

April 17, 2009

Mary D. Nichols, Chairman
California Air Resources Board
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95814

Dear Chairman Nichols:

We are writing to express our strong support for reducing the carbon intensity of fuels and for California's proposed approach for a Low Carbon Fuel Standard (LCFS) and commend California's choice of a performance-based approach to reduce consumption of high carbon fuels. Because liquid fuels will continue to be required in the near future, the LCFS and other concurrent efforts to improve vehicle efficiency and reduce vehicle miles traveled can play a critical and integral part of transitioning to a more sustainable, low-carbon economy.

As you know, the Northeast and Mid-Atlantic states have committed to working on a framework for a regional LCFS as a component of our climate action plans. As a result, we are closely following your regulatory efforts and commend the sound policy process California has undertaken in developing its LCFS. We are encouraged that California and our region are pursuing similar approaches, since a consistent approach to the LCFS will help us all achieve the greenhouse gas emission reductions needed from the transportation sector in the most cost-effective and expeditious manner.

As proposed, California's LCFS is appropriately designed to let fuels compete in the marketplace, rather than picking winners. This approach will spur the creation of a new generation of clean transportation fuels and technologies by providing incentives for investing and marketing the lowest carbon fuels. Like you, we believe that a properly designed LCFS will promote much-needed economic development, jobs, and long-term investment in our low carbon future.

As the first of its kind regulation, it is particularly important that the California LCFS be grounded in the best available peer-reviewed science and appropriately account for all major sources of emissions in the lifecycle of each fuel. As documented in the literature, there is a risk that biofuels can inadvertently cause adverse climate impacts by inducing significant land use changes that increase greenhouse gas emissions and reduce critical carbon "sinks". Including direct and indirect land use impacts in its accounting is a key to getting biofuels policy right and achieving our mutual greenhouse gas mitigation goals. Equally important is the development and inclusion of screening criteria for sustainable biofuels production and use to minimize environmental and public health impacts and certification schemes to ensure that sustainability is achieved. While additional research is needed to define sustainability criteria and refine estimates of the land use change associated with biofuel development, a precautionary approach requires that the standard avoid unintended consequences that could undermine the intent of this

strategy. We commend this approach and urge you to retain provisions that account for sustainability and address the potential for emissions from land use change as part of the LCFS.

We applaud your leadership and vision in encouraging the creation of a performance standard for cleaner fuels based on a life cycle analysis to reduce greenhouse gas emissions. We have all benefited from the rigorous, transparent, science-based process that California has undertaken in drafting your LCFS. We look forward to our continued partnership on this and other critical climate change-related issues.

Sincerely,

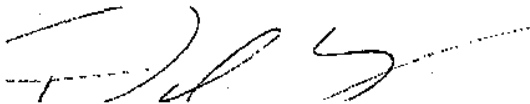
NE/Mid-Atlantic Commissioners



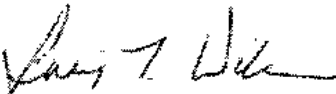
Amey Marrella for Gina McCarthy
Commissioner
Connecticut Department of Environmental Protection



David Small
Acting Secretary
Delaware Department of Natural Resources & Environmental Control



David P. Littell
Commissioner
Maine Department of Environmental Protection



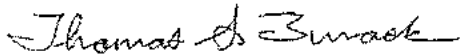
Shari T. Wilson
Secretary
Maryland Department of the Environment



Laurie Burt
Commissioner
Massachusetts Department of Environmental Protection



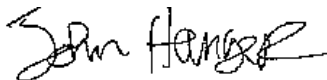
Pete Grannis
Commissioner
New York Department of Environmental Conservation



Thomas S. Burack
Commissioner
New Hampshire Department of Environmental Services



Mark N. Mauriello
Acting Commissioner
New Jersey Department of Environmental Protection



John Hanger
Acting Secretary
Pennsylvania Department of Environmental Protection



W. Michael Sullivan
Director
Rhode Island Department of Environmental Management



Justin Johnson
Deputy Commissioner
Vermont Department of Environmental Conservation

Cc: Hon. Lisa Jackson, Administrator U.S. EPA
Carol Browner, Assistant to the President for Energy and Climate Change
Nancy Sutley, Chair of the White House Council on Environmental Quality