

BEFORE THE AIR RESOURCES BOARD

COMMENTS OF THE

ALLIANCE OF AUTOMOBILE MANUFACTURERS ON

**PROPOSED AMENDMENTS TO THE SMOG INDEX VEHICLE EMISSIONS
LABEL (Released May 4, 2007)**

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Before The Air Resources Board

Comments Of The Alliance Of Automobile Manufacturers (Alliance) on

PROPOSED AMENDMENTS TO THE SMOG INDEX VEHICLE EMISSIONS LABEL (Released May 4, 2007)

I. Introduction

The Alliance of Automobile Manufacturers (the “Alliance”)¹ appreciates the opportunity to provide comments to the Air Resources Board concerning the Initial Statement of Reasons (or “ISOR”) relating to Proposed Amendments to the Smog Index Vehicle Emissions Label.² The Alliance has worked closely with the ARB staff and we have resolved many of our issues. This letter summarizes our comments and recommendations on the Smog Index Label.

Except for the legal issue related to the global warming score discussed below, our most important concerns have been resolved, and we appreciate staff’s work with industry to reach a compromise. There are several minor changes that the remainder of this letter addresses. These changes would improve both the label and the implementation of the regulation and we ask for the board’s consideration.

II. Specific Issues and recommendations

Unless otherwise noted, all references to paragraphs below refer to the new section “California Environmental Performance Label Specifications for 2009 and Subsequent Model Year

¹ The members of the Alliance of Automobile Manufacturers (“the Alliance”) are BMW Group of North America, Inc., DaimlerChrysler Corporation, Ford Motor Company, General Motors Corporation, Mazda North American Operations, Mitsubishi Motor Sales of America, Inc., Porsche Cars North America, Inc., Toyota Motor North America, Inc., and Volkswagen of America, Inc.

² *See* Initial Statement of Reasons for Rulemaking, Proposed Amendments to the Smog Index Vehicle Emissions Label (Released May 4, 2007 and scheduled for consideration June 21, 2007)

Passenger Cars, Light-Duty Trucks, and Medium-Duty Passenger Vehicles” on pages A-4 through A-11 of the ISOR.

A. Global Warming Score

The federal Corporate Average Fuel Economy statute expressly provides that with a federal fuel economy labeling standard in place, “a State or political subdivision of a State may adopt or enforce a law or regulation on disclosure of fuel economy or fuel operating costs ...only if the law or regulation is identical to that [federal] requirement.” 49 U.S.C. 32919 (1994). A Federal fuel economy labeling regulation has been in place since the 1977 model year. The proposed global warming score clearly does not comport with this identity requirement. Our comments on the Global Warming Score should, therefore, not be construed to endorse the proposed regulations or to imply that California has the legal authority to require automakers to provide a separate greenhouse gas emissions label.

Paragraph 3(a) on page A-5 specifies how to calculate the Global Warming Score. As written it assumes that vehicles will be certified at the time the label is developed; however, this is not likely the case. Since the AB 1493 regulations are a fleet average, manufacturers may officially certify their vehicles throughout the model year. Put another way, manufacturers may optionally test their vehicles pursuant to 13 CCR §1961.1(a)(1)(B) after the label is developed or even long after the vehicles are sold provided they do so before the end of the reporting model year. Based on the optimal testing the final CO_{2Equivalent} value for the vehicle may differ from the value on which the label is based.

Consequently, we recommend deleting “and certified pursuant thereto” from Section 3(a) on page A-5 of the Initial Statement of Reasons. The Global Warming Score would still be calculated according to the 13 CCR §1961.1(a)(1)(B).

B. Consistency with 13 CCR §1961.1(a)(1)(B)

The method for calculating a vehicle’s global warming score is contained in 13 CCR §1961.1(a)(1)(B). However, 13 CCR §1961.1(a) specifically exempts “Option 1 LEV II NO_x” certified vehicles from the AB 1493 requirements. Although we believe that it is staff’s intent to exempt the few trucks certified under the Option 1 LEV II NO_x standard from this regulation

(otherwise, the cost of the labeling regulation would need to include the cost of additional testing), we recommend ARB specifically acknowledge this by revising paragraph 3(c) to read, “The scores in the following table shall apply to all passenger cars and light-duty trucks 0-8,500 pounds GVW and medium-duty passenger vehicles 8,500-10,000 GVW. Except no Global Warming Score is required for vehicles exempted under 13 CCR §1961.1(a) from the greenhouse gas emission requirements.”

C. Flex-Fuel, Bi-fuel, and Dual-fuel Statements

Paragraphs (19), (20), and (21) in Section 6(b) specify three different statements regarding bi-fuel, flex-fuel, and dual-fuel vehicles. However, the statements all simply refer the vehicle owner to the www.driveclean.ca.gov website. We recommend replacing the three statements with one stating, “For Alternative Fueled Vehicles, when using the alternative fuel, scores may improve. See www.driveclean.ca.gov.”

D. Color Ink and Color Printers

Just a point of clarification, the staff reports on page 23 of the ISOR states, “Either way, medium and large volume manufacturers will upgrade to color printers within the first three years of implementation.” None of the Alliance members have indicated that they plan to upgrade to color printers in the next three years and, based on their comments at the workshop, Honda does not plan an immediate upgrade either. It is not just a question of installing color printers in the plants. Some manufacturers labeling systems are not capable of color printing, and the entire system would need to be changed, taking much longer than three years.

In the mean time, we recommend making the terms “Global Warming Score” and “Smog Score” black ink. This helps manufacturers with alignment and seems to make the label more readable.

E. Scoring System Changes

In the ISOR on page 2, ARB Staff recommends re-analyzing the scoring system when 2012 MY California certification data becomes available. The Alliance supports ongoing analysis of the implementation of all regulations. However, for a regulation with such a close interaction with consumers, we do so with two important caveats:

1. Minimize changes: The intent of this regulation is to inform consumers making consistency very important. It is possible, and in fact likely, that two vehicles identical in all respects except MY, will have different environmental performance scores for no other reason than changes to the scoring. Such discrepancies lead to confusion and lead customers to ignore the label all together. While it might be necessary to make changes to the label at some point, we recommend severely limiting those changes.
2. Two year lead time: When changes are deemed necessary and appropriate, ARB should provide manufacturers at least two full model years of lead time for significant changes. While manufacturers can implement changes sooner (as in the case of this regulation) it happens at far greater costs and with a far higher likelihood of errors than if adequate lead time is provided. Moreover, unlike this regulation which was implemented relatively quickly, there should be no future reason that changes must be made quickly.

F. Format Requirements

The Environmental Performance Label format requirements in the proposed regulation specify exact positioning of each piece of information on the label. The Alliance requests that tolerances be added to the proposed format requirements, particularly for positioning relative to the edge of the label. The Alliance suggests a tolerance of + or – 1 mm. This small but necessary tolerance would not detract from the ARB's desire to have all label formats appear to be identical to each other. This tolerance would take into account slight size differences of individual papers in the paper stock and paper shifts in the printer feed trays.

G. Quality Control

The Alliance understands that manufacturers may place the VIN and/or bar code outside of the 6 x 4 inch regulated area. This is needed by manufacturers for quality control purposes, i.e., to verify that the correct label has been installed on the vehicle.

H. Lead-Time

The Alliance requests that the regulation begin with 2009 model year vehicles produced on January 1, 2009 or later instead of October 1, 2008. Two additional months of lead-time are needed given that the regulation may not be finalized until February 2008. The additional lead-time is needed to allow manufacturers to properly implement the label in all assembly plants and ports.

The Alliance supports the Staff's proposal to allow the Environmental Performance Label to be implemented early and concurrently with the existing smog index label to allow plants to conduct the necessary testing and validation of this new labeling process.

I. Label Size

The proposed label size is 6 inches width x 4 inches height. Adhesive strips at the top and bottom of the label will add about ½ inch each (1 inch total) to the height. The Alliance believes the label could be made somewhat smaller to improve visibility and safety during test drives without taking away from the label's visibility, and suggests 5 inches width x 3 inches height.

III. Summary

The Alliance recommends the changes above. We believe these changes improve the regulation and will improve implementation of the regulation.