



April 20, 2009

Mary Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: Proposed AB 118 Air Quality Improvement Program: Funding Plan for FY 2009-10**

Dear Chairwoman Nichols,

The California Retailers Association **supports of the Proposed AB 118 AQIP Funding Plan for the 2009 - 2010 fiscal year (item 09-4-6 on the board agenda)**. This item is scheduled for hearing during the California Air Resources Board meeting on April 24.

In particular, we wish to highlight our support for including consumer rebates for zero emission motorcycles (ZEMs) in the proposed funding plan. Tax incentives are an important tool to encourage consumer adoption of new products and technologies in personal transportation. We believe incentivizing consumers will help spur purchases of ZEMs that may replace a traditional automobile. The five ZEM businesses headquartered in California are creating jobs and making investments in California. This industry is expected to create 16,000 jobs over the next five years. In addition, the tax incentives for advancement of new personal transportation products can help stimulate consumer spending which is a much needed benefit to California's retail industry as well.

We respectfully request that you support this plan. Thank you for your consideration of our position.

The California Retailers Association is a trade association representing major California department stores, mass merchandisers, supermarkets, chain drug and convenience stores, as well as specialty retailers such as auto, book and home improvement stores. Our members have more than 9,000 stores in California and account for more than \$100 billion in sales annually.

Sincerely,

Pamela Boyd Williams  
Senior Vice President

cc: Members, California Air Resources Board