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

- 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

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