



TO: Ms. Wendy Bryant, Labor and Workforce Development Agency
Mr. Andrew Panson, California Air Resources Board
FROM: Ryan Schuchard, Policy Director
DATE: June 4, 2018
RE: Clean Vehicle Rebate Project – Procedures for Certifying Manufacturers

**Clean Transportation
Technologies and Solutions**

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Thank you for this opportunity to provide comments on the California Air Resources Board (CARB) and Labor and Workforce Development Agency's (LWDA) concept paper for procedures to certify vehicle manufacturers that participate in the Clean Vehicle Rebate Project (CVRP) as fair and responsible in their treatment of workers.

I write to you to express concerns about the draft certification procedures in this proposal, which would establish a two-phase certification process for manufacturers of CVRP-eligible vehicles that would apply to each plant where they are built.

First, the proposed requirement for manufacturers to attest to compliance with applicable local, state and federal labor laws for each manufacturing plant could confuse and deter CVRP customers. Consumers will expect that certification procedures are applied consistently, and on an apples-to-apples basis. Procedures that treat manufacturers differently based on where their CVRP-eligible vehicles are made will potentially mislead, confuse, or create difficult questions for consumers interested in purchasing or leasing a CVRP-eligible vehicle. If customers are discouraged from buying ZEVs, it will be difficult for California to meet the goal of 5 million zero-emission vehicles (ZEV) on California roads by 2030.

Second, the requirement for compliance with applicable local, state, and federal laws effectively penalizes manufacturers who have located facilities in California and other jurisdictions that have relatively strong labor laws and enforcement. California's standards concerning wages, workplace safety, and nondiscrimination, as well as federal protections in these areas and under the National Labor Relations Act, already govern companies with respect to treatment of employees.

By creating an additional bar for companies who both rely on the CVRP and who are operating in areas that already have higher standards, the approach could encourage manufacturing of ZEVs to move to locations with lower standards. Such a policy would give companies a reason to manufacture in places besides California, which could undermine the potential for continuing to build ZEV manufacturing jobs in the state.

Third, the proposal would appear to create significant new administrative burdens for companies and agencies that implement CVRP. By broadening the responsibilities of CVRP, which is today a consumer rebate program, we are concerned that program could lose needed focus from its mission. In order for California to meet its climate and air quality goals, it needs to be doing everything possible to put more ZEVs on the road. The procedures outlined in this proposal are sufficiently involved that they risk creating obstacles to those goals.

If you have any questions, please do not hesitate to contact me.