

SENATE BILL REPORT

SB 5397

As Reported By Senate Committee On:
Water, Energy & Environment, February 15, 2005

Title: An act relating to vehicle emission standards.

Brief Description: Changing vehicle emission standards provisions.

Sponsors: Senators Rockefeller, Swecker, Poulsen, Oke, Kohl-Welles, Schmidt, Brown, Esser, Weinstein, Pridemore, Prentice, Keiser, Kline, Fairley, Regala, Fraser, Jacobsen, Shin and Spanel.

Brief History:

Committee Activity: Water, Energy & Environment: 2/9/05, 2/15/05 [DPS, DNP].

SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

Majority Report: That Substitute Senate Bill No. 5397 be substituted therefor, and the substitute bill do pass.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Fraser, Pridemore and Regala.

Minority Report: Do not pass.

Signed by Senators Morton, Ranking Minority Member; Hewitt and Honeyford.

Staff: Richard Rodger (786-7461)

Background: The federal Clean Air Act (CAA) sets acceptable standard levels for various air pollutants, including ozone, carbon monoxide (CO), and toxins. If the presence of a pollutant exceeds the acceptable level in a metropolitan area, the Environmental Protection Agency (EPA) designates that area a nonattainment area. Nonattainment areas are subject to federal, state, and local regulations aimed at reducing the amount of the pollutant in the air.

Under the CAA, states have the option of following either federal vehicle emission standards (referred to as Tier 2) or adopting standards identical to California's standards (referred to as LEV II). The California vehicle emission standards have been adopted in seven other states: Connecticut, Maine, Massachusetts, New Jersey, New York, Rhode Island, and Vermont. Current Washington law requires engine manufacturers to conform with the exhaust emission standards of the federal EPA.

The three main differences between the California Motor Vehicle Program and the Federal Motor Vehicle Program that result in this emission reduction are:

- the LEV II program requires a certain percentage of cars and light duty trucks meet very low emission standards;

- under LEV II manufacturers must meet a fleet-average tailpipe standard that focuses on reductions of volatile organic compounds (VOC), while the federal Tier 2 program focuses on nitrogen oxides (NO_x), non-methane organic gases, and particulate matter;
- California recently updated their program with standards that limit the amount of greenhouse gases from new cars and this change, adopted in AB 1493 (Rep. Pavley), has not yet been approved by the EPA and is under litigation in California.

Monies distributed to air pollution control agencies from the air pollution control account must be used as follows: 85 percent to retrofit school buses with exhaust emission control devices or for infrastructure to allow school bus fleets to use alternative fuels; the remaining 15 percent may be used to reduce vehicle air contaminant emissions and clean up air pollution or reduce and monitor toxic air contaminants. These provisions expire in 2008.

Until July 1, 2008, certain certificate of ownership fees must be segregated into three accounts as follows: 58.12 percent to the segregated subaccount of the air pollution control account; 16.6 percent to the vessel response account; and the balance to the transportation "nickel account."

The Department of Ecology administers a system for emission inspections of specified motor vehicles that are registered within emission contributing areas. These motor vehicles must be inspected every two years. The inspection stations are operated under contract with the department. The contracted inspectors may not charge anyone to perform repairs on any vehicles.

Summary of Substitute Bill: The legislature adopts the California motor vehicle emission standards in effect on January 1, 2005. No vehicle of model year 2009 or later will be registered in the state unless the vehicle: (1) is consistent with the vehicle emission standards adopted by the Department of Ecology; or (2) has seven thousand five hundred miles or more. Starting in 2009, new vehicles are exempt from emission inspections.

The Department of Licensing and the Department of Ecology are granted rulemaking authority. Licensing and Ecology may allow exemptions to the vehicle emission standard requirements.

Two 1991 statutes are repealed: (1) requiring engine manufacturers to certify that new engines conform with current exhaust emission standards of the EPA; and (2) prohibiting the Department of Ecology from adopting the California vehicle emission standards.

Monies distributed to air pollution control agencies from the air pollution control account to retrofit school buses (85 percent of the account) may also be used for other publicly owned diesel equipment, upon a finding of a public health benefit. The remaining 15 percent may be used to reduce any transportation-related air contaminant emissions in addition to the other uses.

The subaccount of the air pollution control account and the vessel response account are maintained in the statute until July 1, 2020.

Beginning in 2012, any business may conduct emission inspections of specified motor vehicles that are registered within emission contributing areas. The inspectors may also perform repairs on any vehicles. The requirement of emission inspections terminates in 2020.

Substitute Bill Compared to Original Bill: The following clarifications are made: future changes to the vehicle emission standards must be consistent with the California standards; diesel retrofits apply to publicly-owned diesel vehicles; adds other ways new vehicles could enter the Washington market - leased, rented or sold for use. Licensing and Ecology may allow exemptions to the vehicle emission standard requirements. A cross-reference to the federal clean air act section that allows for states to opt-in to the California standards is added. The additional funding for the retrofit program and the vessel response account is removed. The emergency clauses are revised.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains multiple effective dates.

Testimony For: The adoption of California air emission standards is an option allowed by the Federal Clean Air Act. The standards provide benefits to our citizens that will improve their quality of life. The bill will save consumers fuel expenses that will offset any increases in car prices. The consumers will be provided a greater choice of clean cars in Washington state, and those cars will include longer warranties. These changes will result in long-term health benefits. Several areas of the state are close to nonattainment for ozone and this bill will help these areas avoid federal sanctions, freeing up air permits for additional businesses.

Testimony Against: The bill will create a regulatory environment in Washington and create a large bureaucracy to run it. The state should provide incentives to accomplish its goals not more regulations. The state must ensure the benefits of this bill will exceed its costs, that has not been done. The bill could result in litigation in this state. The bill deals with fuel economy, an area that is preempted by federal law. The bill will discourage people from buying newer cars because of the increase in prices, will limit consumer choices, and will interfere with dealers trading vehicles across the state's borders. The bill creates unfunded mandates for local governments, is bad for the economy and is not support by sound environmental policies.

Who Testified: PRO: Senator Phil Rockefeller, prime sponsor; Senator Dan Swecker, co-sponsor; Dennis McLerran, Executive Director, Puget Sound Clean Air Agency; KC Gidden, Climate Solutions; Stu Clark, Department of Ecology, Air Quality Program; Clifford Traisman, WA Environmental Council; Chris Marr, Auto Dealer, City of Spokane; Wayne Grotheer, Port of Seattle; Dr. Art Sprenkle; Doug McDonald, Secretary, Washington State Department of Transportation; Rose Feliciano, City of Seattle; Bill Evans, City of Tacoma; Robert Pregulman, WashPIRG; Donna Ewing, League of Women Voters; Ed Patton, citizen, Yakima; Tony Usibelli, Director, Energy Policy Office, Department of Community, Trade & Economic Development.

CON: Nancee Wildermuth, Alliance of Automobile Manufacturers; Steve Douglas, Alliance of Automobile Manufacturers; John Cabiness, Association on International Automobile Manufacturers; Scott Hazelgrove, WA State Auto Dealers Association; Cody Benson, Washington State Recreational Vehicle Dealers Association, Association of Builders &

Contractors; Grant Nelson, Association of WA Business; John Stuhlmiller, WA Farm Bureau;
Don Whiting , WA State Grange.

OTHER: Dr. K. Jones, citizen; Bill McCallum, Auto News of America.