





April 5, 2018

California Air Resources Board 1001 I Street Sacramento, CA 95814

RE: Volkswagen Settlement - Environmental Mitigation Trust for California

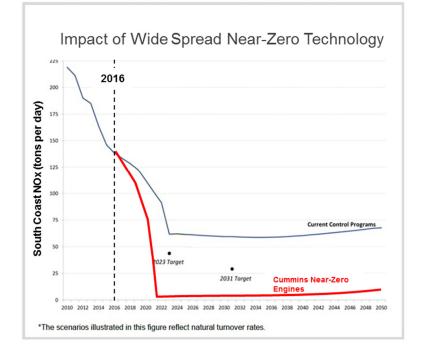
Dear Board Members and Staff,

Cummins Westport Inc. (Cummins Westport or CWI) is pleased to provide comments regarding staff's discussion documents regarding the implementation of the Volkswagen Settlement – Environmental Mitigation Trust for California, Appendix D-2. We have had the opportunity to participate in a number of the workshops held statewide as well as direct interaction with staff on various low NOx technology deployment options.

One important note relative to the workshops prior to providing comments. The CARB Team that conducted the workshops were, as always, very professional and prepared. The piece that stood out was their ability to set up an environment that allowed for open dialog and discussion. Recognition for a job well done is in order.

Cummins Westport is proud to have certified two natural gas fueled engine platforms, L9N (8.9-liter) and ISX12N (11.9-liter), to the California Air Resources Board's (CARB) option near-zero NOx 0.02 g/bhp-hr standard. In addition, Cummins Westport has a natural gas fueled B6.7N (6.7-liter) engine certified at the low-NOx 0.10 g/bhp-hr standard. These engines are available in a wide variety of truck and bus chassis makes and models. These engines provide the added benefits of being "carbon negative" when operated on Renewable Natural Gas. We believe these engines are a key part of the effort to not only mitigate the excess emissions associated with this settlement, but also toward achieving overall clean air goals.

Our engines are currently in full commercial production as a standard option and integrated into the same build lines as their diesel counterparts. These engines are produced, without limitation to volume, as ordered and do not wait for any "special run".



The chart below is an illustration of the potential impact of wide deployment of near-zero technology.

We look forward to continuing to work closely with CARB Staff to develop an effective, efficient program. Recognizing many of the details of the program will be part of the next phase discussions, Cummins Westport would like to offer the following comments related to the Low-NOx Combustion category:

- Do not limit the eligible engine model years further than the 1992 to 2012 as contained in the Consent Decree.
  - The Discussion Document, in some areas, limits repower or replacement to engines 2009 and older.
  - Including 2010 to 2012 engine model years will maximize the near-term potential application of the near-zero technologies.
- Allow technology/service providers to apply through a competitive process for a specified number of eligible repowers.
  - To maximize deployment of near-zero engines, repower of existing natural gas engines with a near-zero version will be critical to success.
  - Since these vehicles are already in-use executing their respective duties, in service time is vitally important.
  - To maximize the potential deployment of near-zero engines, facilitate the decision making process for fleets and reduce the time out of service, a system similar to the HVIP voucher process is required.

- In addition to soliciting scheduled repowers, any eligible engine requiring repairs is a potential near-zero repower candidate in lieu of repair.
- Fleets don't have the luxury to have a vehicle out of service for extra days or weeks seeking repower funding.
- Allow 100% funding for near-zero repowers in government fleets as allowed in the Consent Decree.
  - Municipal refuse (neighborhood pick-up and transfer trucks) already operating on natural gas can be immediately upgraded to near-zero technology despite, in many cases, having budget constraints.
  - Not only would this immediately deploy near-zero technology into communities, including disadvantaged communities, it will also extend the life of the equipment.
  - An additional benefit is that the engine is covered by a 2year/250,000 warranty (with extended coverage options available at additional cost) which will reduce the fleet's repair cost exposure.
- Augment VW Mitigation funding for near-zero repowers in private fleets with the HVIP Program or other incentive funding.
  - The Consent Decree limits funding VW Mitigation to 40% of the near-zero repower (project) cost for private fleets.
  - Based on discussions with fleet operators, the out-of-pocket for the fleet is too large and investment for an already compliant truck.
  - Although 100% repower funding for a near-zero repower in a private fleet may not be possible, we encourage direction to CARB Staff to explore the potential to augment the funding level.

Again, we look forward to continuing to work with CARB Staff on the development of the VW Mitigation Program to reach or exceed the targeted reductions.

Best regards,

For Summor

Tom Swenson, P.E. Business Development Manager