Innovative and Incentive-Based Policies Workgroup

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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 (cont.)

• Workgroup Objective: To Investigate Innovative and Incentive-Based Policy Options to Reduce Vehicle Emissions, Focusing Primarily on Policies that Offer Incentives to States, Motorists, Mechanics, and Government Agencies to Reduce Emissions in Cost-Effective Ways
• Workgroup Held Seven Meetings Between July 1997 and October 1998
• Draft Recommendations Report Issued to Workgroup Members in October 1998

Workgroup Process

• Workgroup Focused on Three Major Areas:
  – Inspection and Maintenance (I/M): To Develop Ideas for More Effective Implementation of I/M Programs
  – Emissions Information: To Assess the Types of Vehicle Emissions Information that Would Be Most Valuable to the Public and the Methods by Which the Information Could Be Distributed

Workgroup Process (cont.)

• Workgroup Focused on Three Major Areas (cont.):
  – On-Board Diagnostics (OBD): To Discuss the Potential for the Use of OBD in Place of, or As a Supplement to, Conventional Tailpipe Testing and the Potential for Improving OBD to Better Serve Testing and Information Needs

Recommendations

• Inspection and Maintenance (I/M)
  – Recommendation that EPA Require States to Perform Ex Post Evaluations of the Effectiveness of I/M Programs in Order for States to Claim Emission Reduction Credits
    • No Incentive Exists for States to Conduct Evaluation of Their I/M Program
    • EPA Should Work with States to Develop Protocols for Evaluating I/M Programs
      – Develop Sampling and Testing Techniques
      – Examine In-Program and Out-of-Program Data
Recommendations (cont.)

• Inspection and Maintenance (I/M) (cont.)
  – Recommendation that States Be Granted Flexibility in Developing Innovative and Incentive-Based Policies for State SIP Credit

• Inspection and Maintenance (I/M) (cont.)
  – Recommendation that EPA Review the Way Aspects of Emission Reduction for I/M Are Handled within the MOBILE Model
    • EPA Should Develop Better Guidance for States on Estimating Non-Compliance Rates
    • I/M Component of MOBILE Model Should Be Modified to Give States Ability to Compare Certain Modeled Assumptions Against Actual Results

• Inspection and Maintenance (I/M) (cont.)
  – Recommendation on Cost-Effective Emission Reduction under I/M
    • EPA Should Facilitate the Development of Vehicle Profiling As Part of State I/M Programs
    • Vehicle Profiling Could Improve Cost-Effectiveness and Consumer Acceptance of I/M Programs
      – High-Emitter Profiling: Identify Likely Gross-Emitting Vehicles that Would Be Tested Instead of Testing All Vehicles
      – Low-Emitter Profiling: Identify Likely Clean Vehicles that Could Be Exempted

• Inspection and Maintenance (I/M) (cont.)
  – Recommendation on Cost-Effective Emission Reduction under I/M (cont.)
    • Revenue Recycling (e.g., Fees for Clean Screened Vehicles Used to Subsidize Repairs on Other Vehicles)

• Inspection and Maintenance (I/M) (cont.)
  – Recommendation on Improving Repair Effectiveness in I/M Programs
    • EPA Should Encourage States to Make I/M Test Data Available to Automotive Technicians (e.g., Post I/M Test Data to a Repair-Related Central Web Site)
    • Dissemination of Data Could Help Reveal Vehicle Pattern Failures

• Emissions Information
  – Recommendation on the Use of Failure Rate Information
    • EPA Should Encourage States to Collect Specific Failure Rate Data (Model Year, Make, Model Type, Vehicle Technology Type)
    • EPA Should Analyze Failure Rate Data to Determine If There Are Certain Trends Across Different State Programs
    • After Review Period, Failure Rate Data Should Be Made Available to Public
Recommendations (cont.)

• Emissions Information (cont.)
  – Recommendation for a Federal Vehicle Emission Information Program for New Vehicles
  • EPA Should Implement a Vehicle Emission Information Program by 2001 in Conjunction with Implementation of National LEV
    – Evaluate and Consider Implementing a Vehicle Emission Index Labeling Program
      • Single Set of Emission Indices for All Light-Duty Vehicles
      • Examine California’s Smog Index Labeling Program

• EPA Should Offer Incentives to States to Deny Vehicle Registration Renewal if Required Recall Repairs Have Not Been Performed

• Establish National Vehicle Clearinghouse Database to Track Vehicles

Recommendations (cont.)

• On-Board Diagnostics (OBD)
  – Recommendation for Modification to Future OBD Systems to Eliminate the Need for Special Trips to an Emission Testing Station
  • Modify OBD Requirements to Allow Automated and Tamper-Proof Transfer of Emissions Data
    – Permanent Memory
    – Cell-Phone Transmission Technology or OBD Data Download at Service Station
    – Standardized Connectors

Next Steps

• Draft Recommendations Report Circulated to the Mobile Source Technical Review Subcommittee and Other EPA Officials for Comment
• Final Recommendations Report to Be Submitted to the MSTRS in January 1999