Vehicle Emission Tampering Amendments

Air Quality Control Advisory Council – March 14, 2022

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Welcome to today’s meeting!

This meeting is being **Recorded**. The webinar recording, presentations and related resources will be made available on the Air Quality Control Advisory Council web page:

https://mde.maryland.gov/programs/workwithmde/Pages/AQCACmeetingminutes.aspx
Outline

• Regulatory Background

• Brief Refresher

• Proposed Amendments
  – Exemptions to Wholesale Auto Auction and Insurance Industry

• Compliance Updates

• Regulation Adoption Schedule
TAMPERING OVERVIEW
Over the past few years, Maryland, the U.S. Environmental Protection Agency (EPA) and other states have begun to investigate and take action against companies and individuals who tamper with the emission control systems on vehicles
  – Large and small vehicles

The Volkswagen case was the first major action taken by EPA to address this issue

Five years ago, this issue was not understood to be a major emissions problem
  – It is now viewed as a major problem and clearly linked to Maryland’s challenging ozone problem

It is estimated that tampered vehicles are emitting up to 2,900 excess tons of nitrogen oxide (NOx) emissions during the ozone season in the seven states that make up the Mid-Atlantic region*

* Values are for Class 2b and 3 diesel pickups only
Tampering can take two basic forms:

- Removing hardware, filters and catalysts in the stock emission control system
  - This hardware can be located in the engine (e.g. Exhaust Gas Recirculation (EGR)), or
  - In the exhaust system (e.g. Diesel Particulate Filter or Selective Catalytic Reduction)
- Replacing or altering the software or calibrations that control engine operation, sometimes referred to as "tuning"
  - Tuning may increase engine emissions,
  - Allow a vehicle or engine to operate without emissions controls, or
  - Prevent the onboard diagnostic system from recognizing that the vehicle or engine is functioning differently than originally designed and certified
Local NOx and PM Emissions

- The EPA estimates that in the next decade close to 100,000 excess tons of NOx and 890 tons of PM could be emitted in the Mid-Atlantic states due to aftermarket tampering of diesel mobile sources.

- EPA estimates that roughly 58,000 diesel vehicles in Mid-Atlantic States had their emissions controls completely removed (deleted) in the preceding decade.

- EPA estimates that from 2009-2019, Maryland had 5,900 diesel trucks operating with deleted devices:
  - Excess NOx emissions from these vehicles amounted to 6,000 tons during this period (600 tons per year or 1.64 tons per day).
  - Excess PM emissions from these vehicles amounted to 64 tons during this period (6.4 tons per year).
On June 14, 2021, AQCAC voted to recommend the Department adopt updated regulations addressing the tampering of motor vehicle emission controls.

This action clarified and expanded Maryland’s regulations:
- The adopted regulation prohibits the manufacture, sale, installation, and use of any device that prevents a motor vehicle’s air pollution control system from operating as originally designed.
- The adopted Regulation also:
  - Requires a vehicle dealer or business that sells, auctions or transfers a motor vehicle to maintain records confirming all air pollution control systems are in operating conditions at the time of sale; and
  - Codifies the Department’s rights to conduct inspections and surveillance of new and used motor vehicles for the purposes of determining compliance.

These regulations became final effective February 7, 2022.

During the public hearing process, representatives of the Insurance and Wholesale Auto Auction associations raised concerns over how the proposed regulations would impact their business.
In part, the intended target of the Anti-Tampering regulations adopted on February 7, 2022 was the retail transaction of motor vehicles that occur between a licensed dealer and the consumer.

The proposed amendments will exempt wholesale vehicle dealers and auto insurers from compliance with COMAR 26.11.20.02, as specified under the conditions outlined in Section C of the proposed regulation.

Wholesale vehicle dealers provide the marketplace for consignors to sell vehicles to licensed dealers, who in turn sell the vehicles to retail consumers.

Auto insurers take ownership of motor vehicles in association with total loss claims, which occur when a vehicle sustains so much damage it is more economical for the insurance company to purchase the vehicle for its pre-crash value rather than repair it. Auto insurers typically dispose of those vehicles at auction in an effort to recoup some of the claim costs.

The proposed exemptions maintain protections precluding the offering for sale of a motor vehicle to the public with tampered emission controls or the operation of such vehicles.
MDE Enforcement

• MDE is already working in partnership with EPA. Since 2017 the EPA has settled 5 cases in MD for tampering with penalties up to $150,000
  – Nationally, criminal charges have been filed by the Department of Justice

• Spring 2021 Compliance Advisory sent to Dealers, Auctions, and Trader Organizations

• Spring 2022 Compliance Alert sent to Dealers, Auctions, and Trader Organizations

• Training- Summer 2021 hands on training at CCBC Catonsville
Schedule

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Notice of Proposed Action – June 2022

Public Hearing – July 2022

Notice of Final Action – September 2022

Final Effective Date – October 2022
QUESTIONS?