



News Release

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**NEW CALIFORNIA BUSINESS-GOVERNMENT PARTNERSHIP
RECOMMENDS FOUR IMMEDIATE STEPS CALIFORNIA CAN
TAKE TO SECURE ITS TRANSPORTATION ENERGY FUTURE**

REDUCED OIL DEPENDENCY SEEN AS GOOD FOR THE ECONOMY



Sacramento, Calif. – California is uniquely positioned to take immediate steps that will cut its dependence on imported oil while growing jobs and businesses in the state, according to recommendations outlined today by CalSTEP, the California Secure Transportation Energy Partnership.

The steps tap technologies and solutions available today, including deploying more efficient vehicles, promoting alternative and renewable fuels, and encouraging more energy-efficient planning and development.

CalSTEP – a partnership of the state’s industry, government, academic and non-profit leaders – is developing a fifteen year action plan to increase the state’s transportation energy efficiency and fuel diversity, and cut dependence on unstable imported oil. The unique partnership involves auto makers, agriculture, high- and bio-tech firms and others in developing a tough, feasible plan to secure the state’s transportation energy that is pro-business and creates jobs, while protecting the state’s environment.

CalSTEP has developed a framework for action and plans to complete the long-term action plan by year’s end. However, the team has also developed a short list of near-term actions that can be taken in 2006 to secure the state’s transportation energy future.

- **Immediately Increase the Blending of Renewable Fuels** – California can achieve a near term and meaningful displacement of fossil fuels with biofuels, such as biodiesel, ethanol, and biomethane. They can be produced in California and used in both low- and high-percentages for on-road transportation purposes, while supporting air quality, health, and economic welfare.

- **Invest in Transportation Energy Security** – The state must increase investment in measures that improve the state's transportation energy efficiency and diversify its fuel supply. Examples include: vehicle incentives; alternative fuel production; research, development, and demonstration; consumer awareness; mass transit and smart growth planning. The state should build on existing precedents that provide funding to improve air quality and generate funds to support renewable electricity generation and efficiency

- **Spur State, Local, and Private Fleets** – California must lead by example and direct and fund state fleets to purchase and use significantly more efficient vehicles and alternative fuel vehicles. It can set an example and use the state's economic power to help expand the market for advanced technology alternate fuel and high efficiency vehicles.

- **Leverage State Transportation Infrastructure Investment to Reduce Petroleum Consumption** – The state is considering a massive new investment of \$110 billion to improve roads, infrastructure, and goods movement. Those funds should be used to reward smart growth policies that provide more livable communities and promote transit. The state needs more energy-efficient community design. The state should find ways to ensure that increased goods movement does not increase air pollution or dependence on foreign oil.

“CalSTEP believes California can become more secure and prosperous by taking the first, smart steps now on transportation energy,” noted John Boesel, president and CEO of CALSTART and a CalSTEP member. “In the midst of rising energy prices and greater instability in oil, these recommendations can help the Golden State become a model state for energy efficiency and consumer choice in fuels by 2020 – if it starts to act now.”

The expanding CalSTEP Partnership includes these distinguished members:

- Tim Carmichael, President and Chief Executive Officer, Coalition for Clean Air
- Maurice Gunderson, Co-Founder and Managing Director of Nth Power
- Bill Jones, Founder and Chairman of the Board, Pacific Ethanol
- George Shultz, former Secretary of State and Distinguished Fellow at the Hoover Institute

- Dr. Jim Sweeney, Professor of Management Science and Engineering, Stanford University
- Fred Keeley, former Speaker Pro Tempore, California State Assembly
- Lars Erik Lundin, Vice President of VMCC, Volvo Car Corporation
- Reginald R. Modlin, Director of Environmental Affairs, DaimlerChrysler Corporation
- Maxine Savitz, Director, The Washington Advisory Group
- Beverly Scott, General Manager/Chief Executive Officer, Sacramento Regional Transit District
- Dr. S.M. Shahed, Vice President, Advanced Technology, Honeywell Turbo
- Lee H. Stein, Managing Member, Virtual Group L.L.C. (Investment Co.)
- James D. Boyd, Commissioner, California Energy Commission
- Paul S. Zorner, Ph.D., Senior Director of Business Development, Diversa Corporation
- Doug Linney, President, The Next Generation
- John Boesel, President and Chief Executive Officer, CALSTART.

CalSTEP is currently developing with its partners a California Action Plan outlining and seeking agreement on the specific actions needed to achieve the goal of secure transportation energy by 2020. Its partners have agreed to a Framework for Action in designing the plan that is committed to benefiting state and local business, promoting sustainable growth and focusing on multiple transportation fuels, technologies and platforms. Partners believe there is no one, single solution to energy security, but that multiple paths are needed to achieve their goal of meaningfully reducing petroleum consumption and increasing alternative fuel use in California by 2020.

CalSTEP welcomes additional partners who are committed to its framework and goals. Visit www.calstep.org for more information. The Partnership is an independent project of CALSTART, a fuel neutral, participant-supported organization of more than 120 companies and agencies, dedicated to expanding and supporting a high-tech transportation industry that cleans the air, creates jobs and improves energy efficiency. Visit www.calstart.org for more information.