

**[ Arnold Schwarzenegger ] > The Germinator**

Sure, he's had his rough moments over the years (remember the Speedo?), but as governor of the largest state in both population and economy, the former Mr. Universe has developed the legislative equivalent of six-pack abs. • Schwarzenegger is focusing the power of the free market on major problems facing California, the nation, even the world: global warming, our dependence on foreign oil, unaffordable health care. "We want to use a market-based system to give businesses incentives," he says. • Last fall, Schwarzenegger championed historic legislation that's expected to have an impact worldwide. Starting in January, the California Global Warming Solutions Act goes further than any previous law, mandating a reduction of CO<sub>2</sub> emissions by 25% to 1990 levels. Companies that reduce the greenhouse gas below the state limit could sell carbon credits to those that can't, or won't. "We inspire businesses to make the changes as quickly as possible," he says. The law also primes markets in alternative fuels and clean-tech innovation. Other states and countries, he hopes, will follow. "I get stories from all over the world," he says. "Whenever they write about the environment, they use California as an example." • Schwarzenegger has been bold on other fronts as well: In July, a day after President Bush vetoed expanded funding for stem-cell research, the governor ordered a \$150 million loan to finance precisely that. This January, he sent a seismic shiver coast to coast by proposing a universal health-care plan for his state. • Naturally, there's no shortage of criticism, from Republicans, environmentalists, and industry alike. And that may be where Arnold's rule is truly exemplary: In a political era of craven poll-watching, the man is actually tackling problems head-on. That's the definition of leadership—and, often, the seed of innovation. • Californians apparently agree. Even after losing four ballot initiatives in 2005, Schwarzenegger won reelection last November in a landslide. "People say, 'You can't get everything done,'" he says. "But the only way to know if you can lift 500 pounds is if you put 500 pounds on the bar." —*Chuck Salter*

# 2

**[ Psiphon ] > An end-run around Internet censorship**

The Chinese government is well-known for censoring Internet content, but its Great Firewall is hardly unique. At least 40 countries engage in some form of filtering, forcing dissidents, journalists, and many average citizens into the cyberunderground. "It's very much becoming the Internet experience worldwide," says Ron Deibert, director of the Citizen Lab at the University of Toronto. Deibert, though, has a novel solution: MySpace-style social networking. Dubbed Psiphon, his product lets people with unfettered access to the Net set up their computers as proxy servers for people living under repressive regimes, giving them immediate access to the unrestricted Web. A month after its release, the free open-source software had been used to set up 10,000 servers that connect to Iran, Vietnam, Central Asia, even China. To fund further development of Psiphon, the lab will sell enhanced versions of the software to businesses beginning this year. —*Andrew Park*

# 3

**[ Phoenix Motorcars ] The electric car, back from the dead**

The electric-car quandary is almost over. Until now, you could get either a low-speed "neighborhood" vehicle that couldn't break the 40 mph barrier, or an electric supercar like the Tesla Roadster that sells for \$90,000. But Ontario, California-based Phoenix Motorcars is about to unveil a \$45,000 truck and an SUV that will go from zero to 60 in 10 seconds, travel 200 to 250 miles, and keep up with highway traffic. At the heart of the Phoenix is a new variant of the lithium-ion battery, made by Altair Nanotechnologies. It replaces the carbon anodes of old with nanosized lithium-titanate particles, which don't overheat and allow the car to recharge in about 15 minutes using a special charger, or in six to seven hours using a wall socket. The first two production runs—500 this year, 6,000 in 2008—will be sold to fleet owners to work out the final kinks before the Phoenix is offered up to the general public. "What we're saying," says Phoenix CEO Dan Elliott, "is you can have your cake and eat it too." —*Michael A. Prospero*



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