

# Emissions Warranty Reporting


Alliance of Automobile Manufacturers  
December 7, 2006

## Alliance Members

- BMW
- DaimlerChrysler
- Ford
- General Motors
- Mazda
- Mitsubishi
- Porsche
- Toyota
- Volkswagen

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## Why do we need a change?\*

1. Proof required to demonstrate violations
2. Corrective actions available to ARB
3. Reporting of emission warranty information

\*See ARB Initial Statement of Reasons, October 6, 2006, page ii

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## Industry Issues

1. Emissions Impact
2. Extended Warranty
3. Compliance Statement
4. Due Process

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## Summary

- **Both** ARB and industry issues can be resolved
  - Additional work is needed on proof of violation/emissions impact.
  - Eliminate the extended warranty provision
  - Eliminate compliance statements.
  - Provide manufacturers due process
- Proposed Amendments

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## Issues Summary – Dave Patterson

### ARB issues

1. Proof of violations
2. ARB corrective actions
3. Reporting issues

### Industry issues

1. Emissions Impact
2. Extended Warranty
3. Compliance Statement
4. Due Process

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## Emissions Impact

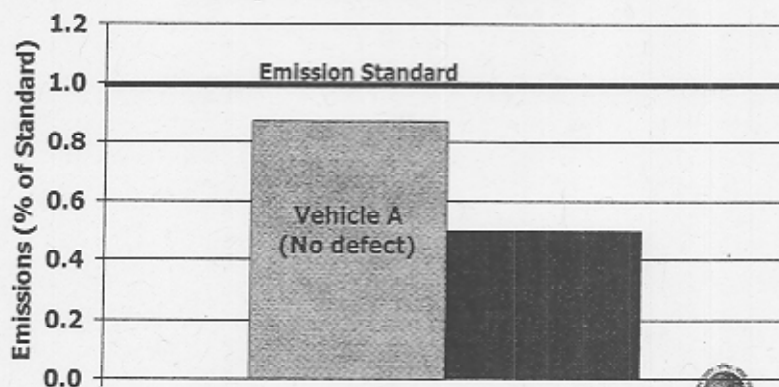
Existing Regulation	Apr Staff Proposal	Jun Alliance Proposal	Oct Staff proposal
Emission Standards Fleet avg. & useful life	Emission Standards No fleet or useful life	Emission Standards (Fleet avg. & useful life)	Ignore emission standard

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## Emissions Impact


### Why recall Vehicle B?



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## Emission Standard

1. Vehicle emission standard
2. Fleet average
3. Useful life

**Recommendation:** Direct staff to work with industry to develop a regulatory changes that address ARB and industry concerns.

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## Issues Summary – Sara Rudy

### ARB issues


1. Proof of violations
2. ARB corrective actions
3. Reporting issues

### Industry issues

1. Emissions Impact
2. Extended Warranty
3. Compliance Statement
4. Due Process

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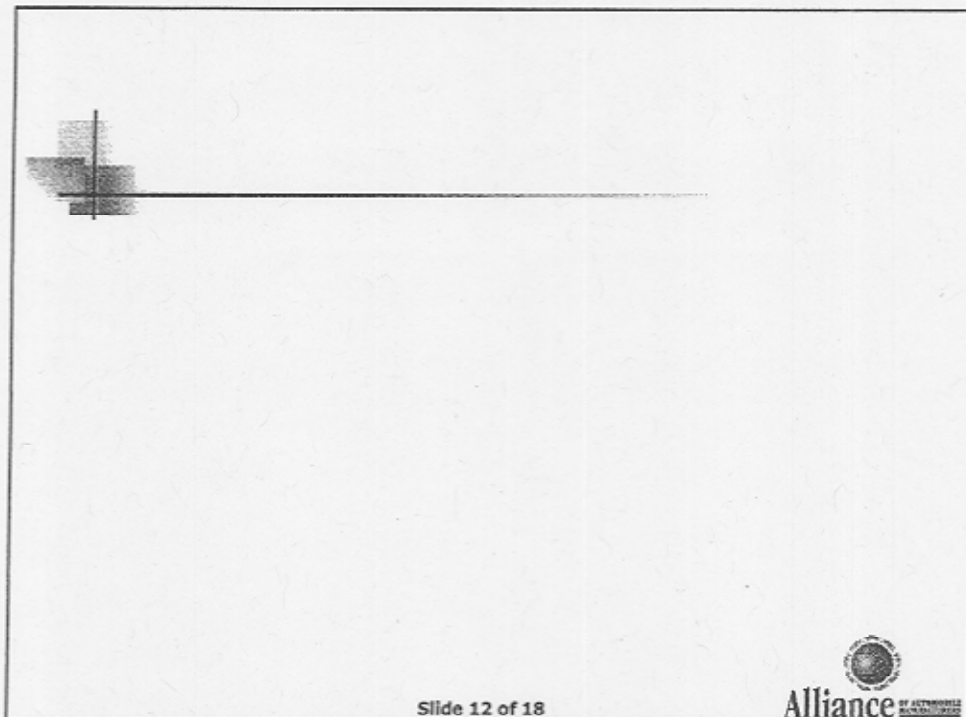




## Extended Warranty

- Authority to order extended warranties
- Unnecessary
  - Negotiate extended warranties
  - Less expensive
  - Negotiated extended warranties **80 times** in two years
- Extends warranty **beyond** useful life

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## Extended Warranties

**Recommendation:** Delete the provisions allowing ordered extended warranty, but acknowledge ARB's authority to negotiate extended warranties or other remedial action in lieu of recall.

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## Issues Summary – Tony Martino

### ARB issues

1. Proof of violations
2. ARB corrective actions
3. Reporting issues

### Industry issues

1. Emissions Impact
2. Extended Warranty
3. Compliance Statement
4. Due Process

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## Compliance Statement

ISOR, page 19: "manufacturers must present data proving that its emission related components will not fail in use at rates higher than the warranty reporting threshold [of 50 vehicles or 4 percent]."

- Unnecessary
- Predict the future?
- Jeopardize certification?

**Recommendation:** Delete this provision from the test procedures

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## Issues Summary – Alan Prescott

### ARB issues

1. Proof of violations
2. ARB corrective actions
3. Reporting issues


### Industry issues

1. Emissions Impact
2. Extended Warranty
3. Compliance Statement
4. Due Process

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## Due Process

- Prohibits public hearing
- Limits evidence
- Unnecessary

**Recommendation:** Allow a public hearing for any ordered remedial action, and allow introduction of any relevant evidence.

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## Staff Proposed Changes (Dec 5)

- Concepts unclear
- Regulatory language unavailable
- Time to review

**Recommendation:** Bring these amendments back to the board with appropriate regulatory language.

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