TITLE 13. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE CERTIFICATION REQUIREMENTS AND PROCEDURES FOR LOW-EMISSION PASSENGER CARS, LIGHT-DUTY TRUCKS, AND MEDIUM-DUTY VEHICLES

The Air Resources Board (the "Board" or "ARB") will conduct a public hearing at the time and place noted below to consider adoption of amendments to California regulations for certifying passenger cars, light-duty trucks and medium-duty vehicles.

DATE:

September 28, 1995

TIME:

9:30 a.m.

PLACE:

California Air Resources Board

Board Hearing Room, Lower Level

2020 L Street

Sacramento, California

This item will be considered at a two-day meeting of the Board, which will commence at 9:30 a.m., September 28, 1995, and may continue at 8:30 a.m., September 29, 1995. This item may not be considered until September 29, 1995. Please consult the agenda for the meeting, which will be available at least 10 days before September 28, 1995, to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION/PLAIN ENGLISH POLICY STATEMENT OVERVIEW

Sections Affected:

I. Proposed amendments to Title 13, California Code of Regulations (CCR), sections 1956.8 and 1960.1 and "California Exhaust Emission Standards and Test Procedures for 1988 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles," and "California Exhaust Emission Standards and Test Procedures for 1987 and Subsequent Model Heavy-Duty Otto-Cycle Engines and Vehicles," which are incorporated by reference therein.

Following a September 1990 public hearing, the Board adopted its low-emission vehicles and clean fuels regulations. These regulations established four progressively more stringent categories of standards for passenger cars and light-duty trucks: Transitional Low-Emission Vehicles (TLEVs), Low-Emission Vehicles (LEVs), ultra-Low-Emission Vehicles (ULEVs), and Zero-Emission Vehicles (ZEVs). The regulations also established the use of reactivity adjustment factors (RAFs) to account for the varying reactivity of clean fuels and vehicles. To date, the Board has adopted RAFs for TLEVs operating on M85 and TLEVs and LEVs operating on Phase 2 reformulated gasoline. In addition, the Board has adopted baseline specific reactivity values of 3.42 and 3.13 for TLEVs and LEVs/ULEVs, respectively. However, in the absence of low-emission production vehicles, staff has

been unable to establish RAFs for all vehicle and fuel categories. Therefore, in this rulemaking the staff is proposing to adopt a single RAF value for each LEV and ULEV fuel category. These amendments will provide manufacturers with sufficient lead time to develop their product lines. The staff will continue to emission test low-emission production vehicles as they become available to determine whether future adjustments to the RAFs are warranted to assure achievement of the ozone reduction goals of the regulations.

The regulations also established two stringent categories of standards for medium-duty vehicles (MDVs): Low-Emission Vehicles (LEVs) and Ultra-Low-Emission Vehicles (ULEVs). Beginning in 1998 the regulations require manufacturers to produce increasing percentages of MDV LEVs and ULEVs, culminating in 85% LEVs and 15% ULEVs in 2003. In November, 1994, the Board approved the State Implementation Plan for Ozone (SIP) which contained a number of new mobile source control measures, including the accelerated introduction of MDV ULEVs. In this rulemaking, the staff will be proposing the first regulatory action regarding the mobile source element of the SIP. The modifications proposed by staff include reducing the MDV LEV oxides of nitrogen (NOx) standards to ULEV levels and increasing the number of MDV ULEVs from 15% to 40% by 2003. In addition, a 2.0 g/bhp-hr NOx standard is being proposed in 2004 for engine certified MDVs.

II. Proposed adoption of new section 2062, Title 13, CCR, and "California Assembly-Line Test Procedures for 1998 and Subsequent Model-Year Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles," which is incorporated by reference therein. Proposed amendments to Title 13, CCR, Section 1960.1 and "California Non-Methane Organic Gas Test Procedures," which is incorporated by reference therein; to Title 13, CCR, section 1965 and "California Motor Vehicle Emission Control and Smog Index Label Specifications," which is incorporated by reference therein; to Title 13, CCR, section 2101 and "California New Vehicle Compliance Test Procedures," which is incorporated by reference therein; and to Title 13, CCR, section 2292.1.

In addition to the medium-duty vehicle proposal and the adoption of new RAFs, staff will be proposing amendments to the low-emission vehicle regulations and the general certification requirements and procedures for light-duty vehicles. When the Low-Emission Vehicle program was adopted in 1990, the Board instructed staff to periodically review the status of implementation of the regulations and incorporate updates and new information as needed to ensure the successful introduction of low-emission vehicles. The proposed regulatory action covers a wide variety of subjects related to the certification and implementation of light- and medium-duty vehicles. Many of the regulatory amendments being proposed in this rulemaking are very detailed and technical in nature. The staff report contains a complete listing of the proposed amendments. The more significant aspects of the staff proposal are described below.

<u>California NMOG Test Procedures</u>. These test procedures prescribe the methods for the calculation and measurement of non-methane organic gases. The changes being proposed in this rulemaking result from the development of improved measurement techniques and extensive discussions with

automobile manufacturers. These modifications provide additional flexibility for other laboratories to account for differing techniques and quality control procedures.

California Assembly-Line Test Procedures. The Assembly-Line Test Procedures ensure that the functional portions of the emission control system are operating correctly and that vehicles meet the emission standards to which they are certified prior to release of the vehicle by requiring the manufacturer to test a representative sample of the vehicles being produced. The proposed amendments to these procedures clarify existing procedures and have been updated to reflect current regulations (e.g., on-board diagnostics regulations).

<u>California New Vehicle Compliance Test Procedure</u>. This test procedure covers ARB testing of vehicles before they are delivered to the ultimate purchaser. Amendments are proposed to update the procedures which have not been amended since 1979. In addition, new requirements are being proposed to include new regulatory requirements (e.g., on-board diagnostics regulations).

California Motor Vehicle Emission Control and Smog Index Label Specifications. The primary purpose of these specifications is to require the vehicle's emission control equipment to be properly identified to ensure proper in-use maintenance. In addition, to implement the requirements of Senate Bill 2050 (Stats. 1994, chapter 1192) staff is proposing amendments requiring the addition of a ninth character to the vehicle bar code to identify its emission category, and requiring that smog index labels be affixed to new motor vehicle windows as provided in Health and Safety Code section 43200.5.

Methanol Luminosity Requirement. The M100 fuel specifications that were adopted in 1992 required the fuel to produce a luminous flame throughout the entire burn duration, since M100 has a virtually invisible flame in bright sunlight. The deadline for compliance for this requirement was January 1995, because at that time a suitable luminosity agent had not been identified. At a Board hearing in December 1994, the Board approved the use of fire suppression equipment in place of the luminosity requirement because a suitable luminosity agent had still not been identified. At that hearing, the Board instructed staff to conduct a risk assessment of M100 compared to gasoline or diesel and report back at the earliest possible time. The Board directed the staff to evaluate existing risk assessments and, if staff concluded that the relative fire safety of M100 as shown by the existing data justifies deletion of the luminosity requirement, staff should return to the Board with a proposal to remove the requirement. Based on available data, the staff has concluded that the fire risk is much lower than that of gasoline or diesel and is therefore proposing to remove the luminosity requirement. Based on available data, the staff has concluded that the fire risk is much lower than that of gasoline or diesel and is therefore proposing to remove the luminosity requirement.

III. Comparison with Similar Federal Requirements

Under Title II of the federal Clean Air Act (CAA), the U.S. Environmental Protection Agency has promulgated comprehensive regulations to control emissions from new motor vehicles and motor vehicle engines (see 40 CFR Part 86). However, both state law and section 209 of the CAA allow California to establish its own standards that are different from the federal standards. While both the federal and California automotive exhaust emission standards are similar in purpose and scope, California standards are generally more stringent than comparable federal standards due to the severity of California's air pollution problem. The ARB has therefore adopted California's Low-Emission Vehicle regulations, which establish emission standards for light- and medium-duty vehicles that are more stringent than the federal requirements. The Low-Emission Vehicle regulations are essential to attain the national and state ozone standards, and to fulfill the requirements of state and federal law. A more detailed description of the Low-Emission Vehicle program can be found in the Staff Report.

Most of the modifications being proposed in this rulemaking do not affect the California emission standards. Rather, most of the proposed amendments are intended to simplify and clarify existing requirements. Where possible, staff has endeavored to be consistent with the federal requirements. Each of the test procedures being referenced in this rulemaking rely in large part on the federal requirements set forth in 40 CFR Parts 86 to 99, with some modifications to include California requirements. In addition, the staff proposal is designed to be consistent with the anticipated federal standards for medium-duty engines, beginning with the 2004 model year.

AVAILABILITY OF DOCUMENTS AND CONTACT PERSON

The Board staff has prepared a Staff Report which includes the initial statement of reasons for the proposed action and a summary of the environmental impacts of the proposal, if any. Copies of the Staff Report, and the full text of the proposed regulatory language may be obtained from the Board's Public Information Office, 2020 L Street, Sacramento, CA 95814, (916) 322-2990. These documents will also be available on the Air Resources Board Information System (ARBIS) electronic bulletin board. The documents may be found in the "LEV Program" menu item in the "System Features" menu. The ARBIS may be accessed via modem by calling (916) 322-2826. Please make sure your communications parameters are set to 8-N-1. If you have a 9600 Baud modem or greater, use the ANSI capabilities that are provided by the more recent modem software packages. Modems slower than 9600 will work with VT-100 or TTY terminal emulation. If you have questions regarding access to the ARBIS, please contact the Business Assistance Hot Line at 1-800-ARB-HLP2 (in California) or (916) 323-3336.

The Board staff has compiled a record which includes all information upon which the proposal is based. This material is available for inspection upon request to the contact person identified immediately below. The ARB has determined that it is not feasible to draft the regulations in plain English due to the technical nature of the regulations; however, a plain English summary of the

regulations is available from the agency contact person named in this notice, and is also contained in the Staff Report.

Further inquiries regarding this matter should be directed to Annette Guerrero, Mobile Source Division, (818) 575-6717.

COSTS TO PUBLIC AGENCIES AND TO BUSINESSES AND PERSONS AFFECTED

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred in reasonable compliance with the proposed regulations are presented below.

The Executive Officer has determined that the proposed regulatory action will not create costs or savings, as defined in Government Code section 11346.5(a)(6), to any state agency or in federal funding to the state, costs or mandate to any local agency or school district whether or not reimbursable by the state pursuant to Part 7 (commencing with section 17500), Division 4, Title 2 of the Government Code, or other nondiscretionary savings to local agencies, except as noted below.

In developing this regulatory proposal, the ARB staff evaluated the potential economic impacts on private persons and businesses. The proposed regulatory action is intended to both clarify and facilitate the implementation of the Low-Emission Vehicles and Clean Fuels regulations, and to accelerate the introduction of ULEVs in the medium-duty fleet by the year 2003. The modifications of the certification process are not expected to impose significant additional costs on businesses. Most affected businesses may actually experience cost savings due to the simplification of the certification process. But the acceleration of ULEVs introduced into the medium-duty fleet is expected to impose costs, particularly on the three U.S. auto manufacturers--General Motors, Ford and Chrysler.

The increase in costs on the three auto manufacturers are estimated to be about \$1.5 million annually. This cost increase would have no noticeable impact on the profitability of U.S. auto manufacturers. In 1994, auto manufacturers collectively reported about \$14 billion in net profit. The cost increase associated with the proposed revisions would have reduced this profit level by about 0.01 percent. This represents a minor change in the profitability of auto manufacturers.

Since the proposed revisions impose no noticeable impact on the profitability of U.S. auto manufacturers, no significant change in consumer price, employment, business competitiveness, and the status of businesses in California is expected. By simplifying the certification process, auto manufacturers actually are most likely to benefit from the modifications to the proposed regulations. The Executive Officer has therefore determined that adoption of the proposed regulatory action will not have a significant adverse economic impact on the ability of California businesses to compete with businesses in other states, or on directly affected private persons. In accordance with Government Code section 11346.3, the Executive Officer has also determined that this regulatory action will not affect the creation or elimination of jobs within California, the creation of new businesses and the

elimination of existing businesses within California, or the expansion of businesses currently doing business within the State of California. A more detailed assessment of the economic impacts of the proposed regulatory action can be found in Staff Report.

As explained in the Staff Report, it is possible that some individual businesses may be adversely affected by this regulatory action, even though overall there should be no significant adverse economic impact on businesses as a whole. Therefore, the Executive Officer finds that the adoption of this regulatory action may have a significant adverse impact on some businesses. The Executive Officer has considered proposed alternatives that would lessen any adverse economic impact on business and invites you to submit proposals. Submissions may include the following considerations:

- (i) The establishment of differing compliance or reporting requirements or timetables which take into account the resources available to businesses.
- (ii) Consolidation or simplification of compliance and reporting requirements for businesses.
- (iii) The use of performance standards rather than prescriptive standards.
- (iv) Exemption or partial exemption from the regulatory requirements for businesses.

The Board's Executive Officer has also determined, pursuant to Government Code section 11346.5(a)(3)(B), that the regulation will affect small business.

Before taking final action on the proposed regulatory action, the Board must determine that no alternative considered by the agency would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

SUBMITTAL OF COMMENTS

The public may present comments relating to this matter orally or in writing. To be considered by the Board, written submissions must be addressed to and received by the Board Secretary, Air Resources Board, P. O. Box 2815, Sacramento, CA 95812, no later than 12:00 noon, September 27, 1995, or received by the Board Secretary at the hearing.

The Board requests, but does not require, that 20 copies of any written statement be submitted and that all written statements be filed at least 10 days prior to the hearing. The Board encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.