State of California
AIR RESOURCES BOARD

Resolution 09-25

March 26, 2009

Agenda Item No.: 09-3-2

WHEREAS, the California Global Warming Solutions Act of 2006 (Assembly Bill 32 (AB 32); Stats. 2006, ch. 488, Health & Saf. Code § 38500 et seq.), declares that global warming poses a serious threat to the economic well-being, public health, natural resources, and the environment of California and creates a comprehensive multi-year program to reduce California's greenhouse gas (GHG) emissions to 1990 levels by 2020;

WHEREAS, section 38501 of the Health and Safety Code expresses the Legislature's intent that the Air Resources Board (ARB or the Board) coordinate with State agencies and consult with the environmental justice community, industry sectors, business groups, academic institutions, environmental organizations, and other stakeholders in implementing AB 32; and design emissions reduction measures to meet the statewide emissions limits for greenhouse gases in a manner that minimizes costs and maximizes benefits for California's economy, maximizes additional environmental and economic co-benefits for California, and complements the State's efforts to improve air quality;

WHEREAS, section 38560 of the Health and Safety Code directs the Board to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective GHG emission reductions from sources or categories of sources, subject to the criteria and schedules specified in Part 4 of Division 25.5 of the Health and Safety Code;

WHEREAS, in 2007, the Board identified a measure to address under inflated vehicle tires (Tire Pressure Measure) be identified as a Discrete Early Action Measure pursuant to section 38560.5 of the Health and Safety Code;

WHEREAS, staff has estimated that the Tire Pressure Measure would reduce GHG emissions by approximately 0.9 million metric tons of carbon dioxide equivalents ($MMTCO_2E$) in 2010 and 0.6 $MMTCO_2E$ in 2020;

WHEREAS, in 2007 and 2008 ARB staff conducted two public workgroup meetings, one workshop, and participated in several stakeholder meetings in order to include the public and affected stakeholders in the regulatory development process;

WHEREAS, between 55 and 65 percent of the 25 million California registered vehicles have at least one under inflated vehicle tire;

WHEREAS, vehicle fuel consumption can be expected to increase by one percent for every 2.96 pounds per square inch decrease in tire inflation pressure;

WHEREAS, the National Highway Transportation and Safety Administration and ARB conducted tire pressure surveys to estimate the percentage of vehicles with under inflated tires and the average amount of under inflation;

WHEREAS, as a result, staff proposed the adoption of a regulation to require automotive service providers performing or offering to perform automotive maintenance or repair services in California to perform a tire pressure service (Check and Inflate) on all passenger cars, light duty trucks, medium duty vehicles, and light heavy duty trucks with gross vehicle weight ratings of less than or equal to 10,000 pounds that are brought to automotive service providers for service or repair;

WHEREAS, the proposed regulation would apply to automotive service providers that perform engine maintenance, smog checks, or routine service such as oil changes;

WHEREAS, the proposed regulation requires automotive service providers to utilize American National Standard Institute (ANSI) B40.1 Grade B tire pressure gauges and a tire inflation reference manual;

WHEREAS, the proposed regulation would establish recordkeeping requirements that would enable staff to determine the effectiveness of the regulation and to monitor and ensure compliance with the regulation's requirements;

WHEREAS, the proposed regulation would adopt new section 95550, title 17, California Code of Regulations, as set forth in Attachment B hereto;

WHEREAS, ARB staff prepared a staff report entitled "Initial Statement of Reasons (ISOR) for Proposed Rulemaking, Proposed Regulation for Under Inflated Vehicle Tires" which presents the rationale for the proposed regulation;

WHEREAS, the ISOR and proposed regulatory language were made available to the public for at least 45 days prior to the public hearing to consider the proposed regulation;

WHEREAS, the California Environmental Quality Act and Board regulations require that no project that may have significant adverse environmental impacts be adopted as originally proposed if feasible alternatives or mitigation measures are available to reduce or eliminate such impacts;

WHEREAS, the Board has considered the effects of the proposed regulation on the economy of the State and the potential for adverse economic impacts on California business enterprises and individuals;

WHEREAS, a public hearing and other administrative proceedings have been held in accordance with the provisions of chapter 3.5 (commencing with section 11340), part 1, division 3, title 2 of the Government Code;

WHEREAS, in consideration of the information in the public record, including the Initial Statement of Reasons, written comments, and testimony provided at the hearing, the Board finds that:

The proposed regulation meets the requirements specified in section 38560.5 of the Health and Safety Code;

The proposed regulation will help reduce GHG emissions generated from vehicles operating with under inflated tires;

The proposed regulation would establish requirements for automotive service providers to perform a tire pressure service;

The proposed regulation would establish recordkeeping requirements to enable staff to determine the effectiveness of the regulation and to monitor and ensure compliance with the regulation's requirements;

The economic and fiscal impacts of the proposed regulation have been analyzed as required by California law; the conclusions and supporting documentation for this analysis are set forth in the ISOR, and are supplemented by staff's presentation at the March 26, 2009, public hearing;

Vehicle owners are expected to benefit from reduced fuel consumption and increased prolonged tire life when the vehicle's tires are properly inflated;

The proposal regulation would result in health and environmental benefits from reductions in GHG, particulate matter, and oxides of nitrogen emissions;

The proposed regulation meets the criteria set forth in section 38562 of the Health and Safety Code;

WHEREAS, the Board further finds that:

Adoption of the proposed regulation is expected to reduce carbon dioxide emissions annually in California at a net savings of about $320 per $MTCO_2E$;

The proposed regulation would increase the labor and capital and operating costs to affected California businesses by an estimated $100 million per year;

Consumers would be expected to pay an additional $4 per vehicle per year to pay for the increased labor and capital and operating costs;

Consumers are expected to see an overall cost savings of about $9 per vehicle per year due to the resulting fuel savings;

The proposed regulation would decrease fuel sales by approximately $250 million per year;

The proposed regulation would result in fewer tire sales of approximately 700,000 per year;

The proposed regulation will not result in any significant adverse environmental impacts and is projected to positively impact air quality by reducing emissions of greenhouse gases, particulate matter, and oxides of nitrogen;

The reporting requirements of the proposed regulation that apply to businesses are necessary for the health, safety, and welfare of the people of the State;

The proposed regulation could result in the creation of a small number of jobs within the State;

The proposed regulation would not affect the ability of California businesses to compete with businesses in other states;

No reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of ARB, would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation;

The proposed regulation fulfills the requirements applicable to discrete early action GHG emission reduction measures because it achieves the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions from its targeted source;

The proposed regulation is achievable using existing technology and manufacturing processes; and

The proposed regulation could serve as a model regulatory approach that other states may wish to adopt.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the proposed adoption of California Code of Regulations, title 17, section 95550, as set forth in Attachment A hereto, with the proposed modifications set forth in Attachment B hereto.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to adopt the regulation as set forth in Attachment A hereto, with the modifications set forth in Attachment B hereto, and such other conforming modifications and technical

amendments as may be appropriate, after making the modified regulatory language and additional supporting documents and information available for public comment for a period of 15 days, provided that the Executive Officer shall consider such written comments regarding the modification and additional supporting documents and information as may be submitted during this period, shall make modifications as may be appropriate in light of the comments received, and shall present the regulation to the Board for further consideration if she determines that this is warranted.

I hereby certify that the above is a true and correct copy of Resolution 09-25, as adopted by the Air Resources Board.

Monica Vejar

Monica Vejar, Clerk of the Board

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Identification of Attachments to the Resolution

Attachment A: Proposed Regulation to Reduce Greenhouse Gas Emissions from Under Inflated Tires, as set forth in Appendix A to the Initial Statement of Reasons, released on February 5, 2009.

Attachment B: Staff's Suggested Modifications to the Original Proposed Regulation (distributed at the Board hearing on March 26, 2009).