



June 20, 2014

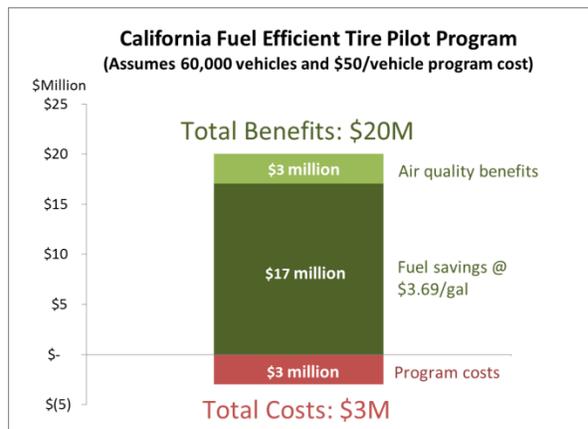
Richard Corey  
Executive Officer  
California Air Resources Board  
Sacramento, California

**Subject:** Proposed FY 2014-15 Funding Plan for AQIP/Low Carbon Transportation and Proposal for Incentives for Fuel Efficient Tires

Dear Mr. Corey:

Thank you for the opportunity to provide comments on the proposed FY 2014-15 Funding Plan for the Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments (FY 2014-15 Funding Plan). Mountain View Tire & Service Inc. supports fuel efficient passenger vehicle replacement tires incentives in California and would like to recommend that the California Air Resources Board (CARB) authorize the addition of such incentives to the disadvantaged communities section of the proposed FY 2014-15 Funding Plan. This investment would enable the implementation of a fuel efficient tire incentive program as highlighted in CARB’s May 2014 AB32 Scoping Plan Update.

Mountain View Tire & Service Inc. has been a California tire retailer for 27 years. We have 31 retail locations in Southern California. Our customers would greatly benefit from fuel efficient replacement tire rebates and we believe that an incentive program would be an effective tool in increasing the market adoption of fuel efficient tires in California. As described in the “Passenger Vehicle Replacement Tire Efficiency Study” (October 2013) sponsored by the South Coast Air Quality Management District, a tire incentive program can achieve benefits that exceed costs by a factor of six. For instance, funding for a \$3 million pilot would achieve net benefits of about \$20 million as shown in the figure below. In terms of disadvantaged communities, a customer purchasing fuel efficient tires could save about \$1000 from the use of those tires over the lifetime of the vehicle (based on typical savings of \$80 per year). A broad statewide program could save customers approximately \$900 million annually while avoiding 2.7 million metric tons of greenhouse gases per year. This is 12% of California’s long-term transportation-related AB 32 emission reduction targets.<sup>1</sup>



<sup>1</sup> Table 5 of the “First Update to the Climate Change Scoping Plan” (May 2014) lists Transportation-related targets at 23 MMTCO<sub>2</sub>e.

In addition to achieving immediate benefits in disadvantaged communities, the incentive program would also benefit California consumers, businesses, and the public at large in terms of improved air quality, avoided greenhouse gas emissions, and reduced fuel costs.

Based on the benefits that fuel efficient passenger vehicle replacement tire incentives would provide to California's disadvantaged communities and the public at large, we would like to recommend adding the following language to the disadvantaged communities section of the proposed FY 2014-15 Funding Plan:

### **Fuel Efficient Passenger Vehicle Replacement Tires**

Proposed Allocation: Up to \$3 million total including other potential federal/state/local funding

As noted in CARB's Scoping Plan Update, an incentive program would encourage deployment of commercially available fuel efficient passenger vehicle replacement tires for in-use vehicles. The California Energy Commission estimates that the use of fuel efficient replacement tires could save approximately \$900 million in fuel costs while avoiding 2.7 million metric tons of greenhouse gas emissions each year. Fuel efficient replacement tires can save \$1000 over the lifetime of a single vehicle based on recent research funded by the South Coast Air Quality Management District.

Staff recommends FY 2014-15 funding for a fuel efficient passenger vehicle replacement tires incentive program to overcome barriers, such as higher upfront costs and lack of consumer education on the benefits of fuel efficient tires, particularly in disadvantaged communities. Staff will evaluate opportunities to leverage EU tire labels to determine qualifying tires, and will also evaluate opportunities to leverage additional sources of potential funding to achieve broader benefits.

We would like to reiterate our support for the addition of fuel efficient passenger vehicle replacement tires incentives in the disadvantaged communities section of the FY 2014-15 Funding Plan. We appreciate your consideration of our comments.

Sincerely,



Chris Mitsos  
Owner  
Mountain View Tire & Service Inc.