

State of California  
AIR RESOURCES BOARD

Summary of Board Meeting  
April 25, 2002

California Environmental Protection Agency  
Air Resources Board  
Coastal Hearing Room, Second Floor  
1001 I Street  
Sacramento, California 95814

MEMBERS PRESENT: Hons. Alan C. Lloyd, Ph.D., Chairman  
Dr. William A. Burke  
Joseph C. Calhoun, P.E.  
Doreen D'Adamo  
Mark DeSaulnier  
C. Hugh Friedman  
William F. Friedman, M.D.  
Matthew R. McKinnon  
Barbara Patrick  
Barbara Riordan  
Ron Roberts

AGENDA ITEM #

**02-3-1 Public Meeting to Consider a Health Update**

SUMMARY OF AGENDA ITEM:

As part of the regular Research Division staff briefings on health-related research findings, staff presented summaries of three recent studies conducted at University of California, Los Angeles concerning adverse birth outcomes and air pollution in the South Coast Air Basin. In these studies, pollution exposures were estimated using ambient monitor measurements to see if high average concentrations during specific periods of pregnancy were associated with an increased risk of low birth weight, premature birth, or birth defects.

The first study found an increased risk of low birth weight for women who experienced high ambient carbon monoxide (CO) concentrations during their last trimester. The second study found an increased risk of premature birth for women who experienced high ambient particulate matter (PM10) or high ambient CO during the first six weeks or the last four weeks of their pregnancy. The third study found an increased risk of heart birth defects for women

who experienced high ambient CO or ozone during their second month of pregnancy, the critical time for heart defects. No other time period or pollutant showed statistically significant associations.

Although the risks found were modest compared to some maternal risk factors, the findings were statistically significant, often showed an increasing risk with increasing concentrations, and generally agreed with research findings elsewhere in the world. The weaknesses of the studies included the lack of knowledge about actual exposures, common for this kind of large study, and the lack of complete information about maternal risk factors in birth records.

The presentation was well received and Board members asked many questions relating to the importance and interpretation of these results.

ORAL TESTIMONY: None

FORMAL BOARD ACTION: None

RESPONSIBLE DIVISION: None

STAFF REPORT: None

**02-3-2****Public Hearing to Consider Technical Status and Proposed Revisions to Malfunction and Diagnostic System Requirements (OBD II)****SUMMARY OF AGENDA ITEM:**

The staff proposed adoption of California Code of Regulations (CCR), title 13, section 1968.2 to supercede the current OBD II requirements of section 1968.1 for 2004 and subsequent model year passenger cars, light-duty trucks, and medium-duty vehicles and engines. The staff also proposed adoption of CCR, title 13, section 1968.5, which is intended to enforce the requirements of section 1968.2.

The staff's proposed section 1968.2 contains changes from section 1968.1 to account for California's increasingly stringent tailpipe and evaporative emission standards, particularly the Low Emission Vehicle II standards. Accordingly, the current monitoring requirements are updated and expanded, while new requirements are adopted for new emission-control technologies. Additionally, the staff proposed new requirements that would improve the diagnostic information available to assist repair technicians and Smog Check technicians in effectively diagnosing and repairing

vehicles, as well as requirements that would help facilitate the incorporation of OBD II into the Smog Check program. The United States Environmental Protection Agency (U.S. EPA) recently issued a final rule not only requiring states to perform OBD II checks in Inspection and Maintenance programs, but also allowing them to be used in lieu of current tailpipe tests.

The staff's proposed section 1968.5 addresses the enforcement-related issues and problems the staff had previously identified. Specifically, in past OBD II-related enforcement cases, there were problems applying the current general enforcement procedures, which were established solely for tailpipe and evaporative emission standard exceedance issues, to vehicles with OBD II-related problems. This has necessitated the development of a separate enforcement regulation, section 1968.5, that deals specifically with OBD II-related issues.

Additionally, the staff proposed the adoption of a standardized methodology for determining the frequency of OBD II monitor operation for most monitors during in-use driving and a minimum operating frequency that manufacturers are required to meet. This is intended to address past problems with enforcement of monitoring frequency requirements, where the staff had found vehicles with OBD II monitors that did not run as frequently as required but encountered problems determining whether monitoring frequency was adequate based solely on the written material and data submitted by the manufacturer during OBD II certification.

#### ORAL TESTIMONY:

Gregory Dana	Alliance of Automobile Manufacturers
David Ferris	GM Powertrain, Alliance of Automobile Manufacturers
Granta Nakayama	Alliance of Automobile Manufacturers
Richard Kozlowski	Toyota
Frank Krich	DaimlerChrysler
Lisa Stegink	Engine Manufacturers Association
Brad Schelske	Ricardo, Inc.
Eric T. Swenson	International Truck and Engine Corporation
John Trajnowski	Ford Motor Company
Bonnie Holmes	American Lung Association

#### FORMAL BOARD ACTION:

The Board approved Resolution No. 02-17 by a vote of six to two. The Board also directed the staff to provide any updates to the proposed regulations in a biennial review to the Board.

RESPONSIBLE DIVISION: Mobile Source Control Division

STAFF REPORT: Yes (108 pages + appendices)

**02-3-3 Public Hearing to Consider Approval of the Fuels Penalties Report to the Legislature**

SUMMARY OF AGENDA ITEM:

In 1995, Senate Bill (SB) 163 established a new mechanism for assessing civil penalties for violations of the state's clean fuel laws. The provisions of this bill were to remain in effect until January 1, 1999, and then repealed unless the Legislature deleted the repealer clause or extended the sunset date. In 1998, the Legislature did extend the sunset date, to January 1, 2003. To help the Legislature further evaluate the new penalty structure, it directed the ARB to report to the Legislature on January 1, 2002, regarding fuels specification violations, settlements thereof, and compliance rates.

Staff reviewed fuels specification violations that occurred between January 1, 1998, and December 31, 2001, as well as settlement penalties for that period, for comparison with settlements reached before implementation of SB 163. Enforcement staff and legal staff agree that penalty ranges continue to be consistent and have not been adversely affected by the new structure. Public workshops were held in Sacramento and El Monte to solicit comments from the public and the regulated industry.

ORAL TESTIMONY: None

FORMAL BOARD ACTION: Approved report for submission to the Legislature.

RESPONSIBLE DIVISION: Enforcement Division

STAFF REPORT: Fuels Report pages 287-291

**02-3-4                    Public Meeting to Consider Proposed Guidelines for Implementing an Expanded Statewide Zero Emission Vehicle Incentive Program (ZIP I and ZIP II) and a Zero Emission Vehicle Incentive Program for Fleets that Operate in Areas of California with the Poorest Air Quality**

**SUMMARY OF AGENDA ITEM:**

Staff presented proposed guidelines for the coordinated implementation of three zero emission vehicle (ZEV) incentive programs, an existing statewide program and two new programs. The guidelines include modifications to the original guidelines for implementing the existing statewide ZEV incentive program and new guidelines to establish criteria for the distribution of additional ZEV incentive funding appropriated in the Fiscal Year 2001-2002 State Budget. These three programs make available grants for the purchase or lease of eligible ZEVs, during overlapping periods, beginning October 1, 2000, and extending through June 30, 2004.

The existing statewide ZEV incentive program was created by Assembly Bill 2061 (Statutes of 2000, Chapter 1072, Lowenthal; ZIP I), and was funded with an \$18 million appropriation from the State General Fund. Between October 1, 2000 and December 31, 2002, qualified recipients may receive grants up to \$9,000 per vehicle for the purchase or lease of zero emission passenger cars or trucks capable of operation on freeways. Guidelines for implementing this program were first adopted by the Board on December 7, 2000. The program was modified by Assembly Bill 1390 (Statutes of 2001, Chapter 763, Firebaugh), effective January 1, 2002.

Additional ZEV incentives have been provided by the Legislature through a \$20 million appropriation in the approved Fiscal Year 2001-2002 State Budget. One-half of the appropriation will be available to provide grants up to \$5,000 per vehicle for individual recipients on a first-come-first-served basis (ZIP II). The other half is available for grants up to \$11,000 per vehicle to be awarded using a competitive process to operators of fleets in areas of California with the poorest air quality. The competitive process gives preference to those fleets that will primarily use the vehicles in communities that suffer from greater exposure to poor air quality, including low-income communities and communities of color. The funds are available for expenditure through June 2004. These ZEV incentives will be made available to a greater variety of ZEVs, including non-freeway City ZEVs, Zero Emission Motorcycles and, on a limited basis, Neighborhood ZEVs. However, the eligibility of vehicle models will be determined on a case-by-case basis and

eligible vehicles are required to be covered by a minimum three-year manufacturer warranty.

ORAL TESTIMONY:

Jerry Pohorsky	Production Electric Vehicle Drivers Coalition
Sara Rudy	Ford Motor Company
Fred Maloney	DaimlerChrysler
Sandra Spelliscy	Planning And Conservation League
Bonnie Holmes-Gen	American Lung Association

FORMAL BOARD ACTION: The Board approved Resolution No. 02-19 by unanimous vote.

RESPONSIBLE DIVISION: Mobile Source Control Division

**02-2-5 Public Meeting To Consider A Status Report On The Carl Moyer Memorial Air Quality Standards Attainment Program: Incentives For Lower Emission Heavy-Duty Engines (The Carl Moyer Program)**

SUMMARY OF AGENDA ITEM:

Staff reported on the status of the Carl Moyer Memorial Air Quality Standards Attainment Program. The program provides incentives to reduce emissions from heavy-duty diesel engines, resulting in immediate emission reductions that are very cost-effective. The program also provides critical emission benefits that California needs to meet its federally mandated air quality standards. During its first three years, the program has provided reductions of 14 tons per day of oxides of nitrogen (NOx) and 800 pounds per day of particulate matter. Most of these emission benefits will occur for a minimum of five years, with some large engine projects providing emission benefits for 20 years or more. The program has received a total of \$114 million in one-time budget allocations over the last four fiscal cycles. Local air districts have provided an additional \$41 million in matching funds.

The successful implementation of this program has resulted in the repower or purchase of 4,356 cleaner burning heavy-duty engines, including refuse vehicles, urban transit buses, school buses, agricultural irrigation pumps, marine vessels, and forklifts. Although the overall cost effectiveness of the program has increased slightly over previous years, it remains well below the threshold of \$13,000 per NOx ton. The average cost effectiveness is currently \$5,000 per NOx ton.

Recently enacted legislation (AB 1390, Firebaugh, Chapter 763, Statutes of 2001) requires districts with over one million residents to spend at least fifty percent of its Carl Moyer funds in low-income communities or communities of color that are disproportionately impacted by air pollution. Since environmental justice characteristics are unique to each district, each district establishes its own environmental justice criteria.

On March 5, 2002, California voters passed Proposition 40, which allocates \$2.4 billion to protect California's air, water, and coastlands. The act allocates \$50 million to the Carl Moyer Program for projects that reduce air pollution affecting state and local park and recreation areas. The proposition specifies that each district will be eligible for a grant of at least \$200,000. These funds will be available in fiscal year 2002-2003.

In conclusion, the Carl Moyer Program has been a success. Emission reductions achieved through this program help California meet State Implementation Plan objectives by cleaning up the air in harbors, neighborhoods, fields, farms, urban and rural areas. Staff will propose revised program guidelines to the Board in February 2003. Staff recommends the Board continue its efforts to keep the Carl Moyer Program funded.

ORAL TESTIMONY: No oral testimony

FORMAL BOARD ACTION: Informal item only

RESPONSIBLE DIVISION: Mobile Source Control Division

STAFF REPORT: Yes