

AB 1493

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CONCURRENCE IN SENATE AMENDMENTS
 AB 1493 (Pavley)
 As Amended June 28, 2002
 Majority vote

ASSEMBLY:	(June 6, 2002)	SENATE:	23-16 (June 29, 2002)
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(vote not relevant)

COMMITTEE VOTE : 10-7 RECOMMENDATION : concur

Original Committee Reference: RULES

SUMMARY : Requires the Air Resources Board (ARB) to adopt regulations to reduce the emissions of greenhouse gases by motor vehicles. Specifically, this bill :

- 1)Makes legislative findings and declarations regarding global warming, greenhouse gas emissions, and the contribution of the transportation sector to these emissions in California.
- 2)Requires the California Climate Action Registry (CCAR) to consult with ARB in order to adopt procedures and protocols for the reporting of reductions in greenhouse gases.
- 3)Restricts public access to CCAR records that are exempt from disclosure pursuant to the Public Records Act.
- 4)Requires ARB to develop and adopt, no later than January 1, 2005, regulations that achieve the maximum feasible and cost-effective reduction of greenhouse gases emitted by motor vehicles.
- 5)Prohibits ARB regulations from going into effect before January 1, 2006, and provides that they may apply only to model-year 2009 or later motor vehicles.
- 6)Requires ARB, within 10 days of adopting the regulations, to transmit them to the appropriate policy and fiscal committees of the Legislature for review.
- 7)Requires the Legislature to hold at least one public hearing to review the regulations, and allows the adoption of legislation to modify them.

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- 8)Requires ARB, in developing the regulations, to:
 - a)Consider their technological feasibility and economic impact;
 - b)Conduct workshops in areas of the state with significant exposure to air contaminants or with minority or low-income populations, or both;
 - c)Grant emission reduction credits for previous reductions in greenhouse gas emissions from motor vehicles; and,
 - d)Coordinate with the Energy Commission (CEC), CCAR, and the interagency task force.
- 1)Requires the regulations to provide flexibility in the means by which compliance may be achieved. Alternative methods of compliance must achieve equivalent or greater reductions in emissions but may not impose any mandatory trip reduction measures or land use restrictions.
- 2)Prohibits the regulations from including additional fees and taxes on motor vehicles, fuels, or vehicle miles traveled, bans on any specific vehicle category, reductions in vehicle weights, speed limit reductions or limitations, or vehicle-miles-traveled restrictions or limitations.
- 3)Requires the regulations to provide an exemption for low-emission vehicles meeting optional standards for oxides of nitrogen (NOx).
- 4)Requires CCAR, by July 1, 2003, to adopt procedures for reporting mobile source greenhouse gas emission reductions.
- 5)Requires ARB to report to the Legislature and Governor by January 1, 2005, on the content of the regulations.

6) Allows ARB to elect not to adopt a standard for any greenhouse gas included in an equally or more effective standard adopted in substantially the same timeframe by the federal government.

The Senate amendments delete, entirely, the prior provisions of this bill, replacing them with the current language. _

EXISTING LAW assigns various duties to ARB in regard to setting and enforcing clean air goals and standards.

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AS PASSED BY THE ASSEMBLY, this bill was a spot bill dealing with the Bureau of State Audits.

FISCAL EFFECT: ARB staff estimates their costs to be \$100,000 in fiscal year (FY) 2002-03 for start-up activities and an additional \$100,000 per year through FY 2004-05 to develop regulations and implement this bill. CEC staff indicates there are no costs to CEC to adopt procedures and protocols for the reporting and certification of reductions in greenhouse gas emissions from mobile sources as these duties are consistent with CEC's mandate as set out in SB 1771 (Sher), Chapter 1018, Statutes of 2000. ARB staff indicates they intend to fold the emission reduction regulations into the next round of passenger vehicle emission regulations that are expected to come before their governing board in FY 2004-05. Public hearings, workshops, consultations with auto manufacturers and other stakeholders would be expanded to include greenhouse gases along with other emission reduction strategies.

COMMENTS: This bill is essentially a reintroduction, with some modifications, of AB 1058 (Pavley), which is currently pending concurrence in Senate amendments.

This bill's sponsor, Bluewater Network, references a report from the United Nations Intergovernmental Panel of Climate Change predicting an increase of up to 10.4 degrees in the Earth's temperature over the next century and indicating that the past decade was the warmest on record in the last 140 years. The sponsor further notes that California is home to 0.5% of the world's population, yet emits nearly 7% of global CO2 emissions. This bill is intended to remove the ambiguity in the Clean Air Act, which, according to the sponsor, is unclear on, whether ARB has the authority to regulate CO2 emissions.

While the scientific community appears largely to accept that CO2 emissions are associated with increasing temperatures, global warming theories continue to be the subject of some debate. Nevertheless, it seems clear that warming of the magnitude quoted from the United Nations report would be severely disruptive to water supplies, agriculture, human health, coastlines, and entire island nations. And, according to most sources, automotive emissions are a major contributor to CO2 levels in the atmosphere.

Under former President Clinton, the United States (U.S.) was a signatory to the 1997 "Kyoto Protocol to the United Nations

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Framework Convention on Climate Change." This treaty would commit the United States to a target of reducing greenhouse gases by 7% below 1990 levels during a "commitment period" between 2008-2012. The U.S. Senate, however, has not approved the treaty. The Bush administration, while acknowledging the likelihood of global warming, is not supportive of the treaty either. In the absence of federal action on CO2 emissions, this bill would put California in the forefront of efforts to address global warming issues.

Opponents contend that federal Corporate Average Fuel Economy (CAFE) law and the Clean Air Act prohibit state action on CO2 regulation. This contention is based on the theory that CO2 regulation is equivalent to fuel economy regulation, preempted by CAFE, and that CO2 does not create localized pollution problems, making it ineligible for state regulation. (Proponents counter that CO2 regulation need not entail fuel economy standards and that other states have successfully enacted CO2 standards.) Opponents also point out that modern vehicles emit 97% less pollution than their 1970 counterparts and that new vehicle pollution will be reduced an additional 75% over the next seven years. They would prefer that consumers be encouraged to embrace advanced, and more fuel-efficient, technologies through incentives rather than what they characterize as "command-and-control" methods such as this bill.

The bill's predecessor, AB 1058, attracted a great deal of public attention. Much of this attention centered around possible measures, real or imagined, that the ARB might implement through its regulations in order to reduce greenhouse gas emissions. In response to these concerns, this bill lays out a fairly extensive list of actions that the ARB would be prohibited from enacting through its regulations. The prohibited actions would include: motor vehicle tax surcharges, increased fuel taxes, vehicle miles traveled (VMT) limits or fees, sport utility vehicle (SUV) or minivan bans, vehicle weight reductions, or speed limit reductions.

Additionally, while AB 1058 had a one-year lag between the adoption of regulations by the ARB and their implementation - presumably to give the Legislature time to overturn them by statute if they were deemed unreasonable, this bill explicitly requires the regulations to be reviewed by the Legislature and allows modification of the regulations by statute. This approach, however, continues to make the ARB regulations effective unless the Legislature takes affirmative action to modify or overturn them. In the absence of

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any specific action by the Legislature, the regulations would be effective precisely as drafted, even if they have a significantly detrimental effect on the automotive industry and the state's economy. A different approach, which the author and sponsors have rejected, would make the regulations' effectiveness contingent upon explicit approval by the Legislature. Alternatively, the ARB could be directed to draft recommended legislation, rather than regulations, for possible enactment by the Legislature. This approach has been rejected as well. Consequently, and for the reasons cited above, the opponents of AB 1058 continue to oppose this bill.

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