

# 2017 Annual Enforcement Report

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June 28, 2018

# Outline

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- **Overview**
- Environmental Justice Focus
- Evolving Enforcement Programs
- Enforcement Case Highlights
- Looking Forward

# Principles of Enforcement

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- Public Health and Environmental Protection
- Fairness and Equal Treatment
- Deterrence
- Responsiveness to the Public

*Our goal is to achieve compliance*

# Role of Enforcement

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- Develop metrics to focus and prioritize enforcement efforts
- Resolve non-compliance
  - Investigate
  - Compliance assistance
  - Assess penalty
  - Settle or Litigate
- Identify lessons learned to regulatory design and implementation

# Enforcement Policy

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- Updated through a public process
- Describes fundamental enforcement approach
- Prioritizes cases
- Increases transparency

# 2017 Enforcement Report Highlights

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- \$2.5 million funding to new SEPs benefitting disadvantaged communities
- Extensive outreach and enforcement in disadvantaged communities, and at ports and railyards
- Compliance assessments of key regulations
- Important litigation victory in Clean Fuels program
- Large case settlements in multiple key programs
- 1,650 enforcement actions; \$17.5 million in penalties assessed

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- Overview
- **Environmental Justice Focus**
- Evolving Enforcement Programs
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# Environmental Justice Focus

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- Community outreach
- Supplemental environmental projects
- Cal-EPA enforcement initiatives
- Focused enforcement at ports, railyards, and roadways



# Outreach

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Participating in community meetings across California

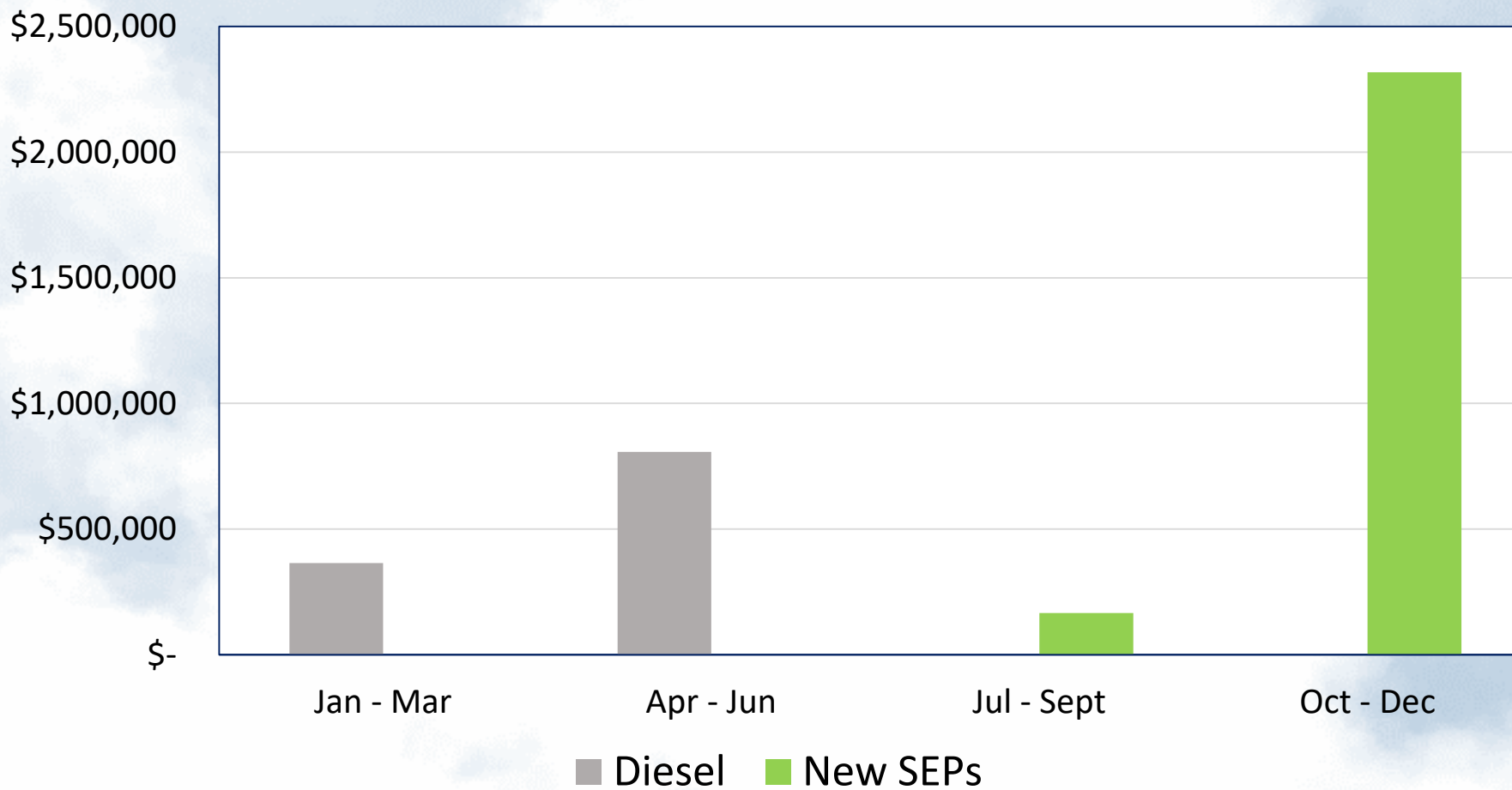


# New SEP Program

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- Updated SEP policy in 2016
- SEP is a project which benefits disadvantaged communities that is funded by up to 50% of penalty
- Implemented SEP policy in 2017
  - Conduct outreach to identify projects
  - Implement internal evaluation and approval procedures
  - Encourage violators to fund new SEPs
  - Track project implementation

# 2017 SEP Funding



# 2017 SEPs Funded

		Amount Funded	Recipient
New SEPs	School Air Filtration-SCAQMD	\$1,306,935	SCAQMD
	School Air Filtration – Roseville	\$429,625	PCAPCD
	BreathMobile® – Bay Area (East Bay)	\$546,940	Prescott-Joseph Center for Community Enhancement
	Asthma Impact Model – Merced County	\$35,000	Central CA Asthma Collaborative
	Community Diesel Education and Emissions Reduction – Bayview Hunters Point & Kettleman City	\$30,000	Greenaction
	GroundTruthing (California Safe Schools) – Van Nuys	\$25,000	California Safe Schools
	Tree Planting and Monitoring - Fresno	\$75,000	Tree Fresno
	Healthy Air Neighborhoods	\$35,000	Central CA Asthma Collaborative
Diesel	School Bus and Diesel Emission Reduction	\$1,079,693	CAPCOA, SJVAPCD
	California Council on Diesel Education and Technology	\$92,254	CCDET
<b>Total for all SEPs</b>		<b>\$3,655,447</b>	

# CalEPA EJ Enforcement Initiatives

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- Oakland – April 2017
- Pomona – October 2017



CARB-SCAQMD discussing air-related inspections and results from Pomona initiative.

*Focus on community involvement and direct enforcement*

# Cal/EPA EJ Enforcement Initiatives

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CARB Inspection Results		
	Oakland	Pomona
Inspections	128	300
Citations	8	68
Open Cases	2	1

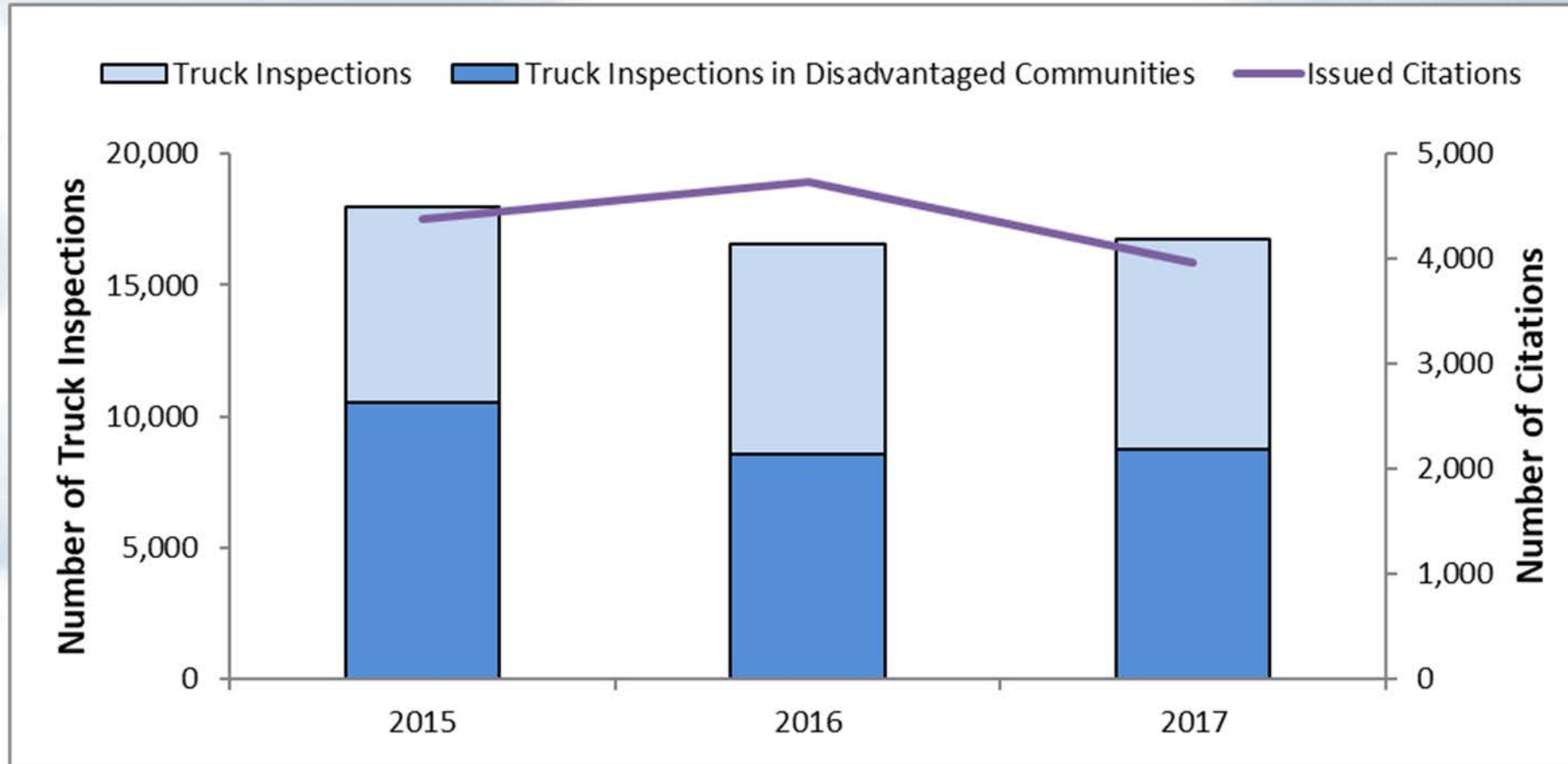
# Oakland Enforcement Initiative – Odor Investigation

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- CARB staff experienced significant and persistent odors
- Consistent with community complaints
- CARB and BAAQMD conducted air monitoring study
- Investigation is continuing



# Truck Enforcement in EJ Communities





# Freight Enforcement in EJ Communities

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- Cargo Handling Equipment
  - 5 cases settled - \$3,226,250
- Union Pacific Rail Road (UP) & BNSF Railway (BNSF) - \$1,245,000
  - Class I rail terminals must report noncompliant heavy-duty diesel trucks to CARB
  - UP now voluntarily turns away all noncompliant trucks
  - BNSF directed \$625,000 of its penalties to a mitigation project to install school air filtration

# Outline

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- Overview
- Environmental Justice Focus
- **Evolving Enforcement Programs**
  - At-Berth Enforcement
  - Statewide Truck and Bus
  - Stationary Source Equipment Refrigerant Management
- Enforcement Case Highlights
- Looking Forward

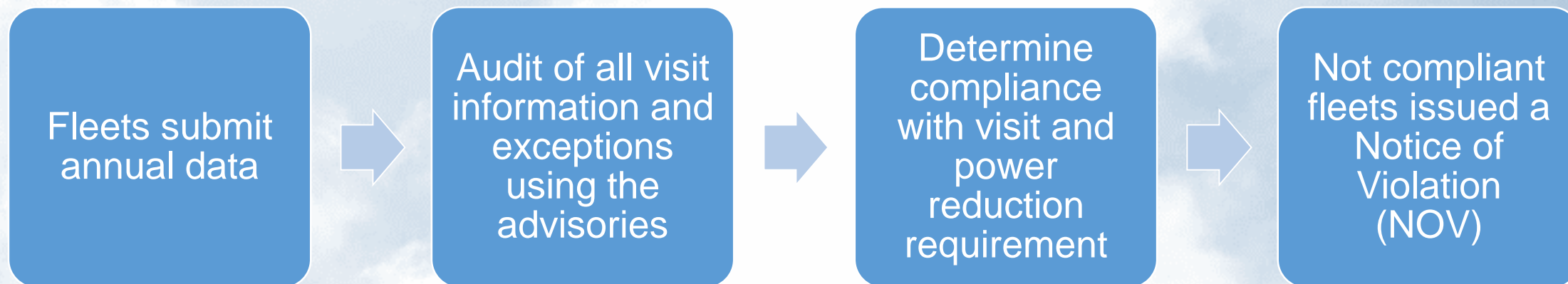
# At-Berth Enforcement

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- Developing metrics to prioritize enforcement
- Providing lessons learned for regulatory amendments

# Compliance Assessment Process



Reporting Year	Number of Fleets Audited	Number of Visits
2014	45	4,335
2015	42	3,917
2016	39	3,970

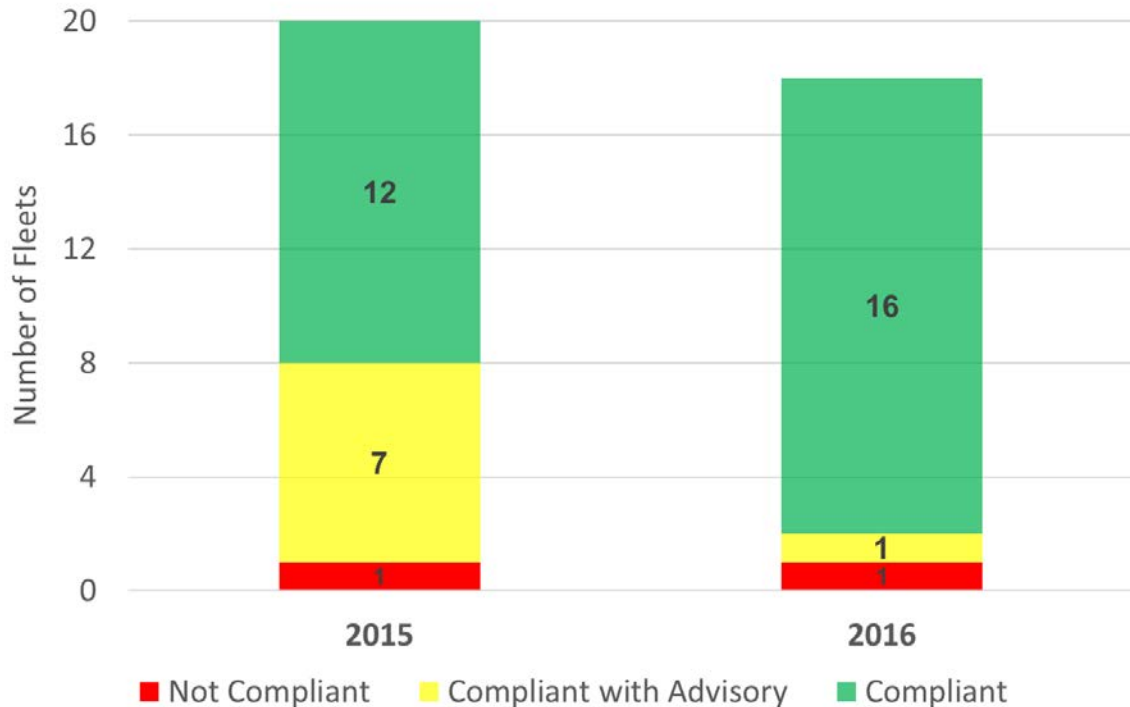
# The At-Berth Regulation is Effective

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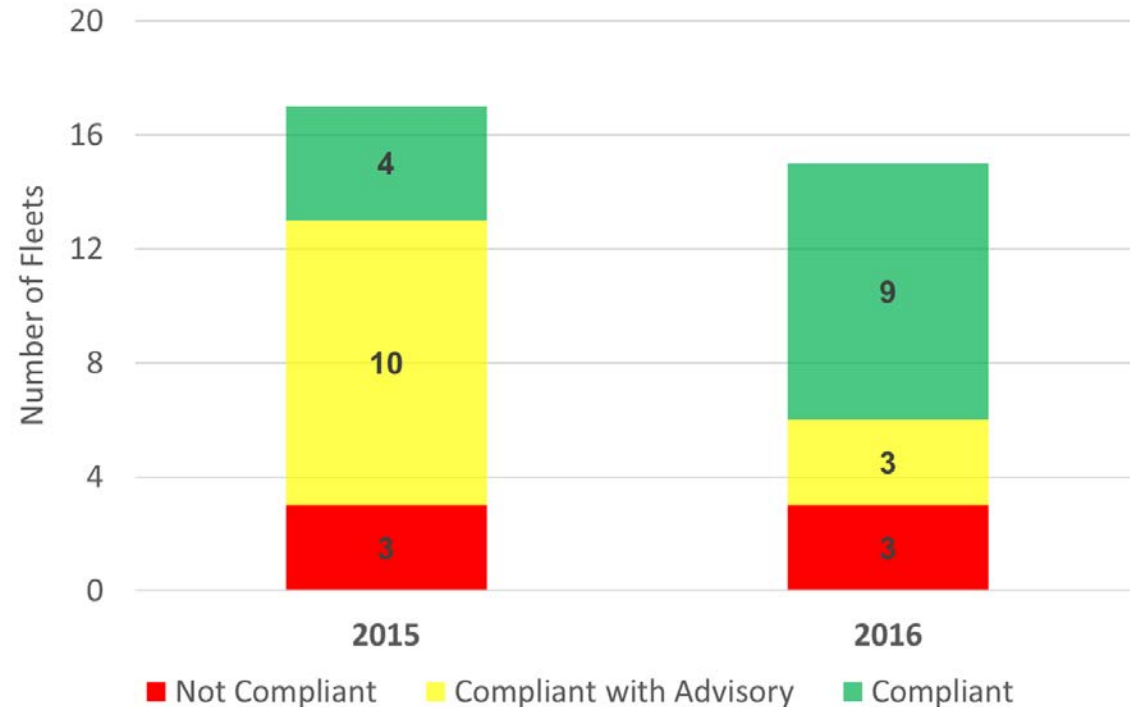
- 50% reduction requirement between 2014 and 2016
- Total statewide auxiliary engine use reduced by:
  - 51% in 2015
  - 63% in 2016
- 2016 emissions reductions (statewide)
  - 4.3 tons per day of NO<sub>x</sub>
  - 0.066 tons per day of diesel PM

# Fleet Audit Results

Number of Fleets by Compliance Status:  
Ports of Los Angeles and Long Beach



Number of Fleets by Compliance Status:  
Port of Oakland



# At-Berth Regulation: Moving Forward

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- Overall regulation achieved real-world emissions reductions in 2015 and 2016
- Currently auditing 2017 compliance reporting
  - 70% reduction requirement
- Audit results have been shared with regulatory staff
- Regulatory amendments planned for 2021

# Truck and Bus Enforcement

- For the past five years (2013 – 2017)
  - Settled 473 cases
  - Closed 7,741 citations
  - Assessed \$15,487,155 penalties
- Extensive compliance assistance
- New law prohibits registration of non-compliant trucks, effective in 2020.



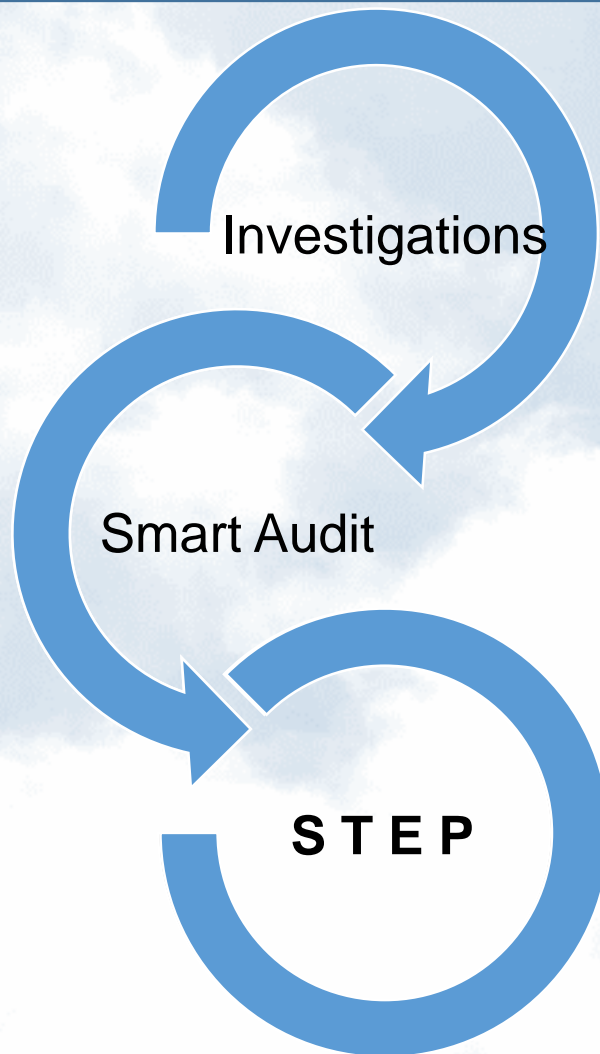
# Truck and Bus Compliance Rates

Registration	Fleet Size (Trucks)	Heavy Trucks		Light Trucks	
		Non-compliant	Compliance Rate	Non-Compliant	Compliance Rate
California	1-3	29,876	66%	17,277	78%
	4-20	18,153	75%	4,893	88%
	21-100	5,769	87%	1,139	93%
	>100	3,464	91%	1,430	95%
<b>Total CA</b>		<b>57,262</b>	<b>77%</b>	<b>24,739</b>	<b>85%</b>
Other States	All	257,768*	73%*	1,019*	98%*
<b>Total</b>	<b>All</b>	<b>315,030</b>	<b>74%</b>	<b>25,758</b>	<b>88%</b>

\* Interstate fleet registration information indicates non-compliant trucks in a fleet, but does not establish operation in California

# Streamlined Truck Enforcement Process (STEP)

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- Data driven investigation
- Scheduled settlement process

# STEP Process

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- Identify non-compliant fleets by address
- Non-compliance letter
- Notice of violation
  - Also a citation and complaint
  - \$3,000 penalty per truck
  - Registration hold
  - Due process offered
- Court judgement and penalty assessment

# Stationary Equipment Refrigerant Management Program

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- Resolved 38 minor violation cases without penalty
- D & T Foods - \$100,000
  - First use of administrative hearing process

# Outline

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- **Enforcement Case Highlights**
  - Ocean Going Vessel fuel
  - Fuels
  - Vehicles and Parts
- Looking Forward

# Ocean Going Vessel Fuel

- 97% compliance rate in ocean-going vessel fuel sulfur requirements
- Closed 10 cases and assessed \$87,500 in penalties



# Fuels Enforcement - Reformulated Gasoline

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- High compliance rate maintained at over 98%
- 481 inspections
- 1,650 fuel samples analyzed
- 3,729 formulation reports evaluated

# Fuels Enforcement - BP Litigation

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- BP Judgement - \$2,540,000
  - Discovered through routine inspection and sampling
  - 64 million gallons of noncompliant fuel supplied on import and distributed to retail
- Court found negligence and assessed penalties for retail violations



# Fuels Enforcement – Low Carbon Fuel Standard

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- Life-cycle evaluation of a fuel's Carbon Intensity (CI)
- Companies are audited for accuracy in reports
  - Fuel's certified Carbon Intensity; and
  - Volumes reported in quarterly and annual reports



# Fuels Enforcement – Low Carbon Fuel Standard

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- SK Energy Americas - \$393,000
  - Failure to meet the annual compliance obligation
- Kern Oil and Refining Co. - \$90,000
  - Inspection revealed improper use of higher CI feedstock

# Vehicle Certification Requirements

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- Certification fundamental to emissions control
- Manufacturers must obtain executive order to sell vehicles, engines, and after-market parts
  - *Unless the vehicle or part is used for racing purposes only*
- Vehicles and engines are being tampered
  - Estimate ½ to 1% of on-road cars and light trucks
  - Up to 30% of on-road motorcycles
- Some vehicles tampered by design (e.g. defeat devices)

# Vehicle Enforcement

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- Light-duty automobile on-going enforcement
  - Additional investigations
  - Consent decree implementation
- Aftermarket parts enforcement
  - 40 cases and \$9 million in penalties since 2012
  - JEGS Automotive, Inc. - \$1,700,500
    - Largest settlement for aftermarket parts to date
- Vehicle enforcement
  - Bombardier Recreational Products, Inc. - \$783,000
    - “pink wire” case

# Competition Vehicle Project Underway

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- Public process to address illegal tampering through education and compliance assistance
- Goal to clearly communicate requirements to manufacturers, wholesalers, distributors, retailers, and end-users
- Clarify and communicate consequences of non-compliance
- If necessary amend definitions in regulation or develop enforcement advisory



# Outline

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- Overview
- Environmental Justice Focus
- Our Key Enforcement Program are Evolving
- Enforcement Case Highlights
- **Looking Forward**

# 2018 Efforts

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- Implement new Truck and Bus enforcement process
- Expand aftermarket parts enforcement
- Support Cal/EPA EJ Task Force through participation in multi-media coordinated inspections
- Focus enforcement in disadvantaged communities identified through the Community Air Protection Program
- Continue diesel certification investigations
- Identify program efficiencies
- Apply lessons learned to regulatory design and implementation

# 2017 Annual Enforcement Report

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Available at:

<https://www.arb.ca.gov/enf/reports/reports.htm>

