

February 6, 2015

The Honorable Orrin G. Hatch  
Chairman  
Committee on Finance  
United States Senate  
219 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
United States Senate  
219 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Paul Ryan  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
Ways and Means Committee Office  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable Sander Levin  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives  
Ways and Means Committee Office  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Senator Hatch, Senator Wyden, Representative Ryan, and Representative Levin:

As lead environmental agency officials in States collaborating to grow the market for zero emission vehicles (ZEVs), including both hydrogen fuel cell electric vehicles (FCEVs) and plug-in electric vehicles (PEVs), we are writing to express our concern that the federal tax credit for FCEVs expired on December 31, 2014, and to urge Congress to reinstate this important incentive.

To reduce transportation-related air pollution, enhance energy diversity, and promote economic growth, our eight states agreed to work collectively to place 3.3 million ZEVs on our roads by 2025.<sup>1</sup> To achieve this goal, our states released a Multi-State ZEV Action Plan that lays out concrete steps to make it easier to own and operate ZEVs and to ensure continued growth in ZEV sales.<sup>2</sup> One of the priority actions identified in the plan is to “support the continuation of the federal tax credit for PEVs and FCEVs.”

Federal tax credits for ZEVs are an important temporary incentive that reinforce private investment, stimulate the market, and help industry become self-sustaining. Federal tax credits support early sales of FCEVs and PEVs by offsetting their higher introductory costs, making them more attractive to consumers, while economies of scale are obtained. Moreover, by laying the foundation for cleaner fleets that will enhance energy security, diversity and reliability, temporary tax credits for these vehicles will provide societal benefits for many years to come.

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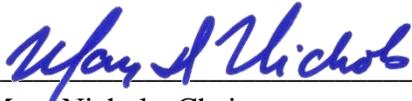
<sup>1</sup> See State Zero-Emission Vehicle Programs Memorandum of Understanding (signed Oct, 24, 2013) available at: <http://www.nescaum.org/topics/zero-emission-vehicles>

<sup>2</sup> See Multi-State ZEV Action Plan (released May 29, 2014) available at: <http://www.nescaum.org/topics/zero-emission-vehicles>

While automobile manufacturers are making significant progress, we are still in the early stages of ZEV market development. With respect to FCEVs, Hyundai just introduced the Tucson fuel cell vehicle to the California market in 2014; Toyota recently announced plans to develop hydrogen fueling infrastructure in the Northeast to support Toyota's launch of a FCEV in 2015; and other automakers are planning to launch FCEVs in the coming years. Therefore, it is critically important to support this emerging market by reinstating the federal tax credit for FCEVs. Further, extending the tax credit for FCEVs beyond 2014 will provide a more level playing field by offering federal tax credits for both FCEVs and PEVs. Together with purchase incentives and other state investments, the federal tax credit will enable consumers to choose the ZEV technology that best meets their needs.

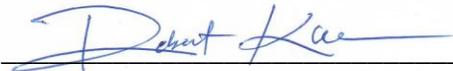
For these reasons, we respectfully urge Congress to reinstate the tax credit for FCEVs.

Thank you for your consideration,



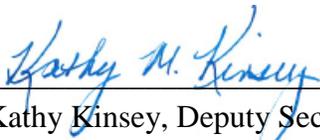
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Mary Nichols, Chairman  
California Air Resources Board



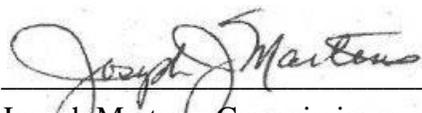
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Robert Klee, Commissioner  
Connecticut Dept. of Energy & Environmental Protection



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Kathy Kinsey, Deputy Secretary  
Maryland Dept. of the Environment



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Joseph Martens, Commissioner  
New York Department of Environmental Conservation



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Dick Pedersen, Director  
Oregon Department of Environmental Quality



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Janet Coit, Director  
Rhode Island Department of Environmental Management



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Deb Markowitz, Secretary  
Vermont Agency of Natural Resources