



**ENVIRONMENTAL
ENTREPRENEURS**

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June 24, 2009

Members of the Board
California Air Resources Board
1001 'I' Street, P.O. Box 2815
Sacramento, CA 95812

Re: AB 32 Implementation, SUPPORT AB 32 Cost of Implementation Fee Regulation

Dear Chairperson Nichols and Members of the Board:

We write this letter asking you to support the adoption of a new regulation to impose fees on sources of GHG emissions to cover the costs of implementing Assembly Bill 32 (AB 32), the California Global Warming Solutions Act of 2006.

E2 comprises more than 850 business leaders from across the nation who support good environmental laws that make sound economic sense. Over 600 of our members live in California, and they work in technology, consulting, venture capital, financial services, legal, professional, and a number of other sectors. Our members have been involved in financing, creating or working in the early development of over 1,200 companies, which have created more than 400,000 jobs. They currently represent more than 20 billion dollars in private equity capital.

Assembly Bill 32 mandates that the California Air Resources Board (CARB) issue regulations to reduce California's greenhouse gas emissions. We believe that CARB is moving forward in a fiscally responsible manner to generate the funds needed to implement AB32. It would be fiscally irresponsible to move the process forward without identifying how California agencies will cover the costs to implement AB32. The proposed administrative fee is a very minor cost (about \$1/Californian/year) to pay for running a world-class program to reduce GHG remissions and save the state's economy from the catastrophic impacts of climate change. Moreover, this fee is authorized by AB 32 and required by the 2008 budget.

The proposed Cost of Implementation Fee Regulation is fair and equitable. It will not be applied to small business. Instead, it will be applied to the largest emitters, like utilities, pipeline owners and operators, transportation fuel producers and importers, refineries, cement manufacturers, and other top polluters.

We ask you to support adoption of the proposed AB32 Cost of Implementation Fee Regulation. It is necessary for the continued implementation of AB32. AB32 is an investment in stabilizing state's future. It will put California's environment and economy on a more secure path, insulating us from the price shocks and volatility associated with fossil fuels as well as the hidden costs of climate change. We support the proposed fee.

Thank you for considering our request.

Sincerely,

Bob Epstein
Co-founder, E2

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