

ATTACHMENT 1

ARB Responses to December 19, 2011 Oversight Committee

1. **In your initial response to Question 4, you claim that your comments published in the *New York Times* that negotiations featured a deliberate vow of silence and great care was taken to "put nothing in writing, ever" were "intended to acknowledge the extremely important and successful role the Administration played in coordinating and facilitating discussions."**
 - a. **Did you make the statement that the negotiations featured a deliberate vow of silence or that care was taken to "put nothing in writing, ever"?**
 - i. **If yes, what was the basis for your statement?**
 - ii. **If not, why did you not correct the attribution?**

I did not make the statement that there was any "vow of silence."

I did make the statement that, to my knowledge, no written documents were ever produced that officially summarized or memorialized the confidential nature of the information under discussion at any time prior to the conclusion of the discussions. The basis for this statement is my experience that the participants in these discussions understood them to concern the discussion of confidential information, and that in such discussions it is common practice that the content of those discussions is not comprehensively summarized or officially memorialized – that is, nothing is "put in writing" – while discussions are ongoing.

- b. How do a vow of silence and care to avoid written records advance the Administration's coordination and facilitation of discussions regarding an important and multi-faceted rulemaking?**

There was no vow of silence. Nor was there an effort to avoid written records.

The federal rulemakings that comprise the National Program, as well as California's regulatory proceedings, were and continue to be conducted in a full, open, transparent, and thorough public process.

It was my understanding that the discussions that led to the initial *agreement to pursue* a harmonized National Program involved the discussion of confidential information, and as noted it is my experience that the common practice that ongoing discussions involving confidential information are not memorialized while they are ongoing does enhance mutual trust and foster an environment for frank discussion.

- c. In your opinion, was the Administration successful in coordinating and facilitating discussions only as a result of the vow of silence and care to avoid written records?**

There was neither a vow of silence nor effort to avoid written records.

- d. If, as you state, no Administration official directed participants to avoid written communications, then, to your knowledge, why were no written documents produced as a result of the discussions?**

My statement that “to my knowledge no written documents were produced as a result of any of the discussions” refers to my recollection that the status or content of our ongoing confidential discussions was not comprehensively summarized or officially memorialized while they were ongoing. I did not mean to suggest that no records of any kind, such as calendar entries or individual participants’ notes, exist, or that presentations, spreadsheets, or other written materials were not sometimes used in meetings. To the extent that California has any such materials, we have either already produced or identified them or we are in the process of producing or identifying them as part of our January 31 submission.

- i. Were any written documents produced during the discussions? If yes, please provide these materials.**

I do not recall any written documents being produced that summarized or memorialized the discussions while they were ongoing.

- ii. Were there any agendas produced in anticipation of the discussions? If yes, please provide these materials.**

I do not recall that any agendas were produced. We are, however, reviewing our records and will produce or identify any such materials in our possession in our January 31 submission to the Committee.

- iii. Did you or any other CARB official take notes during the discussions? If yes, please provide these notes.**

I do not recall taking any notes during these discussions. CARB staff, however, is reviewing our records and will produce or identify any such materials in our possession in our January 31 submission to the Committee.

- iv. Do you have knowledge of any other participant taking notes during the discussions? If yes, whom?**

No.

- e. In your initial response, you stated: "I did not respond to inquiries from the press or otherwise make available to the press the content of the discussions in which I participated." Yet, you responded to press inquiries about the *process* of negotiations, with respect to the**

vow of silence and avoidance of written records as reported in the *New York Times*. Why did you choose to speak to the press on the process of negotiations and not the contents of the negotiations?

There was neither a vow of silence nor avoidance of written records.

I understood that the discussions leading to the agreement to pursue a National Program of vehicle standards included the discussion of confidential information. Confidentiality suggests that the content of ongoing discussions is not discussed with the press.

After these discussions were concluded and a framework for mutual commitments was reached, I did discuss the process of these discussions with the press because I felt that the participants' willingness to work together, compromise, and forge consensus produced a very beneficial result for all concerned, and that such a successful process could be a model for other difficult public policy problems.

- f. In your initial response to Question 4(c), you note that you "participated in discussions with the Administration and [were] aware that similar discussions between Administration officials and other stakeholders were taking place." However, you provide no details for these comments, as requested by the Committee.**
 - i. Please provide details of your discussions with the Administration, including dates, locations, participants, and a description of the subject matter discussed.**

Our previous submission to the Committee included a list of meetings between ARB and Administration officials and other participants with the information you request. We are reviewing our records to identify any additional information available and will provide such in our January 31 submission to the Committee.

- ii. Please provide details of discussions between the Administration and other stakeholders, including dates, locations, participants, and a description of the subject matter discussed.**

I do not have any detailed information about meetings that may have occurred between other parties not including California.

- 2. You repeatedly assert in your initial response that CARB is not "leading the nation in implementing fuel economy standards." Yet, in remarks announcing the new "fuel efficiency standards," President Obama proclaimed that "the state of California has consistently been a leader on this issue." Likewise, the *New York Times*, in an article entitled "New Mileage Rules Debated by Carmakers and White House," stated that CARB "has led the nation in setting tough standards."**

a. How do you reconcile your assertion that CARB is "not leading the nation in implementing fuel economy standards" with the contrary perceptions of President Obama and the *New York Times*?

There is no contradiction. Neither source actually says that California has been a leader in fuel economy standards. Both President Obama and the article cited describe at length that the agreement in question refers to both fuel economy and to greenhouse gas emission standards, and that California has been an acknowledged leader in greenhouse gas standards for vehicles.

b. How do you reconcile your assertions that CARB is "not ... implementing fuel economy standards" and that your greenhouse gas standards are not "related to" fuel economy standards with California's agreement in 2009 to revise its emissions standards to allow manufacturers "to use data generated by [corporate average fuel economy] test procedures ... to demonstrate compliance."

The "data" in question are all emissions data derived from the same set of emissions tests. California and EPA utilize the same set of emission tests for both greenhouse gas and criteria pollution emission standards, and these tests, including the collection of greenhouse gas emission data, predate the Energy Policy and Conservation Act. When EPCA was enacted, a subset of these emission test data was adopted for use in the CAFE program. Thus it is the CAFE program that uses these emissions data as a proxy for fuel economy, rather than the other way around. Moreover, it is important to note that compliance with greenhouse gas pollution standards is not demonstrated solely through the use of data shared with the CAFE program, but by additional inputs as well.

The revision of California's standards to accept data used under the CAFE program was aimed at simplifying compliance by allowing manufacturers to utilize the same set of data they submitted to one agency to comply with another agency's standard. This change did not involve a change in test procedure per se, but rather involved a change in the mix of test vehicles and the selection of data required, in order to be consistent with the vehicles and selected data utilized under CAFE. This change reduced the analysis and paperwork requirement for many automakers.

Simplified compliance was a central request of automakers and a prime example of the benefits of re-evaluating regulatory requirements and streamlining where possible, and is part of the reason the National Program is a historic success in achieving multiple public benefits while reducing regulatory burdens.

3. In your initial response to Question 9, you acknowledge that the California waiver does not extend to heavy-duty trucks, and you provide several state regulations to justify your regulation of heavy-duty trucks. Section 209(a) of the Clean Air Act specifically prohibits states from "adopt[ing] or attempt[ing] to enforce any standard relating to the control of emissions

from new motor vehicles or new motor vehicle engines .. ." There is, however, an exception to this prohibition. Specifically, section 209(b) provides that the EPA "Administrator shall ... waive application of [section 209(a)'s prohibition] to any State which has adopted standards for the control of emissions from new motor vehicles or new motor vehicle engines prior to March 30, 1966, if the State determines that the State standards will be, in the aggregate, at least as protective of public health and welfare as applicable Federal standards."

- a. Is CARB currently regulating greenhouse gas emissions of heavy-duty trucks? Does CARB plan to do so in the future?**

It is not clear to us whether this and other parts of Question 3 refer to greenhouse gas regulation of new heavy-duty vehicles, greenhouse gas regulation of vehicles generally, greenhouse gas and criteria pollutant emission control of heavy-duty and light-duty vehicles generally, or the entire 50 years of vehicle emission regulation in California, including dozens of state statutes and regulations and EPA waivers. We will therefore contact Committee staff to clarify the question's intent and will be happy to provide answers in response in our January 31 submission.

- b. Please identify *all* EPA waivers obtained by California pursuant to Clean Air Act section 209(b) that allow California to "enforce any standard relating to the control of emissions from new motor vehicles or new motor vehicle engines."**
 - i. For each California regulation "relating to the control of emissions from new motor vehicles or new motor vehicle engines," please identify the corresponding EPA waiver allowing California to regulate in that area.**
 - ii. For each California regulation "relating to the control of emissions from new motor vehicles or new motor vehicle engines," please indicate whether EPA has formally authorized the California regulation or has formally determined that the California regulation is "'within the scope" of a previously granted authorization.**
 - iii. Please identify *all* California regulations enforced by CARB that EPA has not formally authorized or has not formally determined to be within the scope of a previously granted EPA waiver.**
- c. Please identify and explain CARB's penalty policy and other enforcement mechanisms for mobile source emissions violations.**
 - i. Has EPA formally authorized or approved CARB 's penalty policy?**

ii. Is CARB's penalty policy consistent with the Clean Air Act?

iii. Does CARB's penalty policy consider the gravity of the violation or the economic benefit resulting from the violation?

- 4. In your initial response to Question 11, you concede that CARB does not regulate automobile safety standards. You assert that there are no safety concerns with California's regulations because "the standards' stringency would not require weight reduction." However, the Interim Joint Technical Assessment Report - which CARB helped to draft - supposes that vehicle mass for the MY 2025 fleet may be reduced anywhere from 15 percent to almost 30 percent relative to the MY 2008 fleet.**
- a. Please reconcile your statement that "'the standards' stringency would not require weight reduction" with the mass reduction assumptions of the Interim Joint Technical Assessment Report.**

No reconciliation is necessary. The statement "the standards' stringency would not require weight reduction" applies to the MY 2009 to 2016 GHG standards adopted by CARB in 2004. Our assessment then (and today) was that the stringency of those standards could be (and most likely would be) easily met with more cost-effective conventional technologies such as improved transmissions and would not require auto manufacturers to reduce weight in order to meet the standards.

With respect to the 2010 Interim Joint Technical Assessment Report that addressed the potential levels of GHG emissions in the MY 2017-2025 GHG timeframe, our joint assessment was that mass reduction in the range of 15 to 30 percent was a feasible and cost effective technical approach for reducing GHG emissions. This was based on a number of leading studies on available technologies, including the 2010 Lotus Engineering assessment of a redesigned crossover vehicle that incorporated advanced lightweight design and materials. Simulation showed the lower weight vehicle could perform equally well in crash tests compared to heavier production vehicles. However, the Interim Joint Technical Assessment Report was not a final analysis, and its mass reduction projections were not the basis for either the federal or California standards. The report identifies that further safety evaluations are necessary.

In setting GHG standards for MYs 2017-2025, engineering and economic analysis and modeling again determined that numerous more cost-effective conventional technologies exist to reduce emissions, and that average mass reduction utilized to comply with the standards would be less than ten percent. In its rulemaking, NHTSA confirmed that this amount of mass reduction would not have a negative impact on vehicle safety.

More generally, there is no particular requirement for a precise amount of mass reduction from the proposed regulation, as the ultimate amount of mass reduction would depend on the various automakers' technical approaches toward compliance. The regulation, by design, sets performance-based standards that allow automakers to implement a wide variety of approaches that include engine, transmission, mass reduction, aerodynamic improvements, electric-drive, and other technologies for reducing emissions. The estimate of mass reduction (i.e., of less than ten percent) is a projection that is based on cost-effectiveness, technology feasibility, and compliance with safety requirements.

b. In light of the recent safety deficiencies in the Chevrolet Volt battery system, does CARB recognize any potential safety concerns from advanced vehicle technologies that are not mass-related?

No. We are not aware of any issues with advanced technologies that may be used. In fact, we are not aware that NHTSA or anyone else has found that the laboratory incidents involving the Chevy Volt were an intrinsic safety deficiency of the battery pack itself. Moreover, GM recently implemented a mechanical field measure to ensure no real world incident like those found in laboratory testing could occur.

In contrast, real-world experience based on millions of miles of battery electric vehicle operation on California streets and highways over more than a decade, demonstrates that battery electric vehicles are as safe as equivalent conventional vehicles. Moreover, with more than two million hybrid electric vehicles now on American roads, advanced technologies are proving both safe and effective at reducing pollution, increasing American energy security, and reviving American manufacturing.

Modern vehicles are subject to some of the most extensive and stringent government safety regulations of any industry on the planet, in addition to a robust and vigorous third-party safety testing and review system. If any vehicle components of any type, advanced or not, are found to have safety concerns, ARB trusts that vigorous appropriate steps would be taken to correct the problem and remove any in-use components from service, just as has been done for decades by NHTSA.

c. What steps has CARB taken to ensure that the advanced vehicle technologies used to ensure compliance with CARB's standards are in fact safe for use by consumers?

California law, like federal law, requires that any vehicle entering commerce in California be compliant with all federal safety standards. Advanced technology vehicles must meet NHTSA safety standards just like any other production vehicle.

In addition, assessment of existing vehicles that employ advanced technology, extensive meetings with automakers and suppliers, new contracted technical

research on mass reduction, and interaction with NHTSA experts all contribute to ARB's conclusion that automakers will comply with the standards without compromise to vehicle safety. Within the current new vehicle fleet, auto companies are producing very low-emission (for both greenhouse gas and criteria pollutant) vehicles while using advanced engine, mass reduction, and electric-drive technologies. The most advanced low-emission technologies continue to be capable of surpassing NHTSA safety requirements and achieving the highest safety ratings. Further, auto industry representatives discussed how their development of advanced material and design technologies are simultaneously capable of reducing mass and making safer, more crashworthy vehicle designs due to more mass efficient materials and optimized holistic vehicle designs.

d. Did CARB perform an independent safety assessment related to its state emissions regulations?

Yes, in the development of the proposed 2017-2025 standards, the regulatory analysis benefited from a major technical project with an experienced automotive engineering firm with core expertise in advanced materials and design. In 2010, we contracted with Lotus Engineering to perform an independent, peer-reviewed analysis to determine if a vehicle using lighter weight materials would show any reduction in safety. Both EPA and NHTSA participated on this project in a technical advisory capacity. Lotus concluded that, with appropriate design, lighter weight vehicles (with greater than 20 percent mass reduction) could meet NHTSA safety standards as well as heavier vehicles.

However, when ARB ultimately proposed our 2017-2025 GHG standards in December 2011, we estimated that less than 10 percent mass reduction would be utilized. We benefitted from NHTSA guidance that vehicles meeting this level of mass reduction would not be any less safe. And NHTSA's detailed evaluation of EPA's 2017-2025 standards similarly concluded no diminution in safety. You can find an extensive discussion of this issue on pages 74945-74962 of the FR Vol. 76, No. 231, December 1, 2011.

e. Although you seem to indicate that CARB had little interaction with NHTSA, you cite CARB's work with NHTSA as evidence that California's standards are safe. Please explain the extent of your interaction with NHTSA on safety.

ARB has never indicated that we have had little interaction with NHTSA. We indicated that we did not "negotiate" with NHTSA regarding CAFE standards because to the extent we have negotiated an alternative compliance mechanism to accept the National Program, our focus has been on assuring that the EPA greenhouse gas pollution standards are equivalent to California's. However, NHTSA was present in many meetings along with EPA as we discussed technology and cost assumptions under our respective regulatory programs.

We also benefitted from NHTSA's expertise in safety. Our interaction with NHTSA on safety is described in detail in response to questions 4a and 4d above.

5. You state in your initial response to Question 12 that CARB "takes into account environmental, safety, and consumer factors, on a California-wide basis and to some extent on a national level." Please describe in detail the extent of CARB's consideration of environmental, safety, and consumer factors on a nationwide level.

ARB's priority for evaluating environmental, safety, and consumer factors focuses on those within California as mandated by State law. Assessment of these factors at a national level is less detailed, and focused on where a clear nexus exists between California rulemaking and national impacts. For instance, our primary economic impact analysis recognizes that many of the regulated parties are headquartered outside of state borders. Thus, the compliance costs for all regulated businesses, irrespective of geography, are described as part of our analysis to acknowledge their initial and ongoing expenditures resulting from the proposed regulation.

California has also closely considered the national environmental impact of our acceptance of compliance with the National Program as an alternative compliance pathway. The purpose of this analysis is to demonstrate that the state will continue to achieve equivalent or greater pollution reductions, as the law requires.

For our most recent proposal, to the degree that we are aware of any potential environmental or public safety impacts outside of California – whether nationally or internationally – these are acknowledged as part of our environmental analysis to fulfill requirements of the California Environmental Quality Act (see Appendix B of 2011 Initial Statement of Reasons). Given the parallel federal rulemaking of the proposed National Program, a separate, more detailed nationwide analysis by us would have been redundant given the federal agencies' rulemaking requirements.

Additionally, in our previous and upcoming GHG rulemaking, as with all California rulemakings, the Board considers public comments made by all stakeholders, including those related to environmental, safety, and consumer factors, and addresses them before finalizing the rule.

6. Under the single national standard as you describe it, there appear to be at least two standards with which automobile manufacturers must comply. Under these circumstances, if a hypothetical vehicle fleet was in compliance with NHTSA's standards for fuel economy but not in compliance with EPA's standards for emissions, would CARB deem the company as compliant with California standards? Please explain in detail.

ARB does not describe a single national standard. Rather, we refer to a single National Program, which is an overarching regulatory framework that coordinates EPA's greenhouse gas pollution standards and NHTSA's fuel economy standards.

The National Program is designed specifically to eliminate the hypothetical situation your question describes. The National Program provides consistent performance targets and streamlined compliance demonstrations for both federal standards. Thus, in complying with the National Program, the manufacturer would be complying with EPA standards, which would be deemed as alternative compliance with California's standards.

7. In your initial response to Question 13, you indicate that CARB has "not yet formally proposed or agreed to accept alternative compliance for MY 2017-2025."

- a. Has CARB informally accepted compliance, or otherwise indicated to EPA, NHTSA, or any federal entity that it will accept the federal standards under certain conditions? Please explain fully.**

Yes. In its July 28, 2011 "commitment letter" addressed to Secretary LaHood and Administrator Jackson, (attached) ARB committed (subject to various understandings held by ARB regarding the actions and commitments of other parties) to, "revise its standards on GHG emissions from new motor vehicles for model-years MYs 2017 through 2025, such that compliance with the GHG emissions standards adopted by EPA for those model years that are substantially as described in the July 2011 Notice of Intent, even if amended after 2012, shall be deemed compliance with the California GHG emissions standards..."

- b. Are there certain conditions under which CARB would not formally accept compliance with the federal standards as compliance with California law? Please explain.**

Yes. Most importantly, the federal government must complete and finalize its rules in order for ARB to accept compliance with those rules. The complete list of understandings held by ARB to which ARB's commitment is subject is contained in the July 28, 2011 "commitment letter." Finally, every formal action taken by ARB is subject to a full public notice and comment process and final approval by the ARB Board.

- c. If the proposed standards change substantially during the comment period, would CARB still accept compliance with the standards?**

We do not believe the standard would change so substantially that California could not accept it because the stringency of federal standards are primarily determined according to federal law and the availability and cost-effectiveness of various emission control technologies, and because ARB has worked extremely closely with EPA and NHTSA in evaluating the technological capability of manufacturers to meet the proposed standards.

However, if the law were changed – for instance to prevent EPA from regulating

greenhouse gases – then California’s ability to accept compliance with EPA’s standard as compliant with ours would be precluded.

d. What guarantees do automobile manufacturers have that CARB will ultimately agree to accept the federal standards as alternative compliance with the California standards?

In 2009, California also provisionally committed to accept the National Program as an alternative compliance pathway for California’s standards, and in 2010 we followed through on this commitment.

We are confident that the tremendous work completed and ongoing to provide a common technical foundation and harmonized regulatory structure will continue to lead to a smooth continuation of the National Program. Moreover, ARB has made this expectation crystal clear in its July 28, 2011 “commitment letter” as did the CEOs of thirteen auto manufacturers.

8. You assert in your initial response to Question 14 that the rulemaking is "cash-flow positive" from day one for consumers who finance their vehicle purchase. However, according to EPA's own estimates, the average per vehicle price increase by 2025 attributable to the suite of fuel economy standards is \$2,985. If a consumer is making monthly car payments on a vehicle that is \$3,000 more expensive and the anticipated fuel savings are measured over the life of the vehicle, how can the transaction be cash flow positive from "day one" as you assert?

We are unaware of EPA having ever estimated a vehicle price increase of \$2,985 for MY 2025. This figure appears to be a calculation made by the Committee that includes the cost estimates from the previously adopted EPA rulemaking, which exaggerates the estimated compliance cost of the recently proposed National Program.

Further, there are tremendous consumer benefits of the National Program. Using EPA’s numbers for a MY 2025 vehicle, EPA estimates that the proposed GHG standards would at most increase vehicle prices by \$1,950 above currently existing standards. Over the lifetime of the vehicle, this price increase is offset by \$5200-6600 in fuel savings, resulting in net savings of \$3200-\$4600 and a “payback period” of less than four years.

While such lifetime fuel savings are frequently presented to show the cumulative impact of the proposed standards, in actuality fuel savings from a compliant vehicle will accrue beginning with the first mile driven, not as a single lump sum payment at the end of a vehicle’s life. Subsequent owners would also continue to experience similar net savings throughout their ownership period.

Moreover, the majority of new vehicle purchases are financed so that any increase

to vehicle prices are spread over the loan term. With the vehicle purchase price spread over 48 to 60 months, the monthly fuel savings can more than offset any vehicle price increase. For instance, the cost of borrowing the estimated \$1950 additional cost in 2025, at 5.52 percent interest for five years, translates into an increase in monthly payments of about \$40. At the same time, GHG reducing technologies will also reduce monthly fuel expenditures of these vehicles by an average of nearly \$50 each month over the life of the loan period. Thus, net savings of about \$10 would occur immediately in the first month of ownership and every month thereafter.

Incidentally, these figures do not include the positive impact that the thousands of dollars not spent by consumers on oil imported from foreign regimes is thousands of dollars typically spent more locally and reinvested into American Main Street economies with much greater “multiplier” benefits for the national economy.

9. In light of the above discussion, please fully explain CARB's role in setting federal fuel economy/emissions policy.

California does not set federal policy. That role resides solely within the Congress and the federal Executive agencies as authorized by Congress. California sets California policy, as authorized under the United States Constitution, state law, and/or federal statute.

However, in the interests of increasing public benefits while reducing regulatory burden and increasing the efficiency of government operations, California agencies frequently voluntarily coordinate our regulatory activities with federal agencies. Specifically, in recent years California has collaborated with EPA and NHTSA to establish a common technical understanding of emission reduction and control technologies. We have also shared information and provided expert advice on the regulatory structure options available under our respective vehicle emissions and fuel economy programs in order to facilitate a harmonized, consistent regulatory structure that can function as a single National Program.

10. In light of the above discussion, please fully explain CARB's relationship with NHTSA.

California's relationship with both EPA and NHTSA is one of collaboration to establish a common technical understanding of greenhouse gas pollution emission reduction and control technologies. We also share information and provide expert advice on the regulatory structure options available under our respective programs in order to facilitate a harmonized, consistent structure that can function as a single National Program.

Although ARB is primarily concerned with EPA's work on greenhouse gas pollution standards for vehicles (because of our desire to use their program as alternative compliance for ours), EPA and NHTSA are linked because EPA was directed by

President Obama to develop its standards jointly with NHTSA's standards for fuel economy. Therefore, both NHTSA and EPA were involved in most discussions with ARB regarding technical capability, technology costs and benefits, and regulatory structure.

CARB worked closely with the two federal agencies to develop the Interim Joint Technical Assessment report issued in late 2010. After the report was issued, CARB continued to work with the two federal agencies and developed our respective proposed regulations. We worked closely with EPA to assure that the proposed GHG standards were feasible and cost effective. Our work with EPA and NHTSA involved assuring technologies were considered in a consistent manner and that the test procedure and accounting framework used to measure GHG emissions assured that the vehicle manufacturers can demonstrate compliance with fuel economy and GHG standards using one vehicle tested once. We also consulted with NHTSA and EPA on the appropriate inputs to the technical and economic models used to assess the costs and benefits of the proposed standards. Finally we consulted with NHTSA to ensure the proposed standards raised no safety concerns.

Specifically, ARB was party to technical discussions with NHTSA and EPA regarding the particular engine, transmission, and vehicle technologies that are feasible in future years across the various vehicle classes and the emission-reduction effectiveness of those technologies. The costs of the potential technologies (e.g., turbochargers, cooled exhaust gas recirculation, 8-speed transmissions, hybrid systems, batteries) were jointly deliberated based on available research and information from automakers and suppliers. The associated indirect auto industry costs associated with the development and deployment of new technologies was discussed. Potential crediting mechanisms were jointly discussed in order to preserve the linkage between the agencies' proposed standards. The crediting mechanisms that were discussed include air-conditioning technologies, off-cycle technology credits, and pickup truck hybrid and performance-based credits.

11. In light of the above discussion, please fully explain how there is a single national standard for fuel economy/emission regulations.

To our knowledge, no party to the National Program has ever suggested that there is one single national standard. Instead, there is a single National Program that harmonizes two federal standards and, along with California's acceptance of the Program as alternative compliance with our pollution standard, brings three separate and independent standards – the greenhouse gas pollution emission standards of ARB and EPA, and the fuel economy standard of NHTSA – under one coherent, overarching Program that provides consistent annual and long-term performance goals and provides for one simple process for demonstrating compliance. From a compliance perspective, the National Program can function effectively like one standard, but it in fact comprises three separate standards mandated under separate statutes and achieving different public goals.

Specifically, under the National Program, a vehicle manufacturer can calculate, subject to various assumptions regarding its product mix, consistent performance targets that it must meet in a given year. And with the promulgation of final rules for MY 2017-2025, manufacturers will be able to make these calculations for nearly a decade in advance, allowing a level of regulatory certainty and long-term investment and product planning rarely enjoyed under previous regulatory approaches. In addition, the National Program allows manufacturers to demonstrate their compliance with all greenhouse gas pollution standards and fuel economy requirements by presenting a common set of test data and other documentation.

12. In the chart produced in attachment 3, CARB generally labels some participants to the discussions as "OEMs" and "NGOs." Please specifically identify each participant to these discussions.

ARB is re-examining our records to produce any further information available that is responsive to this request. As discussed with Committee staff, we will produce or identify these additional records by January 31, 2012.

13. In the chart produced in attachment 3, the "topic" cells of several discussions are blank. Please provide an accurate and detailed topic of each meeting and discussion contained in the chart. If you are unable to do so, please explain why a topic cannot be provided.

ARB is re-examining our records to produce any further information available that is responsive to this request. As discussed with Committee staff, we will produce or identify these additional records by January 31, 2012.

14. Please provide all documents and communications referring or relating to CARB's involvement in establishing the MY 2012-2016 fuel economy/emissions regulations.

ARB is re-examining our records to produce any further information available that is responsive to this request. As discussed with Committee staff, we will produce or identify these additional records by January 31, 2012.

15. Please provide all documents and communications referring or relating to CARB's involvement in establishing the MY 2017-2025 fuel economy/emissions regulations.

ARB is re-examining our records to produce any further information available that is responsive to this request. As discussed with Committee staff, we will produce or identify these additional records by January 31, 2012.

16. Please provide all documents and communications referring or relating to CARB's involvement in establishing the heavy-duty truck fuel

economy/emissions regulations.

ARB is re-examining our records to produce any further information available that is responsive to this request. As discussed with Committee staff, we will produce or identify these additional records by January 31, 2012.

17. Please provide all documents and communications referring or relating to CARB's request for reconsideration of EPA's denial of the California waiver. This request includes, but is not limited to, CARB's application for reconsideration and any correspondence between CARB and EPA referring or relating to the reconsideration.

ARB is re-examining our records to produce any further information available that is responsive to this request. As discussed with Committee staff, we will produce or identify these additional records by January 31, 2012.