

TITLE 13. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER A ONE-YEAR POSTPONEMENT OF THE REQUIREMENT THAT 1998 AND SUBSEQUENT MODEL-YEAR VEHICLES PRODUCED BY ULTRA-SMALL VOLUME MANUFACTURERS MEET THE ENHANCED EVAPORATIVE EMISSION REQUIREMENTS

The Air Resources Board (the "Board" or "ARB") will conduct a public hearing at the time and place noted below to consider amendments to the phase-in schedule for the enhanced evaporative emission regulatory requirements. The proposed amendments would allow ultra-small volume manufacturers (USVMs) to delay use of the enhanced evaporative emission test procedures for one year, until the 1999 model year (MY).

DATE: June 26, 1997

TIME: 9:30 a.m.

PLACE: Air Resources 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., June 26, 1997, and may continue at 8:30 a.m., June 27, 1997. This item may not be considered until June 27, 1997. Please consult the agenda for the meeting, which will be available at least 10 days before June 26, 1997, to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION/PLAIN ENGLISH POLICY STATEMENT OVERVIEW

Sections Affected: Section 1976, Title 13, California Code of Regulations and the incorporated "California Evaporative Emission Standards and Test Procedures for 1978 and Subsequent Model Motor Vehicles."

In a 1990 - 1991 rulemaking, the Board adopted regulatory amendments that established enhanced evaporative emission test procedures applicable to 1995 and subsequent MY passenger cars, light-duty trucks, medium-duty vehicles, and heavy-duty vehicles. For most manufacturers, the enhanced test procedures were phased in during the 1995 - 1997 MYs, with 100 percent compliance required starting with the 1998 MY. A small volume manufacturer (SVM) is not subject to the 1995 - 1997 MY phase-in requirements, but 100 percent of the manufacturer's 1998 and subsequent MY vehicles must comply with the enhanced evaporative emission requirements. An SVM is defined as a manufacturer with California sales less than or equal to 3,000 per MY, based on the average number of vehicles sold by the manufacturer in the previous three consecutive MYs.

Some small volume manufacturers have vehicle sales in California far below the 3,000 per year cut-off in the regulation. The Coalition of Small Volume Automobile Manufacturers (COSVAM) is a recently-formed organization open to manufacturers that produce fewer than 5,000 vehicles per year world-wide. As of January 1997, COSVAM had 19 members with combined California sales of about 1,000 vehicles per MY. COSVAM has requested that the ARB delay the enhanced evaporative emission phase-in requirement for its members one year until the 1999 MY.

In response to this request, the staff is proposing that the Board adopt a one-year postponement for "ultra-small volume manufacturers." "Ultra-small volume manufacturer" would be defined as a manufacturer with California sales not exceeding 300 vehicles per MY, based on the average number of vehicles sold by the manufacturer in the previous three consecutive MYs. As discussed below, the proposal would align the California phase-in requirement for USVMs with the United States Environmental Protection Agency's (U.S. EPA) enhanced evaporative emission phase-in requirement for SVMs.

Comparable federal regulations. In 1993, the U.S. EPA adopted enhanced evaporative emission test procedures that are similar to the California requirements. (58 F.R. 16002 (March 24, 1993).) The federal requirements are phased in for a manufacturer's vehicle sales during the following model years: 20% in 1996, 40% in 1997, 90% in 1998 and 100% in 1999. Small volume manufacturers -- defined as those with U.S. vehicle sales of less than 10,000 vehicles per year -- are exempt from the federal enhanced requirements until the 1999 MY, when 100% compliance is required. (40 C.F.R. secs. 86.96-9; 86.092-14(b).)

AVAILABILITY OF DOCUMENTS AND CONTACT PERSON

The Board staff has prepared a Staff Report which includes the initial statement of reasons for the proposed action and a summary of the environmental impacts of the proposal, if any. 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, CA 95814, (916) 322-2990. 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.

Further inquiries regarding this matter should be directed to Stephan Lemieux, Air Resources Engineer, at (818) 575-6695.

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 local agencies.

In preparing the regulatory proposal, the staff has considered the potential impacts on California business enterprises and individuals. None of the likely USVMs are located in California. Adoption of the proposal would avoid the decrease in sales by California dealers of 1998 MY vehicles manufactured by USVMs that are not certified to the enhanced evaporative emission requirements. COSVAM estimates that a one-year postponement in the enhanced evaporative emission requirements for USVMs would avoid the loss of sales of about 625 vehicles, generating approximately \$26 million in dealership revenue from vehicle sales, parts, and services.

For the above reasons, adoption of the proposed regulatory action is not expected to have a significant adverse economic impact on large or small businesses, including the ability of California businesses to compete with businesses in other states, or on directly affected private persons.

In accordance with Government Code section 11346.3, the Executive Officer has determined that the proposed regulatory action will not affect the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within California, or the expansion of businesses currently doing business within California. An assessment of the economic impacts of the proposed regulatory action can be found in the Staff Report.

The Executive Officer has also determined, pursuant to Government Code section 11343.2, that the proposed regulatory action will affect small businesses. The proposed regulatory language is written in plain English and is available from the contact person named in this notice.

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, CA 95812, no later than 12:00 noon, June 25, 1997, 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 that authority granted in 39600, 39601, 39667, 43013, 43018, 43101, 43104, and 43107 of the Health and Safety Code. This action is proposed to implement, interpret and make specific sections 39003, 39500, 39667, 43000, 43013, 43018, 43100, 43101, 43102, 43104, and 43107 of the Health and Safety Code.

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

Michael P. Kenny
Executive Officer

Date: