

BILL ANALYSIS

SENATE RULES COMMITTEE	AB 1493
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THIRD READING

Bill No: AB 1493
 Author: Pavley (D), et al
 Amended: 6/28/02 in Senate
 Vote: 21

PRIOR VOTES NOT RELEVANT

SUBJECT : Vehicular Air Pollution Standards: Greenhouse
SOURCE : Bluewater Network
 Coalition for Clean Air
 Natural Resources Defense Council
 Sierra Club

DIGEST : Senate floor amendments of 6/28/02 delete the provisions of the bill. This bill now requires the State Air Resources Board to develop and adopt, by January 1, 2005, regulations that achieve the maximum feasible and cost-effective reduction of greenhouse gas emissions from passenger, light-duty, and other non-commercial vehicles.

NOTE: This bill is similar, with modifications, to AB 1058 which passed the Senate 22-13 on May 2, 2002.

ANALYSIS : Existing law:
 1. Under the federal Clean Air Act, prohibits states from adopting or enforcing standards for the control of new motor vehicles or engines subject to the Act. However, the Act also authorizes the Administrator of the US EPA to waive this prohibition and to allow states to adopt
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- standards if specified conditions are met.
- 2. Under the Energy Policy and Conservation Act of 1975, and the federal Motor Vehicle Information and Cost Savings Act, authorizes the secretary of transportation to establish standards for new motor vehicle fuel economy (so-called "corporate average fuel economy" or "CAFE" standards) and generally prohibits states from enacting such standards.
- 3. Under Division 26 of the Health and Safety Code, requires the state Air Resources Board (ARB) to endeavor to achieve the maximum degree of emission reductions possible from vehicular and other mobile sources in order to achieve attainment of state ambient air standards by the earliest practicable date.
- 4. Under Chapter 6 of the Health and Safety Code, requires the Secretary for Resources to establish a California Climate Action Registry (CCAR) for the purposes of allowing parties which emit greenhouse gas emissions voluntarily to register reductions in their emissions in order to have them recognized by the State of California in any future regulatory or treaty protocol requiring the reduction in greenhouse gases.
- 5. Also under that chapter, requires the Governor to appoint a seven-member board of directors to oversee operation of the registry and establishes detailed procedures for the quantification and registering of emissions registered under the registry's auspices and requires the State Energy Resources Conservation and Development Commission (The California Energy Commission or CEC) to undertake specified activities relative to the implementation of the CCAR.
- 6. Under the Warren-Alquist Energy Resources Conservation

and Development Act, requires the CEC to prepare an inventory of greenhouse gas emissions produced by the state, to update that inventory by specified dates, to establish a task force and advisory committee on climate change, and to coordinate state responses to the impacts of climate change on the state.

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This bill:

1. Not later than January 1, 2005, requires the state Air Resources Board (ARB) to develop and adopt regulations to achieve the maximum feasible and cost-effective reduction in greenhouse gas emissions from passenger, light-duty, and other non-commercial vehicles.
2. Prohibits the regulations from taking effect prior to January 1, 2006 and applying to vehicles manufactured prior to the 2009 model year.
3. Requires the board to consider the technological feasibility of the regulations and the impacts of the regulations on the economy of the state, including specified job, business, and competitive impacts.
4. Requires the regulations to provide the maximum feasible flexibility for persons complying with the regulations to use alternative methods of compliance provided the ARB determines that such methods achieve the equivalent or greater reduction in greenhouse gas emissions as the standards adopted by the board.
5. Prohibits the ARB's regulations from:
 - A. Imposing mandatory taxes or fees under this provisions of law or any other provision of law.
 - B. Banning the sale of any vehicle category, including sport utility vehicles and light duty trucks.
 - C. Imposing vehicle weight reductions.
 - D. Imposing trip reduction measures or land use restrictions.
1. Requires the ARB to conduct specified public hearings in the state in low-income and minority communities.

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2. Requires the ARB to provide emission reduction credits (ERC's) for actions taken to reduce greenhouse gases from motor vehicles prior to implementation of the regulations and requires that such credits be approved by the board and recorded with the California Climate Action Registry (CCAR).
3. Requires the ARB to coordinate its regulations with the activities of the CCAR and the California Energy Commission (CEC) pursuant to their statutory responsibilities.
4. Within 10 days of adopting the regulations, requires the ARB to transmit the regulations to the appropriate policy and fiscal committees of the Legislature for review, authorizes the Legislature to hold at least one public hearing to review the regulations and authorizes the Legislature to enact legislation modifying the regulations before they take effect.
5. Provides that if the federal government adopts a vehicular greenhouse gas standard for new motor vehicles which the ARB determines to be equivalent or greater in its effectiveness, the board may elect not to adopt standards pursuant to the bill's provisions.

6. Defines "greenhouse gases" to mean those gases listed under the provisions of law governing the CCAR.

FISCAL EFFECT : Appropriation: No Fiscal Com.: Yes
Local: No

SUPPORT : (Verified 6/28/02)

Bluewater Network (co-source)
Coalition for Clean Air (co-source)
Natural Resources Defense Council (co-source)
Sierra Club (co-source)
American Lung Association
Architects/Designers/Planners for Social Responsibility
Bay Area Air Quality Management District

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California League of Conservation Voters
Cities of Los Angeles and San Jose
Clean Power Campaign
Community Alliance with Family Farmers
East Bay Municipal Utility District
Planning and Conservation League
Sacramento Municipal Utility District
Coalition of Organizations
160 individual letters from all across the U.S.

OPPOSITION : (Verified 6/28/02)

Alliance of Automobile Manufacturers
Automobile Club of Southern California
California Chamber of Commerce
California Council for Environmental and Economic Balance
California Manufacturers and Technology Association
California Motor Car Dealers Association
California State Automobile Association
Daimler Chrysler Corporation
General Motors Corporation
San Diego Industrial Environmental Association
Tustin Chamber of Commerce
Western States Petroleum Association
California League of Off Road Voters

ARGUMENTS IN SUPPORT : According to the author's office and the bill's supporters, global warming is an international problem with the potential for state and local impacts including: reductions in the state's water supply due to changes in the snow pack levels in the Sierra Nevada Mountains and the timing of spring run-off; adverse health impacts from increases in air pollution caused by higher temperatures; adverse impacts upon agriculture and food production as a result of projected changes in the amount and consistency of water supplies; potential damage to the state's extensive coastline and ocean ecosystems due to the increase in storms and rise in sea level.

Supporters state that the United States is home to four percent of the world's population and 25 percent of the greenhouse gasses. California is the fifth largest economy in the world. Passenger vehicles and light-duty trucks are responsible for approximately 40 percent of the total

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greenhouse gas pollution in the state. More than twice the amount of greenhouse gas pollution from motor vehicles in other parts of the country. California has a long history of being the first in the nation to take action to protect public health and the environment with respect to motor vehicles and federal law recognizes the authority of California to take such actions. Finally, the supporters note that they have gone to great pains to amend the bill to address most of the opponents stated concerns.

The purpose of this measure is to direct the ARB to adopt standards to address greenhouse gas emissions from motor vehicles.

ARGUMENTS IN OPPOSITION : Opponents to this measure state that the provisions of the bill "offers no California emissions benefits, are bad for consumers, and are

pre-empted by federal law." They note that regulation of vehicular fuel economy is a federal issue into which the states may not intrude, and that enactment of the measure will almost certainly lead to litigation in the federal courts over its effect. The opponents also state that the bill will limit consumer choice and increase the costs of vehicles in the state while potentially making vehicles less safe due to presumed reductions in their weight to increase fuel efficiency and reduce emissions. Opponents further state that, unlike standards for criteria air pollutants, greenhouse gas emission standards will not assist in improving public health since greenhouse gas emissions disperse evenly in the atmosphere. They state that California's contribution to greenhouse gas emissions is less than one tenth of one percent and that adoption of the standards will have a "negligible effect" on climate change worldwide. Finally, opponents state that California voters rejected greenhouse gas emission controls in 1990 when they defeated Proposition 128, the so-called "Big Green" Initiative. _

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SUPPORT/OPPOSITION: SEE ABOVE

**** END ****

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