Peak was December, 1991.

***Furniture & Fixtures had even higher employment (85,000) in 1987 and earlier.

Sources: U.S. Department of Commerce, Bureau of the Census.
County Business Patterns; and State of California,
Employment Development Department, Labor Market Bulletins.
Projections by Pasadena Research Institute.



EMPLOYMENT LOSSES IN SIX INDUSTRIES SOUTHERN CALIFORNIA FOR 1991 AND 1993



SOURCES: U.S. Department of Commerce, Bureau of the Census.
Count Business Patterns; and State of California,
Employment Development Department, Labor Market
Bulletins.
Projections by Pasadena Research Institute

ECONOMIC IMPACT OF LOSING 227,000 JOBS
IN SOUTHERN CALIFORNIA

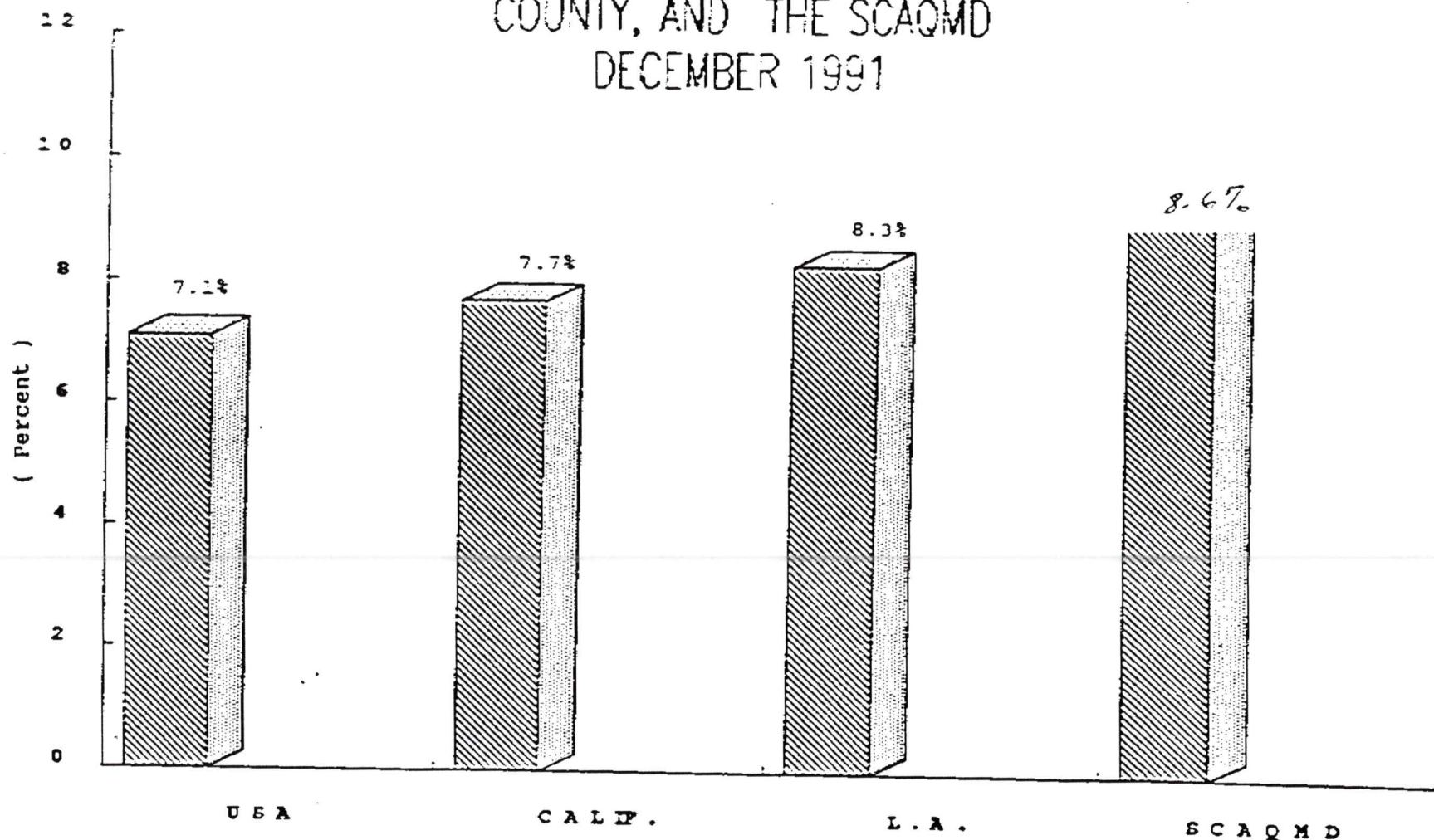
\$6,719,200,000	Direct Payroll Lost
\$5,711,320,000	Direct Consumer Expenditures Lost
\$299,844,300	Direct Sales & Use Taxes Lost
\$21,098,288,000	Direct, Indirect & Induced Payroll Lost
\$17,933,544,800	Direct, Indirect & Induced Consumer Expenditures Lost
\$941,511,100	Direct, Indirect & Induced Sales Taxes Lost

Note: Based on a sample of ten industry layoffs in Southern California, 1991, with average annual income of \$29,600.

Sources: U.S. Department of Labor; Pasadena Research Institute Input-Output Model; Projections by Pasadena Research Institute.



UNEMPLOYMENT RATES USA, CALIFORNIA, LOS ANGELES COUNTY, AND THE SCAQMD DECEMBER 1991



SOURCE: Bureau of Labor Statistics