

Board Questions

- Loan denial
- Incentives and small fleets
- Cattle trucks
- Additional credits for compliant fleets
- Lower use school buses
- Water trucks
- Enforcement

Recognizing Financial Challenges: Regulatory

- Document loan information on ARB form
 - Truck/retrofit information
 - Loan terms; attach loan denial letter
 - CalCAP or chartered lender information
 - Signed by owner and lender under penalty of perjury
- All owners must meet minimum application requirements
 - Trucks claiming good faith must reapply
- Could also reduce extension period
- May need to only require PM filter

Recognizing Financial Challenges Through Enforcement

- Existing process already established
 - Enforcement discretion allowed in statute
 - Requires consideration of all relevant factors including financial hardship
 - Develop individualized compliance plan
 - Penalty may be mitigated due to financial considerations or self-disclosure
- Significant resource commitment

Comparison of Loan Denial Options

| Amended Proposal | Enforcement Alternative |
|---------------------------------|--------------------------------|
| Simple process | Comprehensive process |
| Self-identify through reporting | ARB identifies non-compliant |
| Higher potential for abuse | Lower potential for abuse |
| Rewards non-compliance | Motivates compliance |
| 4 year delay | Typically <1 year delay |
| Resource intensive | More resource intensive |

Cattle Trucks

- ~500 cattle trucks in California
- At least 150 with filters
- Options
 - Keep staff proposal open to all
 - Limit to not-for-hire trucks
- Stakeholders currently discussing potential compromise

Financial Assistance for Small Fleets

- Can we increase the total funding for trucks?
 - Work w/districts to increase discretionary truck \$\$
- Can we increase access to \$\$ for small fleets?
 - Rule amendment to extend small fleet deadlines
 - Revisions to Moyer & Prop 1B Guidelines
- Example of concepts staff could explore with districts & stakeholders for Board consideration
 - Accept fewer “early” or “extra” reductions
 - Prioritize funding for small fleets (2nd/3rd truck)
 - Provide smaller grants for use as down-payments to help more truckers qualify for commercial financing

Can we provide additional credit for compliance?

- Credits delay compliance obligations
 - Fleets that made early investments or retired vehicles
- Additional regulatory options increase emissions impacts, for example
 - Allow all unfiltered trucks in compliant fleets until 2020, including light and heavy
 - Would not resolve competitive disadvantages
 - Could potentially double loss of PM benefits
- Tax incentives / credits require statutory changes

5,000 Mile Low-Use Exemption for School Buses?

- Reducing diesel PM emissions from school buses a priority for school children
- Staff does not recommend any changes
 - 9,500 buses already with filters
 - 3,300 remaining
- Working with air districts and school districts on funding options

Water Trucks

- CCTA requests additional low-use mileage exemption for water trucks
 - Longer distance to haul recycled water to construction sites
- Staff does not recommend any changes
- 6,600 reported to ARB
 - 1,700 currently reported <5,000 miles
 - 700 already meet filter requirements
- Qualify for construction and work truck extension
- Rest likely meet staff proposed 20,000 miles/yr limit

Current Enforcement Efforts

- 80% compliance
 - Seen in audits and field inspections
 - Verified by analysis of DMV registration and TRUCRS
 - Includes trucks that do not have current requirements, or are using flexibility options
- Methods
 - Roadside inspection / fleet audits
 - Registration and compliance data
 - Co-enforcement with EPA and Districts
 - Industry complaints
- Administration requesting new resources

Opportunities for Enhanced Enforcement

- DMV vehicle registration requirements?
 - Would require additional statutory authority
 - Current authority allows registration blocking for violations
- Inspection and maintenance programs?
 - May require additional rulemaking
 - Annual inspection requirements
 - Tighter opacity requirements
 - Use on-board diagnostics