



May 4, 2015

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

Re: Notice of Public Availability of Modified Text – Minor Modifications to the Zero Emission Vehicle Regulation, to be heard by the California Air Resources Board May 21, 2015 (“15-Day Notice”)

Air Resources Board Members and Staff:

FCA US LLC (“FCA US”, formerly Chrysler Group LLC) appreciates the opportunity to comment on the above referenced proposed amendments to the Zero Emission Vehicle regulation (13 CCR §§ 1962.1 and 1962.2, the “ZEV Regulation”) and the related California Exhaust Emission Standards and Test Procedures for 2018 and Subsequent Model Zero-Emission Vehicles and Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck, and Medium-Duty Vehicle Classes (the “Test Procedures”).

The nature of these comments are primarily technical corrections to drafting errors identified in Attachments A and B to the 15-Day Notice and to Appendix A of the October 13, 2014 errata notice (“Errata Notice”) associated with this rulemaking¹. Nonetheless, FCA US feels that it is critical that the Air Resources Board and staff make every effort to keep these ZEV Regulations and Test Procedures as clear and as error free as possible, and to avoid the introduction of conflicting language and resulting potential uncertainty in interpretation.

Comments on the Errata Notice

FCA US understands that comment is being taken only on changes introduced by the 15-Day Notice. However, the Errata Notice was posted less than 15 days prior to the formal hearing, providing minimal time for review. Given that the 15-Day Notice changes are marked relative to the Errata Notice, closer inspection was given to the Errata Notice and several concerns were noted. In particular, the Errata Notice failed to correct certain drafting errors from the original September 2, 2014 Initial Statement of Reasons (“ISOR”), which was one of reasons for the Errata Notice, thereby introducing new text to the existing ZEV Regulation that has a substantive impact to a manufacturer’s execution of the provisions impacted. Additionally, there are marked changes to the ZEV Regulation within the Errata Notice which bear a second look for accuracy and clarity.

Errors in the Errata Notice Relative to the Pre-Existing ZEV Regulation

At page A-8, the text of 13 CCR 1962.2(d)(5)(E)2.c.i., the second sentence reads, “Manufacturers that have fully complied with the optional section 177 state compliance path requirements in subdivision 1962.1(d)(5)(E)e. may trade or transfer 2012 and subsequent

¹ Comment is made on the Errata Notice because it inadvertently made use of older regulatory language as its basis instead of the most recent ZEV Regulation.



model year ZEV and TZEV credits within the West Region pool to meet the *same model year* requirements . . .” [*emphasis added*] The requirement that credits be of the “same model year” was removed by previous rulemaking². The same error occurs twice more on page A-9 in the continuation of 13 CCR 1962.2(d)(5)(E)2.c.i. and in 13 CCR 1962.2(d)(5)(E)2.c.ii.. These changes to the existing ZEV Regulation are unmarked as such and are not afforded notice or description as part of the original ISOR or this 15-Day Notice. **FCA US recommends that these errors be corrected in a subsequent errata notice or by other appropriate means to ensure that they are not inadvertently and without due consideration carried into the final regulation order associated with this rulemaking.**

Similarly, at page A-10, the text of the renumbered 13 CCR 1962.2(d)(5)(E)2.f reads, “A *large volume* manufacturer that elects the optional Section 177 state compliance path . . .”. [*emphasis added*] The text specifying “large volume” is an addition to the pre-existing language of the ZEV Regulation³. **FCA US recommends that this error be corrected if necessary. If the added text is required for clarity between large volume manufacturer (LVM) and intermediate volume manufacturer (IVM) provisions, it should be clearly marked as a change in an appropriate notice.**

Errata Notice References to Verify

On page A-7 of the Errata Notice, the added text of the renumbered 13 CCR 1962.2(d)(5)(E)2.b.i. makes reference to the higher level 1962.2(d)(5)(E)2.b. as containing requirements which traded or transferred credits could be used to meet. There are no requirements contained in the referenced text. **FCA US recommends that staff reexamine the reference and correct it appropriately.**

On page A-9 of the Errata Notice, at the renumbered 13 CCR 1962.2(d)(5)(E)2.d.ii., the text modifies a reference to read, “1962.2(d)(5)(E)2.a.”. The reference is specific to intermediate volume manufacturers only. FCA US believes that ARB staff’s intent was to make this provision applicable to all manufacturers, thereby requiring the reference to read, “1962.2(d)(5)(E)2.a or 2.c”. [*added text*] **FCA US recommends that ARB staff consider whether the provision should be applicable to only IVMs as written, or whether it should be applicable to all manufacturers, and to make additional changes if needed.**

On page A-10, the last sentence of the added text to the renumbered 13 CCR 1962.2(d)(5)(E)2.f reads, “The pooling provisions in subdivision 1962.2(d)(5)(E)2.a. shall not apply to an intermediate volume manufacturer . . .”. The Errata Notice places the IVM pooling provisions at 2.b.i and 2.b.ii., not 2.a.. **FCA US recommends that ARB staff correct this reference error as needed.**

Minor Grammatical and Numbering Convention Corrections

² See Final Regulation Order – sections 1962.1 and 1962.2, title 13, California Code of Regulations, effective July 10, 2014, available at <http://www.arb.ca.gov/regact/2013/zev2013/zevfroal.pdf> and See current 13 CCR 1962.2(d)(5)(E)1.a.i..

³ See current 13 CCR 1962.2(d)(5)(E)2.d.



Minor grammatical and numbering convention errors were also noted in the Errata Notice:

- Page A-10: At the renumbered 13 CCR 1962.2(d)(5)(E)2.f., there is a reference to subdivision "1962.1(d)(5)(E)3". The three should have a period following it.
- Page A-10: At the renumbered 13 CCR 1962.2(d)(5)(E)2.f., added text, there is a sentence which reads, ". . . the manufacturer is complying as *an* large volume manufacturer." [*emphasis added*] The "an" should read "a".

FCA US recommends that these minor corrections be made when the next opportunity to do so arises.

Comments on the April 20, 2015 15-Day Notice

Clarifying Comments

At page A-6, the second to last sentence generally prohibits manufacturers from using TZEV credits to satisfy a deficit from a prior model year. A final clause in the same sentence reinforces this prohibition for large volume manufacturers by noting that only credits from ZEVs may be used for this purpose. The final sentence specifies that IVMs may use ZEV and TZEV credits to fulfill a ZEV deficit. The intent is clear. However, grammatically, the preceding sentence prohibiting the use of TZEV credits for this purpose is made for the generic manufacturers. **FCA US recommends reconstructing these final two sentences to maximize clarity.**

References to the Test Procedures

At page A-4, there are two references to the Test Procedures with a last amendment date of May 30, 2014. Given that this rulemaking proposes modifications to the Test Procedures, it would be more appropriate to insert placeholder text referring to the approval date for the modified test procedures. **FCA US recommends that a placeholder be substituted for the May 30, 2014 approval date.**

At page A-4, the 15-Day Notice modifies the Test Procedures reference for the US06 test cycle range capability to "G.7.3". The US06 test procedures are currently at the original G.7.5, requiring no modification. Although FCA US understands that there is also a separate rulemaking ongoing which could further modify the Test Procedures to make this reference correct, it is inappropriate to make such a change at this time given that the separate rulemaking has not completed the approval process yet. **FCA US recommends maintaining the reference as in the original and modifying through a subsequent notice (or within a future de novo rulemaking) after the Test Procedures have been formally approved to make such a change a correct reference.**

Minor Numbering Convention Errors

At page A-5, the added text of the renumbered 13 CCR 1962.2(d)(5)(E)2.b. has a reference to "1962.1(d)(5)(E)3". The reference should have a period following the "3". **FCA US recommends that this minor correction be made at the next convenient opportunity.**



Closing

Thank you for your consideration of these concerns. We appreciate the effort that the Board and staff members put forth to understand stakeholders' concerns and to address them. While most are admittedly minor in nature, the preceding recommended changes will help ensure inadvertent modifications are not made to the ZEV Regulation and that the regulation maintains clarity of references and construction.

If you have any questions, please contact Mike Hartrick of my staff by phone at (248) 576-7372 or by email at michael.hartrick@fcagroup.com

Sincerely,

A handwritten signature in black ink, appearing to read 'Vaughn Burns', is written over a horizontal line. The signature is cursive and somewhat stylized.

Vaughn Burns

Head – Vehicle Emissions, Certification and Compliance

Vehicle Safety and Regulatory Compliance

FCA US LLC

cc. via electronic mail

Elise Keddie

Mark Williams