

PROPOSED RULE: COVER SHEETSOS# _____
(Do not complete)

Note: File this form and its attachments with the secretary of state. You must file an adopting page, an economic impact statement, a public input statement, text of the rule, and an annotated text showing changes from existing rules with this cover sheet. You must also file a scientific information statement and/or incorporation by reference statement if applicable.

Please complete the following.

1. Title of proposed rule:

Air Pollution Control Regulations, Subchapter XI, Low Emission Vehicles - Regulations to Control Greenhouse Gas Emissions from Motor Vehicles

2. Agency:

Agency of Natural Resources

3. Contact Person (Name, Address, & Phone)

Richard A. Valentinetti, Director
Air Pollution Control Division
Department of Environmental Conservation
Agency of Natural Resources
103 South Main Street, 3 South
Waterbury, VT 05671-0402
Tel: (802) 241-3840

4. Statutory authority for this rule:

10 V.S.A. §§ 554, 558, and 567

5. Concise summary explaining the effect of the rule. This summary will be used to provide published notice of the proposed rule. **(150 words or less):**

Vermont's transportation sector is the single largest contributor to greenhouse gases (GHGs) in the State. The proposed rule establishes GHG emission standards for new motor vehicles for inclusion in Vermont's Low Emission Vehicle Program. Under the proposed rule, one set of GHG standards would be established for passenger cars, small light-duty trucks, and small SUVs, and another set would be established for large light-duty trucks and large SUVs. Both sets of GHG standards would be gradually phased in between model-years 2009 and 2016. When fully implemented during model-year 2016, new motor vehicles subject to the regulation would be required to emit approximately 30 percent fewer GHGs than without the regulation.

6. Explanation of why this rule is necessary: In Vermont, motor vehicles are the greatest source of GHG emissions in Vermont. The proposed rule will lower GHG exhaust emissions from motor vehicles. Further, the proposed rule will ensure compliance with the identicality requirement set forth in section 177 of the Clean Air Act. See 42

U.S.C. § 7507 (authorizing states to adopt motor vehicle emission standards provided that "such standards are identical to the California standards"). Moreover, Vermont's adoption of this proposed rule is part of a regional effort to reduce air pollution from motor vehicles; other northeastern states including Connecticut, Maine, Massachusetts, and New York are also moving forward with regulations to adopt California's GHG emission standards into their LEV programs.

7. List of people, enterprises and government entities affected by this rule: Automobile consumers, including individuals, businesses, and state and local government agencies; automobile manufacturers and dealers; the Enforcement and Air Pollution Control Divisions of the Agency of Natural Resources.

8. Brief summary of economic impact of this rule (**150 words or less**): When fully phased in with model-year 2016, it is estimated that the GHG standards will result in an average cost increase of roughly \$1,000 for vehicles subject to the rule. However, these price increases are expected to be more than offset by lower monthly operating costs due primarily to increased fuel efficiency. Assuming a fuel price of \$1.74 per gallon, the California Air Resources Board (CARB) estimated that the proposed GHG standards are expected to result in a monthly net savings of about \$3.50 to \$7.00. At higher fuel prices, the monthly savings for consumers are even greater. To estimate the proposed rule's impact on Vermont consumers, a cost analysis was conducted that assumes a fuel price of \$2.10 and a vehicle life of ten years. Vermont consumers are expected to realize a net economic benefit of roughly \$2,000 over the life of the vehicle. If gas prices increase, any economic benefit realized by Vermont consumers will also increase.

9. Date, time and place of scheduled hearing, if any (no sooner than 10 days following second publication): A public hearing will be held on September 12, 2005 from 7pm to 9pm at the State Office Complex, Stanley Hall, 103 South Main Street, Waterbury , VT. This hearing will also be broadcast via Vermont Interactive Television (VIT) to the following sites: (1) Mt. Anthony Lodge, 504A Main Street, Basement, Bennington , VT; (2) BDCC Business Park, Unit 100, 22 Browne Court, Brattleboro , VT; (3) North Country Union High School, 209 Veterans Ave., Newport , VT; and (4) Bellows Free Academy-St. Albans, 4 Hospital Drive, St. Albans , VT. Additional information about VIT is available at <http://www.vitlink.org/Index.html>.

10. Deadline for public comments (no earlier than 7 days after scheduled hearing): **9/19/05**

CERTIFICATION: AS THE ADOPTING AUTHORITY (see 3 V.S.A. § 801(b)(11) for a definition) OF THIS RULE, I APPROVE THE CONTENTS OF THIS FILING.

(Sign here)

Date_ / / _

Thomas W. Torti, Secretary

(Type name here please)

Please Check off the following components that are enclosed with this rule (**Please check only those that apply to this proposed rule**).

- Proposed Cover sheet
- Adopting Page
- Economic Impact Statement
- Scientific Information
- Public Input Statement
- Incorporation by Reference
- Text of the Rule
- Annotated Text

This box for Secretary of State use only

- Proposed Cover Sheet
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- ICAR Approval received.

These components were filed with this rule. APA Clerk's Initials _____.