

Ms. Mary D. Nichols
Chairman of the Board
California Air Resources Board
Sacramento, CA

Dear Ms. Nichols,

Thank you for your work to help implement California's Global Warming Solutions Act.

I believe a cap-and-trade system to be effective and fair must be based on the following principles:

- The carbon cap should cover all carbon entering the economy.
- Polluters should pay to use the atmosphere, and revenues should be used to compensate residents for higher energy prices.
- Auctioning permits is the easiest way to encourage early action, because companies that reduce emissions won't need as many permits.

Please include in your scoping plan an upstream, comprehensive **cap and dividend** system with 100% auction and a price floor on permit prices.

Sincerely,

Joyce Walker

Name

Santa Rosa 95404-6501

City and Zip Code

Top five reasons to support cap and dividend:

(1) It gets the job done. Cap and dividend ensures we meet climate goals on time. It physically reduces our carbon burning, protects household incomes, and assures popular support for emission reductions for as long as it takes to stop climate change.

(2) It's simple. Cap and dividend directly affects only a few hundred large companies, and its rules are simple: buy one permit for every ton of carbon you sell. It requires no monitoring of smokestacks and no large government bureaucracy.

(3) It's fair. Carbon prices are set in open markets, no special interests get favors, and every American gets the same dividend. Plus, how you fare depends on what you do. If you conserve, you gain; if you guzzle, you lose.

(4) It's progressive. A Congressional Budget office study projects that the average family will pay \$1160 in higher prices when carbon emissions are cut 15%. Though dividends are equal, the poor benefit most because dividends are a higher percentage of their income. Middle class families also benefit.

(5) It's market-based. Cap and dividend lets markets sort out who burns carbon and which technologies replace carbon. Rising carbon prices shift private investment away from fossil fuels and into conservation, efficiency, and clean energy sources like wind and solar. Millions of new private sector jobs are created, and public dollars aren't wasted on uneconomic boondoggles.

For more information go to www.climateprotectioncampaign.org