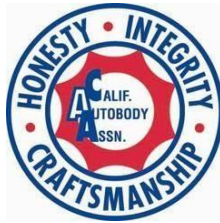


<b>DOCKETED</b>	
<b>Docket Number:</b>	26-TIRE-01
<b>Project Title:</b>	Tire Efficiency Rulemaking
<b>TN #:</b>	269714
<b>Document Title:</b>	Opposition Coalition Letter on CEC Replacement Tire Efficiency Rulemaking
<b>Description:</b>	This is industry opposition.
<b>Filer:</b>	Courtney Gladfelty Silva
<b>Organization:</b>	Gladfelty Government Relations
<b>Submitter Role:</b>	Other Interested Person
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<b>Docketed Date:</b>	4/29/2026



April 24, 2026

Mr. David Hochschild, Chair  
California Energy Commission  
715 P Street  
Sacramento, CA 95814

**SUBJECT: Opposition to Proposed Replacement Tire Efficiency Standards – Affordability Impacts and Need for Consumer-Choice Alternatives**

Dear Chair Hochschild:

This coalition of California business organizations respectfully submit the following comments in **OPPOSITION** to the California Energy Commission’s proposed Replacement Tire Efficiency standards and the accompanying Standardized Regulatory Impact Assessment (SRIA).

Our coalition supports California’s long-term energy efficiency and emissions-reduction goals. However, we are deeply concerned that the proposed tire efficiency standards, as currently structured, will impose substantial new costs on California consumers and economy, fail to meet SRIA reasonableness requirements, and exacerbate affordability challenges without delivering the consumer benefits claimed in the analysis.

## **SUMMARY OF CONCERNS**

The proposed regulations assume that compliance with the Commission's rolling resistance coefficient (RRC) standards will increase the cost of replacement tires by approximately **\$6 to \$10 per tire**. This assumption underpins the SRIA's conclusion that fuel savings will "vastly outweigh" costs and that consumers will recover any added expense in a matter of months.

Observable market evidence demonstrates that this assumption is not realistic. Tires capable of meeting rolling-resistance performance consistent with the proposed Phase 2 standard are typically priced **hundreds of dollars more per set** than baseline alternatives. When realistic pricing is applied, the modest fuel savings projected by the SRIA are insufficient to offset the increased upfront costs over the life of the tires.

## **OPPOSITION GROUNDS**

### **Significant adverse economic impact during an affordability crisis**

California is in the midst of a widely acknowledged affordability crisis. Housing costs, transportation expenses, insurance premiums, energy bills, and food prices have all increased substantially in recent years. For many households, vehicle-related costs are the second-largest household expense after housing.

Replacement tires are not discretionary purchases. They are a safety necessity required to keep vehicles operable and compliant with the law. Unlike optional efficiency upgrades, tire purchases cannot be deferred indefinitely, and consumers are often forced to replace tires unexpectedly due to wear, damage, or safety concerns.

By materially increasing the cost of replacement tires, the proposed standards would impose hundreds of dollars in new upfront expenses on drivers—costs that disproportionately affect working families, rural residents, seniors on fixed incomes, and lower-income households who must travel longer distances and have fewer alternatives. These impacts are immediate and unavoidable, while any fuel savings accrue slowly, if at all.

In this context, even well-intentioned regulations must be evaluated through an affordability lens. The SRIA does not adequately do so.

### **Real-world costs far exceed projected fuel savings**

The fuel savings associated with rolling resistance improvements are modest, generally on the order of one to two percent improvements in fuel economy. Under real-world driving conditions, these gains can be further diluted by factors such as driving behavior, road conditions, proper inflation, tire wear, and maintenance practices.

When realistic market-based tire pricing is applied, the projected fuel savings are insufficient to offset the increased purchase costs within the expected life of the tires. In many cases, consumers will never recover the additional upfront expense. This directly contradicts the SRIA's conclusion that the regulation produces net consumer savings.

A regulatory program that increases total consumer costs while asserting the opposite does not meet California's SRIA reasonableness standards.

### **Failure to substantiate incremental cost assumptions**

The SRIA does not identify specific baseline tire products, compliant tire products, or retail pricing data to support the assumption that compliance can be achieved at a \$6–\$10 per tire premium. Instead, it relies on internal estimates that are inconsistent with readily observable market prices.

Because the incremental cost assumption is central to the SRIA's conclusions, this lack of substantiation is not a technical oversight—it is a foundational flaw. Without credible, market-based evidence, the SRIA cannot support the cost-benefit findings on which the proposed regulation relies.

### **Internal inconsistency and lack of sensitivity analysis**

The SRIA acknowledges that improvements in rolling resistance follow a non-linear, exponential cost curve. Despite this acknowledgment, the analysis assumes near-flat incremental costs for the adopted regulation and does not meaningfully test alternative pricing scenarios.

Given the narrow margin between projected benefits and costs, even moderate increases in tire prices eliminate any claimed net benefit. The absence of sensitivity analysis on this critical input further undermines the reliability of the SRIA.

### **Mandating outcomes instead of empowering consumer choice**

California consumers already have access to a wide range of tire options that vary in price, performance, durability, noise, traction, and efficiency. Many consumers are willing to pay a premium for fuel-efficient or low-rolling-resistance tires when the benefits align with their driving needs and budgets. Others prioritize longevity, traction, or affordability.

The proposed regulation removes these choices by mandating a specific performance outcome across the market, regardless of consumer preference, driving patterns, or consumer purchasing power. This one-size-fits-all approach is particularly problematic given the cost impacts involved.

### **Reduced tire life, increased replacement frequency, and additional waste**

The SRIA assumes that improvements in rolling resistance do not affect tire durability or replacement intervals. However, industry data and long-standing engineering tradeoffs indicate that achieving very low rolling resistance (particularly at or below an RRc of 7) often requires changes in tread compounds and design that can reduce tread life.

Available evidence suggests that tires optimized to achieve very low rolling resistance may experience **reduced service life of at least 20–25 percent** compared to baseline alternatives, depending on vehicle type, driving conditions, and maintenance. Even a conservative reduction in average tire life would require consumers to replace tires more frequently, compounding the already higher upfront costs imposed by the regulation.

This effect has two significant consequences that are not addressed in the SRIA. First, increased replacement frequency further erodes any projected fuel savings and increases total consumer expenditures over time. Second, more frequent tire replacement results in **additional scrap tire waste**, undermining California's waste reduction and circular economy goals by increasing the volume of tires entering CalRecycle's disposal and recycling streams.

The SRIA does not analyze these impacts, does not test alternative durability scenarios, and does not account for the environmental and economic consequences of accelerated tire turnover. This omission further understates the true costs of the proposed regulation.

### **Operational and compliance burdens on automotive repair dealers and small businesses**

In addition to consumer cost impacts, the proposed regulations impose significant and unworkable compliance obligations on automotive repair dealers and small businesses. Requirements related to tire-specific pricing signage and real-time price updates do not reflect how tire sales actually occur, particularly for businesses that do not maintain large on-site inventory or rely on third-party distributors for sourcing.

These provisions would create ongoing administrative burdens, expose businesses to compliance risk for factors outside their control, and duplicate or conflict with existing Bureau of Automotive Repair requirements. The lack of clarity around documentation and enforcement authority further compounds these issues and leaves small businesses vulnerable to inconsistent application and potential liability.

### **Safety, performance, and implementation uncertainties not addressed in the Draft Framework**

The proposed standards fail to adequately account for real-world safety and performance tradeoffs and practical implementation challenges across the tire retail ecosystem. Reductions in rolling resistance can directly affect traction and braking

characteristics, particularly under varied driving conditions, raising legitimate safety concerns that were not meaningfully evaluated in the Commission's Draft Framework of California's Replacement Tire Efficiency Program (Docket 20-TIRE-01, February 2023).

The Draft Framework also leaves critical implementation questions unresolved, including how dealers will identify compliant tires and manage existing inventory and how they will handle customer-supplied tires and operate under commercial or fleet agreements. Without clear and workable guidance, the regulation risks creating confusion and exposing both businesses and consumers to unintended safety and liability consequences.

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### **Safety, performance, and implementation uncertainties not addressed in the Draft Framework**

The proposed standards fail to adequately account for real-world safety and performance tradeoffs and practical implementation challenges across the tire retail ecosystem. Reductions in rolling resistance can directly affect traction and braking characteristics, particularly under varied driving conditions, raising legitimate safety concerns that were not meaningfully evaluated in the Commission's Draft Framework of California's Replacement Tire Efficiency Program (Docket 20-TIRE-01, February 2023). The Draft Framework also leaves critical implementation questions unresolved, including how dealers will identify compliant tires and manage existing inventory and how they will handle customer-supplied tires and operate under commercial or fleet agreements. Without clear and workable guidance, the regulation risks creating confusion and exposing both businesses and consumers to unintended safety and liability consequences.

## BALANCED PATH FORWARD

Rather than mandating tire efficiency standards that increase costs and limit consumer choice, the Commission should consider alternative approaches that advance efficiency goals without imposing undue economic burdens.

Specifically, we urge the Commission to either:

1. **Pause adoption of the proposed Replacement Tire Efficiency standards** and revise the SRIA using empirically grounded, market-based cost assumptions that accurately reflect real-world pricing and impact on consumers and the environment; or
2. **Shift toward a consumer awareness and transparency strategy**, such as enhanced tire labeling, public education campaigns, and voluntary incentive-based programs that empower consumers to make informed choices based on price, performance, and efficiency. Avoiding mandating outcomes that Californians cannot afford.

A consumer-choice approach would allow efficiency gains to occur where they make economic sense, while preserving affordability, flexibility, and trust in California's regulatory process.

## CONCLUSION

For the reasons outlined above, this coalition respectfully opposes the proposed Replacement Tire Efficiency standards as currently drafted. We urge the California Energy Commission to pause implementation and pursue a more balanced, data-driven approach that recognizes California's affordability challenges and respects consumer choice.

We appreciate the opportunity to provide these comments and stand ready to work with the Commission on solutions that achieve environmental objectives without imposing unnecessary and disproportionate costs on Californians.

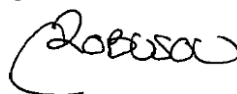
Sincerely,

David Cichocki



Goodyear Managing Director, Americas,  
and Chief Sales Officer, Americas  
Consumers

Christian Robinson



SEMA Senior Director, State Government  
Affairs.

Bud Rice



Executive Director  
California Automotive Business Coalition  
Cal-ABC

Marc Connerly



Executive Director  
California Tire Dealers Association

Rick Johnson



Executive Director  
California Autobody Association  
CAA

Jeff Barna



President & CEO  
Yokohama Corporation North America

Gloria Peterson



Executive Director  
Automotive Service Councils of California  
ASCCA

cc:

Honorable Gavin Newsom, Governor, State of California

Wade Crowfoot, Secretary for Natural Resources, State of California

Nancy Skinner, Commissioner, California Energy Commission

Members of the California Legislature