



North American Subaru, Inc.

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June 9th, 2022

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Chair Randolph, Vice-Chair Berg, and Members of the Board,

Subaru fully supports an electric, net-zero carbon future. The Advanced Clean Cars II (“ACC II”) proposal aims to set a very challenging path for the U.S. auto industry. Meeting these objectives in California and the 177 States, will require significant action from all stakeholders to send clear signals to consumers that they can confidently embrace electric vehicle technologies.

To reach 100 percent ZEV sales by 2035 will require a host of supportive policies. Consumers will demand affordability, ease of charging, and a vehicle that meets performance needs in all-weather conditions. Rules should strongly consider policies to support consumer confidence including investment in reliable, compatible, and easily accessible charging, non-discriminatory consumer purchase incentives, updated building code requirements, and much more.

In addition, global supply chain disruptions, in particular a global semiconductor chip shortage, and limited access to the critical minerals that are needed for EV batteries like lithium, cobalt and nickel, pose enormous challenges to automakers’ transition to electrification. Supply chain disruptions and the effects on battery and vehicle costs must be considered when determining the goalposts for reaching 100 percent ZEV sales by 2035.

These challenges are amplified for smaller manufacturers like Subaru. Our path to achieving an all-electric future is different than larger OEMs. Our small size globally in terms of capital resources and only five production lines across two manufacturing plants worldwide requires a more deliberate approach toward achieving transformative change.

Subaru vehicles are uniquely affordable, efficient, off-road capable products that contribute to a diverse, competitive market in California and the US. Subaru customers love adventure, demand reliability, and prioritize safety and practicality. Our all-electric future must account

for our distinctive position in the market and provide us the ability to achieve the scale necessary to support 100 percent ZEV sales.

This year marks a pivotal moment in Subaru's journey toward an all-electric future. Subaru's first all-electric vehicle, the Solterra, is arriving soon to retailer showrooms across the country.

Subaru fully supports the proposals submitted by Auto Innovators. The requested changes are reasonable and will support the long-term success of the program. We strongly encourage the Board to synchronize with the rest of the world on battery durability requirements to minimize added, unnecessary costs.

It's clear that these next set of regulations are reliant on broad consumer adoption of electric vehicle technology. Given the monumental task before us, we encourage the Board to closely monitor EV market development in the coming years and consider establishing metrics to quantify its progress to be able to adapt accordingly.

Subaru will continue working with the Board and Staff on ensuring a successful transition to vehicle electrification. An effective rule for promoting ZEV goals in California and the 177 States will require strong collaboration between the auto industry, policymakers, and other stakeholders. We encourage the Board to account for OEM differences to ensure success for smaller manufacturers, align the program with market development in California and 177 states, and implement complementary policies to support consumer confidence.

Sincerely,

A handwritten signature in black ink, appearing to read "David Barker". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Barker".

David Barker
Energy and Environmental Activities Manager