Proposed Exemption Regulation for Highway Motorcycle Aftermarket Emission Critical Parts

WORKSHOP #2

August 20, 2008
Overview

- Background

- Modifications to original proposal [text in yellow italics are changes since 7/23/08 issue date]

- Conclusion
Background

• First workshop held 4/9/2008
• Industry’s comments/concerns with original proposal:
  – Warranty period
    • Too lengthy for older motorcycles
  – Quality audit testing
    • Testing of one part for every 500 sold is burdensome
  – In-use enforcement testing
    • Testing of up to 20% of part applications is burdensome
    • Owner modifications may impact emissions
  – In-use recall
    • Potentially expensive
Background (cont.)

• Information received on motorcycle parts industry practices
  – Much smaller budgets compared to major motorcycle OEMs
  – No organized dealer network
  – Reliance on outside labs for testing
  – Extensive use of distribution channels
    • No direct sales
    • Difficult to track part numbers to VINs
  – High rate of owner modifications
Modifications to Original Proposal

• Warranty and labeling
• Quality-audit/in-use testing
• Warranty reporting/in-use recall
• Other minor revisions
Warranty

• Emission defects part warranty
  – Five years/applicable mileages when new
  – Three years/half applicable mileages when motorcycle is four years or older from original purchase

• Installation warranty
  – Two years/12,000 kilometers

• Recordkeeping requirement
  – Manufacturer warranty cards (min. 50% returns)
  – Installer/retailer must track part sales
Labeling

• Exemption labeling
  - Direct embossment/stamping on part (all catalyst exhausts)
  - 2mm min block text
  - Label or plate for small parts
Quality Audit/In-Use Testing

- Fewer tests (five per year max.)
- Testing done by ARB
  - Free if vehicle passes emissions
  - Manufacturer pays if vehicle fails
  - Manufacturer may observe testing
  - Tested motorcycle will be baseline tested in its OEM-certified configuration
- In-use enforcement testing removed from proposal.
Warranty Reporting/In-Use Recall

- **Recall based on defects reporting**
  - Reporting modified to be similar to motorcycle OEM 2010 MY requirements; semi-annual
  - No reporting until unscreened claims reach 4% or 10 vehicles, whichever is greater, then semi-annually
  - Supplemental reporting when 10% unscreened or 20 vehicles, whichever is greater, is reached; recall action triggered
  - No recall if manufacturer can show screened claims fall below 4% or 10 vehicles, whichever is greater

- **Recall provision clarifications**
  - “Repair” is replaced with “corrective action”
  - Other language to account for ultimate purchasers performing installation of replacement part
Other Minor Revisions

• Tamper resistance method description

• Other minor revisions for clarity (definitions, test vehicle selection)
Exemption Process Summary

- Letter of Intent (List parts and engine families)
- Application Submittal (Complete info?)
- ARB Reviews Test Data
- Exemption EO Issued (Up to 90 days review upon receipt of complete application)
- Audit Testing*
- Warranty Reporting*
- Recall*

*As required
Conclusion

- Modified proposal addresses many industry concerns
- Comments needed by mid-September
- ARB will continue to work with part manufacturers on proposal
- Timeline:
  - Staff report (45-Day Notice) by end of October 2008
  - Board hearing in December 2008
Contact Information

• ARB Website:
  www.arb.ca.gov/msprog/aftermkt/motorcycle1/motorcycle1.htm

• Mailing Lists:
  – ms-mailings
  – motorcycle1

• Contacts:
  – Dean Hermano 626-459-4487
  – Rose Castro 626-575-6848