



THEODORE R. KULONGOSKI  
Governor

November 23, 2005

Ms. Stephanie Hallock, Director  
Department of Environmental Quality  
811 SW Sixth Avenue  
Portland, OR 97204-1390

Dear Director Hallock:

I am writing to direct the Department of Environmental Quality (DEQ) to commence the process necessary to develop administrative rules regulating tailpipe emission standards in Oregon.

I have reviewed the recent report produced by the Tailpipe Work Group. The report achieved its purpose in identifying the environmental and economic costs, benefits and impacts of implementing stricter tailpipe emissions. It will serve as a critical tool as DEQ develops administrative rules regulating tailpipe emission standards for consideration by the Environmental Quality Commission (EQC) by the end of this year.

The threat of global warming is real and the effects are already evident. If combined, Oregon, Washington and California would rank seventh globally for CO<sub>2</sub> emissions from fossil fuels. All of us – individuals and institutions – have played a role in contributing to the effects of global warming and we each have a responsibility to curb those effects for future generations. California already has done its part by adopting tailpipe emissions standards stricter than the federal government standards, and if Oregon follows suit, Washington will also adopt new standards. Our entire region will benefit both environmentally and economically.

By adopting new standards, Oregonians will help:

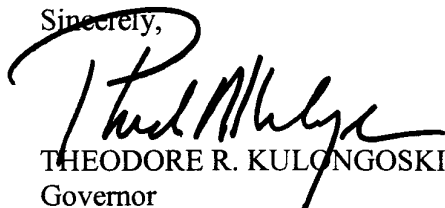
- **Curb Global Warming:** Transportation alone accounts for nearly 40 percent of total carbon emissions in Oregon. It is projected that if Oregon adopts new emissions standards for cars and small trucks, we can reduce carbon emissions by up to 30 percent over the next 25 years. If we do nothing, emissions will continue to increase at approximately 1.6 percent per year. My Global Warming Advisory Group identified adopting tailpipe emission standards as the most effective, available and viable option for reducing greenhouse gasses in the transportation sector and, in turn, will ensure Oregon helps combat global warming regionally and nationally.

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- **Deliver Consumer Savings:** Contrary to arguments by automobile manufacturers, new emissions standards would translate into savings for new car owners by reducing fuel consumption and maintenance costs over the lives of their cars. According to recent studies, when calculating the increased vehicle payment minus the lower operating costs at \$1.74/gallon of gas, consumers would save between \$3.38 - \$6.74/month; at \$3.00/gallon of gas, consumers will save between \$20.37-\$25.68/month.
- **Protect Consumer Choice:** Also contrary to arguments against new standards, diesel vehicles will still be available to Oregonians. The majority of diesel vehicle owners in Oregon are large trucks/heavy equipment operators and not subject to the new standards. Furthermore, the new federal requirements for diesel vehicles under development will comply with California standards, and are expected to be available by the model year 2009 – when the new standards in Oregon will take effect for new cars only.
- **Create Economic Opportunities:** Oregon already has one of the highest per capita uses of hybrid vehicles in the country and we also have a small niche of electric car manufacturers in the state. New tailpipe emissions standards would increase demand for advanced technology cars, like hybrids and electric cars, which in turn would attract and support emerging new industries in the fields of technology and innovation.
- **Improve Air Quality:** Oregon has made progress in improving its air quality over the last 20 years. Adopting new tailpipe emissions standards will reduce carbon emissions, which will also help us continue to improve the quality of air that we and our children breathe.

Based on these factors, it would be irresponsible for Oregon to ignore an opportunity to do its part to reduce global warming, deliver cost and choice benefits for consumers, advance air quality and strengthen economic opportunities for its citizens. Over the next several weeks, my staff will continue to work with your staff to address the technical issues raised in the report in order to prepare proposed rules for implementing Oregon-specific tailpipe emission standards for consideration by the EQC in December.

Thank you for your agency's invaluable assistance with this important effort.

Sincerely,  
  
THEODORE R. KULONGOSKI  
Governor