



October 14, 2022

**BY ONLINE COMMENT SUBMITTAL FORM**

Clerks' Office  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: Proposed Advanced Clean Fleets Regulation  
Comments of American Automotive Leasing Association**

The American Automotive Leasing Association (“AALA”) respectfully submits these comments to the California Air Resources Board (“CARB”) regarding the Proposed Advanced Clean Fleets Regulation (the “Proposed ACF Regulation”) published in CARB’s Notice of Public Hearing dated August 16, 2022. AALA’s comments are focused on Appendix A-2, “Proposed Regulation Order Advanced Clean Fleets Regulation – High Priority and Federal Fleet Requirements”, dated August 30, 2022, 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 2015.4 of the Proposed ACF Regulation would impose a new fleet reporting requirement on certain businesses—“fleet owners”—defined in Section 2015(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 Regulation (the “ACT Regulation”) *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). By contrast, Section 2015(b) of the Proposed ACF Regulation would replace this straightforward allocation of reporting responsibility between the lessor and lessee with the following provision:

“Fleet owner” means the person or entity that owns the vehicles comprising the fleet. The owner shall be presumed to be either the person registered with the California Department of Motor Vehicles (DMV) as the owner or lessee of a vehicle, or its equivalent in another state, province, or country; vehicle ownership is based on the vehicle registration document or the vehicle title, except as specified below:

- (B) 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, including truck leases that are part of a bundled service agreement, the owner shall be presumed to be the rental or leasing entity for purposes of compliance, *unless the rental or lease agreement for the vehicle is for a period of one year or longer and the terms of the rental or lease agreement or other equally reliable evidence identifies the renting operator or lessee of the vehicle as the party responsible for compliance with state laws.*

The emphasized language would, if enacted, substitute a logical and bright-line allocation of reporting responsibility between the lessor and lessee in the existing ACT Regulation with one that would necessitate 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 Proposed ACF 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 ACF Regulation as set forth above. If you have any questions, please contact me at [joyce@aalafleet.com](mailto:joyce@aalafleet.com).

Sincerely,

Mike Joyce  
Executive Director  
American Automotive Leasing Association