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Established in 1978 by
David Packard

June 4, 2018

Chair Mary Nichols
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Secretary David Lanier
California Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, CA 95814

RE: Concept Paper for Certifying Manufacturers' Fair Treatment of Workers for Clean Vehicle Rebate Project Eligibility

Dear Chair Mary Nichols and Secretary David Lanier,

The Silicon Valley Leadership Group respectfully provides the following comments with concern, regarding the proposed procedures for certifying the fair treatment of workers by auto manufacturers participating in the Clean Vehicle Rebate Project (CVRP) set forth in the Concept Paper dated May 23, 2018, pursuant to AB 134 (Chapter 254, Statutes of 2017). Only 7 business days have been provided to stakeholders to review and comment on a proposal that raises complex issues.

Since being founded in 1978 by David Packard of Hewlett Packard, the Silicon Valley Leadership Group continues to advocate for policies that protect the environment, create more clean energy jobs, and keep California economically competitive.

Automakers that participate in the CVRP are creating high-quality, middle-class jobs in California and other states where clean cars are being built that help California achieve its clean transportation and climate goals. Effective administration of the CVRP is now being threatened by the AB 134 provision requiring the Air Resources Board (ARB) to develop procedures for certifying clean vehicle manufacturers as "fair and responsible in the treatment of their workers."

Certification procedures developed under the bill's vague use of the term "fair and responsible," if not applied consistently to auto manufacturing plants located around the world, could not only cause harm to the CVRP, but ultimately penalize companies that locate in California and decrease California's global competitiveness.

We are concerned that the draft certification procedures in the Concept Paper would exacerbate an already unequal playing field because they focus on the locally applicable labor laws and requirements for each manufacturing plant. Autoworkers in California are already protected by a comprehensive and certain set of state and federal organizing, wage, health and safety, and nondiscrimination laws, and other labor standards that are rigorously enforced. This approach discourages future manufacturing investment in California by effectively holding companies that create manufacturing jobs in California to a different and higher standard. The flaw in focusing on locally applicable requirements to ensure workers are treated fairly is exemplified by the State of California's existing ban on travel by state employees to certain states with laws that California perceives to be discriminatory. The ban includes at least one state where CVRP-eligible vehicles are made.

Developing and implementing inappropriate certification procedures threatens to disrupt administration of the CVRP in a way that will limit customer choice, just as more affordable clean cars are coming to market. Increasing regulations through this proposal will only discourage future investment in California and contribute to jobs moving out of the state or country; often to states or countries that have more lenient labor laws.

Additionally, the Governor has set goals to reach five million zero-emission vehicles (ZEVs) on the road by 2030. This ambitious standard to reduce carbon emissions is largely dependent on the CVRP incentivizing consumer behavior to purchase ZEVs. If these incentives are taken from key parts of the market, then the state will likely fail to meet its environmental goals and disincentivize future manufacturers from creating products in California.

For these reasons, we urgently request that procedures for certifying vehicle manufacturers for CVRP participation be applied with transparency, with due process, and with consistency. We appreciate your consideration of the Silicon Valley Leadership Group's comments.

Warm Regards,

Carl Guardino
CEO & President
Silicon Valley Leadership Group