April 22, 2009

James Boyd, Vice Chair; Presiding Member, Transportation Committee
Karen Douglas, Commissioner; Associate Member, Transportation Committee
California Energy Commission
Dockets Office, MS-4
Re: Docket No. 07-FET-1
1516 Ninth Street
Sacramento, CA 95814-5512

Re: 07-FET-1 Fuel Efficient Tire Proceeding: Comments on April 8, 2009 Staff Workshop

Dear Commissioners Boyd and Douglas:

On behalf of the Natural Resources Defense Council (NRDC), I am pleased to provide comments to the presentations and discussion during the California Energy Commission (CEC) staff workshop on the Fuel Efficient Tire Program on April 8, 2009.

Accurate tire efficiency data is a critical underpinning of an effective tire efficiency program. During the workshop, there was much discussion about what type of tire efficiency information that should be made available to the public for each tire model. Members of the Rubber Manufacturers Association (RMA) proposed to submit tire ratings, such as 1 to 5 stars, without the value of energy consumption or efficiency that results from an approved test procedure. For the reasons described below, the RMA proposal fails to provide adequate public information on tire energy use. The Energy Commission should require that all tire manufacturers report rolling resistance data for every tire model offered for sale.

1. Without access to tire test results, uncertainties in tire efficiency measurements remain unresolved, which undermines the program’s credibility. If government agencies are not confident in the accuracy of tire efficiency results, they will be ineffective at educating consumers about better tire efficiency, which will discourage sales of efficient models and potentially lose emission reductions.

RMA proposes to rate tires according to how they fit into specified categories, or bins, of rolling resistance values. During a presentation to the workshop, RMA member Yokohama claimed that “category ratings are an effective way to deal with uncertainties attached to all aligned results” because they avoid consumer confusion. RMA was not able, however, to specify the level of uncertainty in rolling resistance data that typically results from tire tests, even when alignment procedures are used to account of machine-to-machine variation. If significant uncertainties remain in the test procedure, rolling resistance test data on each tire should be made publically
available to continue promote detailed statistical analysis of rolling resistance measurements and guide improvements, as necessary, in the test procedures.

2. Tire labeling should be based on the high end of estimates for rolling resistance for each tire. Under the RMA proposal, the public has no assurance that labels accurately reflect tire efficiency test performance. During the workshop, Environ presented a graph of confidence intervals for rolling resistance coefficient measurements (see page 13 of the Environ presentation). A label associated with any tire in the data set should be set at the high end of the confidence interval so that the consumer can have high confidence that the tire they purchased is accurately labeled. By providing all rolling resistance values, the full range of possible values is apparent to the public, government officials and others monitoring the status of tire market efficiency. Tire manufacturers that wish to market a lower rolling resistance tire must reduce the size of the confidence interval either through improved testing or greater control of manufacturing processes. Either method serves to improve the quality of data in the tire efficiency program and promote competition among manufacturers to provide higher quality products; both methods also enhance public benefits.

3. Greater data transparency overcomes market barriers to energy efficiency. A common barrier to widescale adoption of energy efficient technologies is market failures in consumer information. The purpose of the rating system is to address this market failure but the RMA proposal to withhold rolling resistance data makes the barrier unnecessarily difficult to overcome. Rolling resistance data is valuable to tire retailers or consumer information providers, like Consumer Reports, who may want to design innovative sales and information programs that differentiate tires with greater precision than possible with a limited bin system. More detailed and specific rolling resistance data enables entities independent of the tire manufacturers to do their own assessments of traction, ride comfort or durability and relate the results to rolling resistance.

Data transparency is also essential for acceptance in government-sponsored energy efficiency programs. For example, energy consumption data for appliances is publically available at www.ftc.gov/energy. While the FTC program is mandatory, the ENERGY STAR® program (administered by EPA and DOE) is voluntary; nevertheless, it also requires participants to make test performance data available through its website. Full disclosure of rolling resistance data for tires will make it suitable for widely-recognized endorsement labels like ENERGY STAR. Furthermore, the simplicity of endorsement labels such as ENERGY STAR make it an attractive to large volume retailers, like Costco and Wal-Mart, to stock the most efficient brands.

4. Public energy consumption data is common to energy efficiency programs that utilize performance standards. According to the American Council for An Energy Efficient Economy (ACEEE), market transformation efforts that have made the most significant progress in recent years have included the creation energy efficiency
standards. CEC is directed by AB 844 to set minimum energy efficiency standards for replacement tires as part of the tire program, and we expect that CEC will follow procedures common for setting minimum efficiency standards for appliances, in which detailed energy consumption and efficiency data (i.e. rolling resistance data) is analyzed to determined the appropriate standard levels.

To summarize points 1 through 4 above, public availability of rolling resistance data is critical to ensure that the public is confident in the validity of a tire efficiency program and therefore makes use of it.

Another essential component of a successful program is a process for maintaining the data and auditing data submittals by manufacturers. On-going maintenance of a master tire efficiency database, rating system, test facility certification, data challenge process and labeling system is a significant undertaking that is required long after the initial tire efficiency program is adopted. Financial resources for on-going maintenance of the program need to be guaranteed so that consumers and manufacturers are ensured that the program will continue to provide accurate and verifiable information. Rigorous enforcement with data reporting requirements not only protects the public, but it protects the investments of companies that choose to lead the way in tire efficiency by preventing others from making false efficiency claims. CEC should leverage existing models of efficiency system management, such as those managed through funding of the regulated industry with adequate government and public interest oversight. The Cool Roofs Rating Council (www.coolroofs.org), relied upon by the roofing products industry, is one example of an existing model.

I appreciate your consideration of these comments.

Sincerely,

Luke Tonachel
Vehicles Analyst, NRDC

Cc: Ray Tuvell, Manager, CEC Fuel Efficient Tire Program

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