CONSTRUCTION INDUSTRY AIR QUALITY COALITION

Coalition Members

AGC CALIFORNIA

Associated General Contractors America-San Diego Chapter, Inc.

Building Industry Association of Southern California

California Dump Truck Owners Association

Engineering Contractors Association

Engineering & General Contractors Association

Engineering & Utility Contractors Association

Southern California Contractors Association

April 17, 2014

Mary D. Nichols, Chairman
California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812

RE: Comments on ON-ROAD TRUCK RULE

Dear Chairman Nichols and Members of the Board:

The Construction Industry Air Quality Coalition (CIAQC) appreciates the opportunity to comment on the California Air Resources Board (ARB) staff proposal to amend the Truck and Bus Regulation. The requirements in the Truck and Bus Regulation have a significant impact on the construction industry as many contractors, most of which are small businesses, own trucks covered by the regulation. These construction employers are also subject to the ARB's Off-road Equipment Regulation and Portable Equipment Air Toxic Control Measure. Taken together these regulations are forcing contractors to shrink their truck and equipment fleets, resulting in fewer jobs, fewer projects and less revenue needed to cover the high costs to refit and replace existing trucks during a time of little economic growth since 2009[1].

CIAQC has previously expressed its concern about the accuracy of the data and the emissions inventory from this equipment. While the construction industry is prepared to do its share to achieve the air quality standards, because of the extraordinary cost of this retrofit and replace rule, we do not want to be responsible for phantom emissions that do not really exist in the inventory. For that reason we think it is imperative that CARB "get the numbers right". It creates a very unstable regulatory and business environment when there are changes to the regulation because CARB couldn't get it right the first time. For these reasons CIAQC provides the following recommendations to improve the Truck and Bus Regulation at this time.

Exemption for Low-Use Vehicles

The low-use exemption should be raised from the proposed 5,000 miles per year to 7,500 miles annually (that is less than 30 miles per day for a 5-day work week annually). The low-use exemption should remain consistent with the current regulation (no expiration date) and not establish a new expiration date of January 1, 2020. A truck that travels so few miles per year does not generate enough revenue to cover the replacement cost beginning in 2020. CIAQC *agrees* with the ARB staff proposal that the power-take off (PTO) limitation is not necessary for low-use vehicles.

[1] Appendix F, page 1 Section(B) notes "For this update, staff refreshed the BOE (CA Board of Equalization) historical fuel sales and use data with recent (2013) data. **These data show little or no growth in taxable diesel fuel sales since 2009**.

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Major Funding Provided by the Construction Industry Advancement Fund and the Fund for Construction Industry Advancement

Low-mileage Work Truck Phase-in Option
CIAQC *supports* the creation of the Low-Mileage Work Truck provision (including construction trucks). However construction related trucks should not have to begin to replace their engines (or trucks) only two years following the completion of retrofitting these vehicles with diesel particulate filters beginning in 2020. Low-mileage work trucks should be given eight years to do so consistent with the time frame in the Engine Model Year compliance schedule currently (and proposed to continue) in the regulation. Over the next 4 years nearly all of the construction truck fleet will need to be retrofitted with expensive particulate filters. Beginning two years later they will need to begin replacing all of these recently retrofitted trucks. This is unnecessarily burdensome on the construction industry.

Additionally the Low-Mileage Work Truck should apply as proposed by staff for vehicles that travel 20,000 to 30,000 miles per year.

Small Fleet Compliance Option
A Small Fleet (three or less trucks) owner with one truck should be required to install a diesel particulate filter by no later than January 1, 2018. This would be consistent with the final compliance date, as proposed, by which three-truck owners utilizing the Small Fleet option must complete installing filters. As currently proposed, some single-vehicle truck owners will not receive any additional flexibility or relief if they were unable to install a filter by January 1, 2014.

High-Value Chassis Trucks
Similar to the Heavy-Crane Phase-in Option, the Executive Officer should create a high-value chassis metric by which specialty construction trucks are given similar consideration. The metric could include an upper monetary value for the replacement of the unique vehicle or truck. Alternatively they could follow the specialty agricultural vehicle extension provision found in 2025(m)(11)(A) that lists specific applicable truck types. This would make the regulation consistent with provisions already in place for other pieces of equipment.

Early Actions Already Taken by a Fleet
In recognition to the provisions recommended by ARB staff for early actions already taken by a fleet, CIAQC recommends that fleets following the Engine Model Year compliance schedule that took early steps to upgrade their trucks before it was necessary should also receive credit consistent with those offered for fleets utilizing the PM Filter Phase-in Option. The recommendation is that a fleet utilizing the Engine Model Year compliance schedule that replaced an existing truck in its fleet with a 2010 emissions equivalent truck (engine includes OEM particulate filter) prior to January 1, 2014 should receive a credit of two years that can be applied to Engine Model Year schedule for any other truck of similar age or older than the truck

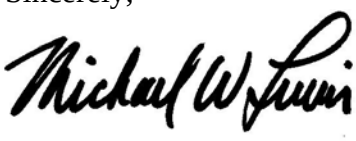
that was replaced. The credit could alternatively be applied to the percentage requirements for the PM BACT compliance schedule for Low Mileage Work Trucks.

Regulatory Smoothing
Fleet and truck owners should have the ability to report the classification of a truck and take early actions for compliance purposes (low-mileage work trucks, low-use) for a minimum of 180-days *after the board adoption date* for any applicable changes made to the regulation. To do otherwise would have required individuals to have known beforehand (beginning in November 2013) the decisions the board will make in the future and report their vehicles and purchase equipment accordingly in an environment of extreme uncertainty.

It is important to point out that these recommendations are based on the fact that construction activity has not recovered at the same rate as other segments of the economy. Specific consideration should be given to the compliance schedule as a result of the lag in construction activity and subsequent reductions in emissions. Attached for reference is the November 25, 2013 CIAQC letter to ARB that details the reasons and rationale for the above recommendations.

CIAQC believes it is appropriate to update the Truck and Bus Regulation at this time, and appreciates the opportunity to provide these comments on the ARB proposal. We believe these recommendations will provide the additional flexibility for a sector of the California economy that continues to struggle, while fulfilling the intent of the ARB Board for emission reductions from on-road trucks. I would be glad to answer any questions you might have or provide additional information. Please do not hesitate to contact me at (626) 858-4611.

Sincerely,



Michael W. Lewis
Senior Vice-President

Construction Industry Air Quality Coalition
Copy of previous letter submitted to ARB on the Truck & Bus Regulation dated November 25, 2013

CIAQC

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November 25, 2013

Mary D. Nichols, Chairman
California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812

RE: Comments on ON-ROAD TRUCK RULE

Dear Chairman Nichols and Members of the Board:

The Construction Industry Air Quality Coalition (CIAQC) appreciates the opportunity to comment on the status of the TRUCK AND BUS Regulation (On-Road Truck rule) and its impacts on the construction industry and construction fleets and small business owners based in California.

We believe there are a number of areas where the rule can be improved without threatening the goals and objectives of the emissions reduction effort. It is also important to understand that the trucks used in construction, although they may be similar to those used in the over-the-road transport business do not operate nearly as many miles nor do they operate in the same fashion as those long-haul trucks. The one-size-fits-all truck rule simply does not work for the construction trucks. Further, we believe that due to the relative small size of the construction fleet, the low number of miles operated and the ongoing construction industry recession, we are well ahead of the expectation for emission reductions from this segment of the statewide truck fleet.

For those reasons we are recommending that the Board direct the staff to update the rule to recognize these changes in actual emissions from those "assumed" at the time of the rule development and make adjustments required to meet the reduction target without over-burdening the California based construction employers.

CONSTRUCTION TRUCKS ARE NOT 'THOSE' TRUCKS

The construction industry drives very few miles with their trucks. Many trucks are transported to the site by low-bed, ie. Water trucks, service trucks. Some specialty trucks drive fewer than 5,000 miles per year and according to the low-use truck registration program, many drive fewer than 1,000 miles a year. Even with the current restrictions to the Low-Mileage Construction Truck (LMCT) Extension, 7,200 trucks registered for that program at the 15,000 to 20,000 annual miles cap.

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A high mileage construction truck might drive 35,000 to 40,000 miles per year. Compare that to an over-the-road truck which could travel 250,000 miles annually and averages 100,000 to 140,000 miles annually according to the Oak Ridge National Laboratory – Center for Transportation Analysis.

Further, many of these construction trucks are owner-operators, or part of a small family owned fleet that provides support to the construction industry. They don't have the financial resources to retrofit and replace those trucks on the same schedule as the larger, out-of-state and high mileage fleets.

Forcing the construction industry to comply with the same schedule as the over-the-road trucks is unfair and unnecessary given the unique nature of construction related trucks and the much lower mileage levels (and emissions) generated by those trucks. ***CARB should recognize that these captive in-state trucks owned by California based employers and small business owners should be given an appropriate and separate schedule for achieving the necessary emission reductions. Further, those that are clearly construction related trucks should be placed in a separate category with a separate compliance schedule to address the excessive burden placed on those small operators.***

GET THE EMISSION NUMBERS RIGHT

In the four years since the On-Road Truck rule was adopted, several things have become clear. The number of trucks used in construction is fewer than originally estimated, they don't drive nearly as many miles as originally thought and many are newer than originally projected. In the attached calculation (Attachment 1) it would appear that the number of construction trucks is about 44,000 or 2.4% of the on-road fleet. ***A stand-alone emission inventory and target for construction trucks would be the most equitable means to craft a regulation for the construction industry.*** Contractors are willing as an industry to reduce the emissions from their fleets, but aggregating them with the 1.5 million long haul trucks unnecessarily increases the compliance requirements for construction fleets and small businesses.

The staff presentation to the Board indicates that the emission testing done in Long Beach and Oakland demonstrated reductions in Black Carbon and NOx at 40% - 50%. Those dramatic reductions do not appear to be reflected in the graphs presented by the staff in the very same presentation (attached).

We believe that the chart presented in the staff report does not reflect the actual emissions generated or reduced by the construction industry, nor does it indicate the "recession" caused reductions versus the rule caused reductions. It also appears to be an extrapolation of 2009 data and not an update with current actual emissions. Much better data is now available on fleet sizes, mileage and age and a new examination could eliminate the "phantom" emissions that no longer exist in the inventory. ***An update to the actual construction emissions should clearly indicate that more time and flexibility is warranted in the construction truck category.***

THERE IS NO CONSTRUCTION "RECOVERY" FROM THE RECESSION

The use of construction equipment fluctuates with the employment and volume of construction activity in the economy. Construction volume peaked in February of 2006, with an employment level near 945,000. At the depths of the recession employment languished at 550,000. Today employment has stagnated at around 620,000, the same level as June of 1998 – this is far from a robust recovery. It has been a weak recovery at best and nowhere near the levels that were projected by the staff in their presentation to the CARB Board in 2010.

Further proof of this anemic construction recovery can be seen in the level of residential building in California. Home building has always represented about 75% of all construction activity in the state. A normal and healthy homebuilding rate is about 150,000 units per year. Before the economy collapsed in 2007 we had built 200,000 units the previous year. Last year we build 40,000 housing units. In 2013 we are expected to achieve a 50,000 unit level. The best projections for 2014 are 60,000 units if interest rates do not rise.

The Board needs to understand that construction is still all about the lowest responsible bidder, regardless of public or private work. As the industry contracted beginning in 2007, bids followed and the profit margins have not ever recovered. It is still a very competitive environment and with low profit margins many have not been able to afford to replace trucks and equipment. The theory of just "pass the costs on" has not materialized within the construction industry. ***Construction activity has not accelerated at the same rate as other segments of the economy and specific consideration should be given to the compliance schedule as a result of the lag in construction activity and subsequent reduction in emissions.***

A CARB FILTER VERIFICATION IS NO ASSURANCE TO THE CONSUMER

The vigorous CARB filter verification process is merely an indication that "When the filter works, it reduces the emissions the way we say it does". Most often that filter will only work

when the engine is running for long periods of time, generating high heat, under high load. Something most construction engines do not do.

Unfortunately verifying a filter for an entire engine family, regardless of the operating conditions of the engine, is a misleading presumption that it will actually work on every engine. Most consumers are unaware that extensive engine testing is required to determine if the filter will actually work on a specific engine, operating under its typical operating conditions and will not impede the operation of the equipment during actual field operations. The burden falls on the equipment owner, at the mercy of the sales rep, to make the determination. As a consequence, many verified filters are inappropriate for the operating conditions of most low-use, low-mileage construction trucks and equipment. Yet, CARB makes no effort to collect and disseminate this information to the consumers. Every contractor and trucker has to learn on his own what may or may not work on his unique truck or piece of equipment.

This is a costly and time consuming process. The "verification vs. reality" gap might also account for the numbers presented by MECA (Manufacturers of Emission Controls Association) which indicated that only 3,500 DPF devices had been installed in the first half of 2013 when CARB had estimated that 59,000 were needed for full compliance by year-end. Even 2012 installations were 24% below CARB's estimate of those required for compliance.

The gaps in the CARB reporting and information sharing process have led to widespread complaints about the reliability of the filters. The CARB warrantee reporting process is designed to capture only catastrophic failures and some types of warrantee issues. Routine problems with filter plugging disrupted operations and equipment down-time; the problems encountered every day by consumers, are not tracked or reported by CARB.

With the growing use of retrofitting strategies to supplement OEM efforts, CARB should establish a more rigorous performance monitoring program to advise consumers about the appropriate applications for this filter equipment. In addition a truck owner should be allowed to remove a filter after a certain number of failures or engine shutdowns.

FORCED OBSOLESCENCE "CUMULATIVE EFFECT" IS PENALIZING CALIFORNIA BASED BUSINESSES

Most construction and even trucking companies in California are affected by at least three CARB equipment rules; the On-Road Truck rule, the Off-Road rule and the Portable Equipment ATCM. Those with specialty equipment like forklifts, pumps or cranes may be affected by more than

three. All of these rules require the retrofit, repower or replacement of nearly 100% of the equipment owned by those companies. For most companies it means disposing or rebuilding of engines long before the useful life has been realized. These extraordinary expenses turn the business plans for most contractors completely upside down. These contractors invested in very expensive equipment planning on being able to use it well past the payment schedule in order to keep their businesses profitable.

For small companies the only compliance path in these extraordinary economic times is to shrink their fleet. That means fewer jobs, fewer projects and less revenue to achieve compliance. According to the Bureau of Labor Statistics, of the 65,000 construction companies in California 91% have fewer than 20 employees.

This burden falls particularly hard on California based employers. Large national contractors and trucking companies can purchase new pieces of equipment and use those in California while they use their older non-compliant equipment elsewhere. California based employers don't have that flexibility. These employers are not given any consideration for the fact that they have multiple rules, each with vigorous compliance schedules, forcing the expensive replacement of their primary business activity.

CARB should consider developing flexible compliance options for California based businesses that are faced with two or more rule schedules. One option might be to adopt a three year rolling fleet average that would provide some flexibility for small fleets. Another consideration would be to harmonize the rule requirements so the same truck used in the construction industry has the same requirements as one used in the agriculture. It makes no sense for them to have different mileage limitations. A third option might be the "bubble" concept discussed before where fleet owners would be allowed to achieve aggregate emission reductions for all of their regulated equipment. CARB needs to recognize and correct the extraordinary burden they have place on California employers and small business owners with their multiple retrofit and replacement requirements.

LOW MILEAGE CONSTRUCTION TRUCKS

A current provision in the regulation, added after the original adoption, allows companies to apply for a temporary low-mileage truck exemption for up to 10 trucks operating under 15,000 and 20,000 miles annually as long as the company holds a contractor's license. A total of 9,000 trucks were to be included in the program. As of the deadline, only 7,200 trucks were able to

qualify. Those trucks also operate fewer miles than the staff originally estimated and generate fewer emissions that originally projected which should allow even more trucks into the program.

This provision was originally established in recognition of the lower emissions being generated by construction activity due to the recession. As a consequence the industry has not been able to take full advantage of the savings in emission reductions.

We support the staff proposal to re-open the program ***but request that the provision for the equipment to be owned by a company with a contractor's license be dropped***. Many trucking companies do not need a contractor's license to perform the activities that they provide to the construction industry. And many construction companies hold their equipment assets in a different company than the one that provides the construction work. Having equipment registered in the off-road DOORS program should be sufficient evidence of construction related work by the equipment owner.

The requirement for a contractor's license has clearly limited access to this program and should be modified. We would also propose the maximum number of trucks be increased to at least 12,000 as originally proposed at the time the rule was adopted. We have previously proposed that the retrofitting of these trucks be phased-in over 4 years when the provision expires.

LOW USE TRUCKS

The original regulation included an exemption for trucks traveling less than 1,000 miles per year. While this has been helpful for a few trucks, there are many more that travel more than 1,000 but less than 7,500 miles per year. Many of these are specialty trucks that perform a very specific task and may be very expensive to replace. Many also have PTO (Power Take-Off) engines that run some function of the equipment while the engine is in operation. CARB has also placed an additional limit on the hours of operation of the PTO's to 100 hours annually. These two limitations combine to severely limit the ability of trucks to qualify for this program and fail to recognize the very limited emissions generated by this equipment.

We believe that an accurate emissions inventory would support raising the exemption from 1,000 to 7,500 miles and the PTO limit from 100 to 750 hours.

CONSTRUCTION VOCATIONAL TRUCK MILEAGE EXTENSION

To simplify the regulation as it relates to just construction vocational tractors and unitized trucks ***we would propose that those trucks be categorized into three mileage thresholds.***

- ***Ultra-low mileage for less than 7,500 annual miles (exempt),***
- ***Very-low mileage for 7,501-30,000 miles with a 2023 compliance deadline and,***
- ***Low mileage for 30,001 to 65,000 annual miles with compliance by 2020).***

Construction trucks would be defined as all 2 and 3 axle tractors and unitized vehicles utilized to haul construction related commodities and materials or that preformed work on the project site. All of the following diesel powered heavy vehicles would be included:

- Asphalt Trucks
- Agitator Truck
- Boom Trucks
- Combo Truck w/End Dump
- Combo Truck w/Lowboy
- Concrete Mixing Trucks
- Mixer Truck
- Concrete Pump Trucks
- Cranes of all types
- Dump Trucks (rear, bottom, side)
- Dump Truck w/Crane
- Drill Trucks
- Stone Slinger Truck
- Tipper Truck
- Flatbed Trucks for Construction
- Flatbed Dump Truck
- Flatbed Truck w/Crane
- Fuel & Lube Trucks
- Water & Tank Trucks
- Winch Tractors
- Service Trucks

A SEVERE SHORTAGE OF NEWER USED TRUCKS

There is currently a severe shortage of used trucks in the market. The (2010 year engine) trucks are not expected to begin entering the used market until 2015 and beyond. The attached chart on Class 8 truck sales indicates that the 2010 truck sales were nearly the lowest in 5 years. That means fewer trucks available for the used truck market in four or five years.

These extensions would allow the used truck market to produce enough "newer" used trucks to meet the vocational needs of the construction industry. Clearly, the construction industry is struggling to recover from the recession. The vast majority of construction companies in California are small businesses (fewer than 20 employees) and 70% of construction trucking is a single truck owner-operator. The costs and the schedule for them to comply with this regulation are just too high and too rapid. We believe they are entitled to relief given the much lower emissions from reduced fleets, lower use and mileage.

There are too few used trucks even today 3 years after the new 2010 clean engine standard. Most trucks are now on 4-5 years (500,000 - 600,000 mi.) trade cycles There is no greener program than reusing, repurposing, and recycling of newer used trucks.

ATTAINMENT AREAS

Most of the rural areas "green zones" of this state have no state or federal attainment issues and should not be subject to the provisions of this regulation. There is no public health threat in those communities and they are often more reliant on trucks to perform their livelihood than the more urban areas of the state. Further most of these trucks are "captive" to the area and do not travel to other non-attainment areas.

For single and small fleet operators compliance is a very expensive proposition. For most in the rural areas, the activities are seasonal due to weather or the economy of the region and the ability to generate additional revenue simply isn't available. The rule imposes an air quality burden where it isn't needed or warranted. The changes to the smoke testing program recommended by the industry should be sufficient to keep rural "captive" trucks within the manufacturer emission limits.

We would recommend that trucks in the attainment areas be exempted from the rule as long as they remain in the attainment area, that they be subject to annual smoke testing and that attrition and natural turnover be allowed to bring those fleets into compliance.

PERIODIC SMOKE INSPECTION PROGRAM (PSIP) "Smoke Testing"

The "smoke testing" program in California has been very successful and effective in eliminating smoking trucks from California's highways <u>for the trucks for which it applies and for which the owners are aware of the program.</u> Recent legislative amendments have made it easier for larger fleets to keep their fleets in compliance by allowing all trucks to be tested annually at the same time. Many of the trucks tested in this program are substantially below the levels established by CARB, providing an extra air quality benefit. For those that fail the test the fix can be as simple as installing a new air filter or cleaning a clogged injector.

Unfortunately tens of thousands of owner-operators were excluded from the program due to the high cost of testing. Today, there are many testing operations available, and the cost is around $45. Another weakness of the program was the lack of reporting or enforcement. After many years of not being asked to supply evidence of testing, many operators simply stopped performing the tests. Only recently did CARB begin a mail audit, asking operators to send in their proof of testing.

We would recommend that this test be required of all trucks, even in the attainment areas. Further, trucks that fail the test should be removed from the road or repaired. Evidence of the test should be maintained on each truck and available for inspection

FAIR ACCESS TO GRANT FUNDING

There are far too many obstacles to grant funding opportunities, mileage restrictions, areas of operation, miles on a replacement truck etc. If the state is going to take real property, it should fairly reimburse the property owner. Fair Access to Grant, Moyer, Prop1B funding and low interest loans for this same group of trucking businesses is a must. ***CARB currently bases grant funding on mileage but the rule itself does not contemplate low mileage in any way.***

CARB COMPLIANCE ADVISORY

CARB has indicated that they are going to be issuing an advisory on "good faith" compliance as a result of their proposal to shift the compliance date from January 1, 2014 to July 1, 2014. ***CIAQC supports the shift in dates.***

Staff has proposed four steps which may be taken to maintain compliance: order a PM filter, order a replacement truck, apply for a grant or apply for a loan. Those don't address all the possible issues that might arise out of the shift in compliance dates.

First, there should be some reward for the truck owner who has achieved compliance by the original deadline (perhaps exemption from the 2010 engine standards).

Second, enforcement should be delayed until six months after the adoption of the amendments. (If the mileage limit is going to be increased, why should an owner be required spend $20,000 to order a filter for a truck that will be exempt when the amendments are adopted?)

Finally, trucks with high value chassis such as concrete booms, cement trucks, service trucks, drill rigs, even tow trucks, etc. should be exempted from the 2010 engine standards.

The construction industry is able and willing to work closely with the board and the staff to achieve workable amendments to the rule that will achieve the California's air quality goals without economic hardship on our still struggling construction companies. We look forward to presenting an effective set of amendments at your April board meeting.

Sincerely,

Michael W. Lewis
Senior Vice President

cc: Members, California Air Resources Board
Governor Jerry Brown
Members, California State Legislature

ATTACHMENT 1

ESTIMATING THE NUMBER OF CONSTRUCTION TRUCKS IN CALIFORNIA

According to CA DMV registration information
(http://apps.dmv.ca.gov/about/profile/ca_dmv_stats.pdf),
there are approx. 451,000 in-state registered commercial trucks and 1.35 million IRP registered trucks that operate in California. We believe that 99% of IRP (out-of-state registered trucks are diesel powered heavy-trucks) and are long-haul (125,000 mi./yr.+), all are based outside of CA. There are another 65,000 IRP state based heavy trucks. These 1.4 million trucks should be the focus of existing CARB regulations. The 452,000 in-state registered are those of most interest to us. The CA Construction Trucking Association estimates about 40% are of the weight class and vocation of interest – construction. Of those approx. 176,000 trucks, 25% or 44,000 trucks are heavy tractors and unitized diesel powered vehicles used for construction; including dumps, pumps, cranes, water trucks etc. Again, we are focused on the approx. 2.4% or 44,000 construction industry that are now not in compliance. The 44,000 non-compliant construction trucks represent just 2.4% of the on-road fleet rather than the original 75,000 that was estimated in 2006. (See attached DMV report)

State of California
DEPARTMENT OF MOTOR VEHICLES
STATISTICS FOR PUBLICATION
JANUARY THROUGH DECEMBER 2012

EMPLOYEE AND OFFICE STATISTICS

Number of Field Offices	170	- 19 Auxiliary Offices that include: 3 CDL sites, 1 Dealer Service Center, 6 Industry Centers, 1 Scale Location, 3 Travel Runs, and 5 Business Service Centers.
Number of Driver Safety Offices	16	- 12 are located within other DMV locations and 4 are independent. Additional Offices: 27 Resident Hearing Offices.
Number of Call Centers	3	- 3 independent facilities.
Number of Investigations Offices	11	- An additional 39 are within other DMV locations.
Number of Occupational Licensing Offices	4	- An additional 17 are within other DMV locations.
Number of Other Locations	3,833	- 161 Auto Clubs and 3,672 Business Partner sites.
Approximate Number of Employees	8,590	- Includes full-time, permanent-intermittent, and part-time employees. Approximately 5,510 (65%) are in Field, and approximately 3,080 (35%) are at Headquarters.

DRIVER LICENSE AND IDENTIFICATION CARD STATISTICS

Source: DL Information Report 12/31/2012

A. **Total Driver Licenses Currently Issued:**	***24,290,288***	(Includes 3,443,946 people that also have an ID Card)
Identification Cards		
B. ID-Only	2,768,698	
C. Both ID Card and Driver License	3,443,946	
D. Under Age 16 ID Cards	255,140	
E. ***Total Identification Cards***	**6,467,784**	(Includes 1,260,524 Senior Citizen ID Cards)
Total People with a Driver License and/or ID Card:	***27,314,126***	***(A + B + D)***
Total Driver Licenses and ID Cards Currently Issued :	***30,758,072***	***(A + E)***

REGISTERED VEHICLE STATISTICS

Source: Estimated Vehicle Registration by County For the Period of January 1, 2012 through December 31, 2012

Automobiles	22,473,717	
Motorcycles	832,304	
CVRA Trucks	450,886	(Commercial Vehicle Registration Act)
Non-CVRA Trucks	5,014,040	
PTI Trailers	2,035,007	(Permanent Trailer Identification)
Trailer Coach/CCH	381,420	
CA Based IRP Trucks	65,364	(International Registration Plan)
Misc. Vehicles	136,163	(Miscellaneous vehicles include historical vehicles, spec/farm equipment, etc.)
Fee-Paid Registered	**31,388,901**	
Exempt Registered	557,521	
Total Registered:	**31,946,422**	
Foreign Based IRP Trucks	1,352,056	(Vehicles based in other states which pay fees to operate in California.)

AVERAGE FEE PAID BY BASIC VEHICLE TYPE (does not include IRP)

Source: Statement of Transactions Summary Report - Department of Finance January 2012 - December 2012

	TRUCK (CVRA)	TRUCK (Non-CVRA)	AUTO	MOTORCYCLE	TRAILER (CCH)
Registration Fee	$46	$46	$46	$46	$46
CHP Fee	39	23	23	23	23
Vehicle License Fee (VLF)	159	49	69	28	50
Weight Fee	0	88	0	0	0
CVRA Fee **	897	0	0	0	0
Motorcycle Safety Fee	0	0	0	2	0
Total	***$1,141***	***$206***	***$138***	***$99***	***$119***
Percent of All Vehicles	1.55%	17.20%	77.09%	2.86%	1.31%

(The fee calculation does not include special fees such as air quality fees, abandoned vehicle fees, etc. that vary by county and air quality district)

NOTE: The current average VLF is $66 per vehicle , and the current overall Total fee paid per vehicle registration is $164.

** The first $122 of the CVRA fee is allocated to the Motor Vehicle Account.

ADDITIONAL ATTACHMENTS

Class 8 Truck Sales Are Up in 2011

Mainly due to the economic recession, class 8 truck sales in 2008 and 2009 declined, but grew in 2010 and 2011. There was not a large shift in market share among the manufacturers over the last five years. Freightliner had 32% of the market in 2011 and International had 21%. All other companies listed have less than a 15% share of the market.

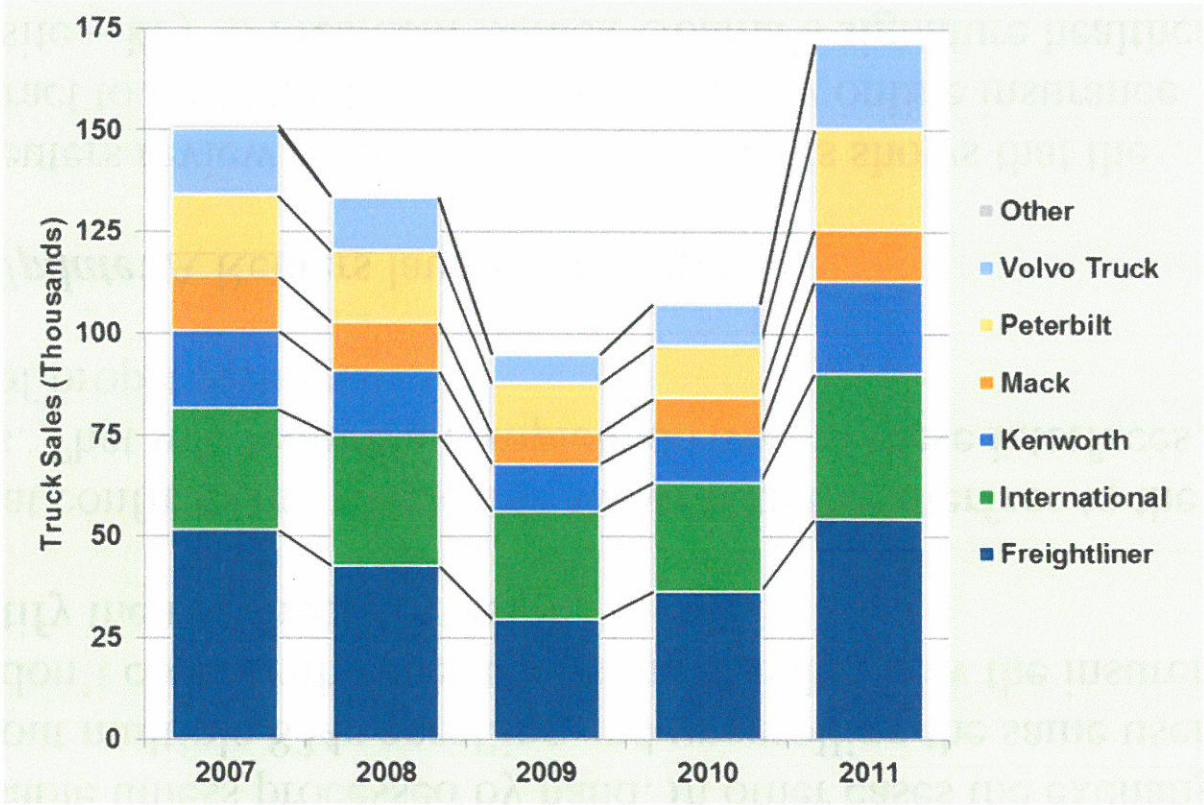
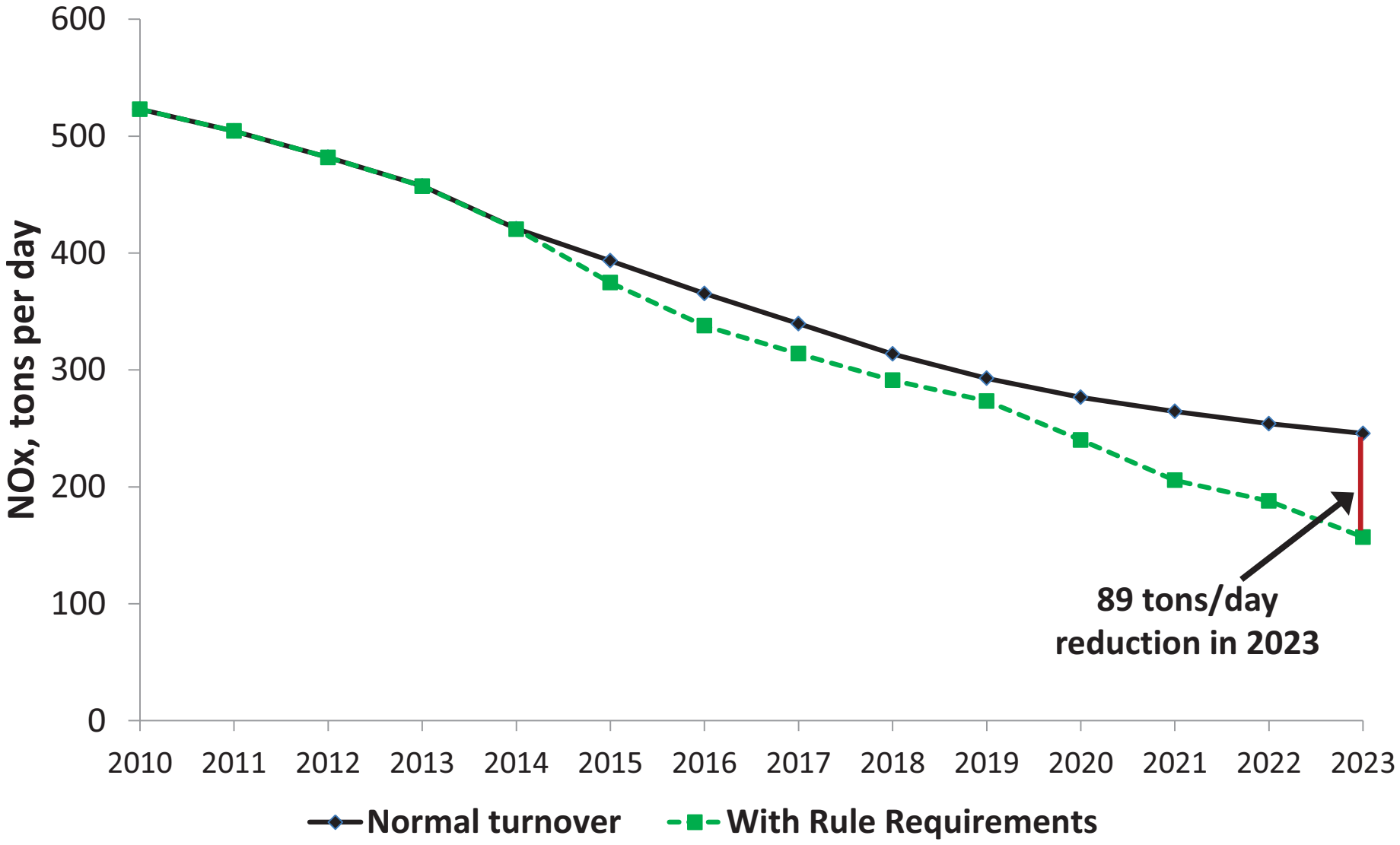


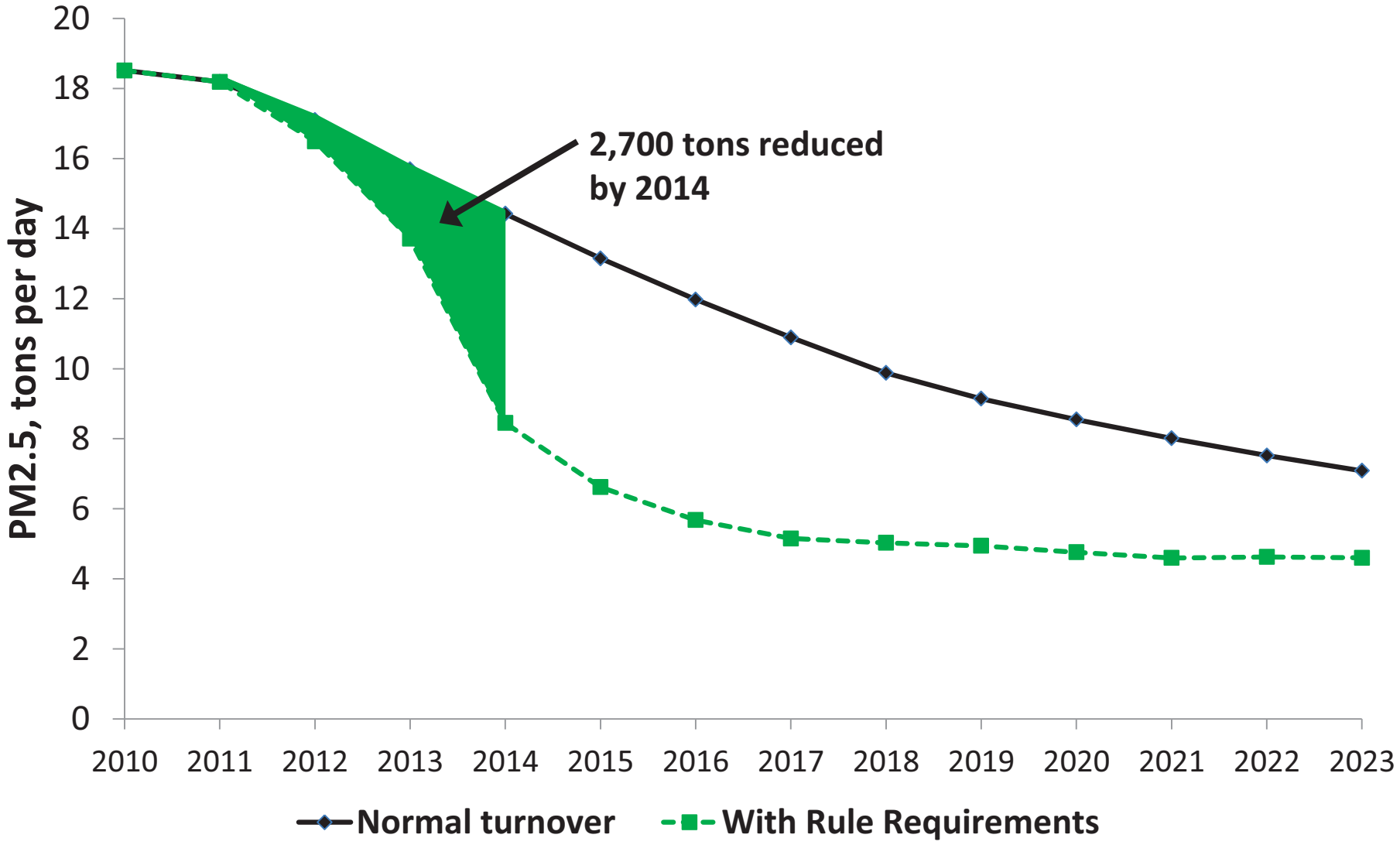
FIGURE 61. Class 8 Truck Sales by Manufacturer, 2007-2011

Source:
Ward's Automotive Group, *Motor Vehicle Facts and Figures 2012*, Southfield, MI, 2012.
http://wardsauto.com

Significant NOx Benefits Expected



PM Benefits Already Realized



Construction Activity Growth