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March 28, 2008

Mary Nichols
Chair, California Air Resources Board
1001 "I" Street
Sacramento, CA 95812

Michael Gibbs
California Environmental Protection Agency
1001 "I" Street
Sacramento, CA 95812

Western Climate Initiative (WCI) Partners
Submitted online at http://www.westernclimateinitiative.org/Send_Public_Input.cfm

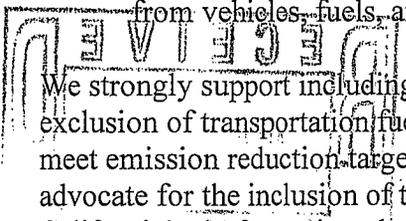
Re: Transportation Sector Inclusion in Cap and Trade for CA and the Western Climate Initiative (WCI)

Dear Ms. Nichols, Mr. Gibbs, and WCI partners,

We are writing on behalf of the Union of Concerned Scientists and Environment California regarding the treatment of the transportation sector in potential market-based compliance programs in California and the WCI. As California moves forward on developing its scoping plan to meet our 2020 emissions cap and the participants of the Western Climate Initiative (WCI) consider the program scope, we urge the state and region to develop aggressive policies to reduce emissions from the single largest source — transportation.

To meet state and western regional emission reduction goals:

- Transportation emissions must be part of any economy-wide cap.
- Transportation fuels should be included in appropriate market-based compliance programs.
- Any carbon allowances should be auctioned.
- A share of the proceeds from allowances or carbon fees should be used to foster transportation choices.
- Aggressive policies and regulations must be implemented to reduce emissions from vehicles, fuels, and vehicle miles traveled.



We strongly support including emissions from transportation in the cap of the WCI. The exclusion of transportation fuels from the cap would put the region at risk of failing to meet emission reduction targets. We urge California representatives to the WCI to advocate for the inclusion of transportation in the scope of the cap. In addition, California's draft scoping plan (anticipated for release in June) should include measures to ensure that the transportation sector meets the 2020 target through regulations and, where appropriate, market-based programs. Both regulatory and market-based programs

must take into account environmental justice considerations to ensure that communities are not disproportionately impacted.

In addition, we support the auctioning of carbon allowances or the imposition of carbon fees for tailpipe emissions of global warming pollution, and the use of the revenue to enhance consumer transportation choices, such as mass transit, smart growth, and other strategies that could enhance transportation choices and increase the long-run elasticity of demand for transportation fuels.

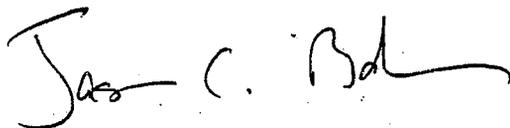
Finally, California and participants in the WCI must continue to develop and implement aggressive complementary policies and regulations to drive emissions reductions in the transportation sector. Vehicle emission standards, incentives for the purchase of cleaner vehicles, low carbon fuel standards, and smart growth/better transportation planning can be highly effective in boosting fuel economy, reducing the carbon content of fuels, and cutting vehicle miles traveled, resulting in lower emissions from the transportation sector.

We look forward to working with you to implement California's landmark AB 32 Global Warming Solutions Act, and to develop comprehensive strategies that ensure we can meet our near and long-term emissions targets, while protecting public health and promoting environmental justice.

Sincerely,



Patricia Monahan
Deputy Director for Clean Vehicles
Union of Concerned Scientists



Jason Barbose
Global Warming Advocate
Environment California

