



March 8, 2013

TO: Mary Nichols, Chairperson, CARB

RE: Cap & Trade Auction Revenue for a Loan Assistance Program

Crossroads Equipment Lease and Finance is a California based nationwide heavy duty equipment lender. We specifically specialize in Heavy Duty Vehicle transactions for clean diesel, hybrid and alternative fuel equipment.

Although our portfolio spans the nation, we are proud to be a homegrown California company and recognize the unique regulatory and political challenges facing the transportation sector in this state. Crossroads has created specific programs to help commercial truck, bus and shuttle operators upgrade equipment to meet emission standards. In fact our efforts have helped fleets secure over \$20 Million in grant and incentive funds for purchase of clean diesel, alternative fuel and near zero-emissions equipment.

Our experience in assisting end users has provided us with a unique perspective that has shaped our program development and product offerings. This experience has encouraged us to provide written comments and in-person testimony to respectfully encourage and request that you use auction revenue to create a loan guarantee program similar to the California Capital Access Program (CalCAP) but specifically to reduce GHG emissions from the transportation sector. CalCAP as well as the PLACE-DL program are highly successful loan assistance programs that have helped hundreds of fleets secure competitive financing for clean equipment across the state.

The program is simple; the state provides a guarantee for a specific percentage of the financing amount for the equipment. This mitigates risk for the lender allowing for better terms, approvals for credit challenged customers or even potential equity in the equipment.

Using auction proceeds to create a loan guarantee program will open doors for end users to embark upon early adoption of zero or near zero emission equipment. Clean equipment deployment is vital to the Air Quality and GHG reduction goals of the Golden State. The largest challenge for end users is the high price tag associated with these types of equipment purchases. A loan program like CalCAP could help lower this barrier to entry, especially for smaller, home-grown fleets operating in the trade corridors and local roadways in California.

Help us and companies like us, help fleets secure this equipment.

Please consider use of auction proceeds to fund a GHG specific loan reserve program for California based fleets.

Thank you for the opportunity to comment, we look forward to assisting in any way we can. Please feel free to contact me at the information below for any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Schrap".

Matt Schrap, VP Government Programs
Crossroads Equipment Finance