

DEPARTMENT OF ENVIRONMENTAL QUALITY
Chapter 340
Proposed Rulemaking
STATEMENT OF NEED AND FISCAL AND ECONOMIC IMPACT
This form accompanies a Notice of Proposed Rulemaking

Rule Caption	This rulemaking proposes the adoption of California's motor vehicle emission standards in Oregon.
Title of Proposed Rulemaking:	Oregon Low Emission Vehicles
Need for the Rule(s)	<p>In early 2004, Governor Kulongoski established the Governor's Advisory Group on Global Warming to consider how global warming will affect Oregon and to recommend any actions that should be taken to reduce Oregon's fair share of greenhouse gas emissions. The Group reported that global warming is likely to have a wide range of harmful effects including increased flooding, reduced snowpack and summer river flows, plus harmful effects for agriculture, energy generation and public health. One of the group's key recommendations to the Governor was that Oregon adopt California's motor vehicle emission standards. Motor vehicles are one of the largest sources of greenhouse gas emissions in Oregon. Adopting California vehicle standards will reduce greenhouse gas emissions from new cars and light-duty trucks 30% by the year 2016, and also reduce smog-forming air pollutants and hazardous air pollutants (air toxics).</p> <p>Acting on the Group's recommendation Governor Kulongoski formed a stakeholder workgroup to help Oregon better understand the issues involved in adopting California's vehicle emissions standards. After reviewing the work group's report, the Governor directed the Department of Environmental Quality (DEQ) to propose rules that could take effect with model year 2009--the time California's new standards for greenhouse gas emissions begin. The federal Clean Air Act allows two choices for new vehicle emission standards: the federal standards or the California standards. States may opt in to California's standards after providing advance notice to auto manufacturers. The Environmental Quality Commission (EQC) provided this notice to manufacturers in December 2005 through adoption of a temporary rule. Doing so preserved Oregon's option of having new vehicle emission standards begin with the 2009 model year. However, the standards will expire unless the EQC adopts them again through a permanent rulemaking.</p>
Documents Relied Upon for Rulemaking	<p>The primary documents used to generate this Statement of Need and Fiscal and Economic Impact Include:</p> <ul style="list-style-type: none"> • Oregon <u>Governors Vehicle Emission Workgroup Report</u>, November 2005 • California Air Resources Board, <u>Regulations to Control Greenhouse Gas Emissions From Motor Vehicles</u>, Final Statement of Reasons, August 4, 2005. • California Air Resources Board, <u>The 2003 Amendments to the California Zero Emission Vehicle Program Regulations</u>, Final Statement of Reasons, January, 2004 • California Air Resources Board, <u>2003 Proposed Amendments to the California Zero Emission Vehicle Program Regulations</u>, Initial Statement of Reasons, January, 10, 2003. • Northeast States Center for a Clean Air Future, <u>Reducing Greenhouse Gas Emissions from Light-Duty Motor Vehicles</u>, September, 2004. • Sierra Research, Inc., Report No. SR2004-09-04, <u>Review of the August 2004 Proposed CARB Regulations to Control Greenhouse Gas Emissions from Motor Vehicles: Cost Effectiveness for the Vehicle Owner or Operator; Appendix C to the Comments of The Alliance of Automobile Manufacturers</u>, September 22, 2004 <p>A full list of documents used for this statement can be obtained by contacting the Department of Environmental Quality at 811 SW 6th Avenue, Portland, OR 97204 or by calling (503) 229-5359.</p>
Fiscal and Economic Impact	
Overview	<p>Background</p> <p>DEQ has relied on analysis from the California Air Resources Board (CARB) as the primary source of information regarding the likely fiscal impact of low emission vehicle standards. CARB has spent more than a decade researching the cost of their low emission vehicle regulations. DEQ has also reviewed cost estimates made by the Northeast States Center for a Clean Air Future (NESCCAF), and Sierra</p>

Research (a consulting firm).

DEQ also considered information from the automobile industry provided during deliberations of the Governor's Vehicle Emission Workgroup. There is a basic disagreement between CARB staff and auto industry representatives as to the expected cost increase for low emission vehicles to meet the greenhouse gas standards. The Alliance of Automobile Manufacturers believes that the GHG rules will increase the cost of compliant vehicles by as much as \$3,000, and that the initial cost increase will not be fully offset by reduced fuel costs. CARB estimates that the rules will likely increase the initial cost of a vehicle a little more than \$1,200 by 2016, but would produce a net savings to consumers in reduced fuel costs. The difference in cost estimates lies largely in the underlying assumptions made by CARB and the auto industry regarding the future cost of manufacturing compliant vehicles, and how likely those assumptions are to come to pass. More discussion of this topic can be found in the Workgroup's 2005 report to Governor Kulongoski (see Attachment F). During the public comment process, DEQ welcomes any additional information on costs that would help inform the EQC.

After considering the information currently available to the Department and the various views of the work group, DEQ believes the most likely fiscal impacts will be as follows:

Oregon's adoption of California's vehicle emissions standards is likely to increase the cost of new motor vehicles approximately \$200 beginning with model year 2009 up to \$1200 in 2016. At the same time, vehicles complying with the California standards are also likely to be more fuel efficient and save vehicle owners money through reduced fuel costs. Cost increases of new vehicles come from three different parts of California's requirements: 1) the Low Emission Vehicle requirements that reduce the precursors of ozone (Non-Methane Organic Gases (NMOG) and Oxides of Nitrogen (NOx)), 2) the Zero Emission Vehicle requirements (that promotes the development of no-emission technology), and 3) greenhouse gas reductions requirements. The costs of meeting each set of requirements are addressed separately.

Low Emission Vehicles (LEV)

LEV requirements reduce emissions of NMOG and NOx that produce ground level ozone or smog. These requirements apply to three groups of vehicles:

- Passenger cars and light duty trucks to 3750 lbs. Gross Vehicle Weight Rating or GVWR);
- Light-duty trucks from 3751 to 8500 GVWR; and
- Medium-duty vehicles (to 14,000 lbs. GVWR)

CARB estimated that the overall cost increase of meeting the most restrictive LEV emission standards (for Super Ultra Low Emission Vehicles or SULEV) to be \$68 to \$276. The U.S. EPA has also established tighter emission standards under the federal Tier 2 program. EPA estimated the additional cost of meeting the federal Tier 2 emission limits to be \$78 to \$245. Therefore, DEQ estimates the cost of meeting the California LEV standards as compared to the federal program will range from \$0 to \$31 per vehicle.

Zero Emission Vehicles (ZEV)

The majority of the Zero Emission Vehicle (ZEV) requirement will be met by substituting a greater share of very low emission vehicles such as Partial Zero Emission Vehicles (PZEV's) and Advance Technology Partial Zero Emission Vehicles (ATPZEV's). CARB projects that in 2012, true ZEVs, PZEVs, and ATPZEVs will comprise 1%, 58% and 12%, respectively, of passenger cars and light-duty trucks to 3750 lbs. (PC/LDT1). The incremental cost of a Partial Zero Emission Vehicle (PZEV) is estimated to be \$100, and the additional cost of an Advanced Technology Partial Zero Emission Vehicle (ATPZEV) is estimated to be \$700. Estimating that passenger cars and light duty trucks will continue to make up 60% of the light-duty fleet (vehicles up to 8500 lbs. GVWR), the ZEV requirement is expected to increase the **maximum average** cost of a vehicle in 2012 by \$187.

"True ZEV's" are vehicles that truly produce zero tailpipe emissions such as battery electric vehicles and fuel-cell cars. The Department's proposed rule will not require fuel-cell vehicles until such time as the Department makes a finding that a sufficient hydrogen fueling infrastructure is in place in Oregon. The expected cost of hydrogen fuel cell vehicles is shown in Attachment F.2. Those costs would be evaluated again in the future, if and when DEQ seeks to add fuel-cell vehicles to the ZEV program.

The cost of achieving ZEV requirements through battery electric technology is estimated from Table 5.1 of CARB's Initial Statement of Reasons for the 2003 Proposed Amendments to the California Zero Emission Vehicle Program Regulations dated January 10, 2003. That reference estimates the incremental cost in the year 2012 for a Type II ZEV (Full Function Battery-Electric) to be \$17,000 and \$9,300 for a Type III ZEV (Fuel Cell). Both will earn three ZEV credits by 2012 therefore will be equally effective in meeting the true ZEV requirement. That requirement is estimated to be 1% of Oregon's new vehicle light-duty fleet

(PC/LDT1) by 2012 and 2% by 2020. The cost estimate in Attachment B.2 assumes the use of the most expensive approach. In practice, most or all of the ZEV requirement may be met using credit granted to Type III (Fuel Cell) ZEVs placed in other states which would substantially reduce the average cost of meeting the ZEV requirements.

Greenhouse Gas (GHG) Requirements

California greenhouse gas vehicle standards are phased in between model years 2009 and 2016. CARB estimates that to meet these requirements the average vehicle cost (in constant dollars) will increase over the phase-in period to a little more than \$1,000 per vehicle as shown below.

Year	Average Cost Increase For New Passenger Cars And Light-Duty Trucks/SUVs to 3750 lbs. (PC/LDT1)	Average Cost Increase For New Light-Duty Trucks/SUVs to 3750 lbs. (PC/LDT1)
2009	\$17	\$36
2010	\$58	\$85
2011	\$230	\$176
2012	\$367	\$277
2013	\$504	\$434
2014	\$609	\$581
2015	\$836	\$804
2016	\$1064	\$1029

CARB also estimates that the increased initial purchase price of vehicles will be more than offset by savings in reduced fuel costs. Using the average increase in vehicle price of the fully phased-in regulation (2016) financed over 5 years and an assumed fuel price of \$1.74 per gallon, the increased vehicle payment minus the lower operating cost will result in a monthly savings of \$3.38 to \$6.74. This savings will begin with the first month of vehicle ownership. At a fuel price of \$3 per gallon, CARB estimates the net monthly savings will increase to \$20.37 to \$25.68.

The auto industry indicates that the cost of meeting the GHG standards will be much higher as detailed in an analysis by Sierra Research that was submitted as a comment on CARB’s proposed regulations. That analysis estimated that meeting the final (2016) greenhouse standard will cost an average of \$3,000 per vehicle and save only approximately 1000 gallons of fuel over that vehicle’s life.

CARB attributes the difference in estimates to several factors:

- The auto industry failed to consider promising and cost-effective engine technologies such as homogeneous charge compression ignition engines or camless valve actuation systems,
- The industry assumed the use of expensive technologies such as aluminum body structures,
- The industry estimated costs for vehicle components to be higher than CARB thought appropriate,
- The industry used an 8% discount rate (as opposed to CARB’s 5% rate) in Net Present Value calculations, and
- The industry estimated lifetime vehicle travel to be lower than CARB estimates and applied different driving cycles in their analysis.

As discussed below in the Large Business Section, after considering the information currently available to the Department and the various views of the Workgroup, DEQ believes that the most likely costs for new compliant vehicles will be in line with CARB estimates (i.e., additional cost increasing to about \$1,200 by 2016).

Additional benefit from lower operating costs: Any savings that individual vehicle owners realize through lower fuel costs may also benefit Oregon’s broader economy. That is because a large portion of the money spent on petroleum quickly leaves the state, whereas dollars saved on petroleum are more likely to be spent on local goods and services. To the extent that occurs, consumer savings will be amplified in Oregon’s economy.

Cost of no action: Several members of the Governor’s Vehicle Emission Workgroup argued there will be a cost if Oregon takes no action to reduce greenhouse gas emissions. That cost will result from rising sea levels, altered precipitation patterns and changes to Oregon’s agricultural, tourism and hydroelectric industries. However, the effects of any inaction in Oregon are cumulative with the actions of other states and countries. The incremental effects of Oregon’s inaction cannot be specifically identified.

Finally, regulated parties who violate the requirements of the new program face the potential costs of civil

	<p>penalties. (See Division 12 rules shown in Attachment A.3.)</p> <p>In accordance with ORS 183.335(2)(b)(G), the Department requests public comment on whether other options should be considered for achieving the rule’s substantive goals while reducing negative economic impact of the rule on business.</p>	
<p>General public</p>	<p>The economic effect for the general public who purchase new vehicles is described in the overview section above. The Oregon Low Emission Vehicle regulations are likely to increase the initial cost of a new vehicle approximately \$1,200 by 2016 but would also produce a net savings to consumers in reduced fuel costs.</p> <p>CARB staff also evaluated the effect the greenhouse gas rules will have on low-income purchasers of used vehicles. CARB found that a typical low-income family making \$15,000 per year will benefit economically from the new regulations. CARB compared the increased cost of a greenhouse-gas-compliant used vehicle to the savings that vehicle would produce through lower operating costs. CARB found that the increased cost of a compliant used vehicle would also be completely offset by lower operating costs. More specifically, a compliant used vehicle purchased on a three-year loan at 10% interest will generate a net monthly savings of \$4 to \$6 when fuel costs are \$1.74 per gallon, and greater savings at higher fuel costs.</p> <p>DEQ proposes to exclude the 15 year/150,000 mile warranty on emission control systems for Partial Zero Emission Vehicles (PZEVs). DEQ is proposing to exclude the extended warranty because of concerns about the potential long-term negative economic impact on independent auto repair shops, especially in rural parts of the state (see the section below for Small Business impacts). However, in order to ensure that Oregon does not receive vehicles with less durable emission control systems, the proposed rules require that Oregon PZEVs have components that are equal to the quality of those provided with the extended warranty. Elimination of the extended warranty will affect consumers of PZEV and ATPZEV vehicles. Major emission control components on these vehicles will still be covered by the federal 8 year/80,000 mile warranty. However, any emission systems repair work that would have been covered under the extended warranty (i.e. the extra coverage beyond the federal warranty period) will have to be covered by the consumer.</p> <p>DEQ is soliciting public comment specifically on the question of retaining or eliminating the extended warranty.</p>	
<p>Small Business</p>	<p>a) Estimated number and types of businesses impacted</p>	<p>The Oregon businesses affected by the proposed regulations are dealers of new and used cars and trucks. The Oregon Auto Dealers’ Association indicates there are 257 franchised new car dealers in Oregon with an overall average of 49 employees per dealer. Approximately half of new car dealers are estimated to be small businesses under Oregon’s definition. There are also approximately 2500 used car dealers in Oregon, all of which are small businesses.</p> <p>Starting with the 2009 model year, the proposed regulations will require Oregon auto dealers to acquire and sell only California compliant new and low-mileage used vehicles (i.e. vehicles with fewer than 7500 miles). DEQ estimates that the cost increase to the consumer for a compliant vehicle will be approximately \$1,200 by 2016. DEQ expects this will increase the cost of a dealer’s vehicle inventory accordingly; however DEQ has no information about the wholesale cost structure that would be developed between auto manufacturer and dealer. Depending on market conditions, the increased cost to the dealer may be passed on to consumers and likely will not substantially affect dealer profit margins. Since California emission standards would apply to all Oregon and Washington dealers, no individual dealer would have a competitive advantage over another because of the regulations.</p> <p>Under the rules, dealers can still sell noncompliant cars to customers in states like Idaho where the low emission standards are not in effect (this is likely most relevant for boarder area dealers). The regulations could also be a benefit to Oregon boarder dealers in that it may now be easier for an Oregon customer to buy a compliant car from an Oregon dealer, rather than from an out-of-state dealer.</p>

		<p>DEQ seeks additional comment and information on the expected impact to Oregon car dealers.</p> <p>There are also approximately 1700 fuel retailers in Oregon. These new rules are expected to decrease fuel demand from all light duty vehicles approximately 27% by the year 2030. During that same period, however, projections show strong growth in both Oregon's population and the average number of vehicle miles traveled per person. That growth is expected to totally offset the effects of improved vehicle efficiency. Total fuel sales in Oregon are projected to remain constant as a result.</p>
	<p>b) Additional reporting requirements</p>	<p>The Oregon Low Emission Vehicle rules will rely on existing recordkeeping and reporting practices to verify compliance. DEQ will monitor new vehicle sales by reviewing DMV records submitted in the titling and registration process and which include a Manufacturer's Statement of Origin (MSO) that identifies the emissions standard to which it complies. DEQ expects this approach will have little or no effect on a dealer's normal operations.</p> <p>Transactions involving previously registered vehicles typically do not include an MSO so the proposed regulations require that dealers report a vehicle's compliance status to DEQ for the sale of 2009 and newer cars and trucks with fewer than 7500 miles. DEQ expects to minimize the effort needed to meet this requirement by adding a check-off feature to an existing DMV titling and registration form that can be forwarded to DEQ for review.</p> <p>Instances involving the sale of exempt vehicles can be documented by an affidavit or other evidence indicating the circumstance of the exemption and also submitted with DMV paperwork. The effort to document such exemptions is expected to be minimal.</p>
	<p>c) Additional equipment and administration requirements</p>	<p>Auto dealers will need to inform their staff of the rule requirements to ensure compliance. The need for awareness training will be greatest before the beginning of the 2009 model year when the rules first apply in Oregon. However, the rule requirements for dealers are not complex and the effort needed to train staff should be modest.</p> <p>There is no need for additional equipment to comply with these rules.</p>
	<p>d) Describe how businesses were involved in this rulemaking</p>	<p>The Governor's Vehicle Emissions Workgroup included a representative for new and used vehicle dealers (Oregon Auto Dealers Association) as well as the independent auto repair industry (Northwest Auto Trades Association). The Workgroup's views and discussions were reported in the Governor's Vehicle Emissions Workgroup Report dated November 2, 2005. That report informed the Governor's decision to direct DEQ to propose these regulations.</p>
		<p><u>Oregon's Independent Auto Repair Industry:</u></p> <p>California's emission standards require that PZEVs be provided with a 15-year/150,000-mile warranty on emission control systems. That provision is expected to slow the future growth of the independent auto repair industry as warranty repair work is almost always performed by franchised dealers. (see Governor's Vehicle Emission Workgroup Report, page 39)</p> <p>DEQ however, has proposed to exclude the extended 15-year PZEV warranty from the Oregon ZEV program. Therefore, Oregon's independent auto repair industry will not be directly affected. Under Oregon's rules, PZEV vehicles will be covered by the federal 8 year/80,000 mile warranty. In addition, Oregon's rules require that PZEVs in Oregon use the same quality components that are used in states where the extended warranty is in effect. More durable parts could lead to fewer repairs, and so could have some small impacts on the auto repair industry.</p>
<p>Large Business</p>	<p><u>Automobile Manufacturers</u></p>	

	<p>Auto manufacturers are the primary entities affected by these new rules. Beginning with 2009 model-year vehicles, manufacturers must produce and deliver for sale vehicles that comply with California's vehicle emissions standards. The regulations will increase the retail cost of new vehicles as described in "Overview," above.</p> <p>As described in the overview section, the Alliance of Automobile Manufacturers believes that California GHG rules will increase the initial purchase price of California-compliant cars by as much as \$3,000. CARB estimates that the greenhouse gas rules could increase the initial cost of a vehicle approximately \$1,000 by 2016 but would produce a net savings to consumers in reduced fuel costs. The discrepancy in cost estimates between CARB and AAM lies chiefly in the underlying assumptions of the future cost of manufacturing compliant vehicles, such as the cost of parts, materials and design choices, and other accounting factors.</p> <p>To gain some additional perspective, the Department reviewed a 2004 report from the Northeast States Center for a Clean Air Future (NESCCAF) on the cost of reducing greenhouse gas emissions from motor vehicles. The study reviewed cost estimates from CARB and the auto industry made during earlier phases of California's emission standard development. After comparing those estimates with the actual cost of implementation, NESCCAF found that both CARB and the auto industry had overestimated the actual cost of meeting standards. The Natural Resources Defense Council, an environmental advocacy organization, found a similar pattern of overestimating the actual cost of controlling vehicle emissions. More discussion of vehicle costs can be found in the 2005 Vehicle Emissions Workgroup Report to Governor Kulongoski. (see Attachment F, page 35)</p> <p>No estimate of future cost is without uncertainty, but based on the information reviewed to date, including the discussions of the governor's vehicle work group, DEQ believes the more likely cost impacts will be in line with CARB's estimates. DEQ would welcome any additional information.</p> <p>Large and intermediate-volume manufacturers will be required to obtain an Indirect Source Permit from DEQ and pay permit fees to support the Oregon Low Emission Vehicle program. These annual permit fees will be assessed according to a manufacturer's proportion of new vehicle sales in Oregon as described in the section below. Approximately 9 manufacturers will be subject to the fees, which are expected to average approximately \$22,000 per year each.</p> <p>Auto manufacturers will be required to report predicted and actual sales of vehicles in Oregon and demonstrate how those vehicles meet fleet average emission requirements for NMOG and GHG. Manufacturers must also provide evidence their vehicles are certified by CARB as meeting California's emission standards, and demonstrate how their fleet sales meet ZEV targets. In addition, manufacturers must report on warranty work and recall efforts once certain thresholds are crossed. To a large degree, Oregon reporting requirements can be met by relying on compliance efforts and procedures already required to meet California's program. An exception is Oregon's proposed requirement that manufacturers supply the Vehicle Identification Numbers (VIN) and emission category of all new vehicles sold in 13 Western states. This requirement allows DEQ to better track the sales of noncompliant cars. DEQ anticipates this additional reporting can be efficiently done electronically in a database format with relatively modest additional effort.</p> <p>The Oregon program retains California's requirement that auto manufacturers provide a 10-year warranty for batteries used in hybrid ATPZEV vehicles. The cost to manufacturers of providing this warranty is not known.</p> <p><u>Fuel Suppliers</u></p> <p>DEQ anticipates that adoption of these vehicle standards will reduce fuel consumption of light-duty vehicles in Oregon approximately 27% by 2030. This effect would have a large reduction on petroleum demand and the petroleum industry. However, the projected growth of Oregon's population and increases of the average amount of vehicle miles traveled per person are expected to offset the effects of more efficient vehicles. As a consequence, total future demand is estimated to remain essentially at the same level that it is today.</p> <p><u>Large Car Dealers</u></p> <p>New car dealers that meet the definition of large businesses will experience the same effects as dealers with fewer than 50 employees as discussed in the section above on Small Businesses.</p>
<p>Local Government</p>	<p>The effect of these regulations on local governments is expected to be as described for the General Public in the Overview section above. Beginning with the 2009 model year, the initial capitol cost of many</p>

	new government fleet vehicles is expected to increase somewhat, however local governments are expected to realize a net savings due to the lower operating costs of compliant vehicles.
State Agencies	
DEQ	<p>DEQ estimates that the Oregon Low Emission Vehicle program will require 1 full-time employee (FTE) at the level of Natural Resource Specialist 4 (NRS #4) for the first 2 years of the program increasing to 1.5 FTE in the third year of the program. Staff will need to update Oregon's rules approximately every 18 months to stay consistent with the requirements of other states that opted in to the LEV requirements. Staff will also need to review manufacturers' compliance reports, administer the permits and fees, provide technical assistance, perform inspections and conduct the additional tasks noted in The Governor's Vehicle Emissions Workgroup Report. (See report sections on Compliance Verification and Enforcement and Administrative Costs and Fees.)</p> <p>The fully loaded cost to DEQ of an NRS 4 (including overhead) is approximately \$130,000 per year. Therefore, the total revenue needed to support the program is estimated to be \$130,000 in Fiscal Years 2007 and 2008 (July, 2006 to June, 2008) and \$195,000 plus inflation per year thereafter. DEQ proposes to entirely support the Oregon Low Emission Vehicle Program through Indirect Source Permits fees. These permits will be required for all large and intermediate-volume auto manufacturers.</p> <p>This rule proposal also modifies DEQ's vehicle Inspection and Maintenance rules to require that 2009 and newer vehicles with fewer than 7500 miles be certified to California standards to qualify for a DEQ emissions certificate. These vehicles are required to be inspected only if they were previously registered in another state and are registering for the first time in Oregon within the inspection boundary. Implementing these new requirements will involve Vehicle Inspection Program staff verifying the emission category of approximately 2500 vehicles per year. This verification will be done by inspecting an under-hood identification plate and will be a negligible increase in staff workload.</p>
Other Agencies	<p>Oregon DMV will support the implementation of Oregon's Low Emission Vehicle program by making vehicle titling and registration records available for DEQ's inspection to verify compliance with the program.</p> <p>State agencies with fleets of light and medium duty vehicles will be affected in the same way as the General Public as described in the overview. Beginning with the 2009 model year, the initial capital cost of many new government fleet vehicles is expected to increase somewhat, however state government is expected to realize a net savings due to the lower operating costs of compliant vehicles.</p>
Assumptions	DEQ assumes that Oregon's Low Emission Vehicle program will not include the extended 15-year PZEV warranty. DEQ also assumes, as does CARB, that auto manufacturers will comply with rule requirements by applying the most cost effective technology to vehicles. DEQ's assumptions about the future vehicle sales mix of ZEV-related vehicles are identified in attachment F.2.
Housing Costs	The Department has determined that this proposed rulemaking will have no effect on the cost of development of a 6,000 square foot parcel and the construction of a 1,200 square foot detached single family dwelling on that parcel.
Administrative Rule Advisory Committee	DEQ did not directly use an advisory committee to develop the proposed rules. These regulations are the result of two preceding advisory group efforts in which DEQ participated. The Governor's Advisory Group on Global Warming met during 2004 to evaluate the effects of global warming on Oregon. That advisory group recommended adoption of California's vehicle emission standards as one of the most effective strategies to reduce Oregon's fair share of greenhouse gasses. The Governor later convened his Vehicle Emission's Workgroup to consider how California's standards could be best implemented in Oregon. DEQ staffed this advisory group process and the proposed regulations were informed by the Workgroup's deliberations.

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