



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
NATIONAL VEHICLE AND FUEL EMISSIONS LABORATORY
2565 PLYMOUTH ROAD
ANN ARBOR, MICHIGAN 48105-2498

OFFICE OF
AIR AND RADIATION

July 31, 2002

CCD-02-11 (LDV/LDT/HD)

Dear Manufacturer:

SUBJECT: Policy on Cross-Border Sales of California Certified Vehicles for 2004 and Later Model Years

This letter announces the United States Environmental Protection Agency (EPA)'s Policy on Cross-Border Sales (CBS) of California Certified Vehicles for 2004 and Later Model Years (MY) (Attachment 1). This policy also pertains to vehicles sold in States which have opted to require the sale of California vehicles within their borders as allowed in section 177 of the Clean Air Act, (Sec. 177 States).

Our previously issued policy statements still apply to 2003 and earlier model year vehicles. The policy for the 1993, 1994, and 1995 MY is described in the Fact Sheet: EPA Policy on Cross-Border Sales of "California" Vehicles, revised: 10/17/94. The CBS policies for the 1996 MY through 2003 MY, which are generally similar to the 1995 MY policy, were announced in previous addenda to the fact sheet. All of the CBS policies may be viewed or downloaded from EPA's web site: www.epa.gov/otaq/consumer.htm.

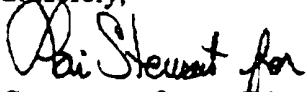
In the past, EPA has issued CBS policy statements that applied to only one model year. The year-by-year CBS policies issued by EPA have historically allowed manufacturers to sell California certified vehicles in the states specified in each year's policy. EPA believes that a long-term CBS policy is now appropriate because of the relative stability of federal and California emissions compliance programs. This will make it easier for manufacturers to plan their sales and ordering systems.

EPA has recently concluded a substantial review of both federal and California motor vehicle emission requirements for the 2004 and later model years and we have determined that a CBS policy will be required. The Federal Tier 2 emission standards, which will take effect in the 2004 MY, do not remove all of the differences between the federal and California programs; there are California requirements which are less stringent than comparable federal requirements. Because 2004 and later MY California vehicles do not necessarily meet each and every federal emission requirement (which would be necessary to allow the sale of the California certified vehicles everywhere), manufacturers must follow the long-term CBS policy to direct their sales of California certified vehicles for 2004 and later MY.

The policy presented today applies to all 2004 model and later vehicles until rescinded. If either the federal or California emission requirements change in the future, EPA may review this policy and revise it whenever it is necessary.

Should you have any questions regarding this guidance letter, please contact Emily Chen of my staff at (734) 214-4122 or chen.emily@epa.gov.

Sincerely,

A handwritten signature in black ink that reads "Gregory A. Green for". The signature is written in a cursive, flowing style.

Gregory A. Green, Director
Certification and Compliance Division
Office of Transportation and Air Quality

Attachments

Attachment 1

EPA Policy on Cross-Border Sales of California Certified Vehicles ⁽¹⁾ For 2004 and Later Model Years

Manufacturers may introduce into commerce 2004 and later model year (MY) California certified vehicles (classified as passenger cars, light duty trucks, medium duty vehicles, and heavy duty vehicles) into California and the states which have adopted and placed into effect the California emission requirements for that vehicle class or classes. EPA will not prevent manufacturers from introducing the California certified vehicles into commerce in the states that are contiguous to California and those states that have adopted and placed into effect the California emission requirements for the vehicle class or classes.

EPA will not prevent manufacturers from allowing their dealers in the following states to sell 2004 and later MY California certified vehicles to purchasers from any states in the U.S. or U.S. territories, on or after the effective date of the California certificate(s) of conformity for that vehicle or vehicles:

- (1) California;
- (2) The states which have adopted and placed into effect the California emission requirements of any vehicle classes of the vehicle(s) intended for sale; and
- (3) The states that are contiguous to California and the states specified in (2).

This policy does not replace or supercede any state requirements placed on manufacturers and their dealers. Manufacturers are responsible for complying with any applicable state requirements.

Because both federal and California emission requirements could possibly change in the future, EPA may revise this policy whenever it is necessary.

You may visit EPA's web site www.epa.gov/otaq/consumer.htm for frequently asked questions and answers regarding this policy, or a copy of the CBS policies from 1993 to present.

Note: ⁽¹⁾ California Certified Vehicles are new vehicles that are certified by EPA only to the California emission standards. Vehicles that are certified to both the federal and California emission standards (50 state vehicles) are not included.