

California Air Resources Board  
attn: Ms. Sarah Carter  
9480 Telstart Avenue, Suite 4  
El Monte, California 91731

May 31, 2018

Dear Chair Nichols and Members of the Air Resources Board -

As the Board reviews options to clarify the “deemed to comply” provision for LEVIII greenhouse gas emission regulations in model years 2022-25, the Board may want to consider a pathway or system for voluntary compliance in the non-California states if no negotiated outcome occurs soon continuing the one national program.

In the letter that several supplier associations sent recently to USEPA and NHTSA, we laid out an "Advanced Technologies Flexibility Option" that would provide vehicle manufacturers with additional compliance flexibilities, while maintaining robust standards. Such flexibilities should include some combination of the following elements:

- 1) Improving and expanding existing credit programs including CO<sub>2</sub> credits for qualifying full size light-duty pickup trucks and credits for gasoline particulate filters (GPFs) installed on any type of vehicle.
- 2) Extending and potentially restructuring credit multipliers for EVs, PHEVs, FCVs and CNGVs and ANGVs;
- 3) Improving the current off-cycle credit technology program by expanding the off-cycle credit menu and raising the credit caps on both A/C efficiency credits, and the off-cycle menu credits.
- 4) Revising the off-cycle technology credit process to allow suppliers to directly petition EPA for a specific technology to be eligible for a provisional off-cycle credit.

This package of reforms would provide more near-term flexibility in achieving CAFE targets and national GHG reduction goals while lowering compliance costs. Improving and expanding these credit programs would provide incentives for suppliers to continue technology investments in California and across the U.S. and further advance and deploy innovative technologies in a cost-effective manner. These additional flexibilities will strengthen our domestic manufacturing jobs, grow the economy, encourage U.S. innovation and promote the investment necessary to support continued forward progress on emission reductions and increased GHG reductions in the years to come.

As you know, we are hopeful that California (and the 177 states), and the Federal agencies will soon be able to successfully negotiate the continuation of one national harmonized greenhouse

gas and fuel economy program to provide necessary regulatory certainty and make steady progress on addressing our shared climate, energy and air quality challenges. We respect and support California's leadership and authority under the Federal Clean Air Act and look forward to working with the Board and others interested in a constructive resolution on this important matter, even if it may require extraordinary arrangements to build on the success of the 2012 agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Rasto Brezny". The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

Dr. Rasto Brezny, Executive Director  
Manufacturers of Emission Controls Association

A handwritten signature in black ink, appearing to read "Timothy J. Regan". The signature is bold and cursive, with a horizontal line at the end.

Tim Regan, President  
Emissions Control Technology Association

A handwritten signature in black ink, appearing to read "Christopher Miller". The signature is cursive and somewhat stylized, with a long, sweeping tail that extends to the right.

Christopher Miller, Executive Director  
Advanced Engine Systems Institute

