

March 20, 2017

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Portland Trail

Blazers

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Starbucks

Stonyfield Farm

Symantec

Timberland

Unilever

VF Corporation

Vulcan, Inc.

***Bold indicates
companies based
in California***

Mary Nichols

Chairman

California Air Resources Board

1001 "I" Street

P.O. Box 2815

Sacramento, CA 95812

Re: Advanced Clean Cars Midterm Review

Dear Chairman Nichols:

As major U.S. businesses representing over \$400 billion in annual revenue, we are writing to voice our strong support for California's authority to adopt and implement its Advanced Clean Car regulations. We also support addressing the current vehicle greenhouse gas (GHG) standards, the Zero Emission Vehicle (ZEV) program, and the particulate matter standards as proposed in ARB's *Summary Report for the Technical Analysis of the Light Duty Vehicle Standards (ARB Staff Report)*. Business for Innovative Climate and Energy Policy (BICEP) is a coalition of leading businesses, including many California-based companies such as Levi Strauss & Co., eBay, Autodesk, and Dignity Health. BICEP members are committed to working with policymakers to pass meaningful energy and climate legislation and regulation that will help the nation rapidly transition to a low carbon, 21st century economy.

We support continuing California's participation in the National Program, assuming that current EPA GHG standards for 2022-2025 remain intact. If EPA's GHG standards are significantly weakened, we urge you to assess whether it would be necessary to adopt new standards in order to realize the critical GHG reductions needed to protect California's public health and environment. Strong standards benefit consumers, businesses and the broader economy. Money saved on gas is diverted to consumer spending, an important driver of the broader economy. In addition, strong standards drive investment and innovation in advanced vehicle technologies, thereby enhancing U.S. companies' global competitiveness.

We also support strengthening California's Zero Emissions Vehicle (ZEV) program post-2025 in order to ensure that California meets its 2030 GHG and air quality goals. California's ZEV program is a critical policy tool with national impact. Under Section 177 of the Clean Air Act, nine other states have adopted California's ZEV program; collectively, with California, the group represents almost one-third of the US vehicle market. As a result, the ZEV program is critical to spurring the development and deployment of ZEVs throughout the country.

Given that the transportation sector represents the largest source of GHG emissions in the U.S. and California, meeting climate stabilization goals –

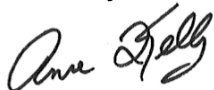
including California's 2030 targets legislated by SB 32 - will require a large-scale shift away from petroleum-fueled vehicles to ZEVs. Electric vehicles charged in California produce 70% less emissions than the average new petroleum-fueled car. And because electric vehicles run on cleaner energy than petroleum and produce zero tail pipe emissions, the transition to fleet electrification will also result in significant public health benefits and cost savings. A recent [study by the American Lung Association](#) shows that a strong shift to EVs in California by 2050 will result in \$13.5 billion in combined public health and climate savings in California alone.

The ARB Staff Report's analysis of the ZEV program confirms that the program is catalyzing the development of ZEV technology and driving the creation of a robust ZEV market in California and beyond. The ARB Staff Report also finds that automobile manufacturers have "been exceeding the annual requirements of the ZEV regulation" to date and that current compliance goals through 2025 are achievable. The fact that the *Summary Report* concludes that the ZEV program will result in fewer cumulative ZEV sales by 2025 than originally modeled underscores the importance of strengthening the program post-2025 in order to meet California's 2030 GHG targets. In addition to reducing environmental and public health impacts and costs, the continuation of a strong ZEV program will result in key business benefits. The ZEV program is creating a robust ZEV market thereby reducing ZEV purchase costs for corporate fleets and helping fleet managers transition to cheaper-to-fuel ZEVs and avoid petroleum fuel price volatility.

Finally, we support maintaining the stringency of the 1mg/mi particulate matter 2025 emission standard. The resulting health benefits will ensure health care cost savings and increased productivity, and we value climate benefits resulting from this standard as well.

Our support is firmly grounded in economic reality. We know that tackling climate change is one of America's greatest economic opportunities of the 21st century and we applaud California's leaders for taking steps to help the state seize that opportunity. As successful American businesses, we know the importance of recognizing and seizing opportunities. We strongly support ARB staff's recommendations to maintain the Advanced Clean Cars program as outlined above.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne Kelly". The signature is fluid and cursive, with the first name "Anne" and last name "Kelly" clearly distinguishable.

Anne Kelly

Director, Business for Innovative Climate & Energy Policy (BICEP)