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GlobalAutomakers

April 18, 2014

VIA ELECTRONIC FILING TO <http://www.arb.ca.gov/lispub/comm/bclist.php>

Clerk of the Board
Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Clean Vehicle Rebate Project (CVRP) Waiting List Expansion - SUPPORT

Members of the Board:

The Alliance of Automobile Manufacturers¹ and the Association of Global Automakers, Inc.² (Global Automakers) write to **SUPPORT** the staff recommendation to expand the waiting list for Clean Vehicle Rebate Project (CVRP) for Fiscal Year (FY) 2013-14 by an additional \$25 million (for a total waiting list of \$30 million).

As the staff report identifies, the popularity of the CVRP program continues to grow and demand for rebates continues to hit record highs. This rapid increase in demand for rebates is a direct result of the introduction of a multitude of new vehicle models by a number of manufacturers over the past year combined with significant price reductions.

Automakers are committed to zero emission vehicle (ZEV) technology. By the end of this year, a total of 26 battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) will be on the market, and three major automakers have announced plans to launch fuel cell vehicles (FCVs) commercially in 2015. These vehicles represent tens of billions of dollars in research, development, production, and promotion.

As we have previously noted, ARB estimates the incremental cost of a BEV or PHEV is between \$13,000 and \$33,000 compared to a similar conventional gasoline vehicle. Balancing this reality with our shared goal of increasing the number of ZEVs on California roads has led auto manufacturers to develop competitive price and lease options for these vehicles that influence consumer choice when taking into account the current level of available state and federal

¹ Alliance members include BMW, Chrysler, Ford, General Motors, Jaguar Land Rover, Mazda, Mercedes-Benz, Mitsubishi, Porsche, Toyota, Volkswagen, and Volvo. Please visit www.autoalliance.org for further information.

² Global Automakers' members include Aston Martin, Ferrari, Honda, Hyundai, Isuzu, Kia, Maserati, McLaren, Nissan, Subaru, Suzuki, and Toyota. Please visit www.globalautomakers.org for further information.

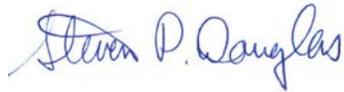
rebates. For example, monthly leases for BEVs and PHEVs range from \$139 to \$299, with zero or near-zero down when the CVRP is considered

Even with the increased demand for ZEVs over the last couple of years, this is still a very nascent and tentative market. California BEV and PHEV sales each represent just more than one percent of the new vehicle market. Eliminating the waiting list and rebates for the remainder of this FY could have dire consequences on this market.

The Alliance and Global Automakers have and will continue to do our part in advocating for increased CVRP funding in the legislature and within the Administration. Additionally, we believe that future Cap and Trade revenues are both an appropriate and ample source of funding for this program and look forward to engaging in future administrative and legislative processes to allocate those funds.

In closing, we appreciate ARB's support and commitment to the CVRP program and look forward to working with you now and in the future to ensure its continued success.

Sincerely,



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