



May 1, 2008

Ms. Mary D. Nichols  
Chair, California Air Resources Board  
1001 "I" Street  
P.O. Box 2815  
Sacramento, California 95812

Dear Ms. Nichols,

Elite Public Relations Firm LLC is writing to support the goals of California State Assembly Bill 32, also known as The Global Warming Solutions Act, which will reduce greenhouse gas emissions in a balanced and cost-effective way.

Thanks to Governor Arnold Schwarzenegger and Assembly Speaker Fabian Nuñez, California is a world leader on addressing the global warming challenge with the passage of AB 32. AB 32 requires California to reduce greenhouse gas emissions, a major cause of global warming, by 20 percent in the year 2020. The California Air Resources Board is preparing a scoping plan for how the state will achieve greenhouse gas reduction.

While our firm supports AB 32 and recognizes the benefits of reducing greenhouse gas emissions, we are very concerned about the potential for a significant increase in electricity, natural gas, and gasoline costs. If implemented incorrectly, AB 32 could result in billions of dollars in higher gasoline and utility bills. An increase this large hurts all consumers and it will be especially painful to California's low-income families and small business owners who already pay a higher percentage of their incomes for energy expenses.

Elite PR has been informed that one way your board is considering keeping AB 32 costs down is through a cap and trade program. While it is important to get the details of a program right, our understanding is that cap and trade systems have helped reduce emissions elsewhere in the United States and are being used in Europe as well.

Democratic presidential candidate Hillary Clinton proposes creating a market-based cap and trade program and auctioning 100 percent of greenhouse gas permits as an overall framework for reducing greenhouse gas emissions. Her system would auction 100 percent of allowances to ensure that utilities and other companies do not obtain a windfall. Her proposal would also provide flexibility for companies that want to bank, borrow, and trade allowances.

The proceeds from the sale of allowances would be used to provide tax benefits for working class families, middle class families, and energy intensive industries as well as provide incentives for energy efficiency and renewable technologies. This cap and trade approach was used successfully to limit sulfur dioxide and reduce acid rain levels in the 1990s to help reduce annual sulfur dioxide emissions by 7 million tons below 1980 levels.

Sincerely,

A handwritten signature in black ink, appearing to read 'Oliver T. Unaka'.

Oliver T. Unaka  
President & CEO

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