

TITLE 13. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE ZERO-EMISSION VEHICLE REQUIREMENTS FOR PASSENGER CARS AND LIGHT-DUTY TRUCKS

The Air Resources Board (ARB or "Board") will conduct a public hearing at the time and place noted below to consider adoption of amendments to California regulations that require zero-emission vehicles.

DATE: March 28, 1996

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., March 28, 1996, and may continue at 8:30 a.m., March 29, 1996. This item may not be considered until March 29, 1996. Please consult the agenda for the meeting, which will be available at least 10 days before March 28, 1996, to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION/PLAIN ENGLISH POLICY STATEMENT OVERVIEW

Sections Affected: Amend title 13, California Code of Regulations (CCR), section 1960.1.

I. Summary of Proposed Changes

The Board adopted the Low-Emission Vehicle regulations in September 1990. These regulations established four new categories of emission standards for passenger cars (PCs) and light-duty trucks (LDTs): Transitional Low-Emission Vehicle (TLEV), Low-Emission Vehicle (LEV), Ultra-Low-Emission Vehicle (ULEV) and Zero-Emission Vehicle (ZEV). The regulations established a progressively more stringent fleet average emission requirement for non-methane organic gases (NMOG), which manufacturers can meet by producing any combination of TLEVs, LEVs, ULEVs and ZEVs. In addition to meeting the fleet average emission requirement, the seven largest manufacturers are required to produce and offer for sale in California ZEVs in amounts equal to two percent of their total sales of PCs and LDTs weighing less than 3750 pounds loaded vehicle weight beginning with the 1998 model year, rising to five percent in the 2001 model year and ten percent in the 2003 model year.

The staff conducted a series of public forums during 1995 to discuss all aspects of the ZEV program, including hybrid-electric vehicles, consumer marketability, infrastructure, fleet issues, technology, benefits and costs. The staff also established a Battery Technology Advisory Panel (“Battery Panel”) to evaluate the status of batteries for the 1998 implementation of ZEVs. Based on information gathered through the public forums and the Battery Panel, the staff is proposing to amend the LEV regulations to eliminate the percentage ZEV requirements for model years 1998 through 2002. The ten percent requirement for the 2003 model year would remain unchanged. This modification would allow auto manufacturers more time to develop and demonstrate ZEVs powered by advanced batteries and flexibility to determine the best time to introduce this new technology to the market. To encourage the early production of advanced ZEVs, the staff is also proposing to add a provision to allow multiple credits for longer-range ZEVs produced prior to the 2003 model year. These ZEV credits could be applied to a manufacturer’s 2003 and subsequent model year requirements.

To ensure that no emission reductions are lost by suspending the ZEV requirements, the staff is recommending that the Board enter into memoranda of agreement (MOAs) with each of the seven auto manufacturers that are subject to the 1998 through 2002 model year percentage ZEV requirements. These MOAs would formalize commitments by the auto manufacturers to achieve the air quality benefits of the percentage ZEV requirements, continue investing in advanced batteries, produce ZEVs powered by advanced batteries for demonstration purposes and ramp up to large-volume ZEV production in the 2003 model year.

II. Comparison with Similar Federal Requirements

Under Title II of the Federal Clean Air Act (FCAA), the U.S. Environmental Protection Agency has promulgated comprehensive regulations to control emissions from new motor vehicles (see 40 CFR Part 86). However, both state law and section 209 of the FCAA allow California to establish its own standards that are different from the federal standards. While both the federal and California automotive emission standards are similar in purpose and scope, California has adopted standards that are generally more stringent and effective in order to address the severity of California’s air pollution problem. California’s Low-Emission Vehicle regulations, which establish emission standards for light- and medium-duty vehicles, 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.

There is no federal requirement for ZEVs. The amendments proposed in this rulemaking would eliminate the California requirement for ZEVs for the 1998 through 2002 model years.

AVAILABILITY OF DOCUMENTS AND CONTACT PERSON

The staff has prepared a Staff Report which includes the initial statement of reasons for the proposed action and a summary of the environmental and economic impacts of the proposal. 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, California 95814, (916) 322-2990. These documents are also available on the Air Resources Board Information

System (ARBIS) electronic bulletin board. The documents may be accessed via modem by calling (916) 322-2826 and choosing "Mobile Source Programs" and "Zero-Emission Vehicle Program" from the "System Features" menu. The documents are also available on the Internet at <http://www.arb.ca.gov/> (choose "CARB Programs" from the main menu and then "ZEV Program"). If you have any 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.

Inquiries regarding this matter should be directed to Sue de Witt, Mobile Source Division, P.O. Box 2815, Sacramento, California 95812, (916) 322-6975. Inquiries regarding Appendix B of the Staff Report should be directed to Mark Carlock, Mobile Source Division, 9420 Telstar Avenue, El Monte, California 91731, (818) 575-6608.

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 the local agencies.

In developing this regulatory proposal, the ARB staff evaluated the potential economic impacts on private persons and businesses. The proposed regulatory action would eliminate an existing requirement for large auto manufacturers to produce ZEVs beginning in 1998. This action is expected to result in savings for auto manufacturers, which in turn could translate into savings for consumers.

Because the proposed regulatory action does not place any requirements on individuals or California businesses, in accordance with Government Code section 11346.3 the Executive Officer has determined that adoption of the proposed regulatory action will not have a significant adverse economic impact on businesses, including the ability of California businesses to compete with businesses in other states, or on directly affected private persons.

The Board's Executive Officer has also determined, pursuant to Government Code section 11346.5(a)(3)(B), that the regulation will affect small businesses. Some small businesses in California's advanced transportation industry may be adversely affected by this action because it may result in fewer ZEVs being produced from 1998 through 2002. This may reduce investments and lower the demand for goods and services from California's advanced transportation businesses in the near-term. However, the proposed regulatory action is expected to increase the success of ZEVs over the long-term, which would be beneficial to these California businesses.

The Executive Officer has also determined that this regulatory action will not have a significant or any long-term affect on 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 the Staff Report.

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, California 95812, no later than 12:00 noon, March 27, 1996, 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.

STATUTORY AUTHORITY AND HEARING PROCEDURES

This regulatory action is proposed under the authority granted in Health and Safety Code sections 39600, 39601, 43013, 43018, 43101 and 43104. This action is proposed to implement, interpret and make specific Health and Safety Code sections 39002, 39003, 43000, 43013, 43018, 43100, 43101, 43102 and 43104.

The public hearing will be conducted in accordance with the California Administrative Procedure Act, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340) of the Government Code.

Following the public hearing the Board may adopt the regulatory language as originally proposed, or with nonsubstantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the

originally proposed text that the public was adequately placed on notice that the regulatory language as modified could result from the proposed regulatory action; in such event the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comment, at least 15 days before it is adopted. The public may request a copy of the modified regulatory text from the Board's Public Information Office, 2020 L Street, Sacramento, CA 95814, (916) 322-2990.

CALIFORNIA AIR RESOURCES BOARD

Original signed by Tom Cackette for

James D. Boyd
Executive Officer

Date: January 30, 1996