

California Service
Station &
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Association

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CSSARA AUTOSENSE

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INDUSTRY BATTLES CARB ON EMISSION WARRANTIES

On March 28th the California Air Resources Board (CARB) voted to extend the automotive emission warranties to the "useful life of the vehicle" which generally will be 10 years or 120,000 miles. This decision came despite a strong lobbying effort against it by the automotive aftermarket.

The original proposal that CARB wanted approved was 15 years or 150,000 miles. Industry's lobby did a persuasive job in reducing these figures. Still, industry believes that these extensions will cost the automotive aftermarket millions of dollars. Car dealers will also have the ability to manipulate the consumer back to their facility for any emission warranty repairs as well as repairs for other problems.

The newly approved rules will require CARB to simply determine that the part failed above the 4% rate, automatically mandating that the manufacturer extend the warranty if the part was monitored by the on-board diagnostic systems. A recall would then be required for a catalyst or a part that is not monitored by the on-board diagnostic system.

On a national level, Aaron Lowe, Vice President of Government Affairs for AAIA and a member of CAWA's Public Affairs Committee, did an excellent job of representing industry's concerns on this issue. Unfortunately CARB would not hear industry's cries regarding the economic damage independent service businesses would suffer with regard to automotive aftermarket repairs. This issue may end up in a court of law. We will keep you informed as the situation develops.

LEGISLATIVE UPDATE

Assembly Bill 616 (Jones) is going through the process towards becoming law. This bill would require vehicles 15 years and older to have an annual smog check instead of a biennial smog check. Statistics indicate that this vintage of vehicles are disproportionately poor performers as related to smog check and need to be tested annually in order to keep them within manufacturers' emission standards. There

is an additional benefit to be had from performing an annual test on older vehicles. The California Air Resources Board estimates that an annual smog check on these vehicles would reduce state-wide emissions of hydrocarbons and NOx by about 20.6 tons per day by the year 2014. AB616 also directs proceeds generated by annual smog check certificates to the Consumer Assistance Program to provide repair assistance to low-income Californians. It is important that we, as an Association, support this bill openly as it goes a long way in improving California's air quality through programs already in place.

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CSSARA has recently taken a position of opposition on two bills – AB345 and AB346 (Beall & Saldana). These bills work together regarding the prevention of youth access to alcoholic beverages. Although many aspects of the bills make good sense, we believe they go well beyond reasonable requirements as related to convenience store operations. AB346 states that alcoholic beverages sold in convenience stores that retail motor fuel would have to be located 5 feet from any non-alcoholic beverage; it also creates special advertising provisions which discriminate against convenience stores and motor fuel retailers. AB345 would establish additional fees to be paid by off-sale beer and wine retailers. CSSARA requests that members voice their opposition to these two legislative bills. These bills will be heard as early as next week in the Assembly's Government Organization Committee.

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CSSARA has recently written to newly elected Assembly Member Mark Desaulnier (D-Martinez) about alternative fuel retailing. We have inquired if Assembly Member Desaulnier would be willing to carry legislation that would mandate that a major branded oil company could not prohibit the sale of state approved alternative fuels at any given retail location. A similar bill has been passed in New York. CSSARA believes that if small business is to move into the next era of retailing, we need to be able to compete in the alternative fuel marketplace.