

Agenda Report

TO: CITY COUNCIL **DATE:** September 20, 2004
THROUGH: ECONOMIC DEVELOPMENT AND TECHNOLOGY COMMITTEE
FROM: CITY MANAGER
SUBJECT: SUPPORT OF CALIFORNIA'S PROGRAM TO REDUCE GLOBAL WARMING POLLUTION FROM PASSENGER CARS AND LIGHT TRUCKS

RECOMMENDATION

It is recommended that City Council:

1. Support California's Program to Reduce Global Warming Pollution from Passenger Cars and Light Trucks, and
2. Authorize the Mayor to send a letter of support to the California Air Resources Board.

BACKGROUND

On July 22, 2002, Governor Davis signed AB 1493 – landmark legislation to combat climate change. This bill requires the California Air Resources Board (ARB) to develop and adopt regulations that reduce greenhouse gases emitted by passenger vehicles and light duty trucks. Transportation is California's largest source of carbon dioxide, with passenger vehicles and light duty trucks creating more than 30 percent of total climate change emissions. Due to advances in vehicle technology, it is now possible to reduce such emissions without sacrificing performance or other desirable vehicle attributes.

Upon implementation of the proposed regulations, the cost of passenger cars and light duty trucks/vans will likely increase to pay for the cost of the new technology. However, the ARB projects that the operators of those vehicles will see a reduction in operating costs as a result of improved efficiency. Ultimately, the incremental cost for a vehicle will depend upon the implementation of the rules and the impact this has upon manufacturers of vehicles sold in California. Nevertheless, the environmental benefits associated with these regulations outweigh the incremental increase in the future cost of new vehicles.

ANALYSIS

General Requirements - The ARB is required to adopt regulations that achieve the maximum feasible and cost-effective reduction of greenhouse gas emissions from motor vehicles. The regulations must be adopted by January 1, 2005, and may not take effect prior to January 1, 2006. They will apply to 2009 and later model year vehicles.

Local Impact - Climate change affects public health and the environment. Higher temperatures result in more emissions, increased smog, respiratory disease and heat-related illness. Examples of other impacts include a reduction in the state's water supply due to reduced snow pack, extensive coastal damage due to sea level rise, and changes in vegetation and crop patterns.

The ARB has issued a draft "Staff Proposal Regarding the Maximum Feasible and Cost-Effective Reduction of Greenhouse Gas Emissions from Motor Vehicles" dated June 14, 2004. This proposal projects to result in more than a 20 percent reduction in fleet average greenhouse gases emissions from new passenger vehicles sold in California by 2011 and over a 30 percent reduction from these vehicles by 2014. Furthermore, the proposal finds that these reductions will save California vehicle owners money over the life of the vehicle through reductions in vehicle operating costs and will result in a 25 percent reduction in tons per day, relative to "business as usual" in Statewide greenhouse gas emission from the passenger vehicle fleet by 2030.

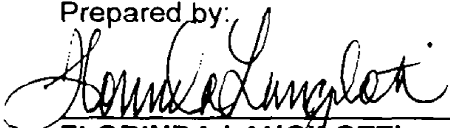
FISCAL IMPACT

The targets of these regulations will be vehicle manufacturers, and the impact upon the City is estimated to be minimal according to the ARB draft proposal. The projected cost impacts to the municipal fleet operations in Pasadena appear to be negligible.

Respectfully submitted,


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