

**American Lung Association of California
Bluewater Network/Friends of the Earth
Center for Energy Efficiency and Renewable Technologies
Environment California
Natural Resources Defense Council
Planning and Conservation League
Sierra Club California
Union of Concerned Scientists**

January 22, 2007

Hon. Robert Sawyer, Ph.D.
Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95818

Dear Chairman Sawyer:

Re: Early Action Measures -- Transportation Fuels and Light Duty Vehicles

We urge you to enact a suite of early action items that reduce global warming pollution from transportation fuels and California's light duty vehicles. The single largest source of California's global warming pollution is transportation, accounting for over 40 percent of the state's 2004 emissions. Securing greenhouse gas reductions in the transportation sector is key to achieving the statewide pollution limits established by AB 32, as well as the Governor's target of an 80 percent reduction in global warming pollution by 2050 relative to 1990 levels.

AB 32 requires that CARB adopt a list of early action measures that can be adopted and enforced by 2010. Although not required by statute, we also encourage the Climate Action Team to adopt a list of early action measures that each of its agencies commits to adopt in a comparable time frame, since all of the agencies involved in the Climate Action Team will have a key role in meeting the 2020 statewide emissions limit. We strongly support ARB adoption of a low-carbon fuel standard, alternative fuel vehicle sales requirement, and the five measures listed in the Climate Action Team report for hydrofluorocarbon (HFC) reduction, as well as CEC adoption of the fuel efficient replacement tire program as early action measures. We also recommend that the state explore whether transportation pricing policies can provide cost-effective global warming reduction. Below we briefly discuss each of these measures.

Low Carbon Fuel Standard

The low carbon fuel standard requires that the mix of fuel sold in California by each fuel provider meets a declining standard in global warming pollution per unit of fuel energy sold. The standard will foster demand for cleaner fuels and complement vehicle standards

by making sure the fuel industry does its part to reduce global warming pollution. The standards should be for the full lifecycle of the fuels, incorporating upstream (raw materials extraction), midstream (refinery), and downstream (finished fuel) emissions. Fuel standards must include adequate protections for air and environmental quality, and protect against toxic hot spots. Without proper safeguards, increased production of biofuels could result in loss of ecosystems/biodiversity, water scarcity and land and soil degradation. In addition, the combustion of certain low-carbon fuels may harm California's air quality. It is critical to ensure that there are no unnecessary tradeoffs between climate protection and air quality/environmental protection.

As long as there are adequate protections for environmental quality, we support ARB adoption of the Governor's goal of a 10 percent reduction in the carbon content of all passenger vehicle fuels by 2020, and urge the state to explore standards for other transportation fuels, such as heavy-duty diesel.

Requirements for Alternative Fuel Vehicle Sales and Distribution

To maximize the carbon reduction potential of the fuel standard, ARB should adopt requirements for alternative fuel vehicle sales and fuel distribution. An alternative fuel vehicle sales mandate would require automakers to sell an increasing percentage of such vehicles, but they would be free to choose the type of vehicle they wish to produce. The state needs to promote increased access to alternative fuels by expanding infrastructure and developing fueling infrastructure standards for non-traditional fuels (such as E-85).

Hydrofluorocarbon Reduction

We support ARB adoption of the five measures to reduce HFC emissions listed in the Climate Action Team report (banning the sale of HFCs in small cans; requiring use of low global-warming-potential (GWP) refrigerants in new vehicular systems; adopting specifications for commercial refrigeration; requiring refrigerant leak tightness on mobile air conditioners and some types of commercial refrigerators and air conditioners; and enforcing the EPA-required HFC recovery during service and repair). Two additional components, however, are necessary to ensure success with this strategy: creating a cradle-to-grave lifecycle tracking system; and funding demonstration projects for low-GWP HFC replacements. An effective HFC reduction program in Australia serves as model for California and we strongly encourage ARB to make a similar program an early action measure.

Fuel-Efficient Tires

According to studies by the California Energy Commission and the National Academies of Science, improving passenger vehicle replacement tire efficiency saves consumers fuel and reduces global warming pollution. California's landmark tire efficiency law established by AB 844 (Nation, 2003) requires the CEC to establish a tire efficiency rating system by July 2006 and implement minimum tire efficiency standards by July 2008. Despite failing to meet the initial legislative deadline, it is essential that the CEC fully implement the Replacement Tire Efficiency Program to achieve greenhouse gas reductions; we request that the program be added to the list of early action measures for the CEC to ensure the program meets future targets.

Transportation Pricing Policies

Pay as you go insurance, congestion pricing, and other transportation policies can reduce global warming pollution and improve economic efficiency. We urge the state to explore non-traditional pricing policies that reduce fuel use, particularly those that promote other social goals, such as equity, affordability, and safety.

We appreciate your careful consideration of our suggestions, and look forward to working with you on the early action plan and other AB 32 implementation measures.

Sincerely,

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