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Ford Motor Company Comments on
Continuation of
Notice of Public Hearing to Consider Amendments to
California's Emission Warranty Information Reporting and
Recall Regulations and Emission Test Procedures
October 10, 2006

Ford Motor Company (Ford) welcomes the opportunity to comment on California's Emission Warranty Information Reporting and Recall Regulations and Emission Test Procedures. These comments supplement the Ford comments submitted on December 6, 2006. Furthermore, Ford supports the comments of the Alliance of Automobile Manufacturers (Alliance).

We appreciate the opportunity provided to continue to work with Air Resources Board (ARB) staff after the December board hearing. We appreciate that the staff no longer proposes to extend warranty beyond useful life and has included, at least in form, an administrative hearing for any remedial action. However, there are a number of other critical issues that remain unresolved. The remaining issues are addressed in the Alliance of Automobile Manufacturers' (Alliance) comments, which Ford supports. In addition, Ford would like to concentrate these comments on a single issue that is extremely important, that is, the need to consider whether a vehicle fails to meet the emissions standards before requiring remedial action. This critical issue is at the heart of all vehicle air pollution control regulation, and the ARB staff now proposes to discard it.

The Board postponed this matter for the purpose of encouraging industry and staff to work together toward compromise. Because the emission standards are critical to the entire air

pollution control program, industry has worked very hard to try to resolve the staff's concerns, including reducing staff's burden of proof. We offered numerous proposals and suggestions on how to address the emission standard issue, including (1) testing a vehicle with a failed component using a very prescriptive test procedure to determine if the emissions standards are exceeded, (2) an idea of distinguishing between emission-control and emission-related components, and finally, (3) a proposal that would only evaluate emissions impacts during the administrative hearing process. However, during our discussions with the ARB staff, staff has made very clear that they have no desire or intention of considering emissions standards in this rulemaking process.

The ARB may not discard consideration of the emissions standards when reviewing the need for recall of vehicles. The mandate of the ARB, as specified in California's Health and Safety Code, is to implement measures of air pollution control for new motor vehicles, first and foremost, by means of emissions standard. Emission standards are the basis for ARB's entire Low Emission Vehicle (LEV) Program, which includes testing components at the time of certification, at the time of production ("End of Line" or "Conformity of Production"), and when the vehicles are in-use. The comprehensiveness of California's LEV program is to ensure that vehicles continue to meet the emissions standards throughout the useful life of the vehicle. In fact, the emission standards are the heart of all of the ARB's mobile source regulations. It is inconceivable that ARB staff now proposes to dismiss the emissions standards in their entirety from the determination of whether or not a vehicle must be recalled for air pollution control.

As stated in our comments of December 2006, by ignoring emission standards, ARB staff's proposal may create undue burden on the manufacturer because a vehicle will be subject to costly remedial action even though its emissions are well below the emission standards. Furthermore, ARB staff's proposal may actually increase vehicle emissions and hurt air quality. The proposal discourages manufacturers from including the safeguards, redundant systems, and protections that manufacturers presently incorporate into their vehicle designs.

For these reasons, in addition to the reasons stated in our December 2006 comments and the Alliance's comments, we strongly request that ARB revise their proposal to consider whether a vehicle fails to meet the emissions standards before requiring unnecessary and costly remedial action.