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**Supplemental Comments on Revised Replacement Tire Efficiency
Regulations Docket No 26-TIRE-01**

Additional submitted attachment is included below.



July 31, 2026

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

**RE: Supplemental Comments on Revised Replacement Tire Efficiency Regulations
Docket No. 26-TIRE-01**

Dear Chair Hochschild:

On behalf of the Specialty Equipment Market Association (SEMA), I write to express our appreciation for the California Energy Commission's decision, after hearing from industry stakeholders, to revise its proposed Replacement Tire Efficiency Program. The updated proposal includes several meaningful improvements.

However, we continue to have significant concerns about higher tire costs, reduced consumer choice, and the impact on small businesses.

SEMA is a not-for-profit association that represents more than 7,000 businesses nationwide, and in California that includes over 1,200 manufacturers, distributors, and retailers; many of them are small businesses. In California alone, the specialty automotive aftermarket industry generates \$40.44 billion in economic output, supports 149,325 jobs, delivers \$13.47 billion in wages and benefits, and pays \$6.16 billion in state and local taxes. Our industry depends on clear, workable, and predictable state-level regulations.

SEMA's Off-Road Business Association (ORBA) subsidiary, also a non-profit, represents businesses and professionals in the off-road industry. ORBA is a national leader in land-use policy and trail advocacy, working to protect motorized access and shape the future of off-highway recreation through education, legislation, and collaboration. ORBA unites manufacturers, retailers, clubs, e-commerce platforms, race organizers, and advocacy groups from across the country with the mission to preserve the rights of off-road users while promoting environmental conservation and responsible recreation.

Together, SEMA and ORBA submit the following comments on the July 17 revised proposal, and incorporate the concerns previously raised in an April 24 letter that SEMA was among the signers.

Again, we must stress that the July 17 revised proposal includes several meaningful improvements. Delaying Phase 1 from 2028 to 2029 and Phase 2 from 2031 to 2033 will give manufacturers, distributors, and retailers additional time to prepare. SEMA and ORBA also support the new exemptions for qualifying all-season winter performance tires, competition tires, tires with nominal rim diameters of 13 inches or less, and certain large off-road tires.

SEMA and ORBA encourage the Commission to retain these improvements.

However, the revisions do not resolve our central concerns about consumer affordability, product availability, and the economic assumptions underlying the regulation.

Affordability Concerns Remain Unresolved

The Commission continues to rely on the assumption that compliance will increase the per-tire cost of replacements by only approximately \$6-10 each. The revised materials do not identify representative baseline and compliant tire models, nor do they provide supporting retail-price data. These revised materials also fail to update the Standardized Regulatory Impact Assessment to reflect current market conditions.

As written, the regulation will increase tire prices and reduce the number of affordable choices available to California drivers. Delaying implementation postpones those effects; it does not eliminate them. This is particularly concerning because replacement tires are necessary safety purchases that consumers often must make unexpectedly and cannot defer indefinitely.

Before proceeding, the Commission should revise its economic analysis using transparent, market-based pricing. That analysis should identify the products used for comparison, examine multiple price-premium scenarios, and account for the effects on lower-income households, rural motorists, seniors, and other consumers who are especially sensitive to increases in transportation costs.

The Proposal Continues to Reduce Consumer Choice

California drivers select tires based on cost, traction, tread life, ride quality, noise, efficiency, vehicle type, and intended use. The revised proposal better accommodates some specialty products, but it still imposes mandatory performance standards across most of the replacement tire market.

The Commission should reconsider an approach based on labeling, education, transparency, and voluntary incentives. At a minimum, it should evaluate flexible

compliance mechanisms that improve average tire efficiency while preserving a range of affordable products for consumers with different vehicles, budgets, and driving needs.

The Large Off-road Tire Exemption Should Be Expanded

SEMA and ORBA support the Commission's decision to create an exemption for large off-road tires. However, the proposed definition is too narrow because it is limited to tires with an overall diameter of at least 34.5 inches and a speed rating of Q or lower.

SEMA and ORBA request that the definition be revised to cover tires with an overall diameter of at least 33 inches and a speed rating of R or lower. Specifically, section 3302(a)(24) should be amended to replace "34.5 inches" with "33 inches," and similarly replace "Q or lower" with "R or lower."

This change would more accurately capture the range of large tires designed and marketed for off-road use. Additionally, the Q-rating limitation excludes off-road products with an R speed rating despite their similar intended use and performance characteristics.

Expanding the exemption would better align the definition with the off-road tire market while maintaining clear, objective criteria that manufacturers, retailers, consumers, and regulators can readily apply.

Other Specialty-Tire Exemptions Should Be Retained and Refined

SEMA and ORBA strongly support the Commission's recognition that specialty tires, including those used during winter months, for competition, and in off-road environments, should not be evaluated under a one-size-fits-all standard. These exemptions should be retained in the final regulation.

That said, the proposed competition-tire definition is too narrow. Because a tire must satisfy every listed criterion, a product genuinely designed and marketed for motorsports could lose the exemption solely because of its speed rating, tread depth, treadwear rating, or manufacturer labeling. These characteristics vary significantly across motorsports disciplines and are not, individually or collectively, reliable indicators of whether a tire is intended for competition use.

The W, Y, or (Y) speed-rating requirement is particularly restrictive. Legitimate tires used in drag racing, rally, rallycross, vintage racing and other forms of competition may carry lower speed ratings or no conventional speed rating. Likewise, the eight-thirty-seconds tread-depth limit may exclude tires that require deeper tread, including those used for wet weather, gravel and off-road surfaces, and rally competitions. The 200-or-lower treadwear requirement may also exclude tires designed for autocross, endurance racing, time attack, track days, and a variety of other motorsports applications. Finally,

excluding tires labeled for all-season use or offered as original equipment could disqualify an otherwise legitimate competition tire or individual tire size based on how another version of the product is marketed or fitted.

The Commission should make the manufacturer's designation, marketing, or identification of a tire for motorsports use the primary basis for the exemption. The definition should expressly encompass tires intended for drag racing, autocross, track days, high-performance driver education, drifting, rally, rallycross, time attack, endurance racing, off-road competition, and similar motorsports activities, regardless of whether the tire is also approved for limited highway use.

At a minimum, the proposed technical criteria should operate as alternative indicators, rather than cumulative requirements. The Commission should also: broaden the permissible speed ratings; recognize tires without Uniform Tire Quality Grading (UTQG) or conventional speed ratings; allow greater tread depth for motorsports disciplines that require it; and remove the categorical restrictions based on all-season labeling or original-equipment fitment.

These revisions would preserve the Commission's intended guardrails while ensuring that legitimate competition products are not inadvertently subjected to standards designed for ordinary passenger tires.

Conclusion

The revised proposal is a meaningful improvement, and SEMA and ORBA appreciate the Commission's willingness to engage with stakeholders and address several technical and specialty-product concerns. Nevertheless, the Commission has not resolved the regulation's likely effects on tire prices, consumer choice, product availability, tread life, and small businesses.

SEMA and ORBA respectfully urge the Commission to retain the positive revisions, update its economic analysis using real-world market data, evaluate durability and scrap-tire impacts, revise the large off-road tire exemption to cover tires measuring at least 33 inches with a speed rating of R or lower, refine the other specialty-tire exemptions, and reconsider a regulatory structure that will increase costs while reducing the choices available to California drivers.

SEMA and ORBA remain committed to working with the Commission on an approach that advances energy-efficiency goals without imposing unnecessary and disproportionate costs on consumers and businesses.

Sincerely,

A handwritten signature in black ink, appearing to be 'KB' with a stylized flourish.

Karen Bailey-Chapman

Senior Vice President - Public and Government Affairs

Specialty Equipment Market Association (SEMA) & Off-Road Business Association (ORBA)