

**REQUEST FOR AN EARLY EFFECTIVE DATE
Pursuant To Government Code Section 11343.4(c)**

The Air Resources Board (ARB or Board) requests, pursuant to Government Code Section 11343.4(c), that the Office of Administrative Law (OAL) prescribe an “earlier effective date” for the Amendments to the Regulation for Small Containers of Automotive Refrigerant that was adopted on January 17, 2017. ARB believes the following demonstrates “good cause” for OAL to prescribe an earlier effective date – i.e., an effective date to coincide with the filing of the regulations with the Secretary of State.

DEMONSTRATION OF GOOD CAUSE

The Board initially adopted the Regulation for Small Containers of Automotive Refrigerant (regulation) in January of 2009 to reduce greenhouse gas (GHG) emissions associated with do-it-yourself servicing of motor vehicle air conditioning (MVAC) systems. The regulation requires retailers to collect \$10 deposits at the time of sale from consumers, for each small container of automotive refrigerant sold. After using the refrigerant, consumers return used containers and receipts to the retailers to receive a full refund of the deposit. Retailers were required to transfer unclaimed consumer deposits to manufacturers, who would then use these funds to sponsor consumer education and outreach programs intended to inform consumers of measures to reduce GHG emissions associated with do-it-yourself recharging of MVAC systems.

During ARB’s implementation of the regulation, it learned that retailers were retaining unclaimed consumer deposits, instead of transferring the unclaimed consumer deposits to manufacturers. In this rulemaking action, the Board adopted amendments that clarify the existing requirement that retailers must transfer unclaimed consumer deposits to manufacturers, that establish new annual recordkeeping and reporting requirements to ensure retailers’ compliance with this provision, and that expand the scope of how unclaimed consumer deposits may be spent by manufacturers. These amendments will benefit California by ensuring that unclaimed consumer deposits will be utilized for their intended purpose – to reduce GHG emissions by funding consumer education programs or other programs, projects, or measures to reduce GHG emissions, instead of being retained by retailers.

The amendments will also benefit manufacturers by exempting them from the new labeling requirements during the period beginning with the effective date of the amendments until December 31, 2017, and will benefit retailers by allowing them to continue selling and offering to sell small containers that do not meet the new labeling requirements during the period beginning with the effective date of the regulation until December 31, 2017. An early effective date will therefore provide both manufacturers and retailers a longer period of compliance flexibility with no apparent detrimental consequences.

For the reasons set forth above, ARB believes there is good cause for OAL to prescribe an earlier effective date and hereby requests that OAL approve an earlier effective date, coinciding with OAL's submittal of its approval of this rulemaking action to the Secretary of State pursuant to Government Code section 11343.4(c).

Date: April 13, 2017

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