State of California
AIR RESOURCES BOARD

Resolution 01-23

July 26, 2001

Agenda Item No.: 01-6-2

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the Air Resources Board (ARB or Board) to adopt standards, rules and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, section 43013(a) of the Health and Safety Code authorizes the Board to adopt and implement emission standards and in-use performance standards for the control of air contaminants and sources of pollution which the Board has found to be necessary, cost-effective, and technologically feasible;

WHEREAS, section 43013(b) of the Health and Safety Code authorizes the Board, consistent with section 43013(a), to adopt emission standards and regulations for marine vessels (to the extent permitted by federal law);

WHEREAS, section 43018 of the Health and Safety Code authorizes the Board to achieve the maximum degree of emission reduction possible from vehicular and other mobile sources in order to accomplish the attainment of the state standards for ambient air quality at the earliest practicable date;

WHEREAS, sections 43101 and 43104 of the Health and Safety Code authorize the Board to adopt emission standards and test procedures to control air pollution caused by motor vehicles;

WHEREAS, the State Implementation Plan (SIP) for ozone, adopted by the Board in 1994 and approved by the United States Environmental Protection Agency (U.S. EPA) in 1995, established the state strategy for attaining the ambient air quality standards for ozone in all areas of the state by 2010, as required by federal law;

WHEREAS, the SIP included mobile source control measure M16, entitled "Pleasure Craft," which outlined the emissions inventory from recreational boats and personal watercraft and authorized U.S. EPA to develop an appropriate control strategy;

WHEREAS, because subsequent assessment determined that pleasure craft contributed much more significantly to the total emissions inventory, the Board, in 1998, approved regulations to control exhaust emissions from spark-ignition personal watercraft and outboard marine engines that exceeded U.S. EPA requirements;

WHEREAS, the U.S. EPA has not promulgated a rulemaking that would attain the SIP commitment of reducing Reactive Organic Gases from gasoline inboard and sterndrive engines by 2 tons per day in the South Coast Air Basin by 2010;

WHEREAS, in conjunction with a public hearing notice dated June 8, 2001, ARB staff proposes that the Board adopt the amendments to the Spark-Ignition Marine Engine sections and related in-use compliance and test procedures sections of title 13, California Code of Regulations;

WHEREAS, the Board has considered the effects of the proposed regulatory requirements on the economy of the state;

WHEREAS, the California Environmental Quality Act and Board regulations require that no project which 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, 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, the Board finds that:

> Despite advances in reducing emissions from motor vehicles, California still has the most severe air pollution problems in the United States;
>
> To meet Federal and California Clean Air Act emissions reductions requirements, ARB must continue to seek proportional and incremental reductions from all sources under its authority, including spark-ignition marine engines;
>
> It is necessary and appropriate that the proposed regulations require engine manufacturers to certify inboard and sterndrive engines sold in California to the proposed mandatory hydrocarbon plus oxides of nitrogen emission ($HC+NO_x$) standards, beginning in 2003;

It is necessary and appropriate that the proposed amended regulations require emission control labels to identify emissions-critical or emission-related parts to ensure that these parts are properly maintained and that they meet the applicable emission standards, and to provide a unique identification number for enforcement purposes, including in-use testing;

It is necessary and appropriate that the proposed amended regulations provide four tiers of environmental labeling to ensure that engine owners and potential engine owners have information on the relative cleanliness of the engine under the ARB standards, which in turn should promote the early introduction to and purchase of cleaner engines in California, thereby potentially resulting in reduced emissions independently of the emissions standards;

It is necessary and appropriate that the proposed amended regulations require an in-use testing program to ensure that certified engines meet the standards throughout their useful lives;

It is necessary and appropriate that the proposed amended regulations require defects warranty and repair to ensure that the engines have emission-related components that are reliable, durable and capable of complying with the applicable emission standards;

It is necessary and appropriate that the proposed amended regulations require a Selective Enforcement Auditing program for inboard and sterndrive engines to ensure that new engines comply with the applicable exhaust emission standards;

It is necessary and appropriate that the proposed amended regulations provide a corporate-averaging program for 2003-2008 model year inboard and sterndrive engines, allowing manufacturers to comply with the 2003 emission standards on a corporate-average basis;

It is necessary and appropriate that the proposed amended regulations require the introduction of catalyst-based emission standards for inboard and sterndrive engines, beginning with partial implementation for the 2007 model year and full implementation for the 2009 model year;

It is necessary and appropriate that the proposed amended regulations incorporate emission test procedures to implement the regulations;

The economic and cost impacts of the amendments have been analyzed as required by California law, and the conclusions and supporting documentation for this analysis are set forth in the Initial Statement of Reasons, as supplemented by the staff's presentation at the public hearing on this item;

The cost of controlling inboard and sterndrive marine engines under the 2003 emission standards of the proposed amended regulation would be $0 per pound of $HC+NO_x$ reduced, because the standards reflect a capping of present-day emission levels;

The cost of controlling inboard and sterndrive marine engines under the 2007 emission standards of the proposed amended regulation would range from a high of $3.50 to a low of $2.00 per pound of $HC+NO_x$ reduced, depending on whether Research and Development costs are calculated against California sales only or against all sales nationwide, respectively;

The cost effectiveness values above are similar to the values associated with other control measures adopted in furtherance of Health & Safety Code sections 43013 and 43018, and SIP measures; and

Based on the above, the Staff Report/Initial Statement of Reasons, and the information provided during the public hearing of this item, the proposed amended spark-ignition marine engine regulations are necessary, cost-effective, and technologically feasible to carry out the purposes of the state and federal clean air laws.

WHEREAS, the Board further finds that:

The proposed amended spark-ignition marine engine regulations and procedures for emission control labels, warranty, enforcement procedures, and compliance testing are necessary to adequately enforce the emissions standards and test procedures of the 2003 and Later Spark-Ignition Marine Engines regulation, and will independently help to reduce emissions from such engines;

The proposed amended consumer labeling requirements may independently help to reduce emissions by promoting the sales of cleaner engines in California;

The proposed amended regulation establishes uniform, consistent and reasonable emission standards for inboard and sterndrive engines;

The adoption of the proposed standards and test procedures would result in a reduction of approximately 56 tons per weekend summer day of combined hydrocarbons and oxides of nitrogen emissions statewide in 2020;

The adoption of the regulations approved herein will not have a significant adverse environmental impact and that the regulations are projected to have a positive air quality impact;

No alternative considered by the Board would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons;

It is necessary and proper that ARB shall undertake a joint developmental in-water testing program in conjunction with U.S. EPA, U.S. Coast Guard, members of the National Marine Manufacturers Association and manufacturers and suppliers of emission control equipment, in order to demonstrate the safeness and durability of catalysts when used in a marine environment. This program shall include vessel operation in both fresh and salt water; and

It is necessary and proper that ARB staff shall address the Board in 2003 and 2005 to report the findings of the in-water testing program, other related technological developments, and an assessment of the overall feasibility of the regulatory requirements – including the stringency of the emission standards – as well as providing industry the opportunity to present their own assessment of these issues to the Board, and in such reviews staff may consider additional information in order to assist the Board determine whether it needs to re-evaluate the regulatory requirements.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the amendments the following sections of title 13, California Code of Regulations, and the documents incorporated by reference therein: sections 2111, 2112, Appendix A to Article 2.1, 2139, 2140, 2147, 2440, 2441, 2442, 2443.1, 2443.2, 2443.3, 2444.1, 2445.1, 2445.2, 2446, and "California Exhaust Emission Standards and Test Procedures for 2001 and Later Spark-Ignition Marine Engines," which is incorporated by reference in section 2441, and the adoption of section 2444.2, all as set forth in Attachment A hereto, with the modifications set forth in Attachment B hereto.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to incorporate into the approved regulations the modifications set forth in Attachment B, with such other conforming modifications as may be appropriate, and then to adopt the amendments and new regulation, after making the modified regulatory language available for public comment for a period of 15 days, provided that the Executive Officer shall consider such written comments regarding the modifications as may be submitted during this period, shall make modifications as may be appropriate in light of the comments received, and shall present the regulations to the Board for further consideration if he determines that this is warranted.

BE IT FURTHER RESOLVED that the Board hereby determines that the regulations adopted herein will not cause California mobile source emission standards, in the aggregate, to be less protective of public health and welfare than applicable federal standards.

BE IT FURTHER RESOLVED that the Board hereby finds that separate California emission standards and test procedures are necessary to meet compelling and extraordinary conditions.

BE IT FURTHER RESOLVED that the Board finds that the California emission standards and test procedures as adopted herein will not cause the California requirements to be inconsistent with section 202(a) of the Clean Air Act and raise no new issues affecting previous waiver determinations of the Administrator of the Environmental Protection Agency pursuant to section 209(b) of the Clean Air Act.

BE IT FURTHER RESOLVED that the Executive Officer shall, upon adoption, forward the regulations to the Environmental Protection Agency with a request for a waiver or confirmation that the regulations are within the scope of an existing waiver of federal preemption pursuant to section 209(b) of the Clean Air Act, as appropriate.

I hereby certify that the above is a true and correct copy of Resolution 01-23, as adopted by the Air Resources Board.

Marie Kavan

Marie Kavan, Clerk of the Board

Recv'd By
Office of the Secretary

JUN - 7 2002

Resources Agency of California

State of California
Environmental Protection Agency
AIR RESOURCES BOARD

Notice of Decision and
Response to Significant Environmental Issues

Item:	Emission Standards and Test Procedures for New 2003 and Later Spark-Ignition Inboard and Sterndrive Marine Engines
Approved By:	Resolution 01-23
Adopted by:	Executive Order G-02-028
Agenda Item:	01-6-2
Public Hearing Date:	July 26, 2001
Issuing Authority:	Air Resources Board
Comment:	No comments were received identifying any significant environmental issues pertaining to this item. The Staff Report identified no adverse environmental effects.
Response:	N/A
Certified:	Artavia M. Edwards, Manager Board Administration & Regulatory Coordination Unit
Date:	7 June 2002

Recv'd By
Office of the Secretary
JUN - 7 2002
Resources Agency of California

Resolution 01-23

July 26, 2001

Identification of Attachments to the Board Resolution

Attachment A: Proposed Regulation Order for the Adoption of Emission Standards and Test Procedures for New 2003 and Later Spark-Ignition Inboard and Sterndrive Marine Engines (sections 2111, 2112, Appendix A to article 2.1, 2139, 2140, 2147, 2440, 2441, 2442, 2443.1, 2443.2, 2443.3, 2444.1, 2445.1, 2445.2, 2446, and "California Exhaust Emission Standards and Test Procedures for 2001 and Later Spark-Ignition Marine Engines," which is incorporated by reference in section 2441; and the adoption of section 2444.2 title 13, California Code of Regulations) as set forth in Attachments A and B to the Initial Statement of Reasons, released June 8, 2001.

Attachment B: Staff's Suggested Modifications to the Original Proposal, as distributed at the Board hearing.