

BMW Group

November 14th, 2012

Mr. James Goldstene
Executive Officer
California Air Resources Board
1001 I Street,
Sacramento, California 95814

**Re: BMW Comments on Deem To Comply Regulation:
“Amendments to the New Passenger Motor Vehicle Greenhouse Gas Emission
Standards for Model Years 2017-2025 to Permit Compliance Based on Federal
Greenhouse Gas Emissions Standards and Additional Minor Revisions to the LEV III
and ZEV Regulations”**

Dear Mr. Goldstene,

On behalf of BMW AG, BMW of North America, LLC (BMW), BMW appreciates the opportunity to comment on the proposed amendments to the “New Passenger Motor Vehicle Greenhouse Gas Emission Standards for Model Years 2017-2025 to Permit Compliance Based on Federal Greenhouse Gas Emissions Standards and Additional Minor Revisions to the LEV III and ZEV Regulations”.

BMW supports the comments of the Alliance of Automobile Manufacturers (AAM) on this regulation, the following remarks address an issue of particular importance to us.

- **Greenhouse Gas Reporting Requirements**

In our strong support for the continuation of a single national program with the EPA/NHTSA MY 2017-2025 rulemaking, we have demonstrated full commitment at the White House event in July 2011 and through submission of a letter signed by BMW CEO Dr. Reithofer.

BMW has clearly emphasized the importance of full harmonization between California and National Greenhouse Gas rules both on Standards and on Compliance requirements throughout the rulemaking process.

Unfortunately, the proposed revisions to §1961.3 require manufacturers who choose to demonstrate compliance with the California Greenhouse Gas Program by complying with the national GHG program to still report state-by-state sales volumes and Greenhouse Gas emissions to California and the Section 177 States.

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On a strict interpretation, a state-by-state information is not required for compliance determination if a manufacturer elects to opt for the federal compliance path.

BMW understands the California Assembly Bill AB 32, the Global Warming Solutions Act of 2006, set the 2020 greenhouse gas emissions reduction goal into law, through which California has the necessity of monitoring the state Greenhouse Gases. Given that vehicle miles traveled (VMT) is not known on a model-by-model basis, making a "bottom-up" vehicle-based GHG calculation at the state level will not be particularly accurate. It is our opinion that a manufacturer's federal fleet average GHG report provides sufficient data for the monitoring needs of California and the section 177 states.

BMW is concerned about the additional cost burden the state-by-state reporting to California and the Section 177 States will impose on manufacturers. The benefits of Greenhouse Gas monitoring at this regional level is neither clearly evaluated nor scientifically proven.

Furthermore, BMW considers this level of detail in reporting to be business confidential, as this requires disclosure of model, engine and transmission data at the state level. We have competitive concerns about releasing this data, especially for those states where we have a small number of dealers.

In the interest of a true harmonization of ARB standards and certification process with the national program, BMW recommends ARB delete the state-by-state reporting requirement in §1961.3(c)(3).

BMW is committed to working constructively with ARB on this matter. If you should have any questions please contact me or Dr. Azita Khalili at (805) 271-7314.

Sincerely,



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Vice President, Engineering – US

cc: Mary Nichols
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