

July 29, 2011

The Honorable Ray LaHood
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Secretary LaHood and Administrator Jackson,

On behalf of the Association of Global Automakers and those member companies that have agreed to sign the "Commitment Letter" concerning the harmonized National Program governing light duty vehicle greenhouse gas emissions and fuel economy for model years 2017 through 2025, we are submitting this additional letter. Also enclosed is Global Automakers' own Commitment Letter. Having reviewed the commitment letter signed by the California Air Resources Board (CARB), we believe it is necessary to clarify the following ambiguities in the CARB letter:

- The Commitment Letters relate solely to the national and California emissions programs for greenhouse gas emissions. Accordingly, our commitment to refrain from challenging California's greenhouse gas emission standards for model-years 2017 through 2025 applies only to these emissions and programs. This commitment is reflected in the language of the Commitment Letter, by which Global Automakers and each of our signatory members retains its rights with respect to all other regulatory requirements of California other than the greenhouse gas emissions standards.
- The only parties subject to the obligations set forth in these Commitment Letters are the participating manufacturers who signed these Commitment Letters and their trade associations. Neither Global Automakers nor our members has any control over other parties (e.g., its dealers and non-signatory manufacturers), and no power to bind them to any obligations under the Commitment Letter. In the event that non-participating parties take actions inconsistent with the commitments reflected in the attached letter, it is our understanding that CARB will abide by its commitments.



- Both the Commitment Letters signed by Global Automakers and our signatory members and the CARB commitment letter provide that CARB will revise its standards on greenhouse gas emissions for model-years 2017 through 2025 to accept as compliance with its standards “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.” Consequently, should CARB under any circumstances remove this national compliance option, Global Automakers and our signatory members are released from their commitments and may exercise any and all legal rights available to it to challenge California’s greenhouse gas emissions program.

With these clarifications, please accept Global Automakers’ enclosed Commitment Letter.

Sincerely,

A handwritten signature in black ink that reads "Michael J. Stanton".

Michael J. Stanton
President & CEO, Global Automakers

Enclosure: Global Automakers Commitment Letter

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Dear Secretary LaHood and Administrator Jackson:

The Association of Global Automakers, Inc. (Global Automakers) recognizes the benefit for the country of continuing the historic National Program to address fuel economy and greenhouse gases that the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) began in 2009 with the standards for model years 2012 through 2016, and that those agencies are continuing for model years 2017 through 2025.

Global Automakers fully supports proposal and adoption of a continued National Program. We understand that the continued National Program will be subject to full notice-and-comment rulemaking, affording all interested parties, including Global Automakers, the right to participate fully, comment, and submit information, the results of which are not pre-determined but depend upon processes set by law. Global Automakers welcomes the opportunity to be a partner in helping to advance a continued, harmonized National Program.

Global Automakers believes that the robust and comprehensive mid-term evaluation described by EPA and NHTSA in the [July 2011] Supplemental Notice of Intent is critical, given Global Automakers' view of the uncertainty associated with the model years 2022-2025 standards. Although Global Automakers may not have full knowledge about the evolution and cost of technologies necessary to meet these standards, particularly in 2022-2025, the mid-term evaluation provides a basis for Global Automakers' support for adoption of standards for model years that far into the future.

Global Automakers also commits to working with EPA and NHTSA, the states, and other stakeholders to help our country address the need to reduce dependence on oil, to save consumers money, and to ensure regulatory predictability and certainty by developing this kind of strong, coordinated National Program.

In order to promote the adoption of the continued National Program, Global Automakers commits to take the following actions, subject to the understandings described below.



- (1) Global Automakers commits not to contest the final standards established by this rulemaking and by California for MYs 2017 through 2025 if:
 - a.* EPA proposes national GHG standards and NHTSA proposes CAFE standards for MYs 2017-2025 as substantially described in the [July 2011] Supplemental Notice of Intent to conduct rulemaking, but with necessary technical corrections and non-substantive refinements, and if the agencies adopt standards as substantially proposed.
 - b.* California adopts standards on GHG emissions from new motor vehicles for MYs 2017 through 2025 such that compliance with the GHG emissions standards adopted by EPA, even if amended after 2012, shall be deemed compliance with the California GHG emissions standards, in a manner that is binding on states that adopt and enforce California's GHG standards under Clean Air Act (CAA) section 177.
- (2) Global Automakers reserves all right to contest final actions taken or not taken by EPA, NHTSA, and CARB as part of the mid-term evaluation.
- (3) Global Automakers commits that it will not contest final actions taken or not taken by EPA granting California's future request for a waiver of preemption under section 209 of the CAA for its GHG emissions standards for motor vehicles for MYs 2017-2025, if California revises its regulations as described above in (1)*b*, but this does not apply to subsequent amendments California may make.

Sincerely,

A handwritten signature in black ink that reads "Michael J. Stanton".

Michael J. Stanton
President and CEO