



October 29, 2021

BY EMAIL TO ZEVFLEET@ARB.CA.GOV AND ONLINE COMMENT SUBMITTAL FORM

California Air Resources Board
Mobile Source Control Division
1001 I Street
Sacramento, CA 95814

Re: American Automotive Leasing Association's Comments on California Air Resources Board's Advanced Clean Fleets Staff Proposal

The American Automotive Leasing Association ("AALA") respectfully submits these comments to the California Air Resources Board ("CARB") regarding the Advanced Clean Fleets ("ACF") regulatory proposal. AALA's comments are focused on CARB's document dated September 9, 2021 titled "Proposed Draft Regulation Language – High Priority and Federal Fleet Requirements" (the "Proposed Draft Regulation") and, in particular, the high priority and federal fleets reporting requirements.

AALA is a national trade organization that represents commercial automotive fleet leasing companies. Fleet leasing companies comprising the AALA membership own and manage more than 3.5 million vehicles which are leased to small businesses, nonprofit organizations, government entities, and corporations that usually have smaller divisions or franchises in all 50 states. These vehicles range from passenger cars to cargo vans and trucks that are customized and outfitted to fit business purposes, from electrical and plumbing repair and telecommunications installation, to wholesale food and beverage distribution and fuel delivery. Fleet leasing companies make California businesses of all sizes more competitive by allowing customers to focus on their core business activities rather than managing their vehicle fleets. In California, AALA members own and manage on behalf of local businesses hundreds of thousands of vehicles. Of these vehicles, approximately 33% are replaced every year with safer and more fuel-efficient vehicles and, to an increasing extent, zero-emission vehicles.

Section 95692.4 of the Proposed Draft Regulation would impose a new fleet reporting requirement on certain businesses defined in Section 95692(a) with respect to qualifying medium-duty and heavy-duty trucks comprising their respective fleets. Reports filed with CARB would include identities of entities and vehicles, home-base locations and how the vehicles are operated (e.g., vehicle body types, daily miles traveled, fueling locations, and other usage characteristics).

These reporting requirements are substantially similar to those set forth in CARB's existing Advanced Clean Truck ("ACT") regulatory reporting requirements except with regard to the party responsible for reporting vehicles subject to long-term lease. Under the ACT regulation, for a qualifying vehicle that is leased from a motor vehicle leasing company, the "fleet owner" subject to the reporting requirement is the lessor if the lease agreement is for a period of less than one year; otherwise the "fleet owner" is the lessee. Cal. Code Regs. tit. 13, § 2012(d)(10)(B). Section 95692(b)(19)(B) of the Proposed Draft Regulation for the ACF program would replace this straightforward allocation of reporting responsibility between the lessor and lessee with the following provision:

For vehicles that are rented or leased from a business that is regularly engaged in the trade or business of renting or leasing motor vehicles without drivers . . . [t]he owner shall be presumed to be the rental or leasing entity for purposes of compliance if:

- a. The rental or lease agreement for the vehicle is for a period of less than one year; or
- b. The rental or lease agreement for the vehicle is for a period of one year or longer, *unless the terms of the rental or lease agreement or other equally reliable evidence identifies the party responsible for compliance with state laws for the vehicle to be the renting operator or lessee of the vehicle.*

The emphasized language would, if enacted, substitute a logical and bright-line allocation of reporting responsibility between the lessor and lessee in the ACT regulation with one that necessitates a fact-intensive inquiry as to which party is responsible for compliance with state law under each individual motor vehicle lease agreement.

Fleet motor vehicle leasing companies comprising the AALA membership request that CARB amend the definition of “fleet owner” of a leased vehicle in the Draft Proposed Regulation to match the definition set forth in the ACT regulation, i.e., lessees under lease agreement with terms of at least one year are responsible for the high priority and federal fleets reporting requirements under the ACF program. This will not only promote uniformity with existing law but also ensure reasonable compliance with the reporting requirement since only the lessee, as the party that actually possesses and operates the vehicles within California, has direct access to the information subject to reporting.

Thank you for CARB’s attention to this matter and consideration of the comments on and suggested revisions to the Proposed Draft Regulation as set forth above. If you have any questions, please contact me at joyce@aalafleet.com.

Sincerely,

Mike Joyce
Executive Director
American Automotive Leasing Association