

Innovative and Incentive-Based Policies Workgroup

January 13, 1999

Washington, DC

Co-Chairs:

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Background

- Workgroup Formed in July 1997
- Workgroup Coordinated with Other FACA Groups
- Workgroup Comprised of Various Stakeholders:
 - U.S. EPA
 - States
 - Automobile Manufacturers
 - Environmental Groups
 - Repair Industry

Background

- Workgroup Held Seven Meetings Between July 1997 and October 1998
- Draft Recommendations Report Issued to Workgroup in October 1998
- Final Recommendations Report Issued to Subcommittee in January 1999

Workgroup Objectives

- Investigate Innovative and Incentive-Based Policies
 - Choose Issues of Most Relevance to this Subcommittee
- Consider
 - Incentives, Broadly Defined
 - Both Marginal and Major Changes
 - Cost-Effectiveness
- Make Recommendations to the EPA

Workgroup Process

- Workgroup Focused on Three Major Areas:
 - Inspection and Maintenance (I/M)
 - Emissions Information
 - On-Board Diagnostics (OBD)

High Priority Recommendations

- **1. Recommendation that the EPA Modify I/M Component of the MOBILE Model to More Accurately Reflect Real-World Performance of State I/M Programs**
 - Make Critical Assumptions of the Model More Clear to Users, e.g., Repair Effectiveness
 - Develop Better Guidance for States on How to Determine Accurate I/M Non-Compliance Rates

High Priority Recommendations

- **2. Recommendation that EPA Require States to Perform *Ex Post* Evaluations of I/M Program Effectiveness; Eventually Evaluation Linked to Credits**
 - Protocols Developed that Allow States to Evaluate I/M Effectiveness
 - Credits for I/M Based on this Evaluation Used in Future SIPs
 - Both In-Program and Out-of-Program Data Should Be Used

High Priority Recommendations

- **3. Recommendations on I/M Data**
 - Recommendation on I/M Test Data Collection
 - EPA Should Require States to Be Prepared to Provide Raw I/M Test Data

High Priority Recommendations

- **3. Recommendations on I/M Data (cont.)**
 - Recommendation on Analysis of I/M Program Data
 - EPA Should Continue to Analyze State I/M Test Results for Consistency in Failure and Emission Rates Across Different State I/M Programs; To the Extent There Is Consistency, Data Should Be Distributed:
 - Within EPA and to CARB - For In-Use Compliance Testing
 - To States - Information for High/Low Emitter Profiling in I/M
 - To States, Manufacturers, and Repair Facilities - For More Effective Repair
 - To Consumers - For Information about Failure Rates

High Priority Recommendations

- **4. Recommendation that EPA Develop a Future OBD Systems Program that Eliminates the Need for Special Trips to an Emission Testing Station**
 - Modify Current OBD Requirements to Allow Automated and Tamperproof Transfer of Emissions-Related Data
 - Includes Permanent Memory
 - Uses Cell Phone Transmission Technology or Other Options
 - Standardizes OBD Connectors
 - EPA Should Pursue Means to Reset Trigger Points as Vehicles Age, or Develop Ways to Measure Emissions Directly

Medium Priority Recommendations

- **5. Recommendation on Cost-Effective Emission Reduction under I/M**
 - Recommendation that EPA Assist States by Developing a High-Emitter Profiling Protocol
 - Recommendation that EPA Allow States to Adopt More Flexible Emission Reduction Programs, While Maintaining Levels of Credits Received through Traditional I/M Programs
 - States Could Collect Test Fees to Reduce Emissions through Repair Subsidies, Enhanced Enforcement, etc.

Medium Priority Recommendations

- **6. Recommendation that States Be Granted Flexibility in Developing Innovative and Incentive-Based Policies for State SIP Credit**
 - EPA Should Assist States in:
 - Estimating Emission Reduction Credits
 - Developing Methods for Program Evaluation and Enforcement

Medium Priority Recommendations

- **7. Vehicle Emission Information Recommendation**
 - EPA Should Evaluate and Consider Implementing a Vehicle Emission Information Program
 - Consider a Single Set of Emission Indices for All Light-Duty Vehicles
 - Evaluate and Consider Using Existing Vehicle Labels to Provide Emission Performance Information
 - Examine California’s Smog Index Labeling Program

Low Priority Recommendations

- **8. Recommendation on Enforcement - Linking Registration to Recall**
 - EPA Should Continue Working to Implement a Uniform Federal Registration Renewal/Recall Program
 - Use California Program as a Guide
 - Offer Incentives to States to Implement Such Policies, e.g., Credits
 - EPA Should Establish a National Database of Recalled Vehicles