



California Natural Gas Vehicle Coalition

November 30, 2012

Ms. Barbara Van Gee
Manager
Goods Movement Programs Section
Air Resources Board
(sent via email)

**Re: Proposition 1B – Goods Movement Emission Reduction Program
Update to Program Guidelines – Staff Draft Concept Paper**

Dear Barbara:

I am writing on behalf of the California Natural Gas Vehicle Coalition to provide feedback on the Staff Draft Concept Paper for updating the program guidelines. We continue to believe that the Air Resources Board can achieve greater benefits sooner by prioritizing alternative fuel vehicles with a portion of these funds. We recognize that staff is proposing to take a step in this direction with the concept of using AB 118 funding to augment Prop 1b funding but the scope of your proposal is too narrow.

The California Natural Gas Vehicle Coalition (CNGVC) is an association of natural gas vehicle and engine manufacturers, utilities, fuel providers and fleet operators serving the state. We work with legislators and regulators to develop policies that will increase alternative fuel and vehicle use, support new initiatives and provide up-to-date information on NGV technology and market developments.

The CNGVC strongly believes that natural gas can make a significant clean air contribution in all of the vehicle/equipment applications in the staff proposal. This is especially true with heavy-duty trucks. Whether you believe natural gas trucks are a long term solution or a pathway to a long term solution it makes sense for ARB to invest now to get more of these vehicles on the road sooner. This approach will achieve more ozone, toxic, and greenhouse gas emission reductions this decade and next compared to simply replacing old diesel trucks with new diesel trucks. It would also be an important step in reducing our dependence on petroleum.

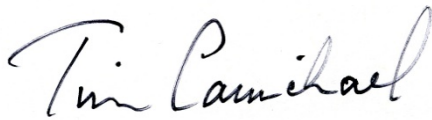
As we have said for at least two years the increased benefits achieved with alternative fuels warrant increased investment in alternative fuels. This can be achieved by dedicating a portion of the proposition 1b funds to alternative fuels. We recommend at least one third of this round of funding be dedicated to alternative fuel vehicles and equipment. Another approach is to offer an

augmentation over the approved per vehicle funding level. We recognize that staff is proposing a version of this using AB 118 funding (if funds are available). We have two primary concerns with your proposal on this: it is limited to electric vehicles and that greatly limits your opportunities to deploy alternative fuel vehicles with this funding; and it is not clear AB 118 funds will be available to augment your Prop 1b funding. Whether you use only Prop 1b funds or Prop 1b plus AB 118 funds we strongly recommend that you make this augmentation available to all alternative fuel vehicles and let the funding requests you receive compete on their merits. Finally if your guidelines for 2013 don't include any per vehicle augmentation we recommend that you incorporate some form of bonus points for AFVs in your proposal evaluation process so that you are recognizing the benefits of alternative fuel vehicle proposal compared to a diesel vehicle proposal.

We are happy to discuss these recommendations with you at any time.

Thank you for the opportunity to comment and for your consideration of our ideas.

Sincerely,

A handwritten signature in cursive script that reads "Tim Carmichael". The ink is dark and the signature is fluid, with a large initial "T" and a long, sweeping "C" for "Carmichael".

Tim Carmichael
President