

"The California Air Resources Board applauds President Obama's announcement of the first-ever national policy to increase fuel efficiency and decrease greenhouse gas pollution from medium- and heavy-duty trucks for model years 2014-2018. Such a national program could reduce as much as 250 million metric tons of CO2 and save up to approximately 500 million barrels of oil over the lifetime of the vehicles and achieve approximately \$70 billion in fuel savings," said ARB Chairman Mary D. Nichols.

"California will also continue to stand side by side with the Obama administration to help advance the vision of the next generation of cleaner, more efficient cars," she continued. "As we move forward into the second phase of this program, California will continue to lead, and develop, with federal agencies and others, innovative, cost-effective and technologically feasible standards to make cleaner cars and trucks a reality."

In addition, ARB released two documents:

1: A statement about Light Duty Vehicle standards

2: A letter to Admin. Jackson and Sec. LaHood on medium- and heavy-duty standards.

Text of both is embedded below.

May 21, 2010

**Statement of the California Air Resources Board
Regarding Future Passenger Vehicle Greenhouse Gas
Emission Standards**

Under the Clean Air Act, Congress gave California a leadership role in the area of motor vehicle regulations. For over 40 years, California has fulfilled this role by adopting pioneering motor vehicle emissions standards the other States are permitted to follow. California has been, and will continue to be, a major market for new motor vehicles, especially those with innovative designs and technologies. In 2004, California became the first state in the Nation to adopt greenhouse gas emissions standards for motor vehicles. California is deeply committed to continuing in its efforts to achieve the steep reductions in greenhouse gases needed to stabilize the planet's temperature.

California recognizes the benefit of a harmonized national program addressing vehicle greenhouse gas emissions and fuel economy. California supports the emission regulations and fuel economy standards jointly adopted by United States Environmental Protection Agency (EPA) and United States Department of Transportation's National Highway Transportation Safety Administration (NHTSA), announced on April 1, 2010, for model year 2012-2016 passenger vehicles. California has incorporated these national standards into its motor vehicle emissions program. These new standards, however, must be followed by additional action in order to continue the impressive reductions already in place up to 2016. The process for developing new standards must begin now so that the automobile industry will have ample time to develop and implement the technologies needed to further reduce greenhouse gas emissions and improve fuel economy.

In exercising its longstanding Clean Air Act authority, California has initiated first steps to develop the next combined emission standards for both criteria and greenhouse gas pollutants for model years 2017-2025. Workshops have been held and more are planned for the summer of 2010. The goal, as with California's model year 2009-2016 emission standards, is that compliance with new national standards after 2016 may serve to meet the new 2017-2025 model years California standards.

To help advance the national process and achieve the broadest applicability of new standards for 2017 and beyond, California commits to work in partnership with EPA and NHTSA to develop a staff technical assessment to inform future rulemaking that includes the following:

- Evaluation of emerging technologies to further reduce greenhouse gas emissions and improve fuel economy of new passenger vehicles for the 2017-2025 model years;
- Engage with manufacturers of passenger vehicles and other stakeholders, in partnership with EPA and NHTSA, to fully explore the capabilities to commercialize new greenhouse gas and fuel economy technologies over this timeframe and to identify costs and any market barriers;
- Evaluation of possible approaches to help establish in the marketplace an increase in the use of advanced technologies, including plug-in hybrids, battery electric, and fuel cell vehicles;
- Identify potential greenhouse gas emission standards that could be practically implemented nationally for the 2017-2025 model years, with a current expectation on California's behalf that the annual rate of improvement would be in the 3 to 6 percent range.

Based on the results of the above actions, California envisions a path forward to arrive at aggressive light-duty vehicle greenhouse gas emissions and fuel economy standards in coordination with federal agencies and in consultation with auto manufacturers, States, and others. This path will include an announcement by EPA and NHTSA of a joint Notice of Intent for rulemaking, by September 30, 2010, culminating in final adoption by mid-2012, of new requirements for a national program of greenhouse gas emission reductions and fuel economy standards for new passenger vehicles for the 2017-2025 model years.

Mary D. Nichols
Chairman

MEDIUM AND HEAVY DUTY LETTER

May 19, 2010

Dear Administrator Jackson and Secretary LaHood:

I am writing this letter to express California Air Resources Board's support of the United States Environmental Protection Agency (EPA) and the National Highway Transportation Safety Administration (NHTSA) efforts to reduce greenhouse gases (GHG) from new medium and heavy duty trucks. California recognizes the benefit of a harmonized national program, and urges the two agencies to expeditiously develop national regulations that will reduce GHG emissions from this source, benefiting California and the nation as we continue to strive to address the threat of global climate change.

Federal action will also help us meet the goals established by the California Global Warming Solutions Act of 2006 (AB 32). Specifically, AB 32 mandates a reduction of California's GHG emissions to 1990 levels by 2020 and the Governor has further called for an 80 percent reduction from 1990 levels by 2050.

California supports the development of a national program comprised of GHG emission standards and fuel efficiency standards for years 2014-2018, consistent with the following principles:

- ♦ Starts in 2014 and be fully implemented by 2018.

- ◆ Designed to increase the use of existing technologies in order to achieve significant GHG reductions and fuel efficiency improvements which, based on the measurement metric and baseline that are used, could result in individual vehicle GHG reductions as high as 20 percent and fuel efficiency improvements as high as 25 percent. As a result billions of dollars in fuel savings will accrue for California and the nation.
- ◆ Establishes standards applicable to medium and heavy-duty vehicles in a manner that:
 - recognizes the commercial needs of the trucking industry and the demands of heavy-duty applications;
 - recognizes technology improvement opportunities across the entire vehicle and its operation;
 - is compatible with the complexities of the marketplace;
 - avoids unintended consequences.
- ◆ Incentivizes the early introduction of advanced technologies (for example, hybrid vehicles and electric vehicles)

California understands that EPA and NHTSA will jointly propose a comprehensive national program for full public review and comment, affording all interested parties the right to participate in a public hearing, and submit comments and other relevant information to the agencies for consideration prior to reaching any final determinations. We also understand that EPA and NHTSA's preliminary analysis indicates that such a national program could reduce as much as 250 million metric tons of CO₂ and save up to approximately 500 million barrels of oil over the lifetime of the vehicles built during 2014-2018, and achieve approximately \$70 billion in fuel savings. California is committed to working with EPA and NHTSA to adopt a national program consistent with these principles.

If you have any questions or need any additional information, please feel free to contact me at (916) 322-5840.

Sincerely,
Mary D. Nichols
Chairman