



October 14, 2014

Chairwoman Mary Nichols
and Board Members
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Re: 2014 Amendments to the Zero Emission Vehicle (ZEV) Regulation

Dear Chairwoman Nichols and Board Members:

We are writing to express our significant concerns about the proposed amendments to the Zero Emission Vehicle (ZEV) regulation that you will consider at the upcoming October 23, 2014 Board Meeting. Our concerns are rooted in the critical role that the ZEV program plays in reducing the immediate and long-term public health burdens caused by vehicle pollution and the need for the rapid transition to a zero emission vehicle fleet. We believe that the Board has the opportunity to send a clear message that California intends to stay the course.

The amendments proposed by staff in the Initial Statement of Reasons seem to contradict recently passed California laws and the leadership on ZEVs demonstrated by the Governor and legislature. Earlier this year, the California Legislature passed SB 1275. Backed by a broad coalition, SB 1275 directs incentives to expand access to ZEVs and improve electric vehicle charging infrastructure. The bill was crafted in part to help achieve the Governor's goal of ensuring 1.5 million electric vehicles on California's roads by 2025, as noted in his executive order signed in March 2012.

Last month, the Governor signed SB 1275, further committing the state to meeting the ZEV goal and extending the clean air benefits of ZEVs to our most disadvantaged and highly polluted communities. In September, he also appeared at the United Nations Climate Summit and spoke to the world about California's efforts to combat climate change. He specifically—and rightly—touted the state's commitment to advancing electric vehicles. The ongoing commitment and commercialization of ZEVs is a foundation for California's effort to fight climate change and attain air quality standards to protect the health of our citizens.

Given this, we find three provisions of the proposed amendments to the ZEV regulation particularly troubling. Those provisions would delay the compliance timeline for intermediate volume manufacturers (IVMs) and reduce the number of ZEVs by 2025. According to staff analysis, the provisions would lead to a shortfall of about 25,800 ZEV vehicles by 2025. Other vehicle manufacturers' analyses put the shortfall at about 90,000 vehicles. Whether the higher or lower number, the shortfall is significant. Additionally, the proposal furthers the "death by a thousand cuts" stigma that surrounded the ZEV Program in the late 1990s and early 2000s.

Changing the ZEV manufacturing goals at this time is wrong for three key reasons. First, it runs counter to state climate and clean air policy as demonstrated by recent legislation and the Governor's actions. The effect will be more greenhouse gas and criteria pollutant tailpipe emissions and a heavier lift to comply in later years. Second, it is being done independent of the Midterm Review scheduled for 2016-17. This is a substantial change in direction that shouldn't be undertaken outside of that scheduled review. Third, it is simply unnecessary. The IVMs have proven through their robust European marketing and manufacturing that they have the wherewithal to manufacture and sell sufficient numbers of vehicles to meet the ZEV program's current goals.

We urge you to reject the ZEV regulation amendments that would reduce the IVM compliance requirements. Specifically, we ask that you reject proposed amendments outlined in sections III.B, III.C and III.E of the Initial Statement of Reasons issued on September 2, 2014.

Meanwhile, we ask that you adopt the portions of the proposed amendments that would change the definition of IVM status to add a metric based on global revenues to complement the existing California fleet sales metric. We also ask that you support the proposal to provide more flexibility for pooling in Sec. 177 states. We see these changes as being consistent with the Board's direction to staff in 2013.

Thank you for your consideration.

Sincerely,

Kathryn Phillips
Director
Sierra Club California

Bill Magavern
Policy Director
Coalition for Clean Air

Bonnie Holmes-Gen
Senior Director, Policy and Advocacy
American Lung Association in California

David Reichmuth, Ph.D.
Senior Engineer, Clean Vehicles Program
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John Shears
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Natural Resources Defense Council