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**Testimony of Alliance of Automobile Manufacturers
Before the California Air Resources Board
Regarding the Proposed Amendments to New Passenger Motor Vehicle
Greenhouse Gas Emission Standards for Model Years 2012-2016 to Permit
Compliance Based on Federal Greenhouse Gas Emission Standards
February 25, 2010**

My name is Julie Becker and I am Vice President, Environmental Affairs for the Alliance of Automobile Manufacturers. The Alliance and its members are committed to developing and implementing policies that enable our members to introduce new technologies needed to support sustainable mobility and help address climate change. The best way to achieve this is to initiate and leverage consensus-oriented dialogue among industry, federal and state governments, and other stakeholders to address shared objectives, both domestically and internationally. Last year's negotiations and the resulting White House announcement of a National Program demonstrate how a collaborative approach can produce environmental and energy security benefits while preserving jobs.

I want to thank CARB for the opportunity to comment today, and for the dedication and coordination with automakers and the federal government that it took to put this proposed rulemaking together. The proposal honors California's commitment to the National Program and provides manufacturers with a roadmap for increasing average fuel economy in new vehicles by 40 percent and reducing greenhouse emissions by 30 percent by Model Year 2016.

The National Program provides automakers with the certainty and flexibility necessary for achieving the ambitious reductions in greenhouse gases and significant savings in oil consumption proposed by the rule. Further, by reconciling the California and national programs, the current proposal would provide manufacturers with the certainty and lead time necessary to plan for the future and to cost-effectively add new technology.

While the National Program only covers model years 2012–2016, we are already looking to 2017 and beyond. In going forward, a key to reducing the impact of greenhouse gases from the light-duty fleet is the continuation of a joint, coordinated National Program. A program that allows manufacturers to establish long-term, cost-effective plans nationwide is necessary for the future well being of our industry. To the extent they are effective and feasible, additional approaches to reducing greenhouse gases that are not embodied in the current National Program should be evaluated as part of a holistic, renewed National Program for 2017 and beyond.

As the U.S. moves forward to achieve significant long-term GHG reductions, those involved should seek the most cost-effective means of achieving these reductions on an economy-wide basis, utilizing a wide range of options involving all sectors of the economy. For transportation, this means thinking outside the powertrain -- including fuels and measures to reduce vehicle miles traveled. This challenging goal is the key reason why the Alliance has supported California' low carbon fuels standard and other efforts to increase the use of renewable fuels.

In addition, in September, EPA and NHTSA proposed a joint rulemaking to implement the National Program. Under the proposed rule, electric vehicles, the electric portion of Plug-In Hybrid Electric Vehicles and Extended Range Electric Vehicles would be assigned a fleet average of zero grams/mile CO₂. We understand that ARB staff advocated upstream emissions accounting for electric vehicles. Alliance members seek the regulatory certainty and investment incentives needed for these technologies to succeed. We also recognize that our industry does not have the ability to control the carbon intensity of fuels. We therefore supported, for the 2012 – 2016 timeframe, EPA's proposed approach; emissions from electricity generation should be accounted for upstream. The Alliance and its members will continue to work with CARB, EPA and other stakeholders to put forward a workable and beneficial program.

In closing, I want to thank the staff and the board for making this historic National Program possible, and for the opportunity to testify today. We look forward to a robust discussion leading to a comprehensive second-generation National Program. I will be glad to address your questions at this time.