

****IN CASE YOU MISSED IT****

Los Angeles Business Journal:

Pull the Plug on Energy Commission's Attack on Televisions

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Two weeks ago, the California Energy Commission released regulatory language aimed at reducing electricity usage of television sets in the state. This news was greeted by modest media coverage, much of it hailing the commission for targeting Californians' energy consumption.

Soon thereafter, it was announced that California's unemployment rate jumped three-tenths of a percentage point to 12.2 percent in August.

As you can imagine, this second piece of news generated a lot more interest among the mainstream and online media. What the media – and California's regulators – fail to realize is that these are not two distinct stories, one involving environmental regulation and the other relating to California's sputtering economy. Instead, they are two pieces of the same overarching narrative: Government overregulation of California's businesses is hurting an economy that is already suffering.

The commission's regulation, which is expected to be adopted this fall, would ban the sale of television sets that do not meet strict new requirements for energy consumption. To meet these requirements, California retailers will be forced to remove 25 percent of LCD and plasma big-screen TVs and 100 percent of current plasma models that are larger than 60 inches from store shelves. The most obvious effect of the commission's actions will be fewer televisions for shoppers to choose from. But there are other, far more serious consequences. Banning the sale of these popular television sets will take a serious toll on the home entertainment industry – and California's economy – at a time when we can least afford it.

A recent economic study found that if enacted, the commission's regulation would destroy approximately 4,600 jobs in the state of California. These jobs belong to retailers, distributors, and installers of flat-panel, large-screen television sets, many of them small business owners.

Bread and butter

As a local TV retailer, sales of big-screen plasma and LCD TVs are my bread and butter. If the commission's standards are put into place, our 10 stores, which have been family-owned and -operated in Los Angeles for more than 60 years, will most likely be forced to close shop. I know first-hand how difficult it is to do business in this state, but never before did I think that I would go out of business as the direct result of government regulation.

Perhaps the most sobering thing about all of this is that the commission's actions are not that unusual in the Golden State. In Forbes Magazine's annual report on the best and worst states in which to do business, California ranks No. 40. One of the primary reasons cited for this hostile business environment is – you guessed it – government overregulation of business.

In fact, just last week a study titled "Cost of State Regulations on California Small Business" was published by Sanjay Varshney and Dennis Tootelian, two faculty members at California State University, Sacramento. Among the study's findings: Business regulation costs the state of California \$493 billion, which is almost a third of the state's gross product. Varshney and Tootelian also found that business regulation in California has resulted in a loss of 3.8 million jobs – a tenth of the state's population.

One would think that the last thing state government would want to do during difficult economic times is impose additional regulations on an industry that is already tackling and increasing energy efficiency, creating jobs, generating state revenue, and providing a convenient and affordable entertainment option for families. And yet, that's exactly what

the commission is proposing to do. What's more, the commission has no way of stopping California's consumers from purchasing these particular televisions from out-of-state or online retailers. As a result, these regulations will cost the state of California an estimated \$50 million in lost tax revenues as shoppers take their dollars elsewhere.

Every day, I see yet another television news story or newspaper article about California's economic woes. Like many Californians, I know that our unemployment rate is one of the highest in the country, and that some parts of the state are experiencing 23 percent joblessness. What I am not hearing enough of is how we got ourselves into this mess in the first place and, more important, what we can do to get ourselves out of it. I'm no expert, but I'm pretty sure that added business regulation – like the commission's energy efficiency standards for televisions – wouldn't be on the list of practical solutions.

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Comprised of consumers, small businesses, trade groups and associations, Californians for Smart Energy (www.CASmartEnergy.com) is a growing coalition dedicated to having a real discussion about meeting California's energy needs – without job-killing regulations that are harmful to California's economy. You can also find us on Twitter (www.twitter.com/casmartenergy) and Facebook (www.facebook.com/pages/Californians-for-Smart-Energy/118950385329) and YouTube (www.youtube.com/casmartenergy).