

April 15, 2014

Richard Corey, Executive Officer
Air Resources Board
1001 I St.
Sacramento, CA 95814



RE: Proposed Amendments to the Truck and Bus Rule

DELETE

1. Loan Denial Extension Until 1/1/2018

CTA insists that this provision be stricken from the final rule. Feedback we have received to date indicates that your staff will be unable to differentiate between a legitimate loan denial and loan denials done solely for the purpose of circumventing rule compliance.

Furthermore, this provision will likely force many compliant fleets, both midsize and small, out of the trucking market. We estimate that the cost basis for operating a single compliant truck to be between 13-27% higher than operating a non-compliant truck (depending on utilization)¹.

Due to intense rate competition within the industry, we predict that compliant single truck owner-operators will be quickly put out of business by this provision, as they will be unable to compete for loads with contractors who delay compliance. To the extent they survive, whatever cost which cannot be recouped through higher rates will cut directly into their net income. Other small and mid-size fleets will face similar pressures.

The Loan Denial Extension must not be adopted.

2. Delay for 2nd/3rd Truck of Small Fleets

For much the same reason as the loan denial extension, we cannot support additional delays in compliance for the 2nd and 3rd trucks in small fleets. Small fleets who invested early in compliant equipment cannot afford to compete at 13-27% higher costs.

AMEND

3. Replace 25% Rule With Early Action Credit for 2007-2009 MY Engines

From 1/1/2020-onward, CTA supports replacing the blanket "25% Rule" with an early action credit which would allow fleets who purchased 2007-2009 model year engines prior to 1/1/2014 to continue to run those trucks until 1/1/2027. This change would both reward fleets who took early steps towards compliance and better allow these fleets to

¹ Includes estimated fixed and variable costs at \$1,000/month truck payment between 40,000-100,000 annual miles at \$4.00/gallon for fuel and 6 miles/gallon fuel efficiency.

manage their truck replacement schedule by not imposing an arbitrary 25% replacement goal in any given year.

This early action credit would not be transferrable upon sale of the equipment.

4. Extend Recalled PM Provision From 5 to 10 Years From Date of Recall

Under the current proposed extension, Cleaire Longmile owners would be required to take further action to comply by 2017. We do not believe it is appropriate to require further action from fleets who took early steps to comply when other fleets could possibly delay compliance 1/1/2018. This extension should be changed from 5 to 10 years.

5. Limit Livestock Hauler Specialty Ag Exemption to Not For-Hire Fleets

While we understand the need for relief for the drought-stricken livestock industry, we believe the specialty agricultural equipment definition change for livestock haulers should be limited to not for-hire fleets who are engaged in ranching or livestock operations. As written, this provision is unenforceable, as CARB cannot ensure that out-of-state livestock haulers are exclusively pulling specific types of trailers outside of California.

To the extent significant additional flexibility is granted within other provisions applicable to for-hire livestock haulers (low-use agricultural provision, NOx Exempt Counties, 1000/5000 mile exemptions), we do not believe it is appropriate to punish compliant for-hire livestock haulers by granting an unenforceable, blanket exemption to their competitors until 2023.

FURTHER BOARD ACTION

6. Recognize Early Compliance Through TRU Relief

Unlike the controversial Truck and Bus Rule amendments, there is near ***unanimous*** support within the industry for providing relief to compliant fleets through the Transport Refrigeration Unit ATCM (TRU Rule).

We ask that the Board direct TRU Rule staff to extend the useful life of TRUs by three years. Statewide emissions impacts would be minimal (see attachment), but would provide a huge financial benefit to fleets coping with the compliance costs of multiple regulations.

CTA SUPPORTS NO FURTHER CHANGES

CTA supports several changes which are proposed in the ISOR, including the extension of PM Filter compliance dates for filters installed prior to 2014, the extension of early action and fleet downsizing credits, and the deletion of the PTO limit for low use vehicles.

CTA has taken a neutral position on the other proposed changes, but will, unequivocally, not support any further changes to the Truck and Bus Rule. This rule was initially adopted in 2008, amended in 2010, and has been in effect since 2012. It's our observation that opening the Truck and Bus Rule to changes at this stage, when a majority of the industry has already taken major steps towards compliance, has significantly eroded your agency's credibility, and could potentially inflict massive financial damages on compliant motor carriers. These damages are directly attributable to regulatory changes which create a competitive disadvantage to fleets which fully complied with the rules as finalized in 2011.

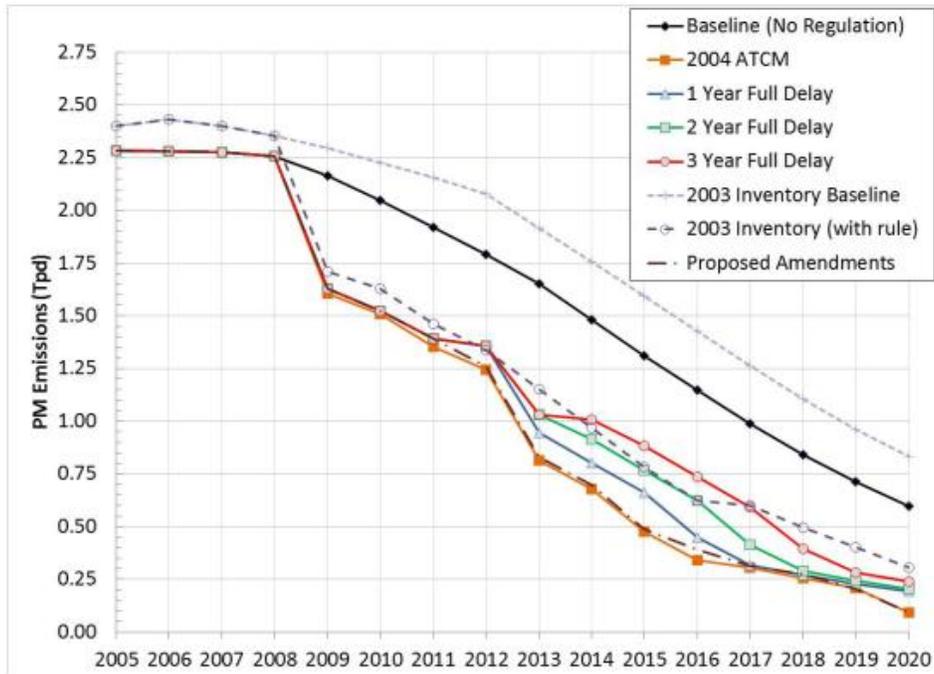
If you have any questions, please feel free to contact Chris Shimoda at cshimoda@caltrux.org

Thank You,

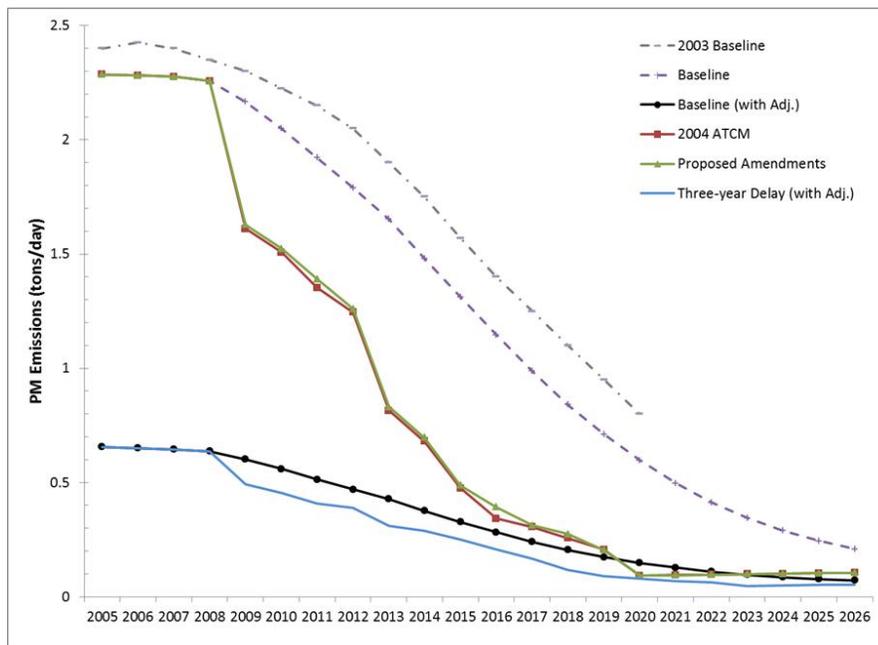
A handwritten signature in cursive script that reads "Eric Sauer".

Eric Sauer, Vice President of Government and Regulatory Affairs
(916)373-3562
esauer@caltrux.org

APPENDIX A TRU Emissions Inventories



CARB 2011 TRU Inventory



CTA/Sierra Research 2011 TRU Inventory