



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

June 20th, 2014

Re: BMW Comments on the Proposed Funding Plan for the Fiscal Year 2014-2015 for the Air Quality Improvement Program (AQIP)

Members of the Board,

BMW Group appreciates the opportunity to comment on the 2014-2015 Funding Plan proposed for the Clean Vehicle Rebate Project (CVRP).

BMW supports the comments submitted by the Alliance of Automobile Manufacturers; this letter aims to highlight BMW position more specifically.

Monetary and non-monetary incentives are key enabling elements in support of the state's ambitious ZEV mandate and realization of Governors' Executive Order for placing 1.5 million Zero Emission Vehicles in California by 2025.

BMW supports staff's position that a continuation of monetary and non-monetary incentives is needed until a ZEV market share of at least 5% new vehicles is attained. The Advanced Technology Vehicles may still be seen as niche products at this stage; reaching a wider consumer acceptance and higher market penetration is essential for sustaining the products manufacturers have in the market and intend to introduce in the near term.

To that end BMW applauds staff's proposal which aims to continue the program and prevent consumer uncertainty. Further, the appropriation of funding for a variety of vehicle categories plus mobility solutions such as car sharing programs ensures an adequate consumer outreach and a better utilization of available resources.

Company
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Providing simple, transparent, and consistent metrics in determining rebate eligibility is essential for the consumer and BMW applauds ARB staff for the clarity of guidelines proposed. Should ARB decide to move forward with the reduction of rebate amounts for PEVs by \$500 as proposed, BMW recommends maintaining the current rebates initially and reducing the rebate amounts upon market confirmation of staff's projected sales of eligible vehicles.

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

Sincerely,

Frank Breust
Vice President Governmental Affairs
BMW Group Representative Office California

cc: Richard Corey, Erik White, Lucine Negrete, Peter Christensen, Lisa Macumber