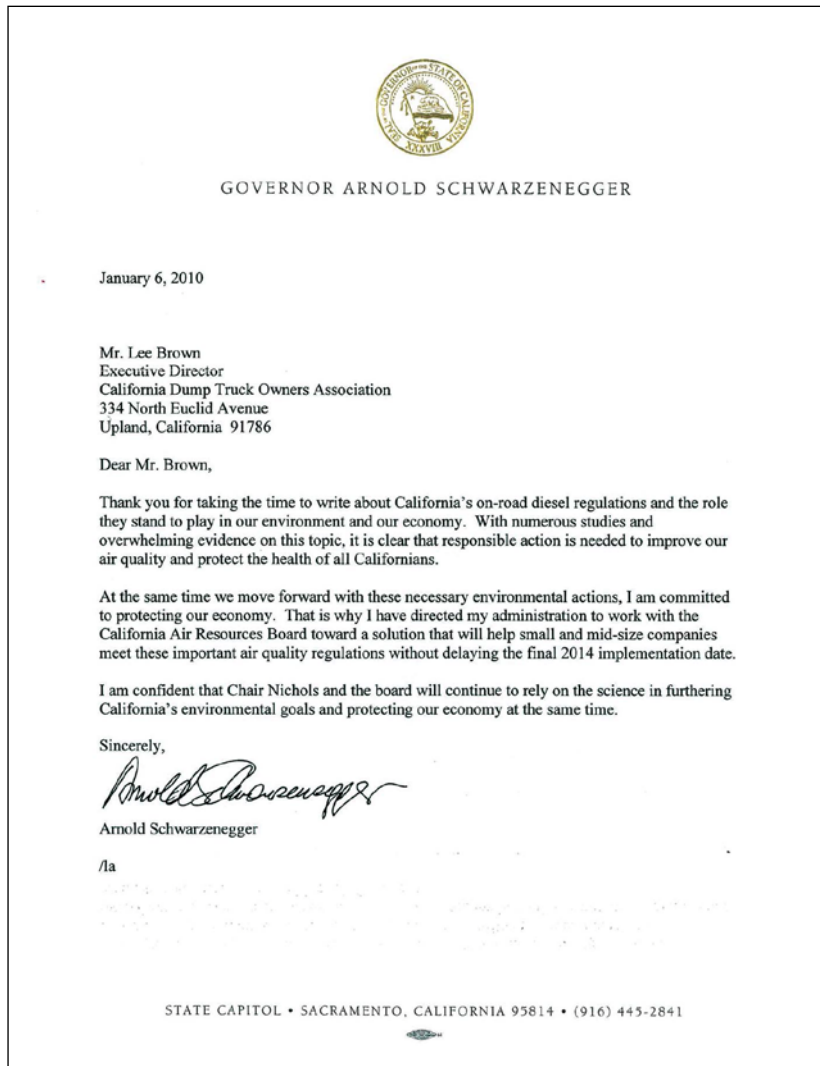


The Letter Below – This is How the Governor Deals with HIS Governments Fraud!



On December 15, we sent a 5 page letter (which is on our website) to the Governor expressing our total dissatisfaction with CARB's Chairperson, Mary Nichols and its management staff. They have all conspired to not only cover up the fraudulent credential activity of a key employee (Mr. Tran) responsible for their health effects report associated with the ridiculous on-road diesel engine rule, but the off-road diesel engine rule as well. It was only after a year of screaming by organizations like ours, that Mrs. Nichols was forced to make this all public and disclose the problems to the full CARB Board. There were at least a half-dozen questionably unethical actions taken by the CARB Chair and staff in dealing with this issue as well as being honest about things like the "true" health effects of diesel emissions, the economic affects on the transportation industry here and the even the grant funding available to help the industry. It's all a pack of lies and miss-information.

Our letter to the Governor, the person who is most responsible for CARB's continued unethical and unreasonable behavior apparently wasn't a surprise to him. We received the response letter below on January 8th, the same day an article about this job-killing agency appeared in a newspaper out of Martinez, CA (see page 18, CTN Vol. 69 No1).

I'll bet the response letter below was written by someone from CARB telling by what it says, "with numerous studies and overwhelming evidence on this

topic". Right, studies from activist scientist that only get grants from CARB and EPA, scientist with numerous conflicts of interest. In an object scientific forum these scientists would be embarrassed to present their findings to peers. It's all just like man-made global warming – a big effen-lie!

Remember this is YOUR government, your country! If this doesn't convince you that we all need to do something to change this, than nothing will. This is purely wrong and un-American!

Incidentally, on January 4th, we (an ad hoc industry working group of associations and company owners) sent a letter to CARB's board members stating that we were concerned with the CARB staff's review of options, data, analysis and scientific studies. We sent another separate letter out on January 6th to the President of the UC School system, Mark Yudof asking that he compel UC Berkeley Professor, Michael Jerrett, to release his data to us as part of the CARB Board's direction to "redo" the Tran report. The Tran report relies significantly on this professor's data and research.

Since CARB's Board has agreed to "redo" the Tran report, we are aggressively pursuing full discovery relating to every aspect of it. We will continue to demand that the "redo" of the report be done in a transparent and equitable fashion, something that CARB's staff is very unaccustomed to doing.

So Who's Stupid Enough to Believe that if California Doesn't Meet EPA Air Standards that We Will Face Highway Funding Sanctions?

So, how many times have you heard or read some spokes-hole from an environmental group, EPA or CARB proclaim that if we (California) don't meet arbitrarily tougher clean air standards that we would face the withholding of "valuable" federal highway funding?

The next time you hear this environmental-party line statement spewing from spokes-holes like those at CARB, you need to understand the big picture. Hell, the federal government only gives back 78-cents for every dollar now we send to Washington anyway. What are they going to do withhold 50-cents more?

Let's just do the math here first. It's a hollow threat since the federal government has NEVER withheld any funds from any state with the exception of one time in one state and that was only temporary. Second, we have two of the most powerful senators in Congress (unfortunately they are extreme environmentalists, but they're not stupid either). Then we have the very powerful Speaker Pelosi and 52 other congressional delegates (out of a total of 541).

Do you think that they would allow the federal government to withhold any money from California? It would be political suicide, as a leader in the environmental movement that has already burdened the states businesses with hundreds of billions of dollars of environmental regulations, how would that look to the world, and more importantly the voters?

Every time I hear this propaganda laden excuse, it reminds me of history books that I read in college which explained how the Nazi party was so successful with engineering social propaganda. The key was public opinion and perception – find someone to hate or blame. I recall reading that the Nazi's and their 3rd Reich's **Ministry of Public Enlightenment and Propaganda** was the key behind Nazi Germany's propaganda machine that enforced the Party's ideology in Germany and regulated its culture and society. Founded on March 13, 1933, by Adolf Hitler's National Socialist government, the Ministry was headed by Dr. Joseph Goebbels and was responsible for controlling the press and culture of Nazi Germany until the end in 1945. The Propaganda Ministry used all types of media to further the National Socialist message and maintained strict control over the people. It used posters, newspapers, publishing, radio and even the arts to explicitly control an entire countries population.

Beginning to sound familiar, doesn't it?

I personally can't help but to see the many similarities here between this vile propaganda machine in Germany 77-years ago, and the environmental movement today. And make no mistake; the movement has been long ingrained within government agencies like EPA, CARB, Fish & Game etc. Much like the patient Japanese towards manufacturing and market share (autos and TV's), the environmental movement is patient and relentless, and in most situations utilizes our own taxes to transform the U.S. and world into the image of how they think things should be!

The irony of it all – when I hear people like Leo Kay, CARB's Communication Director spew out "it's the federal government" thing to the news media (See story page 18), it's absurd. The obvious reality is that the environmental movement doesn't want any roads built or even improved, because it promotes vehicle use. Their dream is to stop road building or even improvements, like paving dirt roads (See Betty's report) all together. So, for anyone and especially "them" to use an excuse that we would loose federal highway funding – is a joke!

You should also note in the story on page 18, that CARB spokesman, Mr. Kay actually tells the reporter that only 20,000 diesel powered vehicles will be affected in this state by their on-road diesel engine rule. Now who seriously believes that? It's a fact that the rule will affect over 1-million vehicles and more importantly their owners – mostly small business people. This is an example of how representatives of agencies like CARB can say anything with impunity, even if it's a stone-faced lie!

Governor's Smoke & Mirror Budget Plan

Last year was arguably one of the worst economic years since the Great Depression or at least since I can remember, few will argue this.

This month I decided to wait until the Govenator gave his final State of the State 2010 Address and issued his Proposed Budget for the next 18 months. He spoke on January 6th and than again on the 8th mostly addressing the \$20-billion budget disaster. Incidentally, who really believes that it is only \$20-billion? All I can say now after watching it all – is – what a bunch of hyperbole! I would have preferred using a series of four-lettered words. Whatever happened to him? It has to be that Sacramento water thing!

It's gotten to a point with me that I can't stand to hear him speak, from the way he says California to the unadulterated lies and disinformation he spews out now. I have to close my eyes when I see him on TV, and when I do, I can't help thinking that at any minute I'll open my eyes and he'll turn around and unzip himself from head to toe and Senator Barbara Boxer will walk out of his skin and suit. I know it's a little scary, but it would explain many things to me!

So, if you didn't hear the Governor's speeches, we have links here.

To view his State of the State Address on the 6th, go to: <http://gov.ca.gov/press-release/14124/>

To view his 2010-11 Proposed Budget on the 8th, go to: <http://gov.ca.gov/press-release/14154/>

It is in my opinion that these record budget deficits are nothing more than an indictment of the ineptness of this government. In my mind, we are all to blame because we have allowed this government and its overregulation to not only flourish, but to grow by massive unabated proportions.

Apparently the Governor has a master plan based on things like this:

1. The California Jobs Initiative, a \$500-million program to pump jobs up in California by creating or retaining up to 100,000 jobs and providing training to 140,000 individuals to enable them to retain their current positions or compete for higher paying jobs. Apparently the 3-4 million Californian's out of a job, are not educated enough or not in the right "green" professions and will require to be retrained. It also appears the school system will get its pound of flesh on this one, doing all this important retraining.

2. He's going to hit-up the feds for more money, \$8.5-billion. If we don't get the funds, the governor is threatening to cut a bunch of social welfare programs. Apparently, under the Clinton and even Bush administration's California received back around 94-cents for every dollar that we sent to Washington D.C., and now we are lucky enough to receive 78-cents. Is everyone aware that the state has already received \$85-billion of ARRA stimulus finding? That's 11% of the total which is incidentally about the same size as the states "new" general fund budget. Of that \$85-billion, a whopping \$4.7-billion (6%) has gone to transportation related construction projects. Senator Feinstein's response to the Governor's request for additional funding was, "It sounds like the Governor is looking for someone else to blame for California's budget." She added, "California's budget crisis was created in Sacramento, not Washington. These problems are not going away until there is wholesale reform of the state's budget process."

3. The Budget Proposal also includes provisions that will divert State support for public transit and rearrange and revamp the structure of fuel sales and excise taxes. Provisions of the Budget proposal prepared by the State Department of Finance include:

- Elimination of the State sales tax on gasoline – the revenue source for Proposition 42,
- Enactment of additional 10 cents per gallon excise taxes to cover lost STIP and local roads revenue and debt service,
- Annual gas tax increases to cover the growth in debt service,
- Carry-over of Public Transit Account funds to cover future debt service on Proposition 1B transit and High Speed Rail bonds,
- Maximum implementation of Proposition 1B projects.

4. The Governor's plan, which will need to be approved by the Legislature, includes \$8.5 billion in spending cuts, mostly to health and human services, state employee salaries and prisons. Here are some of the lowlights of his 2010-11 fiscal year spending plan:

FEDERAL MONEY - Schwarzenegger's budget also relies on getting an additional \$6.9 billion in federal money he says the state is owed:

- ♦ \$2.1 billion in an extension of federal stimulus money for Medi-Cal, CalWORKS, child welfare, foster care, special education and child support.
- ♦ \$1.8 billion in Medi-Cal reimbursements. Schwarzenegger said the federal formula to calculate state reimbursements unfairly penalizes California, giving it the lowest possible reimbursement rate of 50%.
- ♦ More than \$1 billion for special education programs.
- ♦ \$1 billion for Medi-Cal prescription drugs.
- ♦ \$880 million for full reimbursement of the state and local government cost of providing guards to oversee illegal immigrants who are in state prisons or county jails.
- ♦ \$87 million for foster care.

FEDERAL BACKLASH - If the state does not receive the additional federal money, Schwarzenegger proposes even more spending cuts, including:

- ♦ \$1 billion by eliminating CalWORKS, the state's primary welfare-to-work program.
- ♦ \$847 million in funding for mental health services.
- ♦ \$532 million in Medi-Cal cuts by reducing eligibility to the minimum allowed under federal law and reducing most remaining optional benefits.
- ♦ \$508 million through another 5 percent pay cut for state employees.
- ♦ \$495 million by eliminating the state's In-Home Supportive Services program for the disabled.
- ♦ \$325 million in funding for counties to administer programs.
- ♦ \$280 million by eliminating inmate services, including rehabilitation programs and increasing the number of parolees each agent would supervise.
- ♦ \$126 million by eliminating the Healthy Families program.
- ♦ \$115 million by eliminating health programs funded by Prop. 99.
- ♦ \$112 million for the University of California and the California State University to compensate for annual enrollment growth.
- ♦ \$100 million to trial courts.
- ♦ \$79 million by freezing the awards and income eligibility for Cal G.

HEALTH AND HUMAN SERVICES - \$2.9 billion reduction, including:

- ♦ \$950 million in cuts to the state's in-home supportive services program for the disabled, achieved through reductions in wages and services.
- ♦ \$130 million reduction in payments through CalWORKS, the state's primary welfare-to-work program, by reducing individual grants.

EMPLOYEE COMPENSATION - \$1.6 billion in savings, achieved partly through a 5 percent across-the-board pay cut and a 5 percent increase in employees' contribution to their pension funds.

PRISONS - \$1.2 billion in cuts:

- ♦ \$811 million reduction in prison health care expenses by making the system more efficient and reducing funding to a level he said would be comparable to New York state.
- ♦ About \$360 million in savings by shifting nonviolent offenders out of state prisons and into county jails and by reducing the juvenile prison population and closing the facilities that house them.

EDUCATION - Proposes to hold spending at \$48 billion for K-12 schools, community colleges and the four-year university systems. The budget could reduce some education funding, however, through a complicated swap in which the current gasoline tax would be replaced with an excise tax. \$225 million increase for the University of California and California State University systems that the governor said he hopes would avoid further student fee increases.

EXCISE TAX - The budget proposes to eliminate the sales tax on fuel (about 16 cents per gallon) and increase the excise tax on gasoline by 10.8 cents. The administration said this approach would maintain funding for transportation programs while reducing net taxes paid by consumers by \$976 million.

STATE EMPLOYEES - Three-day-a-month furloughs would end on June 30 under the governor's proposal. Instead, he:

- ♦ Seeks payroll reductions of 5% across all state departments, except for constitutional offices, which already achieved 5% reductions. The administration says much of the payroll reduction can be achieved by departments not filling current vacancies.
- ♦ Seeks 5% pay cut for all state workers and a 5% increase in their pension contributions.
- ♦ Includes an additional 5% pay cut for state employees if California does not receive the additional federal money it is seeking.

OFFSHORE DRILLING - Proposes to fund state parks by allowing more oil drilling off the Santa Barbara coast, which the governor's office estimates would generate \$100 million in the current fiscal year and \$119 million in 2010-11. In total, the administration said the drilling would generate \$1.8 billion in royalties for the state over the next 14 years. If the state Lands Commission approves the drilling plan, the Department of Parks and Recreation would receive \$140 million in the fiscal year that begins July 1, restoring last year's cuts.

If it does not, the state parks budget would be funded through the general fund.

CATCHING SPEEDERS - Would upgrade existing red light cameras at city and county intersections to fine speeders up to \$325 per violation, for exceed the limit by 3-MPH. The administration says the tickets generated by the technology would raise about \$338 million a year for government operations, a portion of which would be used to improve courthouse security. About 15% of each fine would go to local governments, with the rest of the money going to the state.

Governor's Budget Excludes Forced Purchase of Ultra-Clean Diesel Devices and Trucks in his Green Tax Incentive Plan – Why?

We followed up with the Governor's statement about exempting certain green technology manufacturing equipment from sales tax. Particularly, we were curious if this proposed exemption would apply to the purchase of particulate traps and new ultra-clean diesel engine powered trucks.

Unfortunately it appears the answer is no. The Governor is co-sponsoring AB 1111 by Assembly Republican leader Sam Blakeslee (State Treasurer Bill Lockyer is the other co-sponsor), which would expand the type of projects for which the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) can authorize such a sales tax exclusion.

Specifically, the bill would expand this exclusion to encompass the purchase, sale, or lease arrangements involving "alternative source components." This would include facilities and equipment that are used for the design, technology transfer, manufacture, production, assembly, distribution, or service of cogeneration technology, as defined in Section 25134; the conservation of energy; or the use of solar, biomass, wind, geothermal, hydroelectricity under 30-megawatts, or any other source of energy, the efficient use of which will reduce the use of fossil and nuclear fuels, and is intended primarily to offset part or all of the customer's own electrical requirements."

So, it appears that the bill focuses on renewable energy businesses based here in California, and not "ultra-clean diesel powered" trucks all built somewhere else like Oregon, Texas etc! Most countries and just about all the other states utilize diesel as

their green fuel of choice, but no not here, we are so much smarter than the rest of the world. We'll continue tracking the budget and related legislation, and we just may push for tax exemptions for us too!

Layers & Layers & Layers Of Wasteful Environmental Regulatory Barriers

I was again shaking my head when I recently read that our government (us) once again tripped all over itself with the unintended consequences in the never-ending quest to correct problems largely stemming from its own policies of full employment as a part of this wealth redistribution plan. Now I don't mind this, if it's for something that is needed!

The latest example of our passive acceptance of 20 years of the environmentalist movements manipulation or exploitation of the U.S. democratic process to achieve their goals, now involves hundreds of billions (if not trillions) of federal and state tax dollars that were meant to help jump-start our stumbling economy. Remember words like ARRA and BAB mentioned above? This is all part of an effort to send federal money from Washington to places like California for job creation and it includes infrastructure work, but unfortunately while the money is here the jobs have been delayed up to six months or more by backlogs in the many environmentally or socially irrelevant government employment agencies. See the last story for the real answer!

I was very unsurprised recently when I read that there are now "hundreds of construction projects" delayed, ranging from small things like new air-conditioning systems to rehabilitation of the Pasadena Civic Center, because state permitting agencies of every imaginably "social benefit" play the permitting game. It's clear to most that it is all about jobs, lots of wasteful growth hurdles, jobs created by environmentalist as barriers to growth and development. Our education system also plays its roll as the ones that fill those jobs and become servants to that master. They than create jobs for graduates, and professors, all in this non-productive educational environment that requires multiple levels of stupid, costly and time consuming environmental impact analysis for every conceivable cause. And than the union leaders who now benefit mainly from the growth in government and its monopolistic senses are hooked on the equation. It has all worked so well, we have all looked the other way because things were going gangbuster of the last 10-15 years and we agreed to just add it into the price of everything – but now there's a serious economic recession to deal with and countries like India and China love it all!

It's All About Preserving Jobs and Creating Property Development Barriers

I'll bet most of us have never heard of a state government agency called the Office of Historic Preservation. This agency is tasked mainly with approving all new state construction. But government employee furloughs to offset the \$20-billion budget deficit, combined with surging applications spurred by mostly federal money (ARRA & BAB's), has resulted in another monumental public bottleneck. "Every day that a project is stalled is a delay in creating desperately needed jobs for Californians," said Laura Chick, the state inspector general, in a letter to Gov. Arnold Schwarzenegger. Ms. Chick was appointed by the governor to oversee part of the distribution of California's \$85 billion in federal American Recovery and Reinvestment Act (ARRA) funds. She contacted the governor's office two months ago about the delays, to no avail. "If anything," she said, "the backlog got worse." Most federal economic recovery funds remain unspent.

The Office of Historic Preservation reviews new construction projects to ensure they don't "harm" historic sites or disrupt American Indian artifacts. It's one of many government agencies that must sign off before construction can begin.

Unemployed construction works and their union bosses who have unwittingly aligned themselves with this crew should reconsider what they are doing.

In response to this and other similar construction hold-ups, the governor's office said adequate staff will be assigned to process the backlog.

I have to concur with those who believe that most states who have all these economic problems today were largely caused by well-intentioned government programs and policies that are now showing their unintended, and mostly adverse consequences. The government's solution, as usual, has been to apply more government. The best solution would be to cease government interventions period in areas like this and stick solely to public safety.

ARRA/BAB Really Just Public Bailouts

*Michael Barone, WSJ, Senior Writer U.S.
News & World Report*

It looks like a happy new year if you are a public employee....

Private-sector employment peaked at 115.8 million in December 2007, when the recession officially began. It was down to 108.5 million last November. That's a 6 percent decline.

Public-sector employment peaked at 22.6 million in August 2008. It fell a bit in 2009, then has rebounded back to 22.5 million in November. That's less than a 1 percent decline.

This is not an accident; it is the result of deliberate public policy. About one-third of the \$787 billion stimulus package passed in February 2009 was directed at state and local governments, which have been facing declining revenues and are, mostly, required to balance their budgets.

The policy aim, Democrats say, was to maintain public services and aid. The political aim, although Democrats don't say so, was to maintain public-sector jobs – and the flow of union dues to the public employees unions that represent almost 40 percent of public-sector workers.

Those unions in turn have contributed generously to Democrats. Services Employee International Union head Andy Stern, the most frequent non-government visitor to the Obama White House, has boasted that his union steered \$60 million to Democrats in the 2008 cycle. The total union contribution to Democrats has been estimated at \$400 million.

In effect, some significant portion of the stimulus package can be regarded as taxpayer funding of the Democratic Party.

Global Warming, It's Sooo Cool!

Next month when it comes to light that the earth is really cooling, a fraud of mammoth proportion will be discussed.