

Mary Nichols – January 26, 2012

Chair's Opening Statement on the Advanced Clean Car package of regulations

The next item on today's agenda is the advanced clean cars regulatory package.

I'm delighted we have come to this point. As a matter of personal privilege, I'd like to say that putting these three rules together has been a dream of mine since I came to the Board in 2007. And the fact that we are now in a position to really move this proposal really indicates there's just been a tremendous amount of work, not only on the part of our staff, but also of all of the affected parties. So it's just a great opportunity that presents itself to us today.

The Air Resource Board's core business for over 40 years has been regulating emissions of air pollutants from motor vehicles. And we have made huge strides along the way. In fact, I think it's not too much of an exaggeration to say we've made quantum leaps in both technology and in the whole concept of what it means to have a clean vehicle.

I do recall when we first removed lead from gasoline in order to protect the health of people and especially children from exposure to lead. But also because lead was poisoning the catalytic converters that we first pioneered here in the state of California. And I also remember very well when we set the stage for the introduction of the three-way catalyst. We've developed revolutionary advances in on-board diagnostics in our own laboratories. And we gave the world the famous check engine light.

As a result, as many in this room can attest to personally, not just Board members, over time, our cars have gotten cleaner literally by orders of magnitude and so have our skies. And I know there are many in this room other than myself who are old enough to remember when the smog was so bad that you could barely see a block down the street, let alone see the mountains in the distance. It was really a thrill flying into LAX yesterday to see that you could see Palos Verdes and you could see Catalina. So it's very exciting.

But we continue to face clean air challenges. And, of course, we've also learned that greenhouse gas emissions that endanger the climate are also a part of our concern as well. And so to address them both, we are here to consider another historic package of emissions regulations that I do believe are going to lead the way for the nation and for the world.

Now, conceptually, what we are doing here is different. We're not just addressing various emissions from a car with a separate sequential set of regulations dealing with one pollutant at a time. I think we've finally gotten to the point where we're looking at the car as a unit, as a wholistic item, and looking at it as a vehicle that uses fuel, and not just as a vehicle that's separate from the fuel as well. And I think it's an important

change in terms of the whole philosophy of what we're doing. And it also puts us on the path, really, to achieve some very ambitious clean air and climate goals.

In getting to this point, of course, we're building on our history of fighting smog by slashing ozone precursors an additional 75 percent beyond 2014 levels which already a small fraction of what they were when we started, less than one percent of what cars were emitting back in the 1970s.

And we build on our first-in-the-nation history of fighting climate change by reducing greenhouse gases an additional 34 percent beyond the levels where the Pavely I regulations brought us in 2016. So 75 percent more reductions of smog and another 34 percent reductions in greenhouse gases.

And these advances will be the product of technologies that already exist. They're on the shelf and they're already found in many cars on the road. When it comes to the zero-emission vehicle mandate, we're working to force technology, to accelerate and improve on the existing technologies in electric cars and fuel cell vehicles.

So we're not just resting on the effects of the internal combustion engine, as dramatic as those have been and continue to be, but we're also moving forward in a whole new era of electric and fuel cell vehicles. And we intend to put 1.4 million of the cleanest cars on our roads by 2025.

This will ensure that the market for these vehicles, which is already launched, will grow and be diverse and robust and that California continues to lead as a hub for cultural and technological innovation.

To support these vehicles, we need the infrastructure. California is a leader in preparing us for electric vehicles. The Plug-In Electric Vehicle Collaborative is ensuring that the state is ready for electric vehicles and doing it in a way that focuses on building the market in collaboration with consumers and with manufacturers. And we're going to continue to lead in low-carbon fuel infrastructure development.

Today, we're also considering an approach to assure that sufficient hydrogen fueling infrastructure gets built to support the tens of thousands of fuel cell cars that manufacturers expect to sell in California after 2017.

Once again, California is leading the nation. And there is a good reason why we're moving so far so fast. Simply put, the reason for this is that we can't afford to wait. We have to act on these issues now. Our projections show that continued growth in population and vehicle miles traveled will threaten air quality for years to come. Even with today's very clean cars, we have air quality violations in the Bay Area, Los Angeles, and San Joaquin Valley. We clamped down on every other source as well. But only a shift to zero-emission vehicles using renewable fuels will get us to healthy air and reduce our state's contribution to global warming.

We're working with the auto companies, the federal government, and other interested parties to make sure there is a broad array of choices that meet consumers' needs and their pocketbooks.

Our history with the Zero-Emission Vehicle Program is somewhat checkered. The original program had at its time overly ambitious goals perhaps, although they were based on good reasoning. But the fact is there were two hurdles that were not able to be overcome. One, of course, perhaps most important, was the price of gasoline stayed cheap. And the other was the cost of the new technologies remained very high. Improvements in durability and cost of batteries simply took longer than we anticipated, making the early ZEV cars less appealing and more expensive.

But the situation today is very different. Gas hovers at \$4 a gallon, while the cost of technology has dropped and durability has improved. Equally important, the auto companies have now embraced the idea that electric drive vehicles, advanced hybrids, battery electric cars, and fuel cells will play an increasing role in the near future. And they are competing with each other around the globe to bring out advanced clean cars.

This package of regulations is, therefore, both visionary and absolutely feasible. It's designed to ensure that the very best clean car technologies are incorporated into the cars we buy and drive. The goal here is to accelerate the transition that is already in process and to make sure that it happens first here in California.

So what we are undertaking today is more than a milestone. It marks the beginning of a new chapter in this Air Resources Board and California's decades-long love (and sometimes hate) affair with the automobile. This program will make the cleanest cars and new technologies commonplace, something that we've already seen with the hybrid car. The Advanced Clean Car Program will also continue to help clean our air, help us fight climate change, and perhaps most important for the average citizen, it will save consumers thousands of dollars over the life of these cleaner, more efficient vehicles. And of course, as Californians, it also gives us the ability to brag that we are once again the clean car advocate of the world.