



CITY OF HERCULES

1001 "I" STREET
SACRAMENTO, CALIFORNIA 95812

May 19, 2008

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

Dear Ms. Nichols:

Local governments are facing serious financial constraints. So are businesses – and California residents. As the California Air Resources Board constructs a framework to implement AB 32 I would strongly urge you to consider solutions that preserve market based solutions, enhance flexibility and local control and protect local governments from onerous financial burdens.

The most promising and apparent market based solution is the cap and trade system. The system has been highly effective in countries around the world and we should learn from those successes.

Please understand that local government coffers are feeling the pain at the pump and the negative effects of increasing energy costs. If ever there was a time to provide cities with a menu of options – now is that time.

I thank you in advance for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Balico".

Ed Balico, City Councilman
City of Hercules