I <u>predicted</u> earlier that an initiative campaign to delay the implementation of AB 32 until the state's unemployment rate falls dramatically would not qualify for the ballot. I made this prediction based on the lack of evidence of significant financial backing and the fact that the initiative appeared to be primarily the work of Ted Costa's <u>People's Advocate</u> — a group that hardly appears to be well-funded judging from its website. So here's one troubling piece of news that makes my prediction look naive: <u>reports are</u> that Valero and Tesoro, two Texas oil companies with California-based refineries, are bankrolling the signature-gathering efforts through PR firm <u>Goddard Claussen</u>. In my defense, until the two out-of-state companies stepped in the initiative's chief sponsor, Assemblyman Dan Logue (R-Linda), couldn't raise any significant money.

But here's another twist that makes the story somewhat jucier. Ted Costa is now reportedly refusing to support the initiative (known, believe it or not, as the "California Jobs Initiative" — truth in advertising anyone?) According to the Sacramento Bee, Costa is stepping out because, he says, out of state oil interests have "stolen" the signature gathering campaign without coming clean about their involvement. Always good to see internal dissension in the opposition camp. Indeed the hidden nature of the oil company involvement raises questions about whether the campaign is in violation of California's Fair Political Practices Committee regulations requiring the on-line reporting of \$100,000 or more in financial activity in support of or opposition to a ballot initiative.

If the ballot initiative qualifies (and it still strikes me that the campaign may falter given that the Texas oil companies may not want to fund the entire effort without partners-incrime), the campaign to defeat the initiative will have a nice enemy to target. It's easy to imagine the ads revealing that Texas-based oil companies who want to avoid responsibility for climate change emissions are sweeping into town and bankrolling a special interest initiative. That leaves open a pretty key question, though. Who will bankroll opposition to the initiative if it qualifies?