



Model-Year Exemption Policy

Is it legal for states to exempt new cars?

- Yes. EPA fulfilled its statutory requirement in this regard by designing performance standards that addressed the minimum elements outlined in the Clean Air Act. Provided a state designs a program which gets the same or better emission reductions as the performance standard (and includes those elements which are statutorily required), it is approvable.
- Since model year coverage is not statutorily defined, Section 51.356 (Vehicle Coverage) of the 1992 I/M rule states: "Special exemption may be permitted for certain subject vehicles provided a demonstration is made that the performance standard will be met." All model year exemptions are covered by this provision.

What is our policy?

- Other than the above, little formal policy exists on this issue, since the number of model years that can be exempted varies considerably depending on the age mix of the local fleet (for example, a fleet where older vehicles predominate -- like California -- can exempt more of the newer model years while losing relatively little in the way of emission reductions).
- While it is neither policy nor a regulation, the MOBILE5 model automatically assumes that vehicles are not tested (i.e., are exempt) until they are one year old. For biennial programs, we've generally assumed that vehicles get their first test when they are two years old (though there is no explicit requirement that this be the case).
- There is no I/M regulatory language that specifically recommends exempting vehicles for two or more years. Unfortunately, in the preamble to the I/M OBD rule, a citation is given to the 1992 rule which suggests that such regulatory language exists. This citation is in error.

What have we recommended to states generally?

- When asked for guidance on the issue, we've generally told states that they can exempt as many model years as they want -- provided they can still meet the relevant performance standard.

- Historically, OMS has been a bit hesitant to recommend the exemption of new model years beyond one year since this can deprive vehicle owners' of the opportunity to get I/M repairs under the two-year warranty.

What have we said to specific states?

- The first serious discussion of exempting vehicles four or more years old since promulgation of the 1992 rule occurred during EPA's discussions with California in late 1993/early 1994 regarding acceptable alternative program designs.
- Using California's age mix (which has a proportionally smaller number of new vehicles because of the car-friendly climate), we showed that they could exempt vehicles up to four years old without having a significant impact on their emissions reductions.
- During discussions with New Jersey in late 1994/early 1995, the possibility of exempting vehicles anywhere from four to six years old was discussed. However, New Jersey decided to adopt a hybrid program and require these newer vehicles to be tested as part of a test-and-repair program component.