State of California Environmental Protection Agency AIR RESOURCES BOARD

Supplement to the Final Statement of Reasons for Rulemaking, Including Summary of Comments and Agency Responses

REGULATIONS TO CONTROL GREENHOUSE GAS EMISSIONS FROM MOTOR VEHICLES

Public Hearing Dates: September 23-24, 2004 Agenda Item No.: 04-8-2 Supplement dated September 13, 2005

This Supplement to the Final Statement of Reasons (FSOR) for Regulations to Control Greenhouse Gas Emissions from Motor Vehicles responds to issues raised by California's Office of Administrative Law (OAL) in their review of the regulatory package filed August 5, 2005.

<u>Issue S-1:</u> OAL requests direction to where the peer review documents were placed in the record, as stated in FSOR Agency Response to Comment 692.

Agency Response: It appears that at filing with OAL only portions of documents concerning the Peer Review process and outcome were placed in the record either by ARB or by commenters other than the Peer Reviewers. See e.g. Alliance comments Appendix N in response to Notice of Public Availability of Modified Text, including Attachment II: Additional Supporting Documents and Information, and Second Notice of Public Availability of Supporting Documents and Information, Attachment I - Additional Supporting Documents and Information, items 12, 33, 34, 65, and 65. However, it is clear from the commenter's numerous references to and quotes from the "Peer Review Comments and Responses" document (posted September 22, 2004 at http://www.arb.ca.gov/cc/cc.htm, as linked from the documents site for this rulemaking, http://www.arb.ca.gov/regact/grnhsgas/grnhsgas.htm), that this commenter had and extensively reviewed this document. And as stated in Agency Response to Comment 554, the Peer Review Comments and Responses document as a whole did not need to be added to the record as support for the rulemaking. However, the ARB believes it is appropriate to treat this document as containing comments for which the ARB has provided responses, and to consider the peer reviewers listed at pp. ii and iii therein as commenters. As a practical matter, then, the Peer Review Comments and Responses document is now in the record.

Issue S-2: In discussing fiscal impacts, page 4 of the FSOR states

Pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action will create costs or savings 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 state or local agencies. (*Emphasis added*).

The phrase "whether or not reimbursable" does not conform to practice in summarizing such impacts since if ARB finds there are costs, it must determine whether or not they are reimbursable.

<u>Agency Response</u>: Though OAL did approve the above statement in the public hearing notice for this action, ARB now amends it to read:

Pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action will create costs or savings to any state agency or in federal funding to the state and will create costs or mandate to local agencies or school districts or other nondiscretionary costs or savings to state or local agencies, but that any costs are not reimbursable by the state pursuant to part 7 (commencing with section 17500), division 4, title 2 of the Government Code.

This statement more accurately reflects the results of the economic analysis in the ISOR (Section 10.4, p. 160) and in the Fiscal Impact portion of the Form STD 399 submitted in this regulatory action.