

January 8, 2016

Mary Nichols  
Chairman  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Chairman Nichols:

The December 17, 2015 open letter to you and the California Air Resources Board from a group of venture capital interests proposed potential enforcement actions for Volkswagen that focused on future battery technology instead of providing an emissions fix for the affected vehicles. The letter contends that diesel technology **“has reached the point of de minimis returns in extracting performance from a gallon of diesel while reducing pollutants, at least at reasonable cost.”** This statement is not consistent with the facts about diesel emissions technology. We are writing to you to not only correct the record regarding the benefits of light duty diesel technology, but to support your efforts to create a cleaner, healthier California.

To be very clear, when using advanced diesel technology in the proper way, diesel vehicles meet today’s criteria pollutant and CO<sub>2</sub> standards and, in many cases, are well ahead of required standards. There is every reason to believe that diesel vehicles will meet and exceed future standards as well. Most importantly, diesel vehicles are offered at a reasonable cost TODAY without the need for federal or state subsidies while providing consumers the performance and driving range they demand.

Diesel vehicles are cleaner than ever before. New clean diesel engine systems use cleaner, Ultra Low Sulfur diesel fuel, advanced engine technologies, and effective emissions controls. For example, the BMW 328d, available today, is already meeting 2023 CAFE standards and is already close to meeting 2017 emission standards. It is an example of today’s technology meeting future standards and at a reasonable cost without government subsidies.

As leading suppliers, we welcome a dialogue with all stakeholders about how we bridge to the future of transportation. It is important that dialogue include a full review of the greenhouse gas (GHG) equation, including a well-to-wheel analysis of CO<sub>2</sub> emissions. New innovations will continue to improve upon current technology. The advances in clean burning renewable fuels makes diesel technology an extremely viable platform for the future and even more attractive on a well-to-wheel basis.

The proposal outlined in the open letter suggests that only battery technology can answer ALL of California’s transportation needs, and proposes skewing the vehicle marketplace for a technology

that has yet to win over consumers. The proposal is not in the best interest of all Californians, with wide-ranging income levels, or the consumers who purchased the vehicles in question.

We must ensure that consumers have access to a range of clean vehicle technologies that can meet their particular needs while maximizing fuel efficiency and reducing CO<sub>2</sub> and other emissions. For some consumers, today's electric vehicle technology might be a good option. For other consumers, today's electric vehicles may not meet their transportation needs. As such, eliminating a competitive lower emissions/fuel efficient option like diesel will result in higher CO<sub>2</sub> emissions.

Clean diesel cars, SUVs, and pick-up trucks play a valuable role in meeting the important environmental goals we all are striving to meet and exceed. California needs every technology on the table while we transition to our mobility future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Breneman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jeff Breneman  
Executive Director