

June 8, 2021

Kathleen Mead
Heavy-Duty Engine Technology Advocate
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Via: <https://www.arb.ca.gov/lispub/comm/bclist.php>

**Re: Proposed Mobile Source Certification and Compliance Fees: Resolution 21-9:
Small Volume Engine Manufacturers of SPMV and SPCNS Certified Engine Packages**

Dear Ms. Mead:

The Specialty Equipment Market Association (SEMA) appreciates this opportunity to provide comments on proposed mobile source certification fees considered at the CARB hearing held on April 22, 2021. The comments are limited to proposed fees in section 2904 for certified engine packages for a Specially Constructed Vehicle (SPCNS) and Specially Produced Motor Vehicle (SPMV). SEMA respectfully requests that the fees be lowered.

SEMA represents the \$46 billion specialty automotive industry comprised of 7,500 mostly small businesses nationwide, that manufacture, retail, and distribute custom parts and accessories for motor vehicles. The industry produces performance, restoration, and enhancement parts for use on passenger cars and trucks, collector vehicles, racecars, and off-highway vehicles. Products range from wheels and tires to engines, exhaust systems, lighting equipment, suspensions, truck caps, leather seating, mobile electronics, and more.

Among other aftermarket sectors, SEMA represents the kit car industry and the companies producing SPCNS and SPMV engine packages. CARB has created regulatory programs that permit enthusiasts to construct, title and register specially constructed vehicles and, in the near future, purchase turnkey replica cars—vehicles that appear to be at least 25 years old. The SPCNS and SPMV programs provide a pathway for engine package manufacturers to offer current model year clean power supplies for vehicles sold in California and across the country.

As CARB was developing a fee structure for various categories of vehicles and equipment, agency staff recognized that the SPCNS and SPMV programs were rather unique in terms of sales volume. While the number of certified engines being sold within most CARB fee categories will be in the thousands if not millions, the number of SPCNS and SPMV engine packages sold will be dozens or hundreds.

SEMA thanks CARB staff for setting a reasonable certification base fee for SPMV vehicle manufacturers: \$1,000. SEMA respectfully requests that CARB revisit the proposed certification base fee for SPCNS and SPMV engine packages which starts at \$11,627 and rises to \$23,254.

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SEMA has received member feedback that the fee would be onerous for small volume engine manufacturers already feeling challenged to produce such packages, given the limited number of potential sales.

SEMA recommends that the number be closer to that set for vehicle manufacturer certification, while recognizing that the certification process requires more processing time for engine packages. Establishing the fee structure is a balancing act. A fee that is too high, such as the proposed fee of \$11,627, is a disincentive for the engine package supplier to participate in the program.

With respect to the SPCNS program, both SEMA and CARB are encouraging engine manufacturers to secure Executive Orders and thereby provide enthusiasts across the country with the opportunity to install current model year engine packages. Hence, there is a clean air benefit if the program succeeds.

With respect to the SPMV program, SEMA has estimated that the total number of replica cars to be sold annually in California will be around 500. Nationwide, the National Highway Traffic Safety Administration (NHTSA) is estimating sales will be from 4,000 to 8,000 turnkey replica vehicles annually, and that the vehicles are expected to be driven, on average, no more than 2,280 miles per year.

Making sure that the engine manufacturers have an economic pathway for producing the packages is key. The public benefits if the fee structure accommodates that path. A reasonable fee structure will also help to support jobs, pay state taxes, and supply consumer demand.

There will be an opportunity to revisit the fee structure after it has been implemented. For now, SEMA recommends that CARB take a conservative approach with respect to the SPCNS and SPMV engine manufacturers. Thank you again for this opportunity to submit comments and revisit the proposed fee structure.

Feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Dan Ingber', with a long horizontal flourish extending to the right.

Daniel Ingber
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cc: Jackie Lourenco, Chief, New Vehicle/Engine Programs Branch
Kim Pryor, Branch Chief, New Vehicle/Engine Programs Branch
Allen Lyons, Division Chief, Emissions Compliance,
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