



STATE OF CONNECTICUT  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



January 30, 2006

Senator Bill Finch, Co-Chair  
Representative Richard Roy, Co-Chair  
Environment Committee, Room 3200  
Legislative Office Building  
Hartford, Connecticut 06106

***Re: The Connecticut Clean Car Incentive Plan: Report to the Joint Committee on the Environment of the Connecticut General Assembly Pursuant to Special Act 05-6***

Dear Senator Finch and Representative Roy:

In 2005 the Connecticut General Assembly enacted Special Act 05-6 (the Act). The Act directed the Department of Environmental Protection (DEP) to develop a Clean Car Incentive Plan designed to explore building on the success of Connecticut's first Clean Car Act, Public Act 04-84. Specifically, the Act required the DEP, in consultation with a variety of stakeholders, to develop a plan that would offer financial incentives and disincentives to consumers based on the greenhouse gas (GHG) emission profile of each new vehicle. The Act directed DEP to study a sales tax based incentive under which the sales tax would be adjusted by +3/-3%. As mandated, DEP developed the enclosed plan in response to Special Act 05-6.

Controlling air pollution from cars and trucks is a top priority for the DEP given that the motor vehicle sector is responsible for more than 40% of our home-grown air pollution. Moving forward from this logical starting point, DEP has already adopted regulations that will implement California's GHG emission standards and require 2009 and later model year passenger cars, light duty trucks and medium-duty passenger vehicles to utilize existing technology to reduce greenhouse gas emissions. DEP believes these regulations will reduce GHG emissions in Connecticut by 3.11 million tons in 2020 and by 4.4 million tons in 2030. While these reductions are impressive, a top-down regulatory approach will not be enough to meet the goals set forth in the Connecticut Climate Change Action Plan – 2005.

Climate change is here today. The DEP recognizes that climate change poses significant threats to Connecticut, which include greater temperature extremes, more frequent extreme weather events, increases in the transmission of disease, and increases in air pollution. We believe that steps should now be taken in Connecticut to minimize these future risks. Furthermore, many of the steps to reduce GHGs that DEP will propose in the coming years will challenge us all to recognize and address the environmental consequences associated with the choices we make every day as consumers. We believe there are significant opportunities to provide the public with the information they need to make choices that will minimize their

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environmental footprint. The choices we make with respect to the vehicles we drive is one such opportunity.

The enclosed plan addresses the issue posed by the General Assembly while at the same time identifying key findings and challenges that must be addressed before an incentive program could be adopted. As a result of the stakeholder process, DEP has found that environmental stakeholders support an incentive program as another visible sign of Connecticut's commitment to reducing GHG emissions. Other state agencies and business groups, however, have reservations regarding the potential impact of the incentive program on the costs of administrative and the structural changes necessary for successful implementation at both the state and business level.

The enclosed plan represents all stakeholder viewpoints and conveys DEP's assessment of the steps that would need to be taken to successfully implement the incentive plan envisioned in the Act in Connecticut. Our assessment concludes that while implementing an incentive program is technically feasible, there would be significant up front costs associated with re-tooling the sales tax infrastructure as it applies to the sales and lease of new motor vehicles. Significant public outreach and education would also be required to build consumer support for an incentive program. As with our recently issued Diesel Plan, the Environment Committee may opt to hold a public hearing to gather additional comment from stakeholders on the Clean Car Incentive Plan.

We welcome the opportunity to work with you to build on this stakeholder process and thank you for your commitment to effective climate change policies. Even though Connecticut's contribution to climate change may be minor, as we have demonstrated with our ground-level ozone problem, doing all we can within our own borders to reduce our contribution to an air pollution problem, be it regional or global, allows us to convincingly argue for further actions that will be, in the long-term, in the best interests of our citizens. We look forward to your continued support to assure our citizens a healthy environment.

Yours truly,



Gina McCarthy  
Commissioner

GM/PEF/pef  
Enclosure

cc: Tom Tyler, DEP