

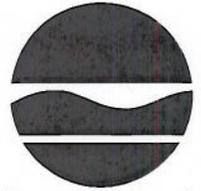
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Alexander B. Grannis
Commissioner

August 14, 2008

Ms. Mary Nichols, Chairman
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Re: Zero Emission Vehicle (ZEV) regulatory proposal

Dear Chairman Nichols:

As you know, New York State has adopted the California Low Emission Vehicle program, including the ZEV mandate, pursuant to Section 177 of the Federal Clean Air Act. In implementing this program the New York State Department of Environmental Conservation (NYSDEC) has a long working relationship with ARB. Consequently we have been approached by both ARB staff and representatives from the automobile industry identifying possible issues associated with the elements of the proposed regulation known as the proportional travel provisions.

At the March Board hearing, New York testified that it supported the concept known as traveling due to the need to continue to advance technology that was still expensive and developmental. At that time, however, we suggested that it was necessary to limit the manner in which such credits flow to adopting states, like New York, in order to prevent windfall credit generation in the adopting states. As California moves forward in the current rulemaking process we want to reiterate that limiting credit flow due to traveling is of critical importance to New York. Since sales of new vehicles in New York is approximately 40 percent of the level in California, manufacturer compliance with the ZEV requirements in California would generate overcompliance in New York by a factor of approximately 2.5 without any actual ZEV ever being delivered to New York should the proportional limits not be included.

In summary, as you proceed with this rulemaking, we request that any traveling provision incorporated into the regulation be accompanied with the proportional limits. If there is need to address manufacturers' compliance with the non-ZEV parts of the requirements, we believe that those issues should be handled separately.

Thank you for your consideration of this matter.

Sincerely,

David J. Shaw
Director, Division of Air Resources