BUREAU OF AUTOMOTIVE REPAIR

INITIAL STATEMENT OF REASONS

HEARING DATE(S): April 23, 2018 at 10:00 a.m.

SUBJECT MATTER OF THE PROPOSED REGULATIONS: Automotive Repair Dealer Invoice Requirements for Oil Changes

SECTIONS AFFECTED: Revise Title 16, Division 33, Chapter 1, Article 7, § 3356 California Code of Regulations
Adopt Title 16, Division 33, Chapter 1, Article 8, § 3369 California Code of Regulations

REGULATORY PROPOSAL:

The Bureau of Automotive Repair (BAR) is the state agency charged with the enforcement and administration of the Automotive Repair Act (Act). Business and Professions Code (BPC) § 9882. Protection of the public is BAR’s highest priority in the exercise of its licensing, regulatory and disciplinary functions. BPC § 9880.3. BAR may adopt and enforce regulations reasonably necessary to carry out the purposes of the Act. BPC § 9882.

Purpose:

The proposed section 3369 will require Automotive Repair Dealers (ARDs) to provide the following notice on an invoice, or a document attached to an invoice, after completing an oil change: “Your vehicle’s manufacturer publishes oil change intervals, and the conditions and factors that influence those intervals, in the owner’s manual.” The proposed revisions will also require ARDs to adhere to a maintenance schedule published by the vehicle manufacturer, an industry accepted and nationally distributed automotive service specification provider, or the California Department of Resources Recycling and Recovery (CalRecycle) when making a recommendation to a customer regarding a vehicle’s next oil change. The proposed regulations will not impact a customer’s ability to have an oil change service performed by an ARD at an interval of the customer’s choosing.

The proposed revision to section 3356, Invoice Requirements, refers readers to the oil change statement requirement contained in the proposed section 3369(b).
Problem:

Many vehicles, including older models, have recommended oil change intervals that exceed 3,000 miles, and advances in modern engines and improved oil formulas have made the traditional three-month or 3,000-mile oil change interval largely out of date and obsolete. There is also a common misconception among consumers that vehicle oil changes should occur every three months or 3,000 miles. While this was mostly true for vehicles manufactured decades ago, technological improvements in engines and motor oil have enabled drivers to significantly extend their oil drain intervals. For example, Ford recommends that its 2005 Explorer SUV undergo an oil change every 5,000 miles, and Honda recommends an oil drain interval of 7,500 miles for its 2007 Civic. According to a recent CalRecycle survey, nearly 10 million Californians change their motor oil every 3,000 miles or less, demonstrating that many consumers are unaware of published maintenance schedules for their vehicle and the conditions and factors used to determine the proper oil change interval for their vehicle. This lack of knowledge causes consumers to unnecessarily change their vehicle oil and pay for unnecessary oil changes. This regulatory package will help prevent unnecessary oil waste, saving consumers money who would have otherwise had their vehicle oil drained at an interval inconsistent with recommendations provided by the vehicle manufacturer.

Unnecessary oil changes also have a significant negative impact upon the environment. By volume, used motor oil is one of the largest hazardous waste streams in California. Of the almost 115 million gallons of motor oil sold in the state each year, approximately 35 million gallons are not collected after use. Used motor oil is insoluble and contains heavy metals and toxic chemicals. It makes its way into lakes, streams, and oceans via the storm water system and endangers fish, waterfowl, insects, and other aquatic life. In addition, one gallon of used motor oil can foul one million gallons of water.

For ease of reference, BAR proposes to consolidate the requirements that ARDs make specified oil change interval recommendations, and provide invoice information, into a single regulation, section 3369. However, because the requirements relating to invoices are also set forth in section 3356, BAR proposes to cross reference the new substantive requirements in section 3369 to help ensure compliance with the new invoice requirement.

Necessity:

The proposed section 3369 will require ARDs, when performing oil changes, to include a statement on invoices or attached documents directing consumers to information that will enable them to make informed decisions regarding vehicle oil changes. The proposed section 3369 will also require ARDs to base oil change recommendations on established maintenance schedules. The proposed revisions are necessary to protect consumers and the environment by helping to ensure that vehicle oil changes are based on established maintenance schedules, and actual vehicle driving conditions, and not on rigid, uninformed adherence to the outdated notion that motor oil must be changed every three months or 3,000 miles.

The reference to the oil change statement requirement contained in section 3356 is necessary to make the regulations easier to comprehend. Section 3356 sets forth requirements for invoices,
making the section a natural place to look for any requirements associated with invoices. The reference is necessary to direct the reader to the notice requirement in section 3369, and help ensure compliance with the notice requirement.

Benefits:

Although customers will retain the ability to have an oil change performed by an ARD at an interval of the customer’s choosing, it is anticipated that the proposed revisions will reduce unnecessary oil changes by increasing public awareness of published vehicle maintenance schedules and of the conditions and factors used to determine a vehicle’s proper oil change interval. Reducing unnecessary oil changes will save consumers money and will decrease the volume of waste oil entering the environment.

The reference to the oil change statement requirement contained in section 3356 will make the regulations easier to comprehend and will ensure compliance with the notice requirement.

Economic Impact Assessment:

This regulatory proposal will have the following effects:

- This regulatory proposal will not create or eliminate jobs within the State of California. The regulatory proposal imposes *de minimis* costs on ARDs associated with providing a written oil change notice after performing an oil change. Compliance may be met by legibly writing the notice on the invoice or an attached sheet. Compliance costs would not be so insurmountable as to put ARDs out of business and cause an increase in unemployment.

- This regulatory proposal will not create new business or eliminate existing businesses within the State of California. Compliance costs are *de minimis* and existing businesses will not be eliminated.

- This regulatory proposal will not affect the expansion of businesses currently doing business within the State of California. Compliance costs are *de minimis* and will not hinder business expansion.

- This regulatory proposal benefits the health and welfare of California residents. The proposal protects consumers by making them aware of vehicle manufacturer’s recommended oil change intervals and requiring ARDs to follow established vehicle maintenance schedules when making oil change interval recommendations. This regulatory proposal will likely reduce unnecessary oil changes and make consumers more aware of the needs of their vehicles, thus saving consumers money. BAR, among other things, enforces regulations addressing customer disclosure requirements and accepted trade standards for the repair of motor vehicles.

- It is anticipated that this regulatory proposal will have no impact on worker safety.

- It is anticipated that this regulatory proposal will have a positive impact upon the state’s environment by reducing the volume of waste oil attributable to unnecessary oil changes.
Adverse Economic Impact Assessment:

BAR has made an initial determination that the proposed regulatory revision will not have a significant adverse impact on businesses, including small businesses, and will not impact the ability of California businesses to compete with businesses in other states. The proposed revisions require ARDs to provide a written notice after performing an oil change and to utilize established vehicle maintenance schedules when recommending an oil change interval. ARDs should not be recommending unnecessary oil changes that have a negative impact on consumers and the environment. It is anticipated that the proposed revisions will increase consumer confidence in ARDs performing oil changes; thus, having a beneficial financial impact. It is not anticipated that the proposed disclosure and notice requirements will cause consumers to go out-of-state for oil change services. The proposed regulation should not significantly impact the ability of California businesses to compete with businesses in other states.

Cost Impacts on Representative Private Persons or Businesses:

BAR is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with this proposed action. To the contrary, cost savings may be realized due to the reduction in unnecessary oil changes.

Specific Technologies or Equipment:

None

Consideration of Alternatives:

No reasonable alternatives to this regulatory proposal would be either more effective in carrying out the purposes for which the action is proposed or would be as effective or less burdensome to affected private persons and equally effective in achieving the purposes of the regulations in a manner that ensures full compliance with the law being implemented or made specific.

UNDERLYING DATA RELIED UPON:

CalRecycle. *Check Your Number, Because 3,000 Miles May Be Too Early to Change Your Oil*, www.calrecycle.ca.gov/UsedOil/OilChange/

CalRecycle. “Check Your Number” Campaign Challenges Car Owners to Re-evaluate Oil Change Habits www.calrecycle.ca.gov/NewsRoom/2012/04Apr/17.htm