

From: Fred Keeley
Sent: Tuesday, July 28, 2009 11:43 AM
To: COTCE Commissioners
Cc: COTCE Staff

Subject: RE: Tax Packages

Chris,

Thank you very much. We agree. The basic focus of the workshop notion was the BNRT, and the field was not limited to that topic. I would suggest that the Pollution Tax on Carbon-based Fuels is novel and can be complex. As I am sure you know from reading the full proposal submitted to the commission, the "proposed pollution tax on fuels will be structured so that it moves inversely with the price of crude oil, effectively putting a rough floor under the price of gasoline. This tax could be structured so as to combine a sliding tax with a severance tax, yielding a steady stream of revenues with little volatility."

This morning, I had a conference call sponsored by CalSTART on this topic, that included folks from Tesla, Volvo, the California Energy Commission, and others. I have an idea of how to proceed that I would like to discuss with Gerry that may work within his notion of only holding a workshop(s) on the BNRT.

(By the way, as best I can figure from 30 years in public life, no one thinks that they are a politician. People who have served in elected office for many years say that they are public servants, only stopping by in elected office. People who serve on commissions and boards as appointees of elected officials are very certain that they are not politicians because they were not elected. So, maybe we can have a scavenger hunt to find a "politician". Additionally, don't sell skills short...you have very good sensibilities.)

Again, thank you.

Fred Keeley