# 7.i. Oppose Letters – Members/Caucus

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# Assembly California Legislature

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**BILL CAMPBELL** 

ASSEMBLYMAN, SEVENTY-FIRST DISTRICT E-Mail: Assemblyman.Qampbell@assembly.ca.gov

July 3, 2002

The Honorable Gray Davis Governor, State of California State Capitol Sacramento, California 95814

Dear Governor Davis:

I am writing to request that you veto AB 1493 (Pavley), a measure dealing with vehicle emission standards and greenhouse gases.

I am requesting this for three reasons. The first is that imposing these new regulations will not halt or slow global warning. The second is that this proposal is an extremely expensive way to reduce air pollution. And finally, the regulations will increase the cost to purchase and/or operate cars and light trucks.

On Tuesday, July 2<sup>nd</sup>, Patrick J. Michaels, a world renowned climatology professor from the University of Virginia, presented many of his and his colleagues research findings on greenhouse gases to Legislators and staff in Room 127 of the State Capitol. One of his principal findings was that if <u>ALL</u> the Kyoto protocols, including the United States component, are implemented the reduction in global warming by the year 2100 would be .18 degrees Fahrenheit lower compared to if the protocols were not implemented. The conclusion- the reductions available from California vehicles will have no impact on global warming.

California already has the toughest air quality standards to reduce the air pollutants nitrous oxides (NOx) and sulfur dioxide (SO2) This bill includes these two air pollutants in its definitions of greenhouse gases as well as carbon dioxide. A study by the Energy Information Administration shows that to reduce (NOx) and (SO2) emissions by 75% below 1997 levels by 2005 for the United States would cost \$6 billion. Reducing CO2 emissions by 7% from 1990 levels by 2005 will cost \$77 billion.<sup>2</sup> As side benefits the NOx and SO2 emissions will be reduced with the \$77 billion expenditure so the \$6 billion is "saved". But clearly it is 12 times more expensive to reduce CO2 ANL NOx and SO2 and there will be little or no additional health benefits due to the 7% reduction in CO2.

<sup>&</sup>lt;sup>1</sup> Tom M.L. Wigley, "The Kyoto Protocol: CO2, CH4 and Climatic Implimentations," Geophysical Research Letters (1 July 1998): 2285, 2288

<sup>&</sup>lt;sup>2</sup> Energy Information Administration, "Analysis of Strategies for Reducing Multiple Emissions from Power Plants: Sulpher Dioxide, Nitrogen Oxides and Carbon Dioxide," December 2000 p.1X

Any high school chemistry student knows that the only way to reduce CO2 when burning hydrocarbons (gasoline or diesel fuel) is to burn less. Thus, the conclusion is defined in the bill for the California Air Resources Board. It must reduce the use of gasoline or diesel fuel. There are constraints on certain items it cannot propose, but it clearly can specify higher miles per gallon for each car and leave the solution to the automakers. Californians have shown a diversity of interest in buying cars that these rules would severely limit. Their options would have to be for more costly, less safe vehicles.

For the reasons cited above, I request your veto of AB 1493.

Sincerely,

BILL CAMPBELL

Assemblyman, 71<sup>st</sup> District

BC:kk

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JOINT COMMITTEE PREPARING CALIFORNIA FOR THE 21<sup>67</sup> CENTURY

July 8, 2002

The Honorable Gray Davis Governor of California State Capitol, First Floor Sacramento, CA 95814

#### Dear Governor Davis:

I am writing to strongly urge your veto of Assembly Bill 1493 (Pavley), a measure dealing with vehicle emission standards. I opposed this bill on the grounds of both policy and procedure, as well as AB 1058, the previous vehicle for this measure.

There are several reasons to veto AB 1493, but I will focus on just a couple. First, and foremost, this is a cynical measure with anti-consumer overtones. Left alone with little government regulation and hand-holding, I believe California citizens make wise and thoughtful choices in their purchase of products, including motor vehicles. Californians do not need bureaucrats at the California Air Resource Board arbitrarily making these choices for them.

Despite the claims of the bill's backers, it is obvious that the underlying intent of AB 1493 is, through indirect means, to increase the price of SUV's, pick-up trucks, and minivans so that they will no longer be an affordable means of transportation for the average California family. As someone who shares concerns about our environment, I am offended by this thinly veiled attempt at social engineering.

Secondly, the process surrounding the extraordinarily rapid passage of AB 1493 violates the principles of good government:

Friday, June 28 - Gutted and amended in the Senate

Saturday, June 29 – Passed by the Senate (23-16)

Monday, July 1 – Jammed through Transportation Committee (10-7)

Monday, July 1 - Heard on the Assembly Floor without any public notice

Monday, July 1 – Passed by the Assembly (41-30)

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In fact, it is early similar to the process used to pass AB 84 (1999), a measure you vetoed, in part because:

"Not only is this bill (AB 84) anti-competition and anti-consumer, it represents the worst kind of end-of-session maneuvering by special interests. A bill with an unrelated purpose was gutted and changed entirely in the final hours before the Legislature adjourned. It then was rushed through both houses with virtually no public notice, no public input and no demonstrated public need."

Governor, on both policy and procedural grounds, I strongly recommend that you veto AB 1493.

Singerely,

Dave Coedill

Assemblyman, District 25

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E-MAIL assemblymember.cox@assembly.ca.gov

### Assembly California Regislature



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ASSEMBLY REPUBLICAN LEADER
FIFTH DISTRICT

DISTRICT OFFICE

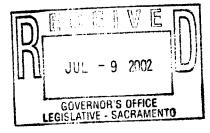
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WEBSITE http://www.assembly.ca.gov/cox

July 8, 2002



Governor Gray Davis State Capitol Sacramento, CA 95814

RE: RECOMMENDED VETO OF AB 1493 (PAVLEY)

Dear Governor Davis:

This Letter serves to memorialize a veto request for Assembly Bill 1493, which passed the Assembly on July 1, 2002, by a vote of 41 to 30, with 27 members of the Assembly Republican Caucus voting 'No'.

Assembly Bill 1493, authored by Assembly Member Fran Pavley, is substantially similar to Pavley's AB 1058 that has been stalled in the Assembly. AB 1493 was gutted and amended on Friday, June 28 and passed by the Senate on Saturday, June 29. AB 1493, like AB 1058, requires the state Air Resources Board (ARB) to, no later than January 1, 2005, "develop and adopt regulations that achieve the maximum feasible and cost-effective reduction of greenhouse gas emissions from motor vehicles."

While the soundness of the policy advanced by AB 1493 is questionable; the utter lack of respect for process displayed by the majority in moving this bill is reprehensible. When the future of AB 1058 was made unclear by an outpouring of public opposition, the author and proponents gutted another bill (AB 1493), made a few changes, and jammed it through the Senate and to the Assembly on a weekend that was overwhelmed with intense budget action. The intent of these maneuvers was to "outflank" the public who had made their collective voice against AB 1058 heard. Republicans endeavored to ensure that this measure was properly considered, but in the end, the integrity of the legislative process was cast aside in favor of political gamesmanship.

When the Legislature delegates its rule-making authority to political appointees and bureaucrats, it has a responsibility to establish clear policy guidelines. This measure tells the ARB what they may not do, but it lacks a sufficient explanation of what they should do. This

bill fails to give adequate direction to the members of the ARB who are charged with drafting these far-reaching regulations.

Even if there were no benefits at all from global warming, the costs of curbing greenhouse gas emissions would far exceed even the most pessimistic estimates of the losses from climate change. Adopting policies that would slow economic growth in order to prevent global warming would be foolish and harmful.

Finally, despite the fact that carbon dioxide is the very substance that we exhale and that trees use for food, the bill would only seek to regulate carbon dioxide and other greenhouse gas emissions from vehicles, and only certain kinds of vehicles at that. While this bill is likely to have little perceptible effect on the environment, vehicle cost will surely increase and consumer choice will decline.

For the reasons stated above, I respectfully request that you veto Assembly Bill 1493.

Since

ssembly Republican Leader

DC: cms

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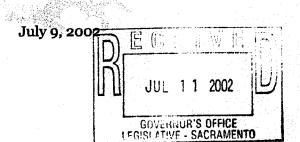
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# Assembly California Legislature

ABEL MALDONADO

ASSEMBLYMEMBER, THIRTY-THIRD DISTRICT

COMMITTEES:
VICE-Chalman, AGRICULTURE
MEMBER:
APPROPRIATIONS
BUDGET
GOVERNMENTAL ORGANIZATION
BUDGET SUBCOMMITTEE #5 ON
INFORMATION TECHNOLOGY/
TRANSPORTATION



The Honorable Gray Davis Governor of California State Capitol, First Floor Sacramento, CA 95814

**Dear Governor Davis:** 

I am writing to express my displeasure with the handling of Assembly Bill 1493 (Pavley), a measure that deals with vehicle emissions standards.

I am sure that you are aware of the abuse of the process that occurred in ramrodding this bill through both houses. Unfortunately, I witnessed the same disregard for sound government principles at the end of the 1999 session when AB 84 (the Big Box Bill) was pushed through without any public input. Both of these bills were denied the proper scrutiny and became instead, vehicles by which special interests took away the voice of the people.

I am asking you to veto this measure just as you vetoed AB 84 in 1999. To quote your veto message:

"Not only is this bill (AB 84) anti-competition and anti-consumer, it represents the worst kind of end of session maneuvering by special interests. A bill with an unrelated purpose was gutted and changed entirely in the final hours before the Legislature adjourned. It then was rushed through both houses with virtually no public notice, no public input, and no demonstrated public need."

For the sake of good government, Governor, veto this bill.

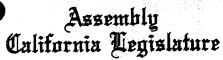
ABEL MALDONADO

Sincerely,

Assemblyman, 33rd District

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MARK WYLAND

ASSEMBLYMEMBER, SEVENTY-FOURTH DISTRICT

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TRANSPORTATION
CONGESTION RELIEF

July 3, 2002

The Honorable Gray Davis Governor of California State Capitol, First Floor Sacramento, CA 95814

Dear Governor Davis,

I am writing to strongly urge your veto of Assembly Bill 1493 (Pavley), a measure dealing with vehicle emission standards.

AB 1493 is an anti-consumer measure that, through indirect means, increases the price of SUV's, pick-up trucks and minivans so that they will no longer be an affordable means of transportation for the average California family. As someone who cares deeply about our environment, I am offended by this thinly veiled attempt at social engineering.

The process surrounding the lightning fast passage of AB 1493 quite frankly violates the principles of good government.

Friday, June 28 – Gutted and amended in the Senate Saturday, June 29 – Passed by the Senate (23-16)

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In fact, it is similar to the process used to pass AB 84 (1999), a measure you vetoed, in part because:

"Not only is this bill (AB 84) anti-competition and anti-consumer, it represents the worst kind of end-of-session maneuvering by special interests. A bill with an unrelated purpose was gutted and changed entirely in the final hours before the Legislature adjourned. It then was rushed through both houses with virtually no public notice, no public input and no demonstrated public need."

Wyland AB 1493 Page 2

Left alone with little government regulation and hand-holding, I believe California citizens make wise and thoughtful choices in their purchase of products, including motor vehicles. We don't need bureaucrats at the California Air Resource Board arbitrarily making these choices for us.

On both policy and procedural grounds, I strongly recommend that you veto AB 1493.

Sincerely,

MARK WYLAND

Assemblyman, 74th District

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## Assembly California Legislature

CHARLENE GONZALES ZETTEL
ASSEMBLYWOMAN, SEVENTY-FIFTH DISTRICT

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VICE CHAIR, SEXUAL HARASSMENT
PREVENTION AND RESPONSE

July 2, 2002

The Honorable Gray Davis Governor of California State Capitol, First Floor Sacramento, CA 95814

#### **Dear Governor Davis:**

I am writing to strongly urge your veto of Assembly Bill 1493 (Pavley), a measure dealing with vehicle emission standards.

I had to leave yesterday's Assembly Floor session before AB 1493 came up and was unable to participate in the debate and the voting. In the morning I was informed that a family member had to have bypass surgery and I left early that afternoon to drive down to the hospital. However, I did previously vote against AB 1058 and would have voted against AB 1493 yesterday had I been on the Assembly Floor.

There are several reasons to veto AB 1493, but I will focus on just a couple. First, and foremost, this is a cynical measure with anti-consumer overtones. Left alone with little government regulation and hand-holding, I believe California citizens make wise and thoughtful choices in their purchase of products, including motor vehicles. We don't need bureaucrats at the California Air Resource Board arbitrarily making these choices for us.

Despite the claims of the bill's backers, it is blatantly obvious that the underlying intent of AB 1493 is, through indirect means, to increase the price of SUV's, pick-up trucks and minivans so high they will no longer be an affordable means of transportation for the average California family. As someone who cares deeply about our environment, I am offended by this thinly veiled attempt at social engineering.

Secondly, the process surrounding the lightning fast passage of AB 1493 quite frankly violates the principles of good government:

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Governor, on both policy and procedural grounds, I strongly recommend that you veto AB 1493.

Sincerely,

CHARLENE GONZALES ZETTEL

Assemblymember, 75th District

7.ii. Oppose Letters – Organizations/Local Gov't

# ANALYTICAL CHEMISTS, INC.

7535 Convoy Court, San Diego, CA 92111

24hr Voice & FAX (858) 560-4916

July 8, 2002

The Honorable Gray Davis Governor, State of California The State Capitol, First Floor Sacramento, California 95814

Re: AB 1493 (Pavley) -

Vehicular Emissions of Greenhouse Gases

Recommended Action: VETO

I was alarmed to read about the original AB 1058 bill, and now see that it has resurfaced as a California issue.

I am a chemist and own this laboratory. I was astonished that the politicians are acting so hastily. I can't understand how they think that carbon dioxide emissions will change as a result of this bill. Do molecules of CO<sub>2</sub> not cross from one state to another? What about or neighbor - Tijuana. What about diesel trucks? What about barbeques, fire places, agricultural smudge pots and all those cigarette/cigar smokers? And don't forget mother nature's fires every year.

This bill is irrational and serves no genuine useful purpose to society. However, the economic impact could be dramatic on many industries.

Please Veto this bill. Like many others, I will be watching what the governor I helped elect will do.

Respectfully,

David H. Elgas

President

Email: dhe0124@aol.com

### CALIFORNIA CATTLEMEN'S ASSOCIATION 95814-1910

SERVING THE CATTLE INDUSTRY SINCE 1917



PHONE: (916) 444-0845 FAX: (916) 444-2194 www.calcattlemen.org

July 3, 2002

The Honorable Gray Davis Governor, State of California State Capitol Sacramento, CA 95814

RE: AB 1493 (Pavley) - Vehicular emissions: greenhouse gases - VETO REQUEST

Dear Governor Davis:

The California Cattlemen's Association (CCA) opposes AB 1493, which has the potential to impact many local economies in California. CCA represents 3000 members who own and manage nearly 60 million acres of rangeland through out the state. The types of vehicles targeted by this bill are often required by our members in order for our members to conduct their day to day business and properly manage their resources. We respectively request your veto of this bill.

We agree the goal of AB 1493, to reduce vehicular emissions, is admirable, but is it realistic? It will make vehicles more expensive for Californians. AB 1493 would require the state to develop standards to reduce automotive emissions of greenhouse gases; this will put California at a competitive disadvantage. The addition of California only emissions requirements will amount to an indirect tax on the state's drivers.

AB 1493 has the potential to limit consumer choices in cars, trucks and SUV's. This bill now says the CARB can't ban certain types of vehicles. However, this bill gives the authority to mandate design features, engine size and other requirements that will guarantee fewer choices of vehicles for Californians. CARB may not ban any class of vehicles outright, but their requirements will force manufacturers to limit availability of certain types of vehicles that cannot meet the mandates. These vehicles will be available in other states, just not in California. Thus, allowing certain vehicles to be banned indirectly in California.

Many ranchers and their families rely on these vehicles to perform the daily functions of their businesses, deliver their children to school, and to carry out their daily lives. We respectfully urge your veto of AB 1493.

Sincerely,

Susan T. LaGrande

Director, Government Relations

ROBERT FROST व्यवस्थान स्थ ARIAN AREAS

DARREL SWEET ८३ वर्ग आर्थित <sup>५</sup>३५ додина

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BILL BRANDENBERG, JR. CELLER OF ALTER A PRICE OF PERSONS ar excition

NATIONAL CATILLMEN'S BELL ASSESSMENT

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DICK O'SULLIVAN SECOND VICE PRESIDENT PAYNES CREEK

WAYNE LAMB PLOCUMENT PRESIDENT SANTUIS ORISPO

DON SILACCI SECOND VICE PRESIDENT CHRON

ROSS JENKINS

HIMACOLNER AND COMMON HIVASH

Gerald D. Secu CHAIRMAN Chuck Mack VICE-CHAIRMAN Victor Weisser PRESIDENT William J. Quinn VICE PRESIDENT Cynthia Tuck GENERAL COUNSEL

# California Council for **Environmental and Economic Balance**

100 Spear Street, Suite 805, San Francisco, CA 94105 • (415) 512-7890 • FAX (415) 512-789?

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July 8, 2002

The Honorable Gray Davis Governor of California State Capitol Building Sacramento, CA 95814

AB 1493 (PAVLEY), VETO REQUEST RE:

Dear Governor Davis:

The California Council for Environmental and Economic Balance (CCEEB) respectfully urges you to veto AB 1493. This measure would require the California Air Resources Board to adopt regulations to reduce greenhouse gas emissions from mobile sources. The Council opposes this proposal to create a state mandate to enact such standards.

Carbon dioxide for example, is not a criteria pollutant. Unlike precursors to ozone, CO2 does not tend to concentrate and create localized pollution problems. Since CO<sub>2</sub> disperses throughout the atmosphere such that concentrations are roughly the same across the globe, CCEEB believes that CO2 reduction strategies should be developed and implemented as national policies at the international and national levels.

The federal Clean Air Act prohibits a state from adopting "any standard relating to the control of emissions" from new motor vehicles. This prohibition is waived for California only if California's own standards are necessary to meet "compelling and extraordinary conditions." This precondition is not met for CO<sub>2</sub> standards because CO<sub>2</sub> emissions disperse throughout the atmosphere.

Similar federal preemption issues arise if the state were to propose to adopt performance requirements for new vehicles to enhance fuel economy.

The mandate in this bill is vague. The Air Resources Board is required to adopt standards based on feasibility, but the bill does not provide guidance as to appropriate levels or public health objectives that need to be met. Nor is it clear what type of standards, i.e. technologically based performance standards demand management strategies or other mechanisms would result.

CCEEB respectfully urges you to veto this measure.

Victor Weisser

# California Farm Bureau Federation

GOVERNMENTAL AFFAIRS DIVISION

1127-111H STRILL SUITE 626, SACRAMENTO CA 95814 · PHONE (916) 446-4647

July 10, 2002

Honorable Gray Davis Governor State Capitol Sacramento, CA 95814

Dear Governor Davis:

## RE: ASSEMBLY BILL 1493-OPPOSE

The California Farm Bureau Federation opposes AB 1493, as it gives the California Air Resources Board the authority to impose new regulations on carbon dioxide emissions that could lead to more regulations and restrictions on the type of vehicles that Californians can purchase. Contrary to what has been suggested, AB 1493 does not exempt agriculture. Farmers use many pickups on their farms and ranches, but they use the same pickups for "noncommercial personal transportation" such as taking their children to school or going to church.

Since people in the agriculture community use their vehicles for commercial and noncommercial transportation, they will still be included in AB 1493. It has been said that Section 43108.5 (e) provides an exemption for vehicles used for agricultural purposes. This subsection in the bill reads as follows.

(e) The regulations adopted by the state board pursuant to subdivision (a) shall provide an exemption for those vehicles subject to the optional low-emission vehicle standard for oxides of nitrogen (NOx) for exhaust emission standards described in paragraph (9) of subdivision (a) of Section 1961 of Title 13 of the California Code of Regulations.

The reference to the Code of Regulations is an optional standard for some light-duty trucks. Paragraph (9) of the regulation reads as follows:

(9) Optional LEV II NOx Standard. A manufacturer may certify up to 4% of its light-duty truck fleet from 3751 lbs. LVW - 8500 lbs. GVW with a maximum base payload of 2500 lbs. or more to the LEV, option 1, standard set forth in 1961 (a)(1) based on projected sales of trucks in the LDT2 category. Passenger cars and light-duty trucks 0-3750 lbs. LVW are not eligible for this option.

This is not an agricultural exemption. The vehicles that qualify in this category could be used for any purpose. One major car manufacturer has stated that it does not make vehicles that qualify under the optional NOx category. Yet, many of the vehicles sold by this manufacturer are used for agricultural purposes.

Already facing an uneven playing field, the agricultural industry is not willing to embrace a state-only requirement that has not received at minimum, a thorough scientific review that analyzes the costs and benefits to improved air quality in California. AB 1493 puts the cart before the horse, assuming the need for a regulation before investigating the need and merit. Once again, California is jumping ahead of the rest of the world, by predetermining that we alone can deal with the issue of global warming.

Governor Davis July 10, 2002 Page 2

Farmers and ranchers already face a myriad of state-only regulations that put them at a competitive disadvantage by operating in California. Diesel dependent industries in California are severely hindered due to our unique single state fuel standards. While the agricultural industry supports clean air measures that are on an incentive and cost-efficient basis, we do not believe mandatory regulations or a one-size fits all approach is the most economically viable option for California to achieve its clean air goal.

AB 1493 will impose new restrictions on light-duty trucks (which has no definition in the Vehicle Code) entering into California. These CA-only vehicle requirements will make pickups more expensive to buy than if purchased in other states. With all respect, we ask that you veto AB 1493.

Sincerely,

Cynthia L. Cory

Director, Environmental Affairs

Cynthia Cory

cc: Honorable Fran Pavley



# CALIFORNIA MOTOR CAR DEALERS ASSOCIATION

#### **GOVERNMENT AFFAIRS OFFICE**

915 L Street, Suite 1480, Sacramento, CA 95814 916/441-2599 • FAX 916/441-5612 http://www.cmcda.com

J-1y 2, 2002

The Honorable Gray Davis Governor, State of California The State Capitol, First Floor Sacramento, California 95814

#### **FOR ENROLLED BILL FILE**

Re: AB 1493 (Pavley) – Vehicular Emissions of Greenhouse Gases Recommended Action: VETO

Dear Governor Davis:

The California Motor Car Dealers Association (CMCDA) is a statewide trade association that represents the interests of over 1400 franchised new car and truck dealer members. CMCDA members are primarily engaged in the retail sale and lease of new and used motor vehicles, but also engage in automotive service, repair and part sales. We are writing to urge your veto of AB 1493. A lengthy discussion of our objections are contained in the enclosed position paper, but our primary objections are as follows:

#### **Bad Regulatory Policy for Californians**

- Carbon dioxide (CO<sub>2</sub>), the primary greenhouse emitted by vehicles, is a harmless inert gas that is one of the life's building blocks. Unlike "criteria pollutants" regulated by both the U.S. EPA and the California Air Resources Board (ARB), CO<sub>2</sub> is not a pollutant, it does not create smog, it is not currently regulated under either state or federal law, and it has no ill health effects.
- Our economy is the 5<sup>th</sup> largest in the world and our vehicle fleet is already the cleanest in the world. Lalifornia's entire fleet of over 25 million vehicles only produces a miniscule 1/10<sup>th</sup> of one percent of annual global CO<sub>2</sub> emissions. California should not be saddled with an expansive new regulatory scheme that offers its citizens no health benefits, no emission benefits, no climate benefits, and no extra highway funds or other federal Clean Air Act credits.

The Honorable Gray Davis July 2, 2002 Page 2

#### **Bad Fiscal Policy for Californians**

- We believe that the fiscal analyses prepared by and for the Assembly Appropriations Committee with respect to a companion bill (AB 1058) are reflective of the actual costs of AB 1493 to the state (\$800,000 to develop the regulations and \$300,000 annual to administer and enforce them). With the state facing an enormous budget deficit, the State should not be burdened with an expansive utopian program that delivers no tangible benefits for our citizens.
- AB 1493 is directed at the most popular vehicles currently being driven by Californians -- pickups, SUVs, minivans, 8-cylinder models, and other performance vehicles. There are only two ways to significantly increase fuel economy/reduce CO<sub>2</sub> emissions from those types of vehicles: (1) Restrict the number of those types of vehicles offered for sale in the state, which will create supply shortages and price spikes; or, (2) Alter vehicle design by either down sizing or down weighting (which would limit vehicle utility and create safety concerns) or by adding expensive and untested new technologies (today's hybrid systems add between \$2,500 to \$3,000 per vehicle and will not deliver equivalent small car fuel savings when installed on larger models). Either way, consumers will be forced to pay substantially more for the most popular models on the road. These cost increases would come on top of price increases forced on consumers by emission regulations already adopted by ARB (according to ARB staff reports, the 1998 Low Emission Vehicle II regulations added \$187 per vehicle, the PZEV certification standard will add another \$200 per vehicle, the AT PZEV certification standard will add \$2,300 per vehicle, hydrogen fuel cell vehicles will cost an additional \$9,300 per vehicle,<sup>2</sup> and the incremental price difference between an internal combustion engine vehicle and a full-function battery electric vehicle is estimated by ARB to be over \$20,000<sup>3</sup>).
- Our dealer members advise us that the toughest challenge they face in today's
  market is qualifying customers for financing. Like it or not, the cost of a \$2,500
  hybrid system (not counting the \$2,000 replacement battery after 80,000 miles) is
  not an option for most Californians, many of whom are currently struggling to
  make ends meet. Consumers make new vehicle purchase decisions on a myriad
  of factors -- with affordability, safety, reliability and quality being the most

<sup>2</sup> ARB Staff Review of Report Entitled "Impacts of Alternative ZEV Sales Mandates on California Motor Vehicle Emissions: A Comprehensive Study", October, 2001.

The August 2000 ARB Staff Report reviewing the zero emission vehicle mandate estimated that the incremental costs of a full-function battery electric vehicle (BEV) range from \$13,000 to \$24,000. For example, the incremental cost of a NiMH 4 passenger BEV was pegged at \$21,817, see Table 8-6.

Staff Report: Initial Statement of Reasons, Proposed Amendments to California Exhaust and Evaporative Emission Standards and Test Procedures for Passenger Cars, Light-duty Trucks and Medium-duty Vehicle "LEVII", September 1998.

The Honorable Gray Davis
July 2, 2002
Page 3

important. Although a consideration, fuel economy is relatively low on the list of attributes that trigger new vehicle purchase decisions. Our dealer members offer over 50 models that get over 30 mpg, but last year only 12.8 percent of Californians bought those models.

The proponents of AB 1493 claim that the bill is necessary in order for Californians to demonstrate leadership in the fight against global climate changes. However, if you sign AB 1493, its only real legacy for Californians will be limited vehicle choice and higher prices.

Predicated upon the foregoing, we respectfully recommend that you return AB 1493 to the Legislature without your signature. Should you or your staff have any questions or comments, please do not hesitate to give me a call.

Very truly yours,

Peter K. Welch

Director of Government

and Legal Affairs

PKW:la Enclosure

cc: The Honorable Fran Pavley

Mike Gotch, Legislative Secretary

Norris Bishton

Ralph Simoni, California Advocates, Inc.



# CALIFORNIA MOTOR CAR DEALERS ASSOCIATION

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# AB 1493 (Pavley) Command and Control Regulations That Don't Make Sense

AB 1493 would require the California Air Resources Board (ARB) to adopt a costly regulatory scheme to achieve maximum feasible reductions of greenhouse gas emissions (primarily carbon dioxide emissions) from new passenger cars and light-duty trucks sold and operated in California. Carbon dioxide is not a pollutant and California's vehicle fleet contributes only 1/10th of one percent of annual global carbon dioxide emissions. AB 1493 will produce no California health benefits, no California emission benefits and negligible global benefits. However, it will force higher California consumer prices and limit vehicle choice.

#### **BACKGROUND**

#### Greenhouse Gases.

A greenhouse gas is any gas that absorbs incared radiation in the atmosphere. Greenhouse gases allow incoming solar radiation to pass through the earth's atmosphere, but prevent part of the outgoing infrared radiation from the earth's surface and lower atmosphere from escaping into outer space. This process traps heat and keeps the earth's temperature at levels that sustain human life. Some greenhouse gases occur naturally in the atmosphere, while others result from human activities. Naturally occurring greenhouse gases include water vapor, carbon dioxide, methane, nitrous oxide, and ozone. Certain human activities, such as the combustion of fossil fuels, the use of agricultural fertilizers, and a variety of industrial processes, add to the levels of most of these naturally occurring gase. There are five primary types of greenhouse gases.

Carbon dioxide (CO2) is a colorless, odorless, non-poisonous gas that is a fundamental building block of life on earth. Humans exhale carbon dioxide and plant life, the anchor of earth's food chain, relies on carbon dioxide for its very existence. Human activity adds to levels of naturally existing carbon dioxide released into the atmosphere when solid waste, fossil fuels (oil, natural gas, and coal), wood and wood products are burned.

Methane (CH<sub>4</sub>) is a hydrocarbon that is produced through anaerobic decomposition of waste in landfills, animal digestion, decomposition of animal wastes, production and distribution of natural gas and petroleum, coal production, and incomplete fossil fuel combustion.

Nitrous oxide (N2O) is emitted during the soil cultivation practices, especially the use of commercial and organic fertilizers, fossil fuel combustion, and biomass burning (trees, crops, grasses, animal and animal waste).

Hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF6) are very powerful greenhouse gases that are generated in a variety of industrial processes.

Each greenhouse gas differs in its ability to absorb heat in the atmosphere. For example, hydrofluorocarbons and perfluorocarbons are the most heat-absorbent. Methane traps over 21 times more heat per molecule than carbon dioxide, and nitrous oxide absorbs 310 times more heat per molecule than carbon dioxide. Estimates of greenhouse gas emissions are presented in units of millions of metric tons of carbon equivalents (MMTCE), which weights each gas by its Global Warming Potential (GWP).

There is a growing body of evidence that the globalized dispersment of greenhouse gases is causing global warming - the progressive gradual rise of the earth's surface temperature that may be responsible for changes in global climate patterns. However, this theory is disputed by a number of scientists and other organizations.<sup>2</sup>

#### Inventory of U.S. Greenhouse Gases.

In February 2002, the United States Environmental Protection Agency (U.S. EPA) released a draft for public comment of its "Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990 - 2000". The report indicates that total U.S. greenhouse gas emissions rose 14.1 percent above 1990 emissions. The change from 1999 to 2000 was 2.5 percent, which was greater than the average annual rate of increase for 1990 through 2000 (1.3 percent). According to the report, the primary greenhouse gas emitted by human activities was carbon dioxide - emitted through the combustion of fossil fuel (CO2)

The index is used to translate the level of emissions of various gases into a common measure in order to compare the relative radiative forcing of different gases without directly calculating the changes in atmospheric concentrations. GWP—re calculated as the ratio of the radiative forcing that would result from the emissions of one kilogram of a greenhouse gases to that from the emission of one kilogram of carbon dioxide over a period of time (usually 100 years). The most recent GWPs (assigned in 1996) for the most important greenhouse gases are: carbon dioxide - 1; methane - 21; nitrous oxide - 310; HFC134s - 1,300; and PFCs - 7,850. Data obtained from U.S. EPA website: <a href="http://www.epa.gov/globalwarming/emissions/index.html">http://www.epa.gov/globalwarming/emissions/index.html</a>

See www.greeningearthsociety.org.

3 U.S. Greenhouse Gas Emissions and Sinks: 1990 - 2000, Draft For Public Comment, February 2002, page 10. The report notes that the higher than average increase in emissions in 2000 was, in part, attributable to the following factors: 1) robust economic growth in 2000, leading to increased demand for electricity and transportation fuels, 2) cooler winter conditions compared to the previous two years, and 3) decreased output from hydroelectric dams. Ibid.

accounted for 79 percent of global warming potential weighted emissions in the 1990s).<sup>4</sup> The inventory report also groups greenhouse gas emissions by economic sectors and notes that emissions from electricity generation accounted for the largest portion (34 percent), transportation activities the second largest (27 percent), followed by industrial activities (19 percent) and the remaining 20 percent were contributed by the residential, agriculture, commercial and U.S. territory sectors combined.<sup>5</sup>

The national greenhouse gas inventory for the transportation sector includes greenhouse gas emissions from motorcycles, passenger cars, light-duty trucks, other trucks, buses, construction equipment, agricultural machinery, industrial equipment, snowmobiles, boats and vessels, locomotives, aircraft, and emissions from International Bunker Fuels (civilian and military activities). According to the report, greenhouse gas emissions contributed by passenger cars and light-duty trucks were 15.9 percent of total U.S. greenhouse gas emissions and carbon dioxide from passenger cars and light-duty trucks accounted for 18.2 percent of total U.S. carbon dioxide emissions.

#### Inventory of California Greenhouse Gases.

The U.S. EPA has developed a 50-state carbon dioxide emission inventory with data through 1999. According to the U.S. EPA's state inventory, total California carbon dioxide emissions were 94.83 MMTCE for 1999 (which showed a slight decrease from 1990 emission levels of 95.41 MMTCE). Grouped by industry segments, California's carbon dioxide emissions for 1999 (stated in MMTCEs) were as follows: transportation 56.27 (59.3 percent); industrial 23.87 (25.2 percent); residential 8.72 (9.2 percent); commercial 3.87 (4.1 percent); and, utilities 2.11 (2.2 percent).

The U.S. EPA's state inventory of the California transportation sector includes carbon dioxide emissions from the combustion of jet fuel, kerosene, residential fuel, lubricants, motor gasoline, natural gas, distillate fuel, LPG and aviation gasoline. The inventory amount attributed to motor gasoline is 33.62 MMTCE for 1999 or 35.4 percent of all California carbon dioxide emissions (motor gasoline used by all vehicles, including medium and large trucks, is included in these numbers) [See Attachment]. The California percentage attributable to the transportation segment is greater than the U.S. transportation segment equivalent because of the disproportionately low number of

<sup>4</sup> Id., page ES-4.

<sup>&</sup>lt;sup>5</sup> Id., pages ES-6 & 7.
<sup>6</sup> Id., Table 1-13: Transportation - Related Greenhouse Gas Emissions (Tg CO<sub>2</sub> Eq.), pages 21 & 22. Total U.S. greenhouse gases measured by units of teragrams of carbon dioxide equivalents (Tg CO<sub>2</sub> Eq.) were inventoried at 6,994.2 (net emissions, including offsets for sources and sinks, were inventoried at 6,091.5). Id., Table ES-1. Total greenhouse gas emissions for passenger cars and light-duty trucks were inventoried at 1,115.6 (724.3 for passenger cars and 391.3 for light-duty trucks) or 15.9 percent of the U.S. total greenhouse gas emissions. Carbon dioxide emissions for passenger cars and light-duty trucks were inventoried at 1,061.1 (691.7 for passenger cars and 369.4 for light-duty trucks) or 18.17 percent of U.S. total carbon dioxide emissions. Id., Table 1-13.

<sup>&</sup>lt;sup>7</sup> U.S. EPA global warming website, Energy CO2 Inventories, <a href="http://yosemite.epa.gov/globalwarming/ghg.nsf/emissions/CO2EmissionsBasedOnStateEnergyData?OpenDocument&Start=1&Count=30&Expand=5.4">http://yosemite.epa.gov/globalwarming/ghg.nsf/emissions/CO2EmissionsBasedOnStateEnergyData?OpenDocument&Start=1&Count=30&Expand=5.4</a>

electrical generation facilities in the state and the fact those facilities are primarily fired by natural gas.

#### **How Does California Compare?**

Although California is second only to Texas in greenhouse gases emitted annually, per capita greenhouse gas emissions in California compare favorably with other states and the nation as a whole. California emissions in 1990 - the most recent year for which comparable data is available - were 3.9 Metric Tons of Carbon Equivalent (MTCE) per capita, compared to 1990 U.S. emissions of 6.4 MTCE per capita. Neighboring states fared considerably worse than California: Nevada's 1990 greenhouse gas emissions were 7.4 MTCE per capita and Oregon's were 7.0 MTCE per capita. Other large industrial states also fared worse than California: New York State's 1990 greenhouse gas emissions were 4.2 MTCE per capita, Ohio's were 8.2 MTCE per capita, Pennsylvania's were 6.4 MTCE per capita, and Texas emissions in 1990 were 10.4 MTCE per capita, compared to 1990 U.S. emissions of 5.2 MTCE per capita for the same emission sources. 10

According to the U.S. EPA's state inventory, total U.S. carbon dioxide emissions in 1999 were 1477.32 MMTCE. Of this amount, only 33.62 MMTCE were attributable to motor gasoline (CO2 emitted by cars and trucks) in California - CO2 emissions from California's vehicle fleet are only 2.3 percent of the U.S. total. 11

As indicated above, carbon dioxide emissions from passenger cars and light-duty trucks accounted for 18.2 percent of total U.S. carbon dioxide emissions in 1999 and it is estimated that the U.S. accounts for about 25 percent of annual global carbon dioxide emissions.<sup>12</sup> This means that total U.S. carbon dioxide emissions from passenger cars and light-duty trucks account for less than 5 percent of global carbon dioxide emissions and California's annual emissions of carbon dioxide from the combustion of motor gasoline are about 1/10th of one percent of annual global emissions of carbon dioxide.

#### Regulating Vehicular Emission of Carbon Dioxide.

As fossil fuels are combusted, the carbon stored in them is almost entirely emitted as carbon dioxide, but the amount of carbon in fuels per unit of energy content varies significantly by fuel type. For example, coal contains the highest amount of carbon per unit of energy, while petroleum has about 25 percent less carbon than coal, and natural gas about 45 percent less.

<sup>9</sup> U.S. EPA global warming website, State GHG Inventories,

http://yosemite.epa.gov/globalwarming/ghg.nsf/emissions/StateAuthoredInventories

11 U.S. EPA global warming website, Energy CO2 Inventories, supra fn 7.

<sup>&</sup>lt;sup>8</sup> According to the U.S. EPA's state inventory, California carbon dioxide emissions were 94.83 MMTCE in 1999 compared to 166.56 MMTCE emitted in Texas the same year. U.S. EPA global warming website, Energy CO2 Inventories, supra fn. 7.

Effectiveness and Impact of Corporate Average Fuel Economy (CAFE) Standards, National Academy Press, page 9, http://bob.nap.edu/openbook/0309076013/html/

When motor vehicles combust gasoline, they emit carbon dioxide - no matter how efficiently the combustion occurs. Since passenger cars and light duty trucks account for 18.2 percent of total U.S. carbon dioxide emissions, these vehicles are a tempting target for regulated reductions. However, there are only three basic options for the reduction of vehicular carbon dioxide emissions:

- 1. Regulate an increase in fuel economy that would result in less fuel combustion/carbon dioxide emission per mile driven. This could be accomplished by mandating fuel-economy/carbon dioxide emission standards for individual vehicle models, classes of vehicles, or vehicle fleets.
- 2. Mandate the use of alternative fuels or energy sources that do not emit carbon dioxide. This has already been done by ARB through its promulgation of the Zero Emission Vehicle (ZEV) mandate, which will require auto manufacturers, starting with the 2003 model-year, to produce and offer for sale in California 10 percent of their passenger cars that emit zero emissions (electric vehicles are currently the only vehicle technologically available).<sup>13</sup>
- 3. Limit or restrict driving. This could be accomplished through a variety of ways described in a recent report issued by the California Energy Commission and ARB: increase gasoline taxes by 50 cents a gallon, pay-at-the-pump auto insurance that more closely links insurance costs to vehicle miles traveled, imposition of a 2 cent tax on vehicles miles traveled; "feebates" fees on less efficient vehicles and rebates for more fuel efficient vehicles, changing the structure of annual auto registration fees to surcharge vehicles that are not fuel efficient, etc. 14

#### AB 1493 (PAVLEY)

AB 1493 would require ARB to promulgate regulations to achieve the maximum feasible and cost-effective reduction of greenhouse gases emitted by passenger cars and other non-commercial vehicles through the imposition on auto manufacturers of greenhouse emission standards. Like other emission standards already adopted by ARB for "criteria" pollutants (hydrocarbons, carbon monoxide, nitrogen oxides, particulate matter and other pollutants that actually cause health hazards) regulated under the federal Clean Air Act, ARB regulations mandated by AB 1493 will result in the adoption of

<sup>14</sup> See "Petroleum Reduction Options", March, 2002, Staff Draft Report, California Energy Commission and the California Air Resources Board. http://www.ca.energy.gov.

<sup>13</sup> Zero Emission Vehicle Program Changes, California Air Resources Board Fact Sheet, 12/10/01, http://www.arb.ca.gov/msprog/zevprog/factsheet/zevchanges.pdf. The ZEV Mandate increases in numbers from 10 percent in model-year 2003 to 16 percent in model-year 2018 and beyond. Beginning in 2007 the ZEV Mandate will also include heavier sport utility vehicles, pickup trucks and vans. The ZEV Mandate also includes alternatives that allow auto manufacturers to comply with a portion of the mandate by granting partial ZEV (PZEV) credits for extremely clean vehicles that are not pure ZEVs and other alternatives. Id.

14 See "Petroleum Reduction Ontions" March, 2002, Staff Draft Report, California Energy Commission

grams per mile emission fleet averages for each of the five greenhouse gases enumerated above -- with the regulation of carbon dioxide emissions taking center stage.

AB 1493 specifies several matters that ARB would be required to consider when adopting the mandated regulations: technological feasibility, economic consequences, utilization of alternative compliance mechanisms, full life-cycle vehicle costs, etc. The bill also prohibits ARB from banning the sale of any particular vehicle category or the imposition of mandatory trip reduction measures or land use restrictions. Proponents of AB 1493 acknowledge that in addition to reducing vehicular greenhouse gas emission in California, their real objective is to force auto manufacturers to increase fuel-economy/carbon dioxide emission reductions on a national and international basis. The proponents believe that as California goes – so will the globe!

#### REASONS WHY CMCDA OPPOSES AB 1493

The California Motor Car Dealers Association (CMCDA) is a statewide trade association that represents the interests of over 1400 franchised new car and truck dealer members. California's new car dealers are merchants that make their living by stocking, selling and servicing vehicle products that Californians want to own, lease, and operate. Under the terms of their franchise agreements, our dealer members are required to purchase and inventory vehicle stock of each model they are franchised to sell, in sufficient quantities to demonstrate the qualities of those vehicles and to meet consumer demand. The new car business is as competitive as any business in the world and our dealer members cannot afford to purchase and inventory vehicle stock that does not sell.

Last year CMCDA dealer members sold 2,083,260 new cars and trucks and an additional 1.9 million used cars and trucks. In the aggregate they generated \$93 billion in 2001 total dealership sales and paid or collected \$5.28 billion in federal, state, and local taxes. The new car business comprises 20 percent of California's retail economy.

Although well-intended and utopian in design, CMCDA believes that the provisions of AB 1493 offer no California emission benefits, are bad for California consumers, and are most likely pre-empted by federal law. CMCDA's opposition to AB 1493 is based on the following grounds:

### Regulation of Fuel-Economy Is and Should Be A Federal Issue.

In the wake of the 1973 oil crisis, the U.S. Congress passed the Energy Policy and Conservation Act of 1975, with the goal of reducing the country's dependence on foreign oil. Among other things, the act established the Corporate Average Fuel Economy (CAFE) program, which required auto manufacturers to increase the sales-weighted average fuel economy of the passenger car and light-duty truck fleets sold in the country. Congress itself set the standards for passenger cars, which rose from 18 miles per gallon (mpg) in model year 1978 to 27.5 mpg in model year 1985. As authorized by the act, the U.S. Department of Transportation (DOT) set standards for light trucks for model years

1979 through 2002. The standards are currently 27.5 mpg for passenger cars and 20.7 for light trucks [which includes minivans, pickups, and sport utility vehicles (SUVs)].

In 2001 Congress requested that the National Academy of Sciences, in consultation with DOT, to conduct a study to evaluate the effectiveness and impacts of CAFE standards. In response to the request, the National Research Council established a committee that exhaustively studied the issue and prepared a comprehensive report entitled "Effectiveness and Impact of Corporate Average Fuel Economy (CAFE) Standards". On March 13, 2002, the U.S. Senate, on a 62 – 38 vote, adopted an amendment to a federal energy bill, which directs the DOT to promulgate federal regulations to increase average fuel economy standards for automobiles that are determined on the basis of maximum feasible average fuel economy levels taking into consideration the following:

- Technological feasibility;
- Economic practicability;
- The effect of other motor vehicle standards of the Government on fuel economy;
- The need of the U.S. to conserve energy:
- The desirability of reducing U.S. dependence on imported oil;
- The effects of average fuel economy standards on motor vehicle and passenger safety;
- The effects of increased fuel economy on air quality;
- The adverse effects of average fuel economy standards on the relative competitiveness of manufacturers;
- The effects of compliance with average fuel economy standards on levels of employment in the U.S.;
- The cost and lead time necessary for the introduction of the necessary new technologies;
- The potential for advanced technology vehicles, such as hybrid and fuel cell vehicles, to contribute to the achievement of significant reductions in fuel consumption;
- The extent to which the necessity for vehicle manufacturers to incur near-term costs
  to comply with the average fuel economy standards adversely affects the availability
  of resources for the development of advanced technology for the propulsion of motor
  vehicles; and,
- Recommendations contained in the above-described National Research Council's report.<sup>15</sup>

Due to the fact tha fuel economy and carbon dioxide reduction from the combustion of gasoline are one in the same, AB 1493 would have the practical effect of creating a California CAFE program - based purely on carbon dioxide reductions and without any required consideration of vehicle safety and many of the other above-listed considerations. The regulation of fuel economy is a matter of national and strategic importance and should remain within the exclusive purview of Congress.

<sup>15</sup> S. AMDT. 2997 to S. 517, Amendment offered by Senator Levin, March 13, 2002.

#### Federal Preemption.

The federal Clean Air Act specifically authorizes California to adopt and enforce tailpipe emission standards for new motor vehicles, provided the state standards, taken as a whole, are at least as protective as the comparable federal standards. However, neither the Clean Air Act nor the federal CAFE laws permit California to regulate fuel economy or carbon dioxide emissions. If AB 1493 were enacted, it would most certainly face a legal challenge by the auto manufacturers that would embroil the issue in costly litigation.

#### AB 1493 Will Limit Consumer Choice and Increase Vehicle Prices.

When shopping for a new car or truck, consumers are primarily concerned with maximizing value, i.e., obtaining the most utility and enjoyment for their money. New vehicle purchase decisions are made on a myriad of factors including performance, handling, comfort, passenger and load-carrying capacity, size, styling, quietness, fuel economy, and resale value, but the primary factors are: affordability, safety, and reliability/quality. In recent years vehicle safety has become an increasingly prominent factor in the purchase decision process and most consumers believe what research studies have confirmed -- smaller, lighter vehicles are less safe in crashes than larger ones because they have less mass to absorb hits and less interior space to act as a cushion. 17

Sale statistics demonstrate that when Californians go shopping for new car and trucks, fuel economy, although a consideration, is relatively low on the list of attributes that trigger new vehicle purchase decisions. Our dealer members currently market over 50 different vehicle models that get 30 mpg or better, but last year those models accounted for less than 13 percent of total California new vehicle sales. Hybrid vehicle models are included in these figures but accounted for only a fraction of total sales. 19

<sup>16</sup> Clean Air Act § 209(b), 42 U.S.C. § 7543(b).

<sup>&</sup>lt;sup>17</sup> There were between an estimated 1,300 to 2,600 more crash deaths in 1993—compared with the mid1970's—due to CAFE induced downweighting and downsizing of the average weight and size of the light
duty motor vehicle fleet. Similarly, it is estimated there would have been 13,000 to 26,000 fewer moderate
to critical injuries had the average weight and size of the light duty motor vehicle fleet remained
unchanged. Effectiveness and Impact of Corporate Average Fuel Economy (CAFE) Standards, National
Academy Press, page 70, <a href="http://bob.nap.edu/openbook/0309076013/html/">http://bob.nap.edu/openbook/0309076013/html/</a>. A 100-pound reduction in the
average weight of passenger cars, with accompanying reductions in other size parameters such as track
width, and in the absence of any compensatory improvements in safety technology, is associated with as
estimated increase of 302 fatalities per year. "Relationships between Vehicle Size and Fatality Risk in
Model Year 1985-93 Passenger Cars and Light Trucks" NHTSA Report Number DOT HS 808 570,
January 1997. NHTSA website, <a href="http://www.nhtsa.dot.gov/cars/rules/regrev/evaluate/808570.html">http://www.nhtsa.dot.gov/cars/rules/regrev/evaluate/808570.html</a>.

High mileage vehicles include the enevrolet Prism, Daewoo Lanos, Ford Focus, Ford Ranger Ev, Ford Explorer Usps ev, Honda Civic, Honda Civic cng, Honda Insight, Hyundai Accent, Missubishi Mirage, Nissan Sentra, Saturn SC, Saturn SL, Suzuki Esteem, Toyota Celica, Toyota Corolla, Toyota Echo, Toyota Prius, Toyota Rav 4 ev, Volkswagen Golf, Volkswagen Jetta,, and the Volkswagen New Beetle. Most of these vehicles come in multiple models, e.g., manual transmission, automatic transmission, diesel, hatchback, wagon, etc. 2001 California sale figures for these vehicles were 266,659 units out of a total of 2,083,260, or 12.8 percent. Source: R.L. Polk Co. 2001 new vehicle registrations.

<sup>&</sup>lt;sup>19</sup> California new car dealers sold 1,076 Honda Insights last year and 5,266 Toyota Priuses - 0.3 percent of the total market. Source: R.L. Polk Co. 2001 new vehicle registrations.

Unfortunately, the cost premium for a hybrid vehicle acts as a sale deterrent, a factor that will not change unless the price of gasoline skyrockets to prices that parallel those in Europe. Bottomline: Californians, like other Americans, overwhelming prefer larger, heavier models that offer the size, weight, and other performance and safety attributes.

The proponents of AB 1493 presume that any increase in fuel economy mandated by tougher federal CAFE standards will not be stringent enough to reduce vehicular carbon dioxide emissions to levels they would prefer. Therefore, we presume that AB 1493 is intended to require ARB to mandate a California CAFE/carbon dioxide emission standard that would require higher mpg/reduced carbon dioxide emissions than the federal CAFE standards.

Creating a higher California CAFE/carbon dioxide emission standard would have an adverse effect on California consumer choice and cost. In order to comply with higher California requirements, auto manufacturers would have to restrict the number of lower mpg vehicles sold in California and/or increase the number of higher mpg vehicles sold in the state.

Increasing the state mpg average without restricting the sale of popular low mpg vehicles could only be accomplished through weight and size downsizing (which will trigger consumer safety concerns) or adding expensive and untested fuel saving technologies to California specific vehicle models. Unlike emission control devices that were first added to California specific vehicles to reduce harmful "criteria" pollutants (crankcase ventilation devices, catalytic converters, etc.), there are no bolt-on devices that can be added to California vehicles to increase fuel economy. Rather, technology strategies to improve fuel economy and reduce carbon dioxide emissions are structural in nature and costly. Although California accounts for approximately 10 percent of national vehicle sales volume, it is not a large enough market to absorb the additional cost of such technologies without a substantial vehicle price increase. A California restriction

Hybrids electric vehicles of various types are in different stages of development. Some, like the Honda Insight, Toyota Prius, and soon to be introduced Honda Civic Hybrid and Ford Focus Hybrid, are in limited production, others are still in the research and development stage. Most of the cost premium of these vehicles is currently being absorbed by their manufacturers. The cost premium of today's limited-production hybrids is predicted to be \$3,000 to \$5,000 when they reach production volumes over 100,000 units per year. Source: National Research Council's "Effectiveness and Impact of Corporate Average Fuel Ference (CAFE) Standards" National Academy Press, pages 39 & 40.

Economy (CAFE) Standards" National Academy Press, pages 39 & 40.

The National Research Council's "Effectiveness and Impact of Corporate Average Fuel Economy (CAFE) Standards" report, Chapter 3, pages 31 through 55 discusses a variety of technologies for improving fuel economy, including: strategies to reduce engine friction and other mechanical/hydrodynamic loss real-tion; application of advanced, low-friction lubricants; multivalve, overhead camshaft valve trains; variable valve timing; variable valve lift and timing; cylinder deactivation; 42-volt powertrain and vehicle electrical systems to facilitate engine accessory improvements; engine supercharging; intake valve throttling; camless valve actuation; intake valve throttling; frictional and hydrodynamic transmission improvements; aerodynamic drag reduction; rolling resistance; "mild hybrids" (with regenerative braking, launch assist, and minimal battery storage); "parallel hybrids" (with the engine powering either or both a mechanical drive train and an electric motor/generator serving as additional propulsion to recharge the battery); "series hybrids" (in which the engine does not drive the wheels but always drives an electric motor/generator to propel the vehicle, recharge the battery, or perform both functions simultaneously); and, fuel cell and other alternative fueled vehicles.

in the availability of vehicle models (such as large SUVs, mini vans and pickup trucks) offered for sale in other parts of the country would cause consumer havoc by generating supply and demand price spikes and would tempt many consumers to buy out-of-state. Such a restriction would also cause havoc in the dealer body because dealers would fight among themselves for vehicle inventory allocation of popular lower mpg models that would be diverted by auto manufacturers to other parts of the country. Such a scenario would adversely impact the profitability of new car dealers and the state's economy.

# AB 1493 Will Produce No California Emission Benefits and Negligible Global Benefits.

Unlike tailpipe emissions that form localized smog that has a direct adverse health effect on Californians, carbon dioxide is an odorless, non-poisonous gas that disperses throughout the atmosphere in concentrations that are roughly the same across the globe. As mentioned earlier, California's vehicle fleet accounts for only 1/10<sup>th</sup> of one percent of annual global carbon dioxide emissions. Annual greenhouse gas emissions generated from a variety of emerging nations such as China and India, dwarf California emissions by comparison.

A unilateral reduction in California's vehicular carbon dioxide emissions would have a negligible effect on worldwide carbon dioxide emissions - but would come at a huge price for California consumers. Moreover, because the federal CAFE program requires auto manufacturers to meet a fuel economy average for their entire national fleet, any increase in California fuel economy would simply allow auto manufacturers to meet their national fleet average by offsetting any California mpg "savings" through the sale of a larger number of higher mpg vehicles in other parts of the country - with the net effect of no global greenhouse gas reduction.

Depending on market factors, AB 1493 could even cause a worsening of air quality. If consumers are restricted or constrained from purchasing popular large-sized SUVs, mini vans, pickup trucks and other lower mpg vehicles, they will keep their existing fuel guzzlers longer or venture into the used car market for a replacement. Used vehicles and older vehicles emit more air pollution than increasingly lower polluting new vehicles.

#### California Voters Have Already Rejected Carbon Dioxide Regulation.

Although proponents of AB 1493 claim they have polling data suggesting that Californians are in favor of AB 1493, a similar measure was previously defeated at the ballot box. Proposition 128 (also know as "Big Green"), a 1990 ballot initiative that included a greenhouse gas reduction proposal similar to the one contained in AB 1493, was resoundingly rejected by 64% of California voters.<sup>22</sup>

Title Four, Section 14 of Proposition 128 contained a provision to add a "GREENHOUSE GAS REDUCTION PLAN" to the Health & Safety Code that would have required the Air Resources Board, with respect to vehicular sources and motor vehicle fuels, to adopt and implement a plan to reduce annual emissions of any gases which may contribute, directly or indirectly, to global warming and required the

#### AB 1493 Is Unnecessary and Will Divert ARB from its Primary Mission.

While Congress has reserved for itself the regulation of vehicular fuel economy (and by doing so the regulation of vehicular carbon dioxide emissions), ARB has already promulgated a sweeping regulatory framework that will increasingly transform California's vehicle fleet to one that is powered by fuels that emit little, if any, pollutants or greenhouse gases. Starting with the 2003 model year, our dealer members will embark on a bold new venture to market and service an ever-increasing number of zero emitting electric vehicles. At the same time, there is great excitement and a steady stream of progress reports about fuel cell development. Fuel cells hold the promise for alleviating most of the problems associated with fossil fuel combustion in both stationar, (e.g., electric power plants) and mobile (e.g., vehicles) sources. This is so because they produce power without the combustion processes that generate particulate matter, carbon dioxide and other undesirable by-products.

CMCDA believes that ARB should concentrate its efforts on the continued reduction of unhealthful pollutants (like ozone, particulate matter, and carbon monoxide) and other measures necessary to bring the state into compliance with existing federal and state ambient air quality standards. ARB should not be sidetracked with a controversial and costly greenhouse gas program that does not directly affect the health and welfare of Californians.

#### CONCLUSION

Although the accumulation of greenhouse gases in the troposphere is a global problem in need of a national/global solution, the proponents of AB 1493 take the view that California should adopt a leadership role by unilaterally mandating carbon dioxide reductions on California drivers. We take the contrary view and agree with a majority of our dealer members' customers who will ask why they should be saddled with a costly regulatory scheme that offers no environmental benefits for California, forces higher consumer prices, and is likely to limit vehicle performance and/or selection. AB 1493 is not the type of environmental leadership that Californians need.

plan to provide for the <u>maximum feasible</u> net effective reduction in the global warming potential of greenhouse gases. California State Ballot Pamphlet, November, 1990, pages 78-79.

ARB's ZEV mandate and its Low Emission Vehicle regulations.

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**Individual** 

STATE Energy CO2 Inventories

This section provides state carbon dioxide emission inventories from fossil fuel combustion that were developed by EPA, using (1) fuel consumption data from the DOE/EIA State Energy Data Report (SEDR) and (2) emission factors from the Emissions Inventory Improvement Program, Volume VIII: Estimating Greenhouse Gas Emissions, Chapter 1. The inventories present annual emissions of CO2 by sector (e.g., industry, transportation, etc.) and by fuel type (e.g., distillate fuel, natural gas, etc.). State totals are reported in million metric tons of carbon equivalent (MMTCE).

Note that these figures may not agree completely with those reported in state-authored inventories due to differences in scope of coverage, underlying data, emission factors, or assumptions. For more information on these differences, click here.

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State Sector Source										1999
Alabama										35.90
Alaska										11.03
Arizona										21.47
Arkansas										17.09
▼ California	95.41	91.27	91.47	89.04	93.22	90.89	90.52	90.59	93.01	94.83
▶ Commercia!	5.15	5.13	4.66	4.06	4.16	4.47	3.84	4.05	4.70	3.87
▶ industrial	:8.78	18.96	18.81	18.48	18.17	18.18	18.79	19.34	20.74	23.87
Residential	8.04	7.99	7.42	7.85	8.02	7.32	7.35	7.29	8.77	8.72
▶ Transportation	55.68	52.41	52.11	51.30	53.56	54.97	55.69	54.32	54.80	56.27
Utilities	7.77	6.78	8.47	7.36	9.30	5.95	4.85	5.58	4.01	2.11
▶ Colorado	17.74	18.16	18.47	19.50	19.69	19.72	20.57	20.66	20.72	21.32
▶ Connecticut	10.25	9.95	9.96	9.66	9.42	9.37	10.26	11.10	10.41	10.09
▶ Delaware	4.59	4.81	4.54	4.94	4.73	4.50	4.67	4.33	4.17	4.30
District of Columbia	1.19	1.17	1,17	1.23	1.21	1.20	1.19	1.19	1.17	1.13
▶ Florida	50.41	50.59	51.49	52.26	53.64	54.41	55.52	57.19	60.76	60.83
▶ Georgia	37.36	35.16	35.04	37.78	38.66	40.88	42.00	42.14	42.23	43.11
▶ Hawaii	5.71	5.31	5.19	4.45	4.68	4.69	4.41	4.31	4.44	4.25
▶ Idaho	3.09	3.38	3.15	3.44	3.50	3.70	3.87	3.88	3.86	4.11
▶ Illinois	52.16	52.35	51.32	55.67	55.68	56.57	60.04	61.22	57.41	58.58
▶ Indiana	££ 26	54.40	53.84	55.07	55.26	56.65	57.70	59.06	58.63	<b>5</b> 9.85
lowa		17.74								
Kansas		18.25								
▶ Kentucky	32.06									
<b>▶</b> Louisiana	49.93									
▶ Maine		4.66								
▶ Maryland	18.80									
▶ Massachusetts	21.94									
Michigan	47.72									
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Energy CO<sub>2</sub> Inventories

This section provides state carbon dioxide emission inventories from fossil fuel combustion that were developed by EPA, using (1) fuel consumption data from the <u>DOE/EIA State Energy Data Report</u> (SEDR) and (2) emission factors from the <u>Emissions Inventory Improvement Program. Volume VIII: Estimating Greenhouse Gas Emissions.</u>
Chapter 1. The inventories present annual emissions of CO2 by sector (e.g., industry, transportation, etc.) and by fuel type (e.g., distillate fuel, natural gas, etc.). State totals are reported in million metric tons of carbon equivalent (MMTCE).

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State Sector Source	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Montana	7.60	8.01	8.34	7.71	8.55	8.25	7.60	8.22	8.41	8.37
Nebraska	8.92	9.21	8.93	9.85	9.90	10.60	10.82	11.24	11.52	11,11
Nevada	8.35	8.78	8.88	9.02	9.60	9.50	10.11	10.11	10.80	10.91
New Hampshire	3.85	3.76	3.78	3.98	3.97	4.04	4.15	4.50	4.50	4.55
New Jersey	29.55	29.59	30.81	29.93	31.97	31.60	31.71	32.24	31.00	32.10
New Mexico	14.26	12.94	13.69	13.88	13.86	13.41	14.03	14.84	14.79	15.10
New York	55.60	53.27	52.25	51.39	50.54	51.66	53.44	54.26	54.09	52.31
North Carolina	28.78	28.42	31.15	32.89	31.44	32.96	36.40	37.60	37.29	37.19
North Dakota	12.35	12.79	13.30	13.42	13.57	13.52	13.71	13.35	13.45	13.82
<b>O</b> hio	66.14	65.72	67.02	68.50	67.59	<b>68.4</b> 9	71.54	70.71	69.97	69.75
Oklahoma	23.72	23.59	24,46	25.27	24.78	25.10	25.84	26.21	25.41	25.04
Oregon	8.58	9.44	9.68	9.53	9.93	9.32	9.70	9.68	11.24	11.24
Pennsylvania	69.02	66.79	68.89	70.23	69.24	69.94	71.13	71.80	68.35	64.05
Rhode Island	2.28	2.51	2.88	2.91	2.85	2.80	3.09	3.19	3.10	3.08
South Carolina	16.44	16.69	16.58	17.83	17.89	17.63	18.70	19.26	20.07	20.93
South Dakota	3.08	3.10	3.14	3.33	3.57	3.53	3.48	3.64	3.48	3.63
Tennessee	28.25	27.10	28.67	31.61	30.33	32.06	32.15	32.99	32.40	32.36
Texas	149.58	147.20	149.51	152.54	152.27	151.53	163.44	164.82	167.27	166.56
<b>▶</b> Utah	14.51	14.32	14.69	15.13	15.39	15.44	15.67	16.22	16.59	16.60
▶ Vermont	1.41	1.46	1.58	1.65	1.59	1.61	1.70	1.70	1.77	1.77
▶ Virginia	24.85	25.01	24.97	25.85	25.62	26.26	27 56	. 28.27	29.03	29.62
▶ Washington	20.00	19.94	22.07	20.56	21.56	21.29	21.92	21.79	23.06	23.11
▶ West Virginia	27.95	25.81	26.25	26.28	28.23	28.05	28.62	29.58	30.01	30.65
Wisconsin	23.10	23.83	23.70	24.60	<b>2</b> 5. <b>5</b> 4	26.34	27.40	28.29	27.10	27.97
Wyoming	15.57	15.20	16.76	1 <b>5.9</b> 5	16.57	15.92	16.44	16 °8	17.14	16.79
•	1,340.41	1,324.03	1,345.78	1,375.26	1,393.07	1,406.96	1,456.68	1,475.13	1,471.08	1,477.32

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STATE Energy CO<sub>2</sub> Inventories

This section provides state carbon dioxide emission inventories from fossil fuel combustion that were developed by EPA, using (1) fuel consumption data from the DOE/EIA State (SEDR) and (2) emission factors from the Emissions Inventory Energy Data Report Improvement Program, Volume VIII: Estimating Greenhouse Gas Emissions, Chapter 1. The inventories present annual emissions of CO2 by sector (e.g., industry, transportation, etc.) and by fuel type (e.g., distillate fuel, natural gas, etc.). State totals are reported in million metric tons of carbon equivalent (MMTCE).

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State Sector Source	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
▶ Alabama	29.78	30.79	32.60	33.75	33.23	35.07	36.63	35.58	35.34	35.90
Alaska	9.36	9.41	9.66	9.40	9.20	10.66	10.83	10.89	11.28	11.03
Arizona	17.07	17.22	17.91	18.55	19.25	17.91	18.36	19.24	20.52	21.47
Arkansas	13.99	13.67	14.18	13.92	14.98	15.72	16.47	16.08	16.31	17.09
▼ California	95.41	91.27	91.47	89.04	93.22	90.89	90.52	90.59	93.01	94.83
<b>▼</b> Commercial	5.15	5.13	4.66	4.06	4.16	4.47	3.84	4.05	4.70	3.87
Coal	0.01	0.02	0.00	0.05	0.06	0.05	0.07	0.04	0.04	0.01
Distillate Fuel	0.53	9.51	0.23	0.18	0.17	0.27	0.20	0.22	0.28	0.19
<ul> <li>Kerosene</li> </ul>	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01	0.00
LPG	0.06	0.08	0.05	0.05	0.05	0.05	0.04	0.04	0.07	0.06
Residual Fuel	0.12	0.10	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Natural Gas	4.23	4.25	4.22	3.74	3.85	4.07	3.50	3.72	4.27	3.59
Motor Gasoline	0.19	0.17	0.15	0.03	0.02	0.02	0.02	0.02	0.03	0.02
▶ Industrial	18.78	18.96	18.81	18.48	18.17	18.18	18.79	19.34	20.74	23.87
▶ Residential	8.04	7.99	7.42	7.85	8.02	7.32	7.35	7.29	8.77	8.72
▶ Transportation	55.68	52.41	52.11	51.30	53.56	54.97	55.69	54.32	54.80	56.27
Utilities	7,77	6.78	8.47	7.36	9.30	5.95	4.85	5.58	4.01	2.11
Colorado	17.74	18.16	18.47	19.50	19.69	19.72	20.57	20.66	20.72	21.32
Connecticut	10.25	9.95	9.96	9.66	9.42	9.37	10.26	11.10	10.41	10.09
Delaware	4.59	4.81	4.54	4.94	4.73	4.50	4.67	4.33	4.17	4.30
District of Columbia	1.19	1.17	1.17	1.23	1.21	1.20	1.19	1.19	1.17	1.13
Florida	50.41	50.59	51.49	52.26	53.64	54.41	55.52	57.19	60.76	60.83
▶ Georgia	37.36	35.16	35.04	37.78	38.66	40.88	42.00	42.14	42.23	43.11
▶ Hawaii	5.71	5.31	5.19	4.45	4.68	4.69	4.41	4.31	4.44	4.25
▶ Idaho	3.09	3.38	3.15	3.44	3.50	3.70	3.87	3.88	3.86	4.11
▶ Illineis	52.16	52.35	51.32	55.67	<b>5</b> 5 68	56.57	60.04	61.22	57.41 5	58.58

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Energy CO<sub>2</sub> Inventories

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Note that these figures may not agree completely with those reported in <u>state-authored</u> inventories due to differences in scope of coverage, underlying data, emission factors, or assumptions. For more information on these differences, <u>click here</u>.

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State Sector	r Source	1990	1991	1992	1993	1994	1005	1996	4007	4000	1000
▶ Alabama	3	29.78	30.79	32.60	33.75	33 23	35.07	36 63	25 50	25.24	35.90
Alaska		9.36									11.03
▶ Arizona		17.07	17.22								21.47
▶ Arkansa	s	13.99	13.67	14 18	13.02	14 09	15.70	16.47	18.24	20.52	21.47
▼ Californi		95 41	91 27	91 47	80.04	02.22	00.00	90.52	10.08	16.31	17.09
	nmercial		5.13					3.84			
	ustrial							18.79			3.87
	Petroleum		1.73	1.61	1.57						
	Coke	1.62	1.73	1.01	1.57	1.54	1.59	1.77	1.71	1.55	1.47
	Speciai Naphthas	0.25	0.20	0.24	0.24	0.19	0.16	0.13	0.13	0.19	0.26
	Coking Coal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Motor Gasoline Blending Components	0.14	-0.06	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Coal	1.62	1.58	1.62	1.34	1.35	1.45	1.25	1.17	1.55	1.59
	Kerosene	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.02	0.02	0.01
	Crude Oil	0.84	0.78	0.55	0.42	0.37	0.29	0.27	0.09	0.00	0.00
	Pentanes Plus	0.08	0.07	0.07	0.02	0.03	0.02	0.01	0.01	0.01	0.01
	Still Gas	3.53	3.09	3.15	3.12	3.10	2.91	3.04	3.02	2.96	2.91
	Distillate Fuel	2.20	1 34	1.27	1.01	1.04	0.99	0.93	1.27	1.36	1.00
	Residual Fuel	0.24	0.21	0.23	0.19	0.17	0.18	0.04	0.01	0.00	80.0
	Asphalt and Road Oil	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1	Misc. Petro Products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(	Aviation Gasoline Blending	0.00 -	-0.00	0.00	0.00	0.01	0.01	0.02	0.02	0.01	0.01

	Cornpo											
	Natural Gas	8.44	10.12	9.89	10.86	10.32	10.66	10.99	11.52	13.20	16.65	
	Waxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	LPG	0.24	0.17	0.29	0.20	0.21	0.15	0.10	0.08	0.06	0.09	
	Feedstocks, Naphtha less than 401 F	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	
	Motor Gasoline	0.32	0.33	0.33	0.27	0.28	0.29	0.27	0.29	0.33	0.19	
	Lubricants	0.24	0.21	0.22	0.22	0.23	0.23	0.22	0.23	0.24	0.25	
	Unfinished Oils	-1.03	-1.14	-0.90	-1.02	-0.71	-0.78	-0.28	-0.25	-0.75	-0.67	
	Feedstocks, Other Oils greater than 401 F	0.03	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.01	
Res	idential	8.04	7.99	7.42	7.85	8.02	7.32	7.35	7.29	8.77	8.72	

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These CO2 emissions were calculated using fuel consumption data from the Combined State Energy Data System (CSEDS). The most recently published data from the CSEDS can be found in the "State Energy Data Report 1997" DOE/EIA-0214(97). The report and the spreadsheets containing the background fuel consumption data may be found on the Energy Information Administration's Website (<a href="http://www.eia.doe.gov/emeu/sedr/contents.html">http://www.eia.doe.gov/emeu/sedr/contents.html</a>) teams or FTP Server (<a href="http://ftp.eia.doe.gov/pub/state.data/data/">http://ftp.eia.doe.gov/pub/state.data/data/</a>).

### A Note on Units Used

Greenhouse gases contribute to climate change by increasing the ability of the atmosphere to trap heat. The principal GHGs are carbon dioxide (CO2), methane (CH4), and nitrous oxide (N2O). Because these gases differ in their ability to trap heat, one ton of emissions of CO2 has a different effect than one ton of emissions of CH4. To express emissions of the different gases in a comparable way, atmospheric chemists often use a weighting factor called global warming potential. The heat-trapping ability of one metric ton (1,000 kilograms) of CO2 is taken as the standard, and emissions may be expressed in terms of metric tons of CO2 equivalent (abbreviated MTCDE). More commonly, emissions are expressed in terms of metric tons of carbon equivalent (MTCE). Carbon comprises 12/44 of the mass of carbon dioxide; thus to convert from CO2 equivalent to C equivalent, one multiplies by 12/44. Throughout this database, we use units of MTCE or million MTCE (MMTCh).

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### Energy CO<sub>2</sub> Inventories

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Note that these figures may not agree completely with those reported in <u>state-authored</u> inventories due to differences in scope of coverage, underlying data, emission factors, or assumptions. For more information on these differences, <u>click here</u>.

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State Sector Source	1990	1991	1992	1993	1994	1995	1996	1997 1998 1999
▼Residential	8.04							
Coal	0.01	0.01	0.00	0.03	0.03	0.03	0.04	0.02 0.02 0.01
Natural Gas	7.64	7.52	7.09	7.49	7.66	6.97	7.04	7.02 8.33 8.33
Distillate Fuel	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.01 0.02 0.01
Kerosene	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.01 0.03 0.02
LPG	0.35	0.43	0.30	0.31	0.31	0.30	0.25	0.23 0.37 0.35
▶ Transportation	55.68	32.41	52.11	51.30	53.56	54.97	55.69	
Utilities			8.47					5.58 4.01 2.11
Colorado	17.74	18.16	18.47	19.50	19.69			20.66 20.72 21.32
Connecticut	10.25	9.95		9.66	9.42			11.10 10.41 10.09
Delaware	4.59	4.81	4.54	4.94	4.73		4.67	4.33 4.17 4.30
▶ District of Columbia	1.19	1.17	1.17	1.23	1.21	1.20	1.19	1.19 1.17 1.13
▶ Florida	50.41	50.59	51.49	52.26	53.64	54.41	55.52	57.19 60.76 60.83
▶ Georgia								42.14 42.23 43.11
▶ Hawaii	5.71	5.31	5.19		4.68		4.41	4.31 4.44 4.25
▶ Idaho	3.09	3.38	3.15	3.44	3.50	3.70	3.87	3.88 3.86 4.11
Illinois	52.16	52.35	51.32 5	55.67	55.68	56.57 6	80.04 E	61.22 57.41 58.58
▶ Indiana								59.06 58.63 59.85
▶ lowa								20.34 20.66 20.65
▶ Kansas ·	18.53	18 25	17.58	9.39	19.56	19.04 2	0.25 1	9.34 18.78 19.43
▶ Kentucky								8.91 36.79 36.43
Louisiana								3.90 50.59 51.16
▶ Maine								5.20 5.13 4.86
▶ Maryland								9.75 20.37 21.16
<b>▶</b> Massachusetts	21.94 2	21.43 2	21.68 2	1.41 2	1.21 2	20.94.2	1 27 2	2.98 20.72 17.16
▶ Michigan	47.72 4	17.45 4	7.04 4	8.24 5	0.70 5	1.15 5	2 33 5	1.77 50.73 52.69
Minnesota	21.30 2	21.44 2	21.87 2	3.25 2	3.86 2	4.59 2	5.51 2	5.30 24.77 25.02

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international Inventories NAAOS Status SO<sub>2</sub>, NO<sub>X</sub> & CO<sub>2</sub> State Overviews Inventory Guidance

Individual



STATE

### Energy CO<sub>2</sub> Inventories

This section provides state carbon dioxide emission inventories from fossil fuel combustion that were developed by EPA, using (1) fuel consumption data from the DOE/EIA State (SEDR) and (2) emission factors from the Emissions Inventory Energy Data Report Improvement Program, Volume VIII: Estimating Greenhouse Gas Emissions, Chapter 1. The inventories present annual emissions of CO2 by sector (e.g., industry, transportation, etc.) and by fuel type (e.g., distillate fuel, natural gas, etc.). State totals are reported in million metric tons of carbon equivalent (MMTCE).

Note that these figures may not agree completely with those reported in state-authored inventories due to differences in scope of coverage, underlying data, emission factors, or assumptions. For more information on these differences, click here.

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State Sector Source	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	
Residential					8.02					7 8.72	,
▼Transportatio	n 55.68	52.41	52.11	51.30	53.56	54.97	55.69	54.32	54.80	56.27	. •
Jet Fuel, Naphtha	1.15	0.85	0.65	0.43	0.01	0.01	0.00	0.00	0.00	0.00	ı
Jet Fuel, Kerosene	9.30	9.08	8.91	9.43	10.94	10.55	11.49	11.42	11.67	7 10.93	
Residual Fuel	7.36	5.64	4.32	4.39	5.13	5.99	5.31	2.91	2.43	3.73	
Lubricants	0.52	0.28	0.29	0.29	0.31	0.30	0.29	0.31	0.32	0.33	
Motor Gasoline	30.38	29.66	31.39	30.87	30.63	31.11	31.61	32.03	32.70	33.62	
Natural Gas	0.30	0.27	0.22	0.18	0.19	0.29	0.29	0.36	0.17	0.19	
Distillate Fuel	6.72	6.48	6.20	5.58	6.23	6.62	6.60	7.18	7.40	7.38	
LPG	0.06	0.05	0.04	0.04	0.06	0.03	0.03	0.02	0.04	0.02	
Avialion Gasoline	0.10	0.10	0.10	0.08	0.07	80.0	0.07	80.0	0.05	80.0	
Utilities	7.77	6.78	8.47	7.36	9.30	5. <b>95</b>	4.85	5.58	4.01	2.11	
Colorado	17.74	18.16	18.47	19.50	19.69	19.72	20.57	20.66	20.72	21.32	
Connecticut	10.25	9.95	9.96	9.66	9.42	9.37	10.26	11.10	10.41	10.09	
Delaware	4.59	4.81	4.54	4.94	4.73	4.50	4.67	4.33	4.17	4.30	
District of Columbia	1.19	1,17	1.17	1.23	1.21	1.20	1.19	1.19	1.17	1.13	
▶ Florida	50.41	50.59	51.49	52.26	53.64	54.41	55.52	57.19	60.76	60.83	
▶ Georgia	37.ან	35.16	35.04	37.78	38.66	40.88	42.00	42.14	42.23	43.11	
▶ Hawaii	5.71	5.31	5.19	4.45	4.68	4.69	4.41	4.31	4.44	4.25	
<b>▶</b> Idaho	3.09	3.38	3.15	3.44	3.50	3.70	3.87	3.88	3.86	4.11	
▶ Illinois	52.16	52.35	51.32	55.67	55.68	56.57	60.04	31.22	57.41	58.58	
Indiana	55.26										
<b>▶</b> lowa	17.09										
▶ Kansas	18.53										
▶ Kentucky	32.06										
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International

State GIIG Energy CO<sub>2</sub> AQS Status SO2, NO<sub>X</sub> & CO<sub>2</sub> State Overviews Inventory Guidance



### Energy CO<sub>2</sub> Inventories

This section provides state carbon dioxide emission inventories from fossil fuel combustion that were developed by EPA, using (1) fuel consumption data from the DOE/EIA State Energy Data Report (SEDR) and (2) emission factors from the Emissions Inventory Improvement Program, Volume viii. Estimating Greenhouse Gas Emissions, Chapter 1. The inventories present annual emissions of CO2 by sector (e.g., industry, transportation, etc.) and by fuel type (e.g., distillate fuel, natural gas, etc.). State totals are reported in million metric tons of carbon equivalent (MMTCE).

Note that these figures may not agree completely with those reported in state-authored inventories due to differences in scope of coverage, underlying data, emission factors, or assumptions. For more information on these differences, click here.

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State Sector Sou		90	1991	1992	1993	1994	1995	1996	1997	1998	1999
Resider	ntial 8	3.04	7.99	7.42	7.85	8.02	7.32	7.35	7.29	8.77	8.72
▶ Transpo	ortation 55	.68	52.41	52.11	51.30	53.56	54.97	55. <b>69</b>	54.32	54.80	56.27
▼Utilities		.77	6.78	8.47	7.36	9.30	5.95	4.85	5.58	4.01	2.11
Coa	1 0	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Natu	ıral Gas 6	.79	6.65	8.39	6.91	8.91	5.84	4.70	5.54	3.97	2.10
Disti Fuel		.02	0.01	0.01	0.01	0.01	0.01	0.02	0.03	0.03	0.01
Petro Coke		.0ቦ	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Resi Fuel		.96	0.12	0.06	0.43	0.38	0.10	0.13	0.01	0.00	0.00
▶ Colorado	17	.74	18.10	18.47	19.50	19.69	19.72	20.57	20.66	20.72	21.32
Connecticut	10	.25	9.95	9.96	9.66	9.42	9.37	10.26	11.10	10.41	10.09
Delaware	4	.59	4.81	4.54	4.94	4.73	4.50	4.67	4.33	4.17	4.30
District of Co	lumbia 1	.19	1.17	1.17	1.23	1.21	1.20	1.19	1.19	1.17	1.13
▶ Florida	50	.41	50.59	51.49	52.26	53.64	54.41	55.52	57.19	60.76	60.83
Georgia	37	.36	35.16	35.04	37.78	38.66	40.88	42.00	42.14	42.23	43.11
▶ Hawaii	5	.71	5.31	5.19	4.45	4.68	4.69	4.41	4.31	4.44	4.25
▶ Idaho	3	.09	3.38	3.15	3.44	3.50	3.70	3.87	3.88	3.86	4.11
▶ Illinois	52	.16	52.35	51.32	<b>5</b> 5.67	55.68	56.57	60.04	61.22	57.41	58.58
▶ Indiana	55	.26	54.40	53.84	55.07	55.26	56.65	57.70	59.06	58.63	59.85
▶ lowa	17	.09	17.74	17.39	18.32	18.80	19.66	20.22	20.34	20.66	20.65
▶ Kansas	18.	.53	18.25	17.58	19.39	19.56	19.04	20.25	19.34	18.78	19.43
Kentucky	32.	.06	32.30	33.34	36.25	35.89	37.22	37.54	38.91	36.79	36.43
▶ Louisiana	49.	.93	49.10	50.96	50.97	52.68	52.01	53.44	53.90	50.59	51.16
▶ Maine	4.	.88	4.66	4.88	4.84	5.17	4.91	5.11	5.20	5.13	4.86
Maryland	18.	.80	18.52	18.02	18.76	19.02	19.07	19.65	19.75	20.37	21.16
▶ Massachuset	ts 21.	.94	21.43	21.68	21.41	21.21	20.94	21.27	22.98	20.72	17.16
Michigan	47.	.72	47.45	47.04	48.24	50.70	51.15	52.33	51.77	50.73	52.69

1500 Auto Mall Drive . Santa Ana . California . 92705

714.835.3171 Fax.714.835.7081



July 3, 2002

Governor Gray Davis State Capital Building Sacramento, California 95814

Dear Governor Davis,

I strongly **oppose** the bill before you now known as AB 1493. I urge you to **VETO** this bill.

The ARB's research does not give undisputed proof that vehicle emissions in California are affecting the state of our ozone in a wholly adverse way. The largest destruction to the ozone occurs in the Artic and the Antarctic regions where fuel emissions are the lowest on the planet.

California currently has the highest emissions restrictions in the Nation and your constituents will be adversely affected in many ways by this bill, such as limiting design specifications on vehicles, increased costs of such vehicles, and in getting away from the underlying issue of a mass-transit system.

I ask that you VETO AB 1493, for it is a bill that is written in haste and is not founded in the best interests of the people or the planet.

Thank you,

Don Crevier, President

Crevier BMW

Performance Secondard



July 3, 2002

Hon. Governor Gray Davis State Capitol, First Floor Sacramento, CA 95814

Dear Governor Davis:

The California Taxpayers' Association urges you to VETO AB 1493 (Pavley). Aside from the fact that AB 1493 was rushed through both houses in a matter of days without the opportunity for real public participation, it is a very serious threat to California taxpayers for three reasons. AB 1493 would:

- Establish a substantial new regulatory bureaucracy in California for which taxpayers will be forced to pay.
- Give taxpayer-financed, unelected bureaucrats authorization to advocate for, if not directly impose, new taxes and fees in pursuit of an ill-defined objective of "maximum feasible reduction of greenhouse
- Provide for a substantial and possible illegal delegation of authority to state bureaucrats and set a damaging precedent for California taxpayers and the state's economy.

We feel strongly that environmental policy should be deliberated by the Legislature, not delegated to unaccountable bureaucrats who have been empowered to impose or advocate for new taxes. Voters in California select representatives to serve as legislators with the authority to make public policy. This authority should not be delegated in imprecise legislation such as AB 1493. That's why Cal-Tax has identified AB 1058 and now AB 1493 as a job killer and included it among our list of anti-taxpayer votes of this session. We urge your veto.

Sincerely

Wm. Gregory

General Counsel and Legislative

Chp 200

## DAIMLERCHRYSLER

DaimlerChrysler Corporation

W. Frank Fountain Senior Vice President Government Affairs

July 3, 2002

The Honorable Gray Davis Governor State of California State Capitol Building Sacramento, CA 95815

Dear Governor Davis:

I was disappointed to learn that the California Assembly passed AB 1493, which directs the California Air Resources Board (CARB) to develop and adopt regulations that reduce carbon dioxide emissions from light duty motor vehicles. On behalf of DaimlerChrysler Corporation, I encourage you to veto this legislation.

The proponents have been careful to craft a bill that does not refer to fuel economy; however, AB1493 is clearly an attempt to regulate fuel economy in the State of California. It is a simple matter of combustion chemistry to know that regulating carbon dioxide emissions is equivalent to regulating fuel economy. As modified, AB 1493 eliminates all other policy options to reduce carbon dioxide emissions and targets only new motor vehicle fuel economy.

Even if the federal preemption argument were to be set aside by the courts, reducing carbon dioxide emissions can only be accomplished through forcing changes to the vehicle fleet. Changing model mix or mandated changes to design features, engine size, and other attributes which are different from what would be ordinarily demanded by the consumer reduces choice in the marketplace. While AB 1493 makes it clear that CARB may not ban any class of vehicle, these requirements would force manufacturers to limit availability of certain types of vehicles that cannot meet the mandate, but would be available in other states. The result, therefore, will be that Californians will not be able to purchase the same new vehicles available to consumers in neighboring states.

Ultimately, the law is clear that regulating fuel economy standards is the responsibility of the federal government through the National Highway Traffic Safety Administration (NHTSA). DaimlerChrysler has been and remains committed to working with NHTSA to improve fuel economy in a way that benefits consumers and the economy throughout the United States -not simply in a single state.

Again, I encourage you to veto this legislation.

I appreciate your consideration.

branke tourfair

DaimlerChrysler Corporation 1000 Chrysler Drive, CIMS 485, 10, 96 Aubum Hills MI USA 48326 2766 Phone 248.512 4218 Fax 248.512.1762

IOHN M. DEVINE Vice Chairman and Chief Financial Officer

July 12, 2002

The Honorable Gray Davis Governor State of California State Capitol Sacramento, CA 95814

AB 1493 (Pavley) Veto Request

Dear Governor Davis:

On behalf of General Motors Corporation, I urge you to veto Assembly Bill 1493 (Pavley) that would require the California Air Resources Board to adopt regulations to achieve the maximum feasible and cost effective reductions of greenhouse gas emissions from passenger cars and light-duty trucks. This bill places the State of California in conflict with the U.S. Constitution and federal energy law at the very moment that Congress is completing work on comprehensive energy legislation addressing our nation's energy security needs.

The plain truth is that AB 1493 authorizes the Air Resources Board to regulate the fuel economy of new motor vehicles under the pretext of regulating greenhouse gases emitted from motor vehicles. Approximately 95% of all greenhouse gases from vehicles are carbon dioxide. The fuel economy of motor vehicles is determined by measuring the amount of carbon dioxide emitted by the vehicle. Since 1975, the regulation of motor vehicle fuel economy has been reserved exclusively to the federal government. Congress recognized the importance to the automotive industry of uniform and balanced national standards. In establishing federal fuel economy standards for motor vehicles, Congress explicitly prohibited states from enacting any standards "relating to" motor vehicle fuel economy. The U.S. Supreme Court has held that this broad form of federal preemption of state standards must be given full effect under Article VI of the U.S. Constitution, which declares federal law supreme.

The Honorable Gray Davis July 12, 2002 Page 2

This bill contains no goals or standards to attain, thus providing for an endless series of regulations to achieve the ultimate goal of zero emissions. The overly broad nature of this bill would create an opportunity for environmental groups to sue the state for failing to take appropriate actions or to move quickly enough. It is also likely that the bill will be challenged on constitutional grounds, and even if somehow found to be constitutional, there will most grounds, and even if somehow found to be constitutional, there will most likely be an endless array of other state litigation. Such suits would take the matter out of the hands of the legislature and your office to determine the extent of permissible actions under AB 1493, and probably would doom California to years of costly litigation.

The types of regulatory requirements that can be imposed under this bill will inevitably lead to higher costs to manufacture, sell and operate motor vehicles in California. These types of regulatory activities may also lead to reductions in the availability of certain makes and models of vehicles. Californians would be saddled with higher costs and fewer choices for their transportation and business needs.

The supporters of AB 1493 claim the bill is necessary because "the control and reduction of emissions of greenhouse gases are critical to slow the effects of global warming." Yet, the sources of greenhouse gas emissions this bill of global warming. Yet, the sources of greenhouse gas emissions than one-would affect, passenger cars and light-duty trucks, represent less than one-tenth of one percent of total global greenhouse gas emissions. Thus even if tenth of one percent of total global greenhouse gas emissions. Thus even if the total elimination of this category of greenhouse this bill were to result in the total elimination of this category of greenhouse gas emissions, which it will not, there would be no discernible effect on global gas emissions, which it will not, there would be no discernible effect on global gas emissions, which it will not, there would be no discernible effect on global gas emissions, which could be very high with an ultimate goal of zero emissions, for price, which could be very high with an ultimate goal of zero emissions, for something for which they will see no benefit. In fact, increases in greenhouse something for which they will see no benefit. In fact, increases in greenhouse something for which they will see no benefit. In fact, increases in greenhouse something for which they will see no benefit. In fact, increases in greenhouse gas emissions in developing countries will dwarf the miniscule reductions this bill can achieve.

We can understand that supporters of AB 1493 are motivated by a desire for action to address the risk of climate change. GM shares the concern over possible climate change, and believes that the best approach lies in collaboration between industry and government to promote policies that will result in research, development and implementation of technologies that will reduce the risk of climate change. AB 1493 would only draw government and industry resources away from such important work.

The Honorable Gray Davis July 12, 2002 Page 3

It is for these reasons that General Motors urges you to veto AB 1493. Thank you for considering our concerns about this issue that is vitally important to the automobile industry. Should you or any member of your staff have questions regarding our concerns, please do not hesitate to contact GM's Regional Director of government relations, Ray Buttacavoli, in Sacramento at 916-444-5788.

Sincerely,

Han Davin



American Honda Motor Co., inc. 1919 Torrance Boulevard Torrance, CA 90501-2746 Phone (310) 783-2000

July 2, 2002

Hon. Gray Davis State of California State Capitol Building Sacramento, California 95814

Dear Governor Davis: I am writing to express American Honda Motor Company's concerns about AB 1493. This legislation would direct the California Air Resources Board to regulate greenhouse gas emissions from motor vehicles. Honda does not oppose well-crafted regulatory programs to reduce greenhouse gas emissions. However, greenhouse gas emissions are a global concern which require the focused efforts of all nations, and all generators of greenhouse gases in those nations. It is not realistic to develop, produce, and market for only California vehicles that produce lower levels of greenhouse gas emissions (principally CO2). Accordingly, we urge that you disapprove

As a U.S. company based in Torrance, Honda has a long history of producing high quality, safe and environmentally responsible vehicles to its broad customer base in California. Our vehicles are among the most fuel efficient and clean in the nation. EPA has described the natural gas Civic as the cleanest motor vehicle on earth with an internal combustion engine, and we have just introduced our new hybrid Civic nationwide. We are an active member of the California Fuel Cell Partnership and have shared with the State our progress in developing fuel cell vehicles.

Regulating CO2 is fundamentally different from California's experience regulating criteria air pollutants such as hydrocarbons and nitrious oxides. Control of tailpipe emissions has been achieved primarily with catalytic aftertreatment. Through the use of ultra-precise air/fuel control, catalysts on LEV 2 vehicles operate at over 99% efficiency. These fuel and catalyst subsystems can be designed and manufactured separately for vehicles sold in the California market without having to redesign the rest of the engine

Control of CO2 poses a wholly different technological challenge. CO2 is not a by-product of combustion like hydrocarbons and nitrous oxide. Rather, it is the end product of combustion. A typical vehicle traveling 10,000 miles per year produces far more CO2 annually than can be effectively trapped. Moreover, catalysts will not work because CO2 already is an end product not capable of being further altered by catalyst technology. The only option is to redesign the vehicle to reduce fuel consumption, potentially implicating not just the engine but also

transmissions, accessories, vehicle aerodynamics and weight. In short, the entire vehicle must be redesigned.

Moreover, California's history of enforcing air quality regulations more stringent than the federal regulations is founded on the extremes of air pollution found here relative to the rest of the United States. In contrast, the effects of CO2 pollution in California do not create climate Change problems unique to California. AB 1493 establishes a regulatory framework to be change problems unique to California. This is an impractical and inefficient way to address the global climate change problem.

Our nation needs a unified, national approach that avoids the proliferation of different requirements in each of the 50 states. It is precisely for this reason that federal law vests in the federal government responsibility for federal fuel economy regulations. The June 11, 2002 decision by the U.S. District Court in Central Valley Chrysler-Plymouth v. California Air Resources Board (No. CV-F-02-5017 REC/SMS) further underscores this point. Honda does not oppose federal efforts to increase fuel economy standards as long as manufacturers are given sufficient leadtime, the standards are technologically feasible and all manufacturers have to meet sufficient leadtime, the standards are technologically feasible and all manufacturers have to meet the same standards at the same time. However, we oppose AB 1493 simply because we believe that both the policy and regulatory framework for reducing greenhouse gas emissions must be created and implemented at the Federal level.

Thank you for considering our views on this important issue.

Sincerely,

Edward B. Cohen / W Vice President Government & Industry Relations

cc: Assemblymember Fran Pavley





Governor Gray Davis Governor's Office State Capital First Floor Sacramento, CA 95814

RE: AB 1493

Dear Governor Davis:

I look forward to your veto of the above-mentioned bill based on research that fuel emissions have nothing to do with Global warming. There is no scientific proof that fossil fuels are causing this phenomenon.

To have my continued support and others in my community please use your best judgement and see to it this amendment does not pass.

Sincerely,

Ronald D. Blakeslee First Vice President

PS. I am also totally appalled at the stealth tactics used to disguise this amendment under a new title/no. and the "lock down" before a major holiday to push this through!



The Honorable Gray Davis FOR ENROLLED BILL FILE Governor, State of California The State Capitol, First Floor Sacramento, California 95814

Re: AB 1493 (Pavley) -

Vehicular Emissions of Greenhouse Gases

**Recommended Action: VETO** 

### Dear Governor Davis:

I respectfully request that you veto AB 1493, a bill that would give the California Air Resources board unwarranted and unnecessary power to regulate so-called greenhouse gasses from passenger cars and light trucks. The end result of this bill would be to raise the price of sport utility vehicles, pickup trucks and minivans in California for consumers, farmers and middle-income families.

AB 1493 would require the California Air Resources Board to create regulations to achieve the "maximum feasible, cost-effective reduction of greenhouse gasses" emitted by cars and trucks in California. The bill's sponsors say this will reduce carbon dioxide and prevent global warming. Ironically, if every automobile and light truck and California were to be banned the reduction of greenhouse gasses worldwide would be less than 1/10th of 1%. (95% of greenhouse gasses are carbon dioxide.) No other government in the United States, including the federal government, regulates these emissions from mobile sources.

Unilateral regulation of greenhouse gasses by California would have almost no effect on the amount of carbon dioxide emitted globally, and would have no effect on global warming. California citizens would see no benefit in air quality from such reduction in emissions. Carbon Dioxide is not a pollutant, and is not regulated by the federal government. In fact, we exhale it with every breath we take. Plants and trees absorb it to make oxygen. It's essential to life but is not an air pollutant.

The only way to reduce those emissions is if CARB seeks to force people to drive fewer miles, or force them to drive smaller, lighter vehicles. There is no magic technology that manufacturers can bolt on to a vehicle's exhaust pipe that reduces CO2.

Governor, you know that CARB and the California Energy Commission jointly issued the report Petroleum Reduction Options in March 2002. The report clearly indicated that your own state agencies prefer to use higher taxes, fees and impose higher vehicle costs as a way to reduce carbon dioxide. The last minute amendments to the bill attempt to address the concerns of many Californians about higher cost - but totally fail.

The bill is vague about how the California Air Resources Board would control carbon dioxide emissions. Reading the report from your own agencies, however, makes it clear that CARB will simply try and design automobiles and light trucks. They intend to impose streamlining standards, design engines and transmissions and in multiple other ways force automobile makers to produce California-only cars. That sounds nice in concept but







it inevitably means much higher costs for consumers. It would allow the Air Board to create a new bureaucracy to devise a regulatory scheme for CO2. Questions about the cost of this bill to consumers, the state government and taxpayers have not been answered. The last thing the state needs at a time of record budget deficits is another expansion of the state bureaucracy.

CO2 per mile from new U.S. vehicles has been reduced 56 percent for cars and 44 percent for light trucks since the mid 1970s. On a per capita basis, California has lower CO2 emissions than any of the other 49 states. In fact, this bill would result in the Air Board mandating unproven short-term technology programs that would divert scarce resources from private-sector efforts that would result in meaningful advances in emission-reduction technology. AB 1493 is not needed. Much is already being done by automakers and other companies to reduce carbon dioxide emissions from vehicles and increase fuel economy.

- Hybrid vehicles, including hybrid sport utility vehicles, are on the market now and
- The auto industry is making significant advances with diesel engines and diesel fuels. more will be offered for sale in the next few years. Diesels have about 30% better fuel economy than comparable gasoline engines, but
- Industry is working with the California Fuel Celi Partnership to develop the next CARB's regulations will all but ban diesels. generation of clean fuel technology.

I would suggest that there are additional reasons to veto this bill:

AB 1493 will limit vehicle choice and raise prices for cars, trucks, minivans and sport utility vehicles. This bill gives bureaucrats at the California Air Resources Board unlimited power to impose design, engine size and other requirements that will result in fewer choices of vehicles for California consumers. These requirements will force automobile manufacturers to limit the availability of certain types of vehicles in California, thus raising costs. These vehicles will be available in other states, but not

A fake exemption for agriculture is in the bill. Section 43018.5 (e) is purported to give agricultural vehicles an exemption from these regulations. In fact, there can be no practical exemption for agriculture, because people in the agricultural community use the same vehicles for work and personal use. Pickup trucks and sport utility vehicles are among the most important pieces of machinery on the farm and in rural communities. Since farmers must use pickup trucks to do their job, any additional cost would have to be borne directly by farmers. Farmers would have little choice but to pay higher costs to operate their farms. This measure would put California farmers at an even greater disadvantage in a competitive global market. None of the agriculture organizations in this state agree with that, which is why the Farm Bureau Federation and the Western Growers Association oppose this bill.

This bill mandates that CARB adopt strict regulations to limit greenhouse gasses. But CARB only has to "consider" the impact on jobs and the economy. Under the terms of this bill, even if there is a negative impact on California's economy or a big loss of jobs, or adverse consequences to lower income communities in the state, CARB still can adopt







the regulations! (p. 7, Section 43018.5 (c), 1-2.) It is not fair to mandate tough regulations on greenhouse gasses - but only ask CARB to "consider" the consequences of their actions. In the absence of any goals in this bill regarding the reductions of greenhouse gasses, the strict requirements for those reductions will override all other considerations in the bill. This will not be a one-time regulation that is adopted but a never-ending series of regulations.

I believe the subject matter of AB 1493 is properly addressed by the federal government, not the state of California. The U.S. Senate passed the Byrd-Hagel Resolution in 1997 by a 95-0 vote. The Resolution says the Senate would look unfavorably on ratifying any global warming treaty that requires actions that would harm the U.S. economy.

Finally, I cite the process by which AB 1493 became law as a classic example of bad government. AB 1493 began as a bill on the Bureau of State Audits but stalled in the Senate. Three days before it was passed, during the weekend, Senators gutted the bill of its original contents, inserted the language from AB 1058 and jammed it through the Legislature without any of the usual committee reviews and approvals. This action was an obvious clear attempt to hide the bill from public scrutiny and frustrate the will of the people, who have sent more than 100,000 emails, letters and phone calls to you and the Legislature urging you to oppose AB 1058 and now AB 1493. If this bill is signed, it will lead to more public distrust in a system they perceive as being unresponsive to them.

This bill would cost consumers, taxpayers, farmers and working families more money for a needless expansion of state bureaucracy that would not result in reducing pollution or global warming. I respectfully ask that you veto AB 1493.

Sinderely

Jack Powell, Jr.

president





# Joint Chambers Commission of El Dorado County



July 3, 2002

El Dorado County 542 Main Street Placerviile, CA 95667 (530) 621-5885 • Fax: (530) 642-1624 Toll-Free: (800) 457-6279 www eidoradocounty org

The Honorable Gray Davis Governor, State of California State Capitol, First Floor Sacramento, CA 95814

Dear Governor Davis:



You are certainly well aware of Assembly Bill 1493, the not so cleverly disguised AB 1058, which directs the California Air Resources Board (CARB) to adopt regulations that "achieve maximum feasible reduction of greenhouse gases emitted from motor vehicles."

El Dorado Hills P.O Box 5605 El Dorado Hills, CA 95762 (916) 933-1335 · Fax. (916) 933-5908 edhchamber@edhchamber.org

While we believe the authors of this measure were acting with good intentions, we have great concern that AB 1493 will inflict severe harm upon California's small businesses and working people with very little benefit to anyone. Governor Davis, the drivers of cars, small trucks, and minivans are not criminals. They

are the men and women who make California what it is, and who fuel its economy. It is



simply not right for the Air Resources Board to be given such vast powers to punish the residents of California with no substantive benefit. We respectfully request that you veto AB 1493.

Shingle Springs/Cameron Park

P.O. Box 341 Shingle Springs, CA 95682 (530) 677-8009 • Fax: (530) 676-8313

Thank you.

Sincerely,

El Dorado County Chamber of Commerce

Shingle Springs/Cameron Park Chamber

El Dorado Hills Chamber

## LAND AND FOREST MANAGEMENT



W. M. BEATY & ASSOCIATES, INC.

845 BUTTE ST. / P.O. BOX 990898 REDDING, CALIFORNIA 96099-0898 530-243-2783 / FAX 530-243-2900

July 12, 2002

The Honorable Gray Davis Governor, State of California State Capitol Building Sacramento, CA 95814

Re: AB 1493 (Formerly AB 1058) PAVLEY - OPPOSE

Dear Governor Davis:

W. M. Beaty & Associates, Inc. (a California Corporation) is a consulting and forest management firm doing business in northeastern California. The ever increasing cost of doing business in California is yet another threat to the fiscal health of our firm. For this reason, we urge you to **veto AB 1493**.

AB 1493 would establish a new tax-funded bureaucracy at a time when California is facing a multi billion dollar deficit. Additionally, AB 1493 will force higher taxes on Californians in the form of increased vehicle license fees.

Further disturbing is the manner in which AB 1493 was pushed through the legislature without the opportunity for meaningful public participation or open legislative debate. This is a poor way to establish public policy.

History has shown that you have a respected record for rejecting bills that have violated the established legislative process and shut out public input. We urge you to maintain that record and veto AB 1493.

Sincerely,

W. M. BEATY & ASSOCIATES, INC.

Donald J. Beaty General Manager

DJB:klh



## **BOARD OF SUPERVISORS** COUNTY OF MADERA

MADERA COUNTY GOVERNMENT CENTER 209 W. YOSEMITE AVENUE / MADERA, CALIFORNIA 93637 (559) 675-7700 / FAX (559) 673-3302 / TDD (559) 675-8970

MEMBERS OF THE BOARD

FRANK BIGELOW VERN MOSS RONN DOMINICI JOHN V. SILVA GARY GILBERT

BONNIE HOLIDAY, Clerk of the Board

July 8, 2002

**Governor Gray Davis** State Capitol, First Floor Sacramento, CA 95814

On July 2, 2002, the Madera County Board of Supervisors voted unanimously to Dear Governor Davis: oppose Assembly Bill 1493, Vehicular Emissions: Greenhouse Gases.

The Board of Supervisors believes this type of legislation would not be in the best interest of the people of Madera County and the Board is requesting assistance in opposing such legislation.

Sincerely,

Chairman of the Board

FB:tgb



# oss Bros.



At Moss. . . You're The Boss!



July 12, 2002

The Honorable Gray Davis FOR ENROLLED BILL FILE Governor, State of California The State Capitol, First Floor Sacramento, California 95814

Re: AB 1493 (Pavley) -

Vehicular Emissions of Greenhouse Gases

Recommended Action: VETO

### Dear Governor Davis:

We respectfully request that you veto AB 1493, a bill that would give the California Air Resources board unwarranted and unnecessary power to regulate so-called greenhouse gasses from passenger cars and light trucks. The end result of this bill would be to raise the price of sport utility vehicles, pickup trucks and minivans in California for consumers, farmers and middle-income families.

AB 1493 would require the California Air Resources Board to create regulations to achieve the "maximum feasible, cost-effective reduction of greenhouse gasses" emitted by cars and trucks in California. The bill's sponsors say this will reduce carbon dioxide and prevent global warming. Ironically, if every automobile and light truck and California were to be banned the reduction of greenhouse gasses worldwide would be less than 1/10th of 1%. (95% of greenhouse gasses are carbon dioxide.) No other government in the United States, including the federal government, regulates these emissions from mobile sources.

Unilateral regulation of greenhouse gasses by California would have almost no effect on the amount of carbon dioxide emitted globally, and would have no effect on global warming. California citizens would see no benefit in air quality from such reduction in emissions. Carbon Dioxide is not a pollutant, and is not regulated by the federal government. In fact, we exhale it with every breath we take. Plants and trees absorb it to make oxygen. It's essential to life but is not an air pollutant.

The only way to reduce those emissions is if CARB seeks to force people to drive fewer miles, or force them to drive smaller, lighter vehicles. There is no magic technology that manufacturers can bolt on to a vehicle's exhaust pipe that reduces CO2.

Governor, you know that CARB and the California Energy Commission jointly issued the report Petroleum Reduction Options in March 2002. The report clearly indicated that your own state agencies prefer to use higher taxes, fees and impose higher vehicle costs as a way to reduce carbon dioxide. The last minute amendments to the bill attempt to address the concerns of many Californians about higher cost - but totally fail.

The bill is vague about how the California Air Resources Board would control carbon dioxide emissions. Reading the report from your own agencies, however, makes it clear that CARB will simply try and design automobiles and light trucks. They intend

1100 South "E" Street • San Bernardino, CA 92408-1915 • (909) 884-8255 • FAX (909) 885-8972 www.mossbrosdodge.com























to impose streamlining standards, design engines and transmissions and in multiple other ways force automobile makers to produce California-only cars. That sounds nice in concept but it inevitably means much higher costs for consumers. It would allow the Air Board to create a new bureaucracy to devise a regulatory scheme for CO2. Questions about the cost of this bill to consumers, the state government and taxpayers have not been answered. The last thing the state needs at a time of record budget deficits is another expansion of the state bureaucracy.

CO2 per mile from new U.S. vehicles has been reduced 56 percent for cars and 44 percent for light trucks since the mid 1970s. On a per capita basis, California has lower CO2 emissions than any of the other 49 states. In fact, this bill would result in the Air Board mandating unproven short-term technology programs that would divert scarce resources from private-sector efforts that would result in meaningful advances in emission-reduction technology. AB 1493 is not needed. Much is already being done by automakers and other companies to reduce carbon dioxide emissions from vehicles and increase fuel economy.

• Hybrid vehicles, including hybrid sport utility vehicles, are on the market now and more will be offered for sale in the next few years.

 The auto industry is making significant advances with diesel engines and diesel fuels. Diesels have about 30% better fuel economy than comparable gasoline engines, but CARB's regulations will all but ban diesels.

• Industry is working with the California Fuel Cell Partnership to develop the next generation of clean fuel technology.

We would suggest that there are additional reasons to veto this bill:

AB 1493 will limit vehicle choice and raise prices for cars, trucks, minivans and sport utility vehicles. This bill gives bureaucrats at the California Air Resources Board unlimited power to impose design, engine size and other requirements that will result in fewer choices of vehicles for California consumers. These requirements will force automobile manufacturers to limit the availability of certain types of vehicles in California, thus raising costs. These vehicles will be available in other states, but not California.

A fake exemption for agriculture is in the bill. Section 43018.5 (e) is purported to give agricultural vehicles an exemption from these regulations. In fact, there can be no practical exemption for agriculture, because people in the agricultural community use the same vehicles for work and personal use. Pickup trucks and sport utility vehicles are among the most important pieces of machinery on the farm and in rural communities. Since farmers must use pickup trucks to do their job, any additional cost would have to be borne directly by farmers. Farmers would have little choice but to pay higher costs to operate their farms. This measure would put California farmers at an even greater disadvantage in a competitive global market. None of the agriculture organizations in this state agree with that, which is why the Farm Bureau Federation and the Western Growers Association oppose this bill.

This bill mandates that CARB adopt strict regulations to limit greenhouse gasses. But CARB only has to "consider" the impact on jobs and the economy. Under the terms of this bill, even if there is a negative impact on California's economy or a big loss of jobs, or adverse consequences to lower income communities in the state, CARB still can adopt the regulations! (p. 7, Section 43018.5 (c), 1-2.) It is not fair to mandate tough regulations on greenhouse gasses - but only ask CARB to "consider" the consequences of their actions. In the absence of any goals in this bill regarding the

reductions of greenhouse gasses, the strict requirements for those reductions will override all other considerations in the bill. This will not be a one-time regulation that is adopted but a never-ending series of regulations.

We believe the subject matter of AB 1493 is properly addressed by the federal government, not the state of California. The U.S. Senate passed the Byrd-Hagel Resolution in 1997 by a 95-0 vote. The Resolution says the Senate would look unfavorably on ratifying any global warming treaty that requires actions that would be the U.S. economy.

Finally, we cite the process by which AB 1493 became law as a classic example of bad government. AB 1493 began as a bill on the Bureau of State Audits but stalled in the Senate. Three days before it was passed, during the weekend, Senators gutted the Senate. Three days before it was passed, during the weekend, Senators gutted the bill of its original contents, inserted the language from AB 1058 and jammed it through the Legislature without any of the usual committee reviews and approvals. This action was an obvious clear attempt to hide the bill from public scrutiny and this action was an obvious clear attempt to hide the bill from public scrutiny and frustrate the will of the people, who have sent more than 100,000 emails, letters and phone calls to you and the Legislature urging you to oppose AB 1058 and now and phone calls to you and the Legislature urging you to oppose AB 1058 and now AB 1493. If this bill is signed, it will lead to more public distrust in a system they perceive as being unresponsive to them.

This bill would cost consumers, taxpayers, farmers and working families more money for a needless expansion of state bureaucracy that would not result in reducing pollution or global warming. We respectfully ask that you veto AB 1493.

Sincerely,

Roger Simonsen



45500 Fremont Boulevard

Fremont, CA U.S.A. 94538

(510) 498-5500

July 9, 2002

The Honorable Gray Davis Governor of California State Capitol Sacramento, CA 95814

Re: Problems with AB 1493

Dear Governor Davis:

New United Motor Manufacturing, Inc. ("NUMMI"), the General Motors/Toyota venture which employs over 5,000 people and builds the Pontiac Vibe, the Toyota Corolla, and the Toyota Tacoma pickup truck in Fremont, California, urges you to return AB 1493 (Keeley) to the Legislature without your signature.

While the purported goals of the legislation are admirable – reducing global climate change - the measure represents bad public policy for several reasons. The overriding issue is that vehicle emissions should be determined on a national level. That said, there are several additional problems that render AB 1493 ineffective.

The solutions proposed by AB 1493 are piecemeal. They would not truly address the overall concerns that are raised in the bill. For example, the bill proposes to regulate only one source of emissions rather than all greenhouse gas emissions sources. Noncommercial motor vehicles to be regulated under AB emit no more than 1/10<sup>th</sup> of one percent of the greenhouse gases released 1493 emit no more than 1/10<sup>th</sup> of one percent of the greenhouse gases released globally. There has been no determination that the motor vehicle industry is the most cost-effective industry to begin tackling this problem.

<sup>&</sup>lt;sup>1</sup> In 1998, the Energy Commission released a costly and comprehensive 175-page report entitled <u>Greenhouse Emission Reduction Strategies for California</u>. The updated report contains a long list of recommendations for state action to reduce greenhouse gas emissions on a non-discriminatory, statewide basis. AB 1493 disregards the state's investment in comprehensive planning and policy development.

The Honorable Gray Davis Governor of California July 9, 2002 Page 2

AB 1493 also fails to address other, more pontically difficult, issues involving motor vehicle usage. Despite recommendations of transportation and global warming experts, AB 1493 fails to address the emissions resulting from traffic congestion and vehicle miles traveled (VMT). Similarly, the Legislature does not provide CARB the authorization to develop measures designed to increase the use of clean alternative fuels. Any effort to reduce global warming should be comprehensive, efficient and equitable.

Additionally, AB 1493 fails to provide all of the tools that are necessary to develop and implement an effective strategy. In order to meet federal and state air quality standards, the CARB has long recognized that regulation alone is an insufficient tool for accomplishing its goals. The Legislature routinely delegates agencies the discretion to use a full spectrum of regulatory tools to achieve agencies the discretion to use a full spectrum of regulatory tools to achieve legislative goals including the power to (1) conduct further assessment, legislative goals including the power to (1) conduct further assessment, (2) coordinate support for voluntary actions and (3) apply incentives. AB 1493 (2) coordinate support for voluntary actions and (3) apply incentives. At a says that the CARB can only do one thing — impose regulatory controls. At a says that the CARB can only do one thing — impose regulatory controls. At a says that the CARB with the full minimum, NUMMI requests that the legislature provide CARB with the full spectrum of tools that are essential to achieving market acceptance of advanced spectrum of tools that are essential to achieving market acceptance of advanced oriented incentives.

Thank you for the opportunity to share our views on this critical legislation.

Sincerely,

Patricia Salas Pineda

Vice President

SBC Pacific Bell \* John Osborne, Charman

**North County Time** 

\* Kevin Leap, Vice-Chair / Membership nagement Consultant

\* John Todd, Secretary San Diego Gas & Electric \* Laura McDonald, Treasurer

BioFilm, Inc. Dan Wray

City of San Marcos Rick Gittings

City of Vista
 Kevin Ham

Coldwell Banker Comm'i, No Co Properties Joseph McDermott

 County of San Diego Supervisor Bill Hom

Cox Communications

\* Joe Gabaldon CSU San Marcos

Dr. Alex Gonzalez DDH Enterprise, Inc. Chuck Rabel

Luce, Forward, Hamilton & Scripps LLP

Mountain Meadow Mushroom Inc.

Nation Smith Hermes Diamond **Bob Croud** Paul Nation

North County Times Dick High, Past Chair

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**RDO Technology Group** Arthur Manetta

San Diego Regional EDC

San Diego Union-Tribune Oris Jennewein

Sony Electronics Inc. Mike Rothmiller

Stewart Title of California Inc **Brad Roppe** 

Tri City Medical Center Dr. Arthur Gonzalez

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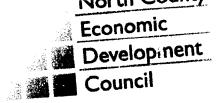
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Southwest Community Bank

Unitrin Cirect Auto lineurence

Wells Fargo Bank

· (W)right On Communications



The Honorable Gray Davis Governor of California State Capito! Sacramento, CA95814

RE: AB 1493 - Greenhouse Gases bill

Dear Governor Davis:

The North County Economic Development Council is opposed to AB 1493 as it is now written.

Under this bill, the California Air Resources Board is given unlimited authority to mandate design features, engine size and other requirements that will limit the number of vehicle choices available to California consumers. It appears that CARB will be a de facto automobile designer in California through mandate. One only has to look at the success of the electric automobile in California to get a glimpse of the possibilities.

Unfortunately, one size doesn't fit all in the manufacture of vehicles. The result of the bureaucracy dictating to the automobile industry will be reduced choices at increased prices. We are concerned that CARB is being given an unlimited hand in enforcing the strict regulations outlined in the bill without legislative oversight.

We believe AB 1493 will have an extremely negative impact on the California economy, a loss of jobs, and an adverse effect on lower income communities who can least afford the increased costs associated with these mandates.

Please, do not approve AB 1493.

By order of the board of directors, John & O storne

John Osborne Chairman

> 8 Viper Way, Suite A, Vista, CA 92083 781/1 Phone: 760-598-9311 Fax: 760-598 11 14 Lmail: ncedc@nctimes.net

SINCE 1975





## PENINSULA HARLEY-DAVIDSON / **Bueli**

380 Convention Way Redwood City, CA 94063

650-568-0800

fax 650-568-0828 email@peninsulahd.com www.peninsulahd.com

7/10/02

DEAR GOVERNOR DAUN".

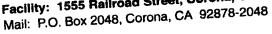
PLEASE VETO AB 1493. I BELIEVE IT IS BAD FOR THE PEORE OF CHRITORNIA. IN THIS UNCERTAIN ECONOMIC CLIMATE, I TEEL IT would HURT all ECONOMY BY PUTTING A FINANCIAL BURDON ON VENICLE MANUFACTURERS AND THEIR DEACTERS, AND ACSO RANING COSTS FOR CONSUMERS. THANK YOU FOR CONSIDERING MY POINT & VIEW.

JINCERFIY,

Malles & The

# PROTECTION DEVELOPMENT INTERNATIONAL CORPORATION

Corporate Facility: 1555 Railroad Street, Corona, CA 92880-2501





GOVERNOR GRAY DAVIS STATE CAPITOL BUILDING SACRAMENTO, CA 95814

AB 1493 RE

July 3, 2002

WE REQUEST THAT YOU VETO AB 1493!!!!

Norman E. Smith

MaryAn Smith

Theresa Ann Roszkowicz

Telephone

(909) 734-7531 (909) 674-5920

F-Mail: info@armor-pdi.com

24 hr. answering - FAX receiving service

Corporate/Manufacturing Facility

Satellite Office On Line Services

(909) 734-7570 (909) 674-5920

Web site: http://www.armor-pdi.com

FAX



# Santa Clarita Valley Chamber of Commerce

23920 Valencia Blvd , Suite 100 • Santa Clarita CA 91355 21 661•259:4787 • FAX 661 • 259-8628

July 10, 2002

The Honorable Gray Davis Governor of California State Capitol Building Sacramento, CA 95814

Subject AB 1493: Vehicle Emissions

Dear Governor Davis:

As President of the Santa Clarita Valley Chamber of Commerce, I am writing to express the Chamber's opposition to AB 1493. We believe this bill would be damaging to the California economy and local government tax revenue.

By granting almost unlimited power to the California Air Resources Board (CARB), CARB may use the authority granted in this bill, in a way that will hurt the automobile market in the state, affecting the economy and local government's revenue flow from

The Santa Clarita Valley Chamber of Commerce opposes legislation that will hinder the economy and hurt businesses in California. The Santa Clarita Valley is a growing community for business and with over 1400 members, and the Chamber must speak out when a piece of legislation is proposed that will hurt our members.

In all, we believe that AB 1493 is a bad piece of legislation and urge you to VETO AB 1493 when it comes before you. We firmly believe this is in the best interest of California's voters, residents and economy.

Sincerely,

Rick Winsman, President

Santa Clarita Valley Chamber of Commerce

Ron Tropcich, VP Government Hunt Braly, Legislative Committee Chairman Cc: Allan Zaremberg, President, California Chamber of Commerce



President Rick Winsman Saratoga Engraving President-elect Kris Hough Valencia Bank & Trust Immediate Past President Doug Sink

REMO. Inc Directors Greg Anslet Salt Creek Grife Cler. Becena Southern California Lisa Boaz

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R J Kelly Int I Tax & Accounting Network Inc Marke Lauffer Newhall Land Nick Lentini

Lenno-Insurance & his estments, Inc Dena Malones ege of the Carp Ethel Nakutin

Mona Shepre Realty Executives Hoyd Steden in, Kary Seeden & Margan CP4 s George Thomas Route 66 Classa Gril Ron Tropeich

Pacific Bell Comme Worden-Roberts Transportation Management Association

July 10, 2002

Governor Gray Davis State Capitol Sacramento, California 95814

Dear Governor Davis:

I can't express how deeply saddened and angry I am about the abuse of our legislative process. The Democrats pulled a bait and switch on the hard-working citizens of California when they switched AB 1058 to AB 1493 and then pushed it through over the weekend when we had no idea what was happening.

If you let this bill go through, not only will you be doing something extremely destructive to the State financially, but you will also be destroying small business owners who need to drive pick-up trucks and SUV-type vehicles to continue running their businesses. It doesn't make sense that Californians are going to have to pay more money to purchase vehicles which will be produced specifically for California consumers. Many will be priced right out of the market.

PLEASE, I URGE YOU, VETO AB 1493 - for the sake of our great State and its citizens alike.

Thank you, Ron & Oplyne Roceets

Ron & Jolyne Roberts

Fax: 909-596-126



## TUSTIN CHAMBER OF COMMERCE

399 El Camino Real Tustin CA 92780 (714) 544-5341 Fax (714) 544-2083

www.tustinchamber.org information@tust.nchamber.org

July 2, 2002

The Honorable Gray Davis Governor of California State Capitol Sacramento, CA 95814

VETO of AB 1493 As Amended (Keeley-Pavley): Vehicle Emissions: Greenhouse Gases RE:

Dear Governor Davis:

The Tustin Chamber of Commerce with its 435 members and their 12,000 employees asks you to VETO AB 1493 As Amended that requires the California Air Resources Board (CARB) to develop regulations that achieve the maximum feasible reduction of greenhouse gas emissions from cars and light-duty trucks.

Although there have been substantial changes in AB 1493 over its predecessor AB 1058, it is still a very ill considered and bad bill. Among other things, it gives the CARB unlimited authority to design cars and light trucks! We already know from their March 2002 report Petroleum Reduction Options that regulators have plans to control what cars are sold in California. We know they plan to do the following things:

- Mandate "streamlining" rules that will govern the cars that can be sold in California.
- Mandate consumers purchase lower rolling resistance tires
- Mandate variable valve timing
- Mandate engine supercharging/downsizing
- Mandate 42 volt electrical systems
- Mandate continuously variable transmissions
- Mandate integrated starter generators
- Mandate 5-speed transmissions for light trucks

Many of these proposals already are being studied and in some cases used by automobile manufacturers; however, these changes don't work on every make or model of car. But, the truth is AB 1493 means CARB will design the passenger cars and light trucks that are sold in California. That has not worked in the past and there is no reason to assume that it will be any more successful today. For 12 years, CARB has been trying to force electric vehicles on the California market, but it hasn't worked. These vehicles cost considerably more than conventional vehicles, go only about 110 miles before needing to be recharged, and can take up to 8 hours to recharge. No wonder that California buyers have been reluctant to purchase them. But the costs of that mandate, which have been billions of dollars to automobile manufacturers, have been passed along to California consumers in higher car and truck prices.

Tustin Chamber of Commerce Letter Request to VETO AB 1493 July 2, 2002 Page 2

AB 1493 now says the CARB can't ban certain types of vehicles. However the bureaucrats are given the unlimited power to mandate design feature, engine size and other requirement that will guarantee fewer choices of vehicles. They will not ban any class of vehicles, but their requirements will force manufacturers to limit availability of certain types of vehicles that cannot meet the mandates. These vehicles will be available in other states, just not in California. Certain vehicles will be banned in California – not directly, but indirectly.

Vehicle prices will go up. It stands to reason that if CARB can design cars and force manufacturers and auto dealers to only sell cars that CARB approves that costs will go up. The aforementioned electric vehicle program demonstrates that. And who do you think pays those costs? A fake exemption for agriculture is in the bill. Section 43018.5 (e) is purported to give agricultural vehicles an exemption from these regulations. Unfortunately, none of the agriculture organizations in this state agree with that, which is why the Farm Bureau Federation and the Western Growers Association oppose this bill.

This bill mandates that CARB adopt strict regulations to limit greenhouse gases. But CARB only has to "consider" the impact on jobs and the economy. Under the terms of this bill, even if there is a negative impact on California's economy, or a big loss of jobs, or adverse consequences to lower income communities in the state, CARB still can adopt the regulations! It is not fair to mandate income regulations on greenhouse gases — but only urge the CARB to "consider" the consequences of tough regulations on greenhouse gases, the their action. In the absence of any goals in this bill regarding the reductions of greenhouse gases, the strict requirements for those reductions will override all other considerations in the bill. This will not be a one-time regulation that is adopted but a never-ending series of regulations.

For these reasons, the Chamber requests your VETO of AB 1493 when it comes to your desk.

Very respectfully,

Allan Browning

President

Cc: The Honorable Dick Ackerman, Senator 33<sup>rd</sup> District
The Honorable Ross Johnson, Senator 35<sup>th</sup> District
The Honorable Fran Pavley, Assemblywoman 41<sup>st</sup> District
The Honorable John Campbell, Assemblyman 70<sup>th</sup> District
The Honorable Bill Campbell, Assemblyman 71<sup>st</sup> District
California Chamber of Commerce

Orange County Business Council

# WE DECIDE WHAT WE DRIVE COALITION

1115 11th Street, Suite 230 Sacramento, California 95814 916-444-2671

July 3, 2002

The Honorable Gray Davis Governor, State of California The State Capitol, First Floor Sacramento, California 95814

### FOR ENROLLED BILL FILE

Re: AB 1493 (Pavley) - Vehicular Emissions of Greenhouse Gases Recommended Action: VETO

Dear Governor Davis:

We respectfully request that you veto AB 1493, a bill that would give the California Air Resources board unwarranted and unnecessary power to regulate so-called greenhouse gasses from passenger cars and light trucks. The end result of this bill would be to raise the price of sport utility vehicles, pickup trucks and minivans in California for consumers, farmers and middle-income families.

AB 1493 would require the California Air Resources Board to create regulations to achieve the "maximum feasible, cost-effective reduction of greenhouse gasses" emitted by cars and trucks in California. The bill's sponsors say this will reduce carbon dioxide and prevent global warming. Ironically, if every automobile and light truck and California were to be banned the reduction of greenhouse gasses worldwide would be less than 1/10<sup>th</sup> of 1%. (95% of greenhouse gasses are carbon dioxide.) No other government in the United States, including the federal government, regulates these emissions from metile sources.

Unilateral regulation of greenhouse gasses by California would have almost no effect on the amount of carbon dioxide emitted globally, and would have no effect on global warming. California citizens would see no benefit in air quality from such reduction in emissions. Carbon Dioxide is not a pollutant, and is not regulated by the federal government. In fact, we exhale it with every breath we take. Plants and trees absorb it to make oxygen. It's essential to life but is not an air pollutant.

The only way to reduce those emissions is if CARB seeks to force people to drive fewer miles, or force them to drive smaller, lighter vehicles. There is no magic technology that manufacturers can bolt on to a vehicle's exhaust pipe that reduces CO2.

Governor, you know that CARB and the California Energy Commission jointly issued the report Petroleum Reduction Options in March 2002. The report clearly indicated that your own state agencies prefer to use higher taxes, fees and impose higher vehicle costs as a way to reduce carbon dioxide. The last minute amendments to the bill attempt to address the concerns of many Californians about higher cost - but totally fail.

The bill is vague about how the California Air Resources Board would control carbon dioxide emissions. Reading the report from your own agencies, however, makes it clear that CARB will simply try and design automobiles and light trucks. They intend to impose streamlining standards, design engines and transmissions and in multiple other ways force automobile makers to produce California-only cars. That sounds nice in concept but it inevitably means much higher costs for consumers. It would allow the Air Board to create a new bureaucracy to devise a regulatory scheme for CO2. Questions about the cost of Board to create a new bureaucracy to devise a regulatory scheme for CO2. The last thing the this bill to consumers, the state government and taxpayers have not been answered. The last thing the state needs at a time of record budget deficits is another expansion of the state bureaucracy.

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This bill mandates that CARB adopt strict regulations to limit greenhouse gasses. But CARB only has to "consider" the impact on jobs and the economy. Under the terms of this bill, even if there is a negative impact on California's economy or a big loss of jobs, or adverse consequences to lower income communities in the state, CARB still can adopt the regulations! (p. 7, Section 43018.5 (c), 1-2.) It is not fair to mandate tough regulations on greenhouse gasses — but only ask CARB to "consider" the consequences of their actions. In the absence of any goals in this bill regarding the reductions of greenhouse gasses, the strict requirements for those reductions will override all other considerations in the bill. This will not be a one-time regulation that is adopted but a never-ending series of regulations.

We believe the subject matter of AB 1493 is properly addressed by the federal government, not the state of California. The U.S. Senate passed the Byrd-Hagel Resolution in 1997 by a 95-0 vote. The Resolution says the Senate would look unfavorably on ratifying any global warming treaty that requires actions that would harm the U.S. economy.

Finally, we cite the process by which AB 1493 became law as a classic example of bad government. AB 1493 began as a bill on the Bureau of State Audits but stalled in the Senate. Three days before it was passed, during the weekend, Senators gutted the bill of its original contents, inserted the language from AB 1058 and jammed it through the Legislature without any of the usual committee reviews and approvals. This action was an obvious clear attempt to hide the bill from public scrutiny and frustrate the will of the people, who have sent more than 100,000 emails, letters and phone calls to you and the will of the people, who have sent more than 100,000 emails, letters and phone calls to you and the Legislature urging you to oppose AB 1058 and now AB 1493. If this bill is signed, it will lead to more public distrust in a system they perceive as being unresponsive to them.

This bill would cost consumers, taxpayers, farmers and working families more money for a needless expansion of state bureaucracy that would not result in reducing pollution or global warming. We respectfully ask that you veto AB 1493.

Sincerely,

The Alliance of Automobile Manufactures

California Manufacturers and Technology Association

CC: The Honorable Fran Pavley Mike Gotch, Legislative Secretary



July 8, 2002

The Honorable Gray Davis Governor of California State Capitol Sacramento, CA 95814

#### Re: AB 1493 (Pavley) - Oppose

Dear Governor Davis:

On behalf of the Western States Petroleum Association (WSPA), we respectfully request that you veto AB 1493. AB 1493 would require the California Air Resources Board (CARB) to create regulations to achieve the "maximum feasible, cost-effective reduction of greenhouse gasses" emitted by cars and light duty trucks in California. The sponsors of the bill say this will reduce carbon dioxide and prevent global warming. Ironically, if CARB were to ban every automobile and light duty truck in California, the reduction of greenhouse gasses worldwide would be less than 1/10<sup>th</sup> of 1 percent (95 percent of greenhouse gasses are carbon dioxide). This is the difficulty with AB 1493; it will simply allow CARB to re-design automobiles making them ultimately more expensive to California consumers and will achieve only symbolic environmental benefits.

That's not to say that global climate change is not a concern or that it should be ignored. It's just that there should be a sound basis for giving any regulatory agency a broad regulatory mandate like that of AB 1493. There is no sound basis here.

AB 1493 is inconsistent with your often stated approach to regulation. You have said many times that government should set the standards and let a business determine the best way to achieve those standards. You have resisted programs that empower bureaucracies to micromanage businesses. There is no getting around the fact that AB 1493 will require CARB to micromanage vehicle design. AB 1493 is an inelegant, old fashioned command and control regulatory program contrary to your often stated vision of how 21<sup>st</sup> century regulatory programs should look.

AB 1493 is not needed. Much is already being done by automakers and other companies to reduce carbon dioxide emissions from vehicles and increase fuel economy. CO2 per mile from new U.S. vehicles has been reduced 56 percent for cars and 44 percent for light trucks since the mid-1970s. On a per capita basis, California has lower CO2 emissions than any of the other 49 states. California also has a voluntary Global

Climate Registry for stationary sources. This voluntary model could have worked for mobile sources as well, but the proponents of AB 1493 wouldn't give it a chance. California is currently leading the way in a smart fashion. AB 1493 takes us back on an unproductive and ultimately counterproductive path of bureaucratic micromanagement.

Governor, we understand why AB 1493/1058 has become an important symbol to many. Symbolism, however important, doesn't alter the reality of what a bill says and what it does. AB 1493 creates a new command and control regulatory program based on the notion that it will allow us to feel like we are doing something to help solve a complex worldwide dilemma. The truth is that our contribution through AB 1493 will be non-detectable. The ultimate price for the psychic reward of this new regulatory program will be paid by California families who will be paying higher vehicle prices to meet CARB mandates and will have fewer vehicle choices. Please veto AB 1493.

Very truly yours,

Edward P. Manning

Assembly Member Fran Pavley

cc: