

GOVERNOR: Good morning, everybody, and welcome. Thank you all for showing up. And I want to thank also Attorney General Brown for being here today, who will be speaking right after me; a great warrior. And Ann Notthoff from the NRDC, I want to thank her very much, and Mary Nichols, who is the Chairperson for the California Air Resources Board, thank you. And then Secretary of the EPA Linda Adams, thank you very much for being here today.

First of all, let me just say thank you, Attorney General Brown, for the great work that you are doing and the great leadership that you're showing on the environment. I want to thank you, you've been doing a fantastic job, and great effort in the work to implement our Tailpipe Emissions Standards, and we're going to continue working on this together. We want to thank all the other people that have been working on this.

And California, of course, has a long and a proud history of leadership in reducing pollution and fighting for clean air, and I think that we have shown that we have tremendous commitments last year, not only with the Million Solar Roof Initiative, but also the commitment through AB 32 to roll back our greenhouse gas emissions to the 1990 level by the year 2020, and then an additional 80 percent by the year 2050. And by filing a lawsuit against the federal government today we are taking another big step forward in battling against global warming. We are now ready to implement the nation's cleanest standards for vehicle emissions, and we cannot do that, of course, until the federal government gives us a waiver, a waiver that we need to enforce those standards. Our health and our environment are too important to delay any longer.

It has been nearly two years since we have asked the federal government for this waiver, and we have not gotten it yet, so I think it is time now to step it up. Other states want also to have the same waiver, and they need the permission from the federal government. In fact, as many as 14 states are expected to join our lawsuit later on today. We are all motivated by one simple fact; our future depends on us taking action against global warming right now. If California implements these standards, the greenhouse gases that we will eliminate and reduce will be an equivalent of 6.5 million vehicles taken off the road by the year 2020. So think about that—it's an equivalent of taking 6.5 million vehicles off the road by the year 2020. And if all states, all 14 states implement those new regulations, it will be an equivalent of taking 22 million cars off the road. That is an equivalent of cutting gasoline consumption by more than 11 billion gallons a year. Now, this action will show to the world that America is committed in fighting global warming, and in California it will reduce our dependence on foreign oil, increase fuel efficiency, and help clean up our air.

There is not legal basis for Washington to stand in our way, or to ignore the will of tens of millions of people in America. So again, the states are taking the lead. We are not waiting for Washington. The states are taking the lead. And once we

succeed, we will show the true American leadership in the fight against global warming, and we will be a model for the rest of the world.

Thank you very much, and now please welcome Attorney General Brown to say a few words. Thank you. (Applause)

ATTORNEY GENERAL BROWN: This lawsuit today is not about politics; it's about science, it's about human welfare, and it's about innovation. From the time Ronald Reagan was governor of this state, California has been granted waivers to pioneer emission vehicle standards way ahead of the federal government. In federal law, the Clean Air Act, California is recognized as the innovator, the pioneer of new ways to protect our environment.

Today we take the next step. There is no reason why the scientists at EPA could have delayed this long. Four years ago, the California Legislature, and shortly thereafter the California Air Resources Board, thoroughly vetted the rules that are at stake in this lawsuit. There's nothing new here, there's nothing very complicated. The EPA should have granted this waiver a long time ago. It's sitting on its hands, it's not doing what it should, despite the mounting threat of climate disruption.

So I'm here to join the Governor in a post-political action to get Washington to respond to California and the 14 other states that are taking the threat of climate disruption and massive and growing oil dependency very seriously. We're going to fight this lawsuit hard. Whatever decision they make, we're going to hold the EPA to the highest standards of the federal government. WE can't do anything else. And with this combined power of Schwarzenegger and Brown, EPA, get out of the way. (Applause)

Ann Notthoff from—NRDC? NRDC. So, as you can see, this is a multi-pronged attack.

MS. NOTTHOFF: Thank you. NRDC, along with our partners, the Blue Water Network, the Coalition for Clean Air, and the Sierra Club, we're all original co-sponsors of the bill that Fran Pavley authored in 2002 that brings us all here today. We all fought hard then to eke the bill out of the Legislature and to get Governor Davis to sign it, and we're happy that California's leaders are still fighting hard five years later to make this law go into practice.

I'm not going to mince words today; this is just ridiculous. California would not have to resort to the courts for permission to implement our own law to reverse global warming pollution if the federal government would stop dragging its feet. And it's clear that there's only one explanation as to why we haven't got what should be a routine waiver. After all, we've had more than 50 of these waivers over the last decades. There's only one reason, and that is political interference

from the White House and their auto industry allies. There's no other explanation for this game of foot dragging.

Our Air Resources Board has more experience than any other air quality agency in the world, and we have a long history of tough air rules. That's why California is the only state with the authority under federal law to carry out our own air quality rules. In addition to the 14 other states that stand ready to join with California in this lawsuit, the National Council of State Legislatures passed a resolution supported by 40 states just a month ago, sending a request to the EPA to support California's request for this waiver.

So we have important work to do here. It's bad enough that we get no leadership from the White House on global warming. So if they're not going to lead, then at least they need to get out of California's way. Thank you. (Applause)

The next speaker is Mary Nicholls, Chair of the California Air Resources Board. (Applause)

MS. NICHOLLS: Thank you, Annie. I have the honor to lead the Air Resources Board at this time when we are moving forward to implement AB 32 and the Pavley legislation, and I couldn't be happier or feel better guarded that having Governor Schwarzenegger and Attorney General Brown leading the battle into Washington to protect our right to have cleaner cars here in California.

Just to give you a brief example of what we're talking about here: The rules that we are trying to get underway here, and that have been on the books now for more than two years, are rules that will require the auto companies to sell in California technologies that they are already selling elsewhere in the United States. We're talking about cars with more efficient drive trains, with more efficient steering mechanisms. We're talking about cars that are about 18 percent more efficient on average than what's available today, but with completely known technology, and those cars should be coming onto the roads beginning in 2009.

If we don't get these cars that we know are out there, the impact on California will be that we will experience greater global warming and we will have to find emissions reductions elsewhere, from our industries and from our cities and our people. And we can't do that. We need this technology, we know it's there. As the Attorney General said, EPA is running out the clock, and they need to stop now and let us get on with bringing the cars here that they know, and we know, are available today.

Thank you very much, and I believe the Governor has agreed to take some questions.

GOVERNOR: Thank you very much. Thank you. And if you have any questions, please feel free. Yes? We have a mike.

Q: Governor, the lawsuit says that --

GOVERNOR: Can we turn on the mike?

Q: Governor, the lawsuit says that in order for these 2009 model year regulations to take, that the automakers will have to start marketing their cars beginning in January, 2008. This lawsuit, however, probably won't get heard until beyond then. So I'm wondering if you can address whether or not the 2009 model year regs are going to have to be delayed because this lawsuit will still be in court.

GOVERNOR: Mary, do you want to answer that? Please.

ATTORNEY GENERAL BROWN: I'll answer it. Do you want me to answer it?

MS. NICHOLLS: Go ahead.

ATTORNEY GENERAL BROWN: Well, that's the whole point. The Bush Administration wants to delay the regulations. We brought the lawsuit to get them off the dime. Yeah, they could slip, but we're not going to let it slip if we can possibly avoid it. So that's why we're in court. And I'm hoping that the President will have a change of heart here and get these rules adopted, and then start pushing Detroit into the innovation we know they can achieve.

MS. NICHOLLS: Just to clarify: The 2009 model year will start sometime in 2008. It differs from company to company. But they don't have to actually be in compliance until the end of 2009. It's measured on an annual rolling average basis. This rule was designed to give the companies maximum flexibility, to not rule out any types of models, to make sure we had a full array of everything from small cars to SUVs. It's a very easy to comply with regulation, and that makes it all the more galling that the companies are still fighting against it.

Q: Governor, the EPA Secretary said he'd have an answer to California by the end of this year. What happens if they turn down the waiver? What's your recourse then?

GOVERNOR: Well, that's why we are in court, because remember that for years they decided that greenhouse gas emissions is not a pollutant, until the Supreme Court said it is a pollutant. So I think that what we do is, we just—it's all common sense, as you have heard before. This could be very easy. We all know there's global warming, we all know that we have to reduce the greenhouse gases, the output. We all know we have to go in the direction of clean technology and of new technology. And everyone is already on board. We just want to make sure that the federal government gets it, that they ought to be on board too, and we need the waiver so we can regulate our own standards here.

Q: But under law they have the right to deny the waiver.

GOVERNOR: Yes, of course they do. But then we go to court. That's why we are in court, so we're going to get it.

Q: So you could sue again?

GOVERNOR: Exactly.

ATTORNEY GENERAL BROWN: We sue again.

GOVERNOR: We sue again, and sue again, and sue again, until we get it. We're going to win in the end, because remember, we always have. And I think it is nothing unusual to ask for. All we are just saying is that we know that we need to reduce our greenhouse gases, and we have set a certain standard, certain goals, that by 2020 we want to reduce our greenhouse gas output by 25 percent. And in order to accomplish that, we need to make the Tailpipe Emissions, we want to make this part of it. Yes, please.

Q: President Bush was in California recently, of course, on the wildfires. Did you have a chance to kind of brief him about this upcoming lawsuit? And if so, what was his reaction?

GOVERNOR: When the President was out here, which we really appreciated a lot, and I think that if—let me just tell you, if the federal government would respond as quickly to this problem as they did with the wildfires and with the latest disaster, this will be all settled and done, and we will be on the road to really achieving our goals. So we wish that the federal government would respond as well, but we did not talk about that because he was out here for a few hours, and it was very important for him to see the burned out areas and to see the destroyed houses and businesses and so on, and the suffering of the people. So I think that was the mission during those four hours he was here. Yes?

Q: Governor, since your address here is talking about global warming and greenhouse gases and how to (Inaudible) that down, you probably know that a lot of Republicans running for president have endorsed one version of that, which they say is nuclear energy and expansions. Would you support new nuclear power plants?

GOVERNOR: Well, I've said this many times. If we find a way of making it safe and getting rid of the nuclear waste, I think this is something that we should seriously consider. But that's not the case at this point. As soon as we get to that level, which could be very soon, I think then I'm seriously considering that, yes.

Q: Governor, can you talk about the writer strike? Are you going to get involved? Are you not involved because you may be going back to Hollywood and you don't want to strain relationships?

GOVERNOR: I am—as you know, first of all, we are very busy right now in the negotiations to get health care reform done in California, and I think that by Speaker Núñez's proposal we definitely moved in the right direction, we moved one step closer to achieving that goal. So now we need, you know, to get together more and negotiate all the way through so we can get that done, and I think that we can get it done. The same is with water, to get water storage and the delivery system, and to fix the Delta, and all those things. So there are a lot of things that we are busy with.

But at the same time, I'm looking at that, and I'm talking to the parties that are involved, because I think it's very important that we settle that as quickly as possible, because it has a tremendous economic impact on our state. And the people that suffer the most with a strike like that are the people that really are suffering because of living with very little money. These are the people that cannot make their house payments, or the people that now cannot make their payments for the kids' school, for their homework materials and all of those things, so we see very quickly a lot of people suffering in California. And so I think that's the sad story, because the studio executives are not going to suffer, the union leaders are not going to suffer, the writers that are striking, they are not going to suffer. Those are all people that have money. But the people that really—you know, the electricians, the grips, the set designers, those are the people that are suffering because they will not get paid now, and they are out of work.

Q: Are you being invited to the negotiations, though?

GOVERNOR: If I'm asked, down the line, I will get involved. But at this point—I've been talking to them, but I've not been asked, no.

Q: Governor Schwarzenegger, about the environment. The oil spill in the Bay Area (Inaudible) people are sick, beaches are being closed.

GOVERNOR: Yeah, it was very sad. We had lost approximately 1800 barrels of oil, and we have been on that within hours after that happened, and so they are dealing with that issue right now. We take that very seriously.

Thank you very much. Thank you. (Applause)