

Marketing and Incentives Meeting Summary February 2001

Notes from the February 5 meeting:

The following was generally agreed to during the workgroup meeting:

I. Goal of the Retrofit Program

To reduce PM emissions from in-use sources

- (1) through upgrading with add-on devices that cut PM by 85% from existing emission levels or to at least 0.01 g/bhp-hr; and/or
- (2) through early introduction of engines meeting 2007 standards.

Objectives:

To achieve a high level of voluntary adoption of strategies that reduce diesel PM through incentives programs:

- ◆ Develop incentives programs
- ◆ Publicize (market) incentives programs to appropriate audiences
- ◆ Develop measurement techniques
- ◆ Evaluate success of the voluntary program

Notes: Each market segment has different motivating factors; We should survey different groups to determine what motivates them.

ARB should consider “rebranding” retrofit; several on the workgroup feel the term hinders market acceptance.

II. A Marketing Plan for Incentives would include:

Source (e.g., Truck, Marine, Construction, Farm, Ports, Stationary, etc.)

Audience

Benefit/Cost

Marketing Strategy

Communications Plan

Example of the complexity of sources:

On-Road Trucks includes: long haul trucks, regional haul trucks, short haul trucks, reefers, yard goats, private tour bus fleets, etc.

Marine sources include: private ships, military ships, international-flagged ships, publicly contracted dredgers, fishing vessels, tugs, etc.

Note: As a part of the OFFROAD model, ARB does have a listing of individual vehicle types for off-road. On-road vehicles, however, are listed by GVWR and not usage.

III. Methods Of Attaining Goal:

1. Command and Control Regulations
 - ◆ Most applicable to intrastate sources that do not compete nationally
2. Quasi-Regulatory Methods
 - ◆ Emissions requirements for CA shippers
 - ◆ Environmental Impact Statement requirements for mitigation
 - ◆ Contractual requirements by governmental agencies
 - ◆ Public agencies
3. Market Incentives
 - ◆ Grants
 - ◆ Preferential contracting (points added)
 - ◆ Tax credits
 - ◆ Reduced fees
 - ◆ Reduced taxes on fuel
 - ◆ Reduce time (waiting)
4. Image Enhancement
 - ◆ Green Image sticker
 - ◆ Premier Carrier License Plate
 - ◆ Award Program

Expanding on Market Incentives:

1. "Non-fiscal"
 - ◆ Clean vehicle lane at ports
 - ◆ Additional hours of operation for truckers
 - ◆ Additional weight for fuel delivery tankers
 - ◆ Additional length for truckers
 - ◆ Preferential contracts
 - ◆ Preferential parking (delivery vehicles)
 - ◆ Operational productivity
2. "Fiscal"
 - ◆ Reduced registration
 - ◆ Reduced sales tax, e.g., fuel, truck purchase
 - ◆ Tax credit, e.g., on retrofit, on new truck sales tax
 - ◆ Emission credits

IV. Contact appropriate trade associations for more incentives:

For example:

Building Associations

California Farm Bureau Federation

Nisei Farmers League

American Association of Railroads
Pacific Maritime Association
Port Authorities
American Public Transit Association
California Transit Association
Public Fleet Manager's Association
Air Transport Association
Etc.

V. Need to identify real incremental, life-cycle costs

For example:

Fuel differential cost per gallon
Fuel economy penalty
After-market equipment
Added maintenance
Range penalty
Hazardous waste management (not confirmed)
Registration fee (higher property value)
Insurance (higher property value)
Infrastructure

And quantify benefits, for example:

Reduced health care costs
Reduced washing and maintenance from soiling
Etc.

VI. Why would a business retrofit and what would be impacts?

If ARB Mandates:

How does ARB enforce?
What about flight to bordering states?
How does this affect fleet turnover?

What is the market advantage?

Industry specific

VII. Next Steps for Workgroup

Conference call on 2/27, 10 am; ARB will organize

Agenda will include

- ◆ approval/changes to minutes;
- ◆ plans for information gathering;
- ◆ separate communication strategies for Legislature, Governor, and affected industries
- ◆ time line for actions by Workgroup