

Brigitte Wolf  
3424 W. Orange Avenue Apt. #104  
Anaheim, CA 92804  
Telephone: (714) 561-6733

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California Environmental Protection Agency  
Air Resources Board  
Byron Sher Auditorium (2<sup>nd</sup> Floor)  
1001 I Street  
Sacramento, California 95814

Dear Air Resources Board Members:

I am a vehicle salesperson, and would like to address the California Air Resources Board regarding annual funding plans for Assembly Bill (AB) 118, Statutes of 2007, Chapter 750 of the "California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007," signed into law by Governor Schwarzenegger.

With Federal Government rebate program for new clean energy vehicles at a lower cost than a standard combustion engine, some points may be valuable for discussion by the California Air Resources Board regarding AB118.

If a portion of funding from the amount of \$30 million a year is provided to pre-owned vehicle dealerships to expand the BAR's car scrap program for high carbon producing vehicles, it would accelerate the clean air targets set for 2020 and 2050 and remove vehicles with higher pollutant emissions from the environment.

Pre-owned vehicle dealerships could effectively introduce clean vehicles into the environment through a vehicle trade-in program. The AQMD may wish to fund dealerships via grants and incentive for the disposal of each vehicle deemed as a high-pollution vehicle if the consumer trades in his or her high-pollution vehicle for a pre-owned clean energy vehicle. This dealership disposal incentive can be easily monitored by the DMV with VIN verification for the disposed vehicle rendering it "disposed."

In conjunction with the disposal grants, or incentives for pre-owned vehicle dealerships, The California Pollution Control Financing Authority in partnership with CalCAP's loan insurance program can provide up to 100 percent coverage on loan defaults for clean vehicles as has been tailored to meet the needs of the trucking sector in AB118.

ARB can also contribute a percentage of the loan principal pertaining to each qualified clean vehicle loan to reduce interest rates in the range of 8 to 12 percent for qualified consumers. An "outreach program" can be conducted to bring together lenders and pre-owned vehicle dealerships as "is already in place to meet the demands for affordable financing in the trucking sector."

Funding should be considered as an integral part of a clean pre-owned vehicle purchase. Clean vehicles are more expensive than their counterparts and many consumers who are able to afford new clean vehicles are in the upper income bracket with excellent credit. They are able to obtain financing for their purchase. This omits the low income and middle income consumer who is unable to obtain financing in order to purchase a vehicle and is being omitted from the economic stimulus package.

Low income and middle income consumers have been adversely affected by the deepening recession and the economy has experienced an erosion to sustain economic viability in these sectors of the population. The deepening recession has caused many to acquire bad credit, thereby adversely affecting recovery.

Through the lack of loans by banks and financial institutions to provide loans has deepened the global recession. More consumers are losing their means of transportation, which reduces for them the radius of available jobs. Unable to find jobs, they lose their homes or apartments and turn to the state for assistance. This causes an increase in the state's deficit crisis through necessary social programs such as SSI and Section 8.

AB 118 is funded by equipment registration, and vessel registration fees collected by the Department of Motor Vehicles as well as additional funds from the Federal Government's Federal Recovery and Investment Act. These funds are a means to develop and implement programs "equitable, transparent, and protective of all Californians regardless of their race, culture, or income."

California has lost a large consumer base, which purchase new vehicles causing the auto industry sales crisis. These are consumers who drive a new vehicle or pre-owned vehicle then trade it in to purchase a new car. Because consumers are not buying new cars, there is a shortage of pre-owned vehicles. This has caused an increase in the price of pre-owned vehicles and the inability for the low income sector to purchase such vehicles.

The increase in California taxes on goods as well as the increase in DMV fees combined with a shortage of pre-owned vehicles and lack of financing due to credit constraints has had a negative impact on the low income and middle income consumer. This has had a negative impact on pre-owned vehicle dealerships conducting business in California and has also had a negative impact in sales revenue for the state of California.

The increase in prices has caused an escalation of private party cash sales. Private party cash sales of pre-owned vehicles have reduced vehicle sales for pre-owned vehicle dealerships that rely on such sales to remain solvent. The purchase price of these private party sales is unverifiable and may have translated into a tax revenue loss for the state.

Pre-owned vehicle dealerships could be a vital part in accelerating clean air standards in greenhouse gas emissions reductions as well as, accelerating the economic recovery set forth by the Federal Government's Federal Recovery and Investment Act. Through grants and incentives for participating dealerships in conjunction with a joint project of ARB funding and federal funding to replace vehicles with high emission for low or zero emission vehicles is plausible through a program that could also promote California's economic recovery by providing pre-owned clean vehicles at an affordable price to the low and middle income sector.

Funding is essential, because of the current economic conditions. The benefits are many-fold. The minimum income sector will be able to afford to purchase a pre-owned clean vehicle backed by loan loss reserves. If the minimum income sector were given an opportunity of purchase affordable clean vehicles, the economic impact of higher gasoline costs would have a lesser effect on the economic stability of California by buffering the negative economic impact on those who can least afford it.

Trade in vehicles to purchase a clean vehicle voluntarily will accelerate the clean emission targets. It would help maintain solvency for financial institutions and pre-owned vehicle dealerships. These pre-owned vehicle dealerships could be a vital component in implementing the economic stimulus for California and accelerating clean emission targets through funding from AB 118.

This plan is viable and will include all sectors of the population to voluntarily participate in the program.

Thank you for the opportunity in allowing me to comment on AB118.

Best regards,

Brigitte Wolf  
Vehicle Salesperson License S031329

cc: Governor Schwarzenegger  
Representative Ed Royce  
Senator Lou Correa  
Assemblyman Jim Silva