



BUSINESS *for* INNOVATIVE
CLIMATE & ENERGY POLICY

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October 28, 2011

Arthur Marin
Executive Director
NESCAUM
89 South Street
Boston, MA 02111

Re. Clean Fuel Standard for the Northeast and Mid-Atlantic States

Dear Mr. Marin,

As large U.S. companies focused on advancing energy policies to counter the risks posed by global climate change, we are writing to express our strong support for a regional Clean Fuels Standard. A CFS is critical to sufficiently reducing our region's carbon footprint, and will have the additional benefits of reducing our dependency on petroleum and fostering a strong clean fuels market. Further, it would provide incentives to reduce the use of carbon intensive fuels such as those derived from oil sands and oil shale. As a market based policy that does not mandate the use of particular technologies or fuels, a CFS would promote innovation, and be the most efficient way to transition to clean transportation fuels. Finally, a CFS would level the playing field for companies like ours, that are seeking to minimize their transportation carbon footprint, and avoid the use of carbon intensive fuels.

We commend NESCAUM for its thoughtful analysis showing clear economic benefits stemming from a CFS. As oil becomes increasingly carbon intensive and expensive, it is critical that we reduce our dependence on it. The NESCAUM analysis shows that a CFS would be effective in reducing our oil dependency; according to the analysis, the program could reduce oil consumption by up to 29 percent by 2022. It would also reduce transportation costs, an increasingly important consideration for businesses and consumers as oil prices continue to climb, by up to \$74.7 billion.

A CFS is also critical in building a strong regional clean fuels industry. The NESCAUM analysis recognizes the value of a CFS in diversifying our transportation fuel supply to include more regionally-produced alternatives, which is of particular interest to us given our interest in avoiding oil price spikes, and using cleaner fuels. We are committed to minimizing the use of high carbon fuels such as those derived from oil sand or oil shale, and a CFS would facilitate our efforts. Other states and countries are moving forward; California has adopted a CFS and the European Commission recently

stood up to the oil industry and approved a Fuel Quality Directive that recognizes the higher carbon content of fuel derived from oil sands and oil shale. In order to be globally competitive, we, too, need to take steps to reduce our dependence on oil.

It is time to move forward aggressively with policies that reduce our dependence on oil. A CFS would help get our economy back on track by creating jobs and catalyzing investment in cleaner fuels, as well as promoting energy security and reducing climate risk. Finally, a CFS would level the playing field for companies like ours that are committed to increasing the use of cleaner transportation fuels.

We appreciate the opportunity to share our views regarding the importance of a CFS, and look forward to supporting your efforts in the months ahead.

Sincerely,

A handwritten signature in black ink that reads "Anne Kelly". The signature is written in a cursive, flowing style.

Anne Kelly
Director, BICEP

*BICEP Members Include: Anvil Knitwear, Aspen Ski, Avon Products, Ben & Jerry's, Clif bar, eBay, Eileen Fisher, Gap, Jones Lang LaSalle, Levi Strauss & Co, New Belgium Brewing, Nike, The North Face, Outdoor Industry Association, Portland Trail Blazers Seventh Generation, Starbucks, Stonyfield Farms, Symantec, and Timberland.