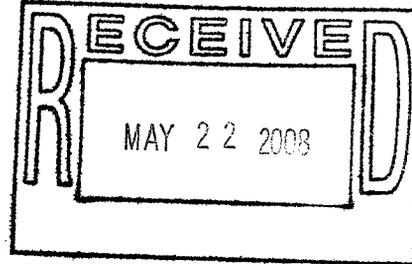




City of
Chino Hills

May 14, 2008



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

Dear Ms. Nichols:

Cities and local governments throughout the state are suffering from cutbacks and budget shortfalls during these difficult economic times. As policy makers and city council members, we are dealing with rising energy costs and reductions in sales tax revenues as part of the financial downturn.

Ms. Nichols, please consider various solutions to meet the requirements of AB 32 implementation as you design plans for compliance. Just as the pressures of local budget making and economic development require local control – so will the ability to meet the requirements laid out in AB 32.

Please keep an open mind to market based solutions like a "cap and trade" system – they have proven to be effective ways of reducing carbon based emissions. Flexibility in implementing AB 32 without harming local economies and possibly increasing the costs of electricity and gas in California is the best way to achieve our mutual goals.

Thank you for your consideration.

Sincerely,

CITY OF CHINO HILLS


CURT HAGMAN
MAYOR