At a public hearing held March 26, 1998, the Air Resources Board (the "Board")
considered amendments to sections 2400 through 2414, Title 13, California Code of Regulations
("CCR") and the "California Exhaust Emission Standards and Test Procedures for 1995 and Later
Utility and Lawn and Garden Equipment" ("Test Procedures"). The purpose of those
amendments is to control emissions deterioration and to add to industry's flexibility in meeting the
standards for engines below 25 horsepower (hp). The proposed regulatory action is described in
detail in the small off-road engine (SORE) initial statement of reasons (staff report), released
February 6, 1998, as part of Mail-Out MSC 98-02.

At the hearing, the Board approved the proposed amendments to sections 2400 through
2414, Title 13, CCR, and the associated test procedures, with some modifications to the originally
proposed regulatory language. The modified language was sent out for public comment
December 21, 1998, as Mail-Out MSC 98-32. This notice contains further modifications and
clarifications to address the concerns noted in comments received regarding Mail-Out
MSC 98-32. The regulatory sections that have been further modified are contained in
Enclosure 1, while the sections of the test procedures that have been further modified are in
Enclosure 2. The following is a description of the modifications, by section number.

REGULATIONS

§ 2401 - The definition of "sales" was modified to provide further clarification regarding
the information that would be deemed acceptable by the Executive Officer. Staff added language
to specify that the phrase "actual sales" refers to sales figures derived from known production
volume at the end of a model year, rather than a projection done at the beginning of a model year.
§ 2403 - The staff made several modifications to section 2403.

1. Standards - The standards table shown in 2403 (b) in Mail-Out MSC 98-32 contained a minor redundancy that was in error. The staff has made corrections to return it to the form adopted by the Board.

The other modification to 2403 (b) would exempt engines used exclusively in snowthrowers and ice augers from the requirement that they possess closed crankcases. This modification is intended to harmonize with the federal requirements.

2. Averaging - The staff has added language to clarify that banked emissions credits are not discounted for use in a future year except for those applied to a deficit carried forward more than one model year.

In addition, the formula for calculating emissions averages and emissions credits has been modified to allow the Executive Officer to approve alternatives to the sales-weighted maximum modal power when calculating emissions credits. This slight modification will allow the Executive Officer to consider harmonizing with the upcoming federal regulations in the event that the United States Environmental Protection Agency chooses to use maximum modal power of a single configuration in its calculations.

3. Replacement Engines - The staff has modified the language to allow manufacturers to submit at the end of the model year a description of the physical or performance characteristics that indicate why certified replacement engines were not available.

§2404 Engine Label and Air Index - The staff has revised this section to allow alternatives to the default Air Index label. After a trial period wherein manufacturers may use alternatives to the default Air Index label, the Executive Officer will hold a hearing to determine if alternatives are sufficiently effective. If so, the Executive Officer will allow manufacturers to continue using those alternatives; if not, manufacturers would be required to use the default Air Index label.

§2407 - The staff has corrected an incorrect reference in paragraph (c) (3) (A) (viii).

§2408 - The staff has modified the procedure for calculating emissions credits to allow an alternative to sales-weighted maximum modal power, as noted above for section 2403. The language describing sales calculations in terms of "point of first retail sale" were modified to ensure consistency with the definition of "sales," and to add specificity regarding the types of sales information that will be acceptable.
§2409 - As in Section 2408, the staff has modified the procedure for calculating emissions credits to allow an alternative to sales-weighted maximum modal power, as noted above for section 2403. As in section 2408, language describing sales calculations were modified to ensure consistency with the definition of "sales," and to add specificity regarding the types of sales information that will be acceptable.

TEST PROCEDURES

Part I - The standards table shown in Section 9 in Mail-Out MSC 98-32 contained a redundancy and a minor omission that were in error. The staff has made corrections to return it to the form adopted by the Board.

Part II - The staff changed Section 1 to clarify that only engines subject to an emissions durability standard need to comply with the provisions for determining an emissions durability level. In addition to making the test procedures consistent with the above modifications of the regulatory language, staff has made other modifications to clarify and simplify the test procedures.

The staff has made several other modifications throughout the regulations and test procedures to correct grammatical and typographical errors, correct references and citations, increase alignment with the U.S. EPA, and improve the clarity of the regulations and test procedures.

As noted above, Enclosures 1 and 2 contain the text of the modified regulatory language and associated test procedures, respectively. The modifications presented in Mail-Out MSC 98-32 are shown in **bold double-underline** to indicate additions to the original proposal and **bold strikeout** to indicate deletions. The modifications to the language presented in Mail-Out MSC 98-32 are shown in shaded text to indicate additions to the original proposal and shaded strikeout to indicate deletions.

In accordance with section 11346.8 of the Government Code, the Board directed the Executive Officer to adopt sections 2400 through 2414, as approved, after making the modified regulatory language available to the public for comment for a period of at least 15 days, provided that the Executive Officer shall consider such written comments as may be submitted during this period, shall make such modifications as may be appropriate in light of the comments received, and shall present the regulations to the Board for further consideration if he determines that this is warranted.
Written comments must be submitted to Mr. Michael W. Carter, Chief, Emission Research and Off-Road Controls Branch, Air Resources Board, 9480 Telstar Avenue, Suite # 4, El Monte, California 91731-2988, no later than January 26, 1999 for consideration by the Executive Officer prior to final action. Only comments relating to the modifications described in this notice will be considered by the Executive Officer.

Sincerely,

Robert H. Cross, Chief
Mobile Source Control Division

Enclosures