

**From the Desk of
Mary D. Nichols**

October 22, 2008

Fellow Californians:

The upcoming general election is critically important to our state and nation's future direction. The decisions we make will help set the course for our economic vitality, environmental quality, energy security and global climate for decades to come.

As chairman of California's Air Resources Board, I have studied many emerging technologies and economic strategies at our disposal to reduce air pollution and emissions that lead to global warming. I am well aware of the dire economic and environmental consequences we face if we fail to deploy these resources judiciously.

That is why I am opposing passage of Proposition 10 on the November 4 ballot.

While Proposition 10 appears to be a measure to improve our air and protect the global environment, its public subsidies are heavily skewed toward building markets for an energy source that could *increase* global warming emissions.

Under Proposition 10, natural gas cars and trucks would be exempt from air pollution and greenhouse gas reduction requirements, placing them first in line for billions of dollars in taxpayer-financed rebates. Because U.S. natural gas reserves are declining and natural gas will soon be imported from Asia in liquid form, Proposition 10 is likely to result in *higher* carbon and smog-forming emissions than other domestic fuel strategies now being developed by researchers and industry engineers, such as cellulosic ethanol, hydrogen fuel cells and renewable electricity.

It gets worse. Proposition 10 provides no assurance that taxpayer-subsidized vehicles will remain in California. The measure requires us to finance rebates of up to \$50,000 per vehicle with *no safeguard* that any vehicle or accrued benefit will remain in California. The proposition requires the rebates to be processed in a few days with minimal government oversight. That is no deal for California taxpayers who will be paying off this measure's \$10 billion dollars in added debt over the next 30 years.


Unlike many other vehicle incentive programs already in effect throughout the State, Proposition 10 does not require that older, higher polluting vehicles be retired or replaced in exchange for rebates. That is an obvious and serious flaw, further indicating to me that Proposition 10's real motive is not reducing air pollution or greenhouse gas emissions, but building markets for natural gas vehicles.

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Proposition 10 creates \$10 billion in new state debt and disadvantages the most promising emerging vehicle and fuel technologies, with no guarantee of public benefits. This measure sidetracks our ongoing quest for advanced, vehicle fuel solutions rather than advancing it.

Please join me in voting NO on Proposition 10 on November 4.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary D. Nichols".

Mary D. Nichols