



Air Resources Board



Linda S. Adams
*Acting Secretary for
Environmental Protection*

Mary D. Nichols, Chairman
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Edmund G. Brown Jr.
Governor

February 7, 2011

Dear [Company CEO] for each of the following companies:

General Motors Corporation
Chrysler Group LLC
Ford Motor Company
BMW
Toyota Motor Corporation
Volkswagen AG
Mercedes-Benz

The California Air Resources Board (CARB) has been working closely with your company since 2009 to implement vehicle emission standards that reduce greenhouse gas emissions in California and nationwide. For this reason, we are alarmed and disappointed that your trade association, the Alliance of Automobile Manufacturers, has misrepresented that cooperative spirit in recent letters to Congress. I am writing to correct those misrepresentations and to urge your company to distance itself from future efforts by the Alliance to undermine the achievement of our mutual goals to set standards that will provide American consumers with cleaner and more efficient vehicles.

CARB's commitment to a national program has been clear and unwavering. Specifically, we followed through on all of the commitments expressed in the industry and CARB letters to the federal government in 2009 which solidified our promise to work together. Those commitments resulted in CARB adopting the national 2012 to 2016 model year greenhouse gas (GHG) standards as fully compliant with the CARB standards approved in 2004. More recently, we embraced the President's May 2010 request to work with the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) to evaluate the next set of vehicle emission standards for 2017 to 2025 model years. And, we committed staff resources, more than two million dollars of contract funding, and met jointly with your company and the federal agencies regularly. In addition, we co-authored the Technical Assessment Report requested by the President that was published on schedule on September 30, 2010, and repeatedly delayed initiation of a California regulatory process in order to conduct our rulemaking in parallel with the regulatory process planned by the federal government. In fact, in order to ensure that we develop our rules using the same sets of data, we recently issued a joint statement with EPA and NHTSA promising that we

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

would release proposals for the next set of GHG standards (and NHTSA's fuel economy standards) on the same date, September 1, 2011.

On January 11, 2011 in letters addressed to Congressmen Issa and Upton and signed by Vice President Karr of the Alliance of Automobile Manufacturers, the Alliance calls our commitment to a national program into question. In these letters, the Alliance claims California is taking "unilateral action" in a "rushed effort toward a state rulemaking" that "is not in the spirit of a collaborative effort to develop a single national program for fuel economy/GHG standards." For the Alliance to suggest we are no longer committed to a cooperative effort is disingenuous at best, and incorrect.

Furthermore, the Alliance letter brings into question the auto industry's desire for continued cooperation. For example, the Alliance raises the alleged "patchwork" of state regulations argument, yet fails to recognize this issue was eliminated a year ago when CARB amended its regulations to allow compliance to be based on the sum of all vehicles sold in states that require California-certified vehicles. And, the claim previously set forth by several automobile manufacturers – and reiterated in the Alliance letter – that California is preempted from adopting GHG standards because they "relate to" fuel economy has been rejected by two federal courts who found no such preemption exists. Finally, the Alliance's claim that it is highly doubtful that California could get a waiver as required by the federal Clean Air Act is especially puzzling given EPA's issuance of a waiver last year (which the industry supported) for our GHG standards through the 2016 model year.

The unfortunate statements made by the Alliance undercut our continued cooperation to establish future greenhouse gas emission standards in an open, collaborative and positive process. I request that you correct the Alliance's mischaracterizations and work to prevent this kind of communication from undermining our constructive relationship.

Sincerely,



Mary D. Nichols
Chairman

cc: The Honorable Barbara Boxer
United States Senate
112 Hart Senate Office Building
Washington, DC 20510

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

The Honorable Darrell Issa
Chairman
Committee on Oversight and Government Reform
United States House of Representatives
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The Honorable Elijah Cummings
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