General Motors

Public Policy Center

January 25, 2012
SM-3122

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

General Motors (GM) would like to offer the following comments on the reporting requirements applicable to automobile manufacturers as a result of the California Air Resources Board's (ARB) proposed Clean Fuels Outlet (CFO) regulations.

Reporting requirements are contained in the "California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles " which have been re-titled as "California 2001 Through 2014 Model Criteria Pollutant Exhaust Emission Standards and Test Procedures and 2009 Through 2016 Model Greenhouse Gas Exhaust Emission Standards and Test Procedures for Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles ". The reporting requirements are in section H and state as follows:

> 3.2 **Alternative Fuel Information.**
> For TLEVs, LEVs, ULEVs, and SULEVs not certified exclusively on gasoline or diesel, the manufacturer shall submit projected California sales and fuel economy data nineteen months prior to January 1 of the model year for which the vehicles are certified.

Reporting requirements are also contained in the "California 2015 and Subsequent Model Criteria Pollutant Exhaust Emission Standards and Test Procedures and 2017 and Subsequent Model Greenhouse Gas Exhaust Emission Standards and Test Procedures for Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles ". The reporting requirements are in section H and state as follows:

> 3.2 **Alternative Fuel Information.**
> For passenger cars, light-duty trucks, and medium-duty vehicles not certified exclusively on gasoline or diesel, except for vehicles that use hydrogen fuel, the manufacturer shall submit projected California sales and fuel economy data nineteen months prior to January 1 of the model year for which the vehicles are certified. For vehicles that use hydrogen fuel, the manufacturer shall submit projected California sales and leases, fuel economy data, name of air basin(s) where vehicles will be delivered for sale or lease, and number of vehicles projected to be delivered to each air basin, thirty-three months prior to January 1 of the model year for which the vehicles are certified.

Currently we report projected sales for all vehicles not certified exclusively on gasoline or diesel, including E85 FFVs, CNG, and plug-in vehicles, in addition to hydrogen fueled vehicles. Because the CFO regulations are now focused on hydrogen fueled vehicles, GM requests that ARB change the above reporting requirements to apply only to hydrogen fueled vehicles. In the event that ARB determines that these reporting requirements should continue to apply to any alternative fueled vehicles other than hydrogen fueled, then GM requests that ARB change section 2315(d) "Determination of Violations" in the CFO regulation to make it clear that 2315(d) only applies to hydrogen fueled vehicle projections.

Regarding the timing of the reports, the regulations appear to require a "thirty-three month report" which would be due April 1 and a "nineteen month report" which would be due June 1. If this is correct it may be helpful to include these due dates in the regulation for added clarity. We also request that the CFO regulations more clearly state that section 2315(d) does not apply to the thirty-three month report.

Regarding section 2315 (d) of the CFO regulations, we do not believe that any violation should apply if a manufacturer has made good faith projections, i.e., if the projections did not meet the 80% threshold due to unintentional reasons or for reasons beyond a manufacturer's control such as a key supplier going bankrupt or an Act of God. The Executive Officer should be able to consider a manufacturer's explanation before making a determination of a violation.

We also request that section 2315(d) include language to clarify that the violation be considered based upon the manufacturer's model year report considered as a whole. A manufacturer should not be assessed a separate penalty for each air basin mentioned in the report for which the projected number of vehicles are not sold or leased. The penalty should be based upon the report as a single integrated report based on the state-wide projections.

Finally, we request that the Board clarify that the penalty does not trigger other unintended liabilities. This can be done by adding a sentence stating that payment of a civil fine releases the manufacturer from any other fine or penalty arising from its failure to deliver for sale or lease the projected number of clean fuel vehicles.

We appreciate the ARB's consideration of these comments.

Sincerely,

James S. Ehlmann
Manager, Vehicle Emissions Policy