

August 15, 2008

Mary D. Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, California 95814

**Re: Proposed 15-day modifications to the proposed zero emission vehicle regulation order**

Dear Chairwoman Nichols:

The Northeast States for Coordinated Air Use Management (NESCAUM) recently submitted a letter of support for the proposed 15-day modifications and we are writing today to emphasize our support for one specific proposed amendment: the proportional assignment of travel credits under section 4.4 (e) beginning in model year 2009.

The manner in which travel credits are applied in the northeast can significantly affect the number of "Silver" and "Bronze" vehicles that are placed into the fleets in our region during the 2009-2011 timeframe and in subsequent years. Under the "primary" compliance path for 2009-2011, a manufacturer is allowed to meet up to 77.5% of its basic 11% ZEV requirement with AT-PZEVs and PZEVs. However, if a manufacturer earns credit for the entire 11% using only Gold vehicles, it would have no obligation for AT-PZEVs or PZEVs under the ZEV program. If Gold credits are allowed to travel at their full value, a manufacturer that meets only its minimum Gold obligation in California may earn credit toward some, or all, of its Silver and Bronze obligation in section 177 states. Further, because Gold credits may be "carried forward" indefinitely to meet future Silver and Bronze obligations, this adverse effect may persist well beyond 2011.

On page C-18 of the document entitled "*California Exhaust Emission Standards and Test Procedures for 2009 and Subsequent Model Zero-Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium Duty Vehicle Classes*" section 4.4 (e) specifies how ZEVs placed in a Section 177 state will be counted. We strongly urge the Board to maintain the language in section 4.4 (e) as proposed in 15-day modifications released on July 25, 2008 and urge the Board to maintain the requirement that this language be applicable beginning in the 2009 model year.

Sincerely,



Arthur N. Marin  
Executive Director

Cc:  
James Goldstene  
Tom Cackette  
Analisa Bevan  
Elise Keddle  
NESCAUM Directors