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July 16, 2014

Clerk of the Board, Air Resources Board  
1001 I Street  
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SUBJECT: Comments Regarding 15-Day Changes to Truck and Bus Regulation Amendments

To Whom It May Concern:

The California Air Pollution Control Officers Association (CAPCOA) appreciates the opportunity to submit comments on the proposed 15-day changes to the California Air Resources Board (CARB) Truck and Bus Regulation amendments. Once in place, the amendments should not only benefit the affected trucking community, but also ensure that regulatory emission reductions are still met on schedule without impact to the residents of California.

In general, CAPCOA is supportive of the changes and modifications proposed during the 15-day change period. It is our understanding that these changes will not impact eligible applicants within the current round of Proposition 1B Goods Movement Emission Reduction Program funding. However, if amended into the rule as drafted, **CAPCOA has significant concerns regarding the proposed changes to §2025(h) - Small Fleet Compliance Option that could severely impact the eligibility pool for the incentive programs going forward.**

**BACKGROUND**

The amended language to §2025(h)(1)(B) and §2025(h)(1)(C) extended PM BACT compliance dates for the 2<sup>nd</sup> and 3<sup>rd</sup> truck in a small fleet using the small fleet compliance option. The proposed language during the 45 day comment period contained a compliance date of January 1, 2016 for the 2<sup>nd</sup> truck and January 1, 2018 for the 3<sup>rd</sup> truck. An extension of an additional year for the 2<sup>nd</sup> truck was agreed upon by CAPCOA and CARB as a way to maximize future incentive funding opportunities for the 2<sup>nd</sup> truck in small fleets. This point

was emphasized in CARB's April 25 presentation to Board members where CARB staff committed to look into additional ways to provide financial assistance to small fleets. If codified with the proposed 15 day change language, the 2<sup>nd</sup> truck would need to meet PM BACT requirements by January 1, 2017. CAPCOA appreciates the collaborative effort with CARB that resulted in extensions for both the 2<sup>nd</sup> and 3<sup>rd</sup> trucks relative to the 2010 regulation.

However, to take advantage of this new flexibility, §2025(h)(2) requires fleet owners to report and "*opt-in*" no later than January 31, 2014. Truck and Bus Regulatory Advisory #MSC 14-08 further clarified that small fleet owners could opt-in as late as July 31, 2014 if they had installed PM BACT for the first vehicle in their fleet no later than July 1, 2014. Small fleets that do not take advantage of the small fleet compliance option would instead need to comply with the "general requirements" of the regulation. While not clearly defined within the advisory, CAPCOA believes that in most cases, "general requirements" refers to the engine model year schedule of the regulation which seems to mean that many 2<sup>nd</sup> and 3<sup>rd</sup> trucks would have to be replaced immediately, instead of delayed filter requirements.

### **RECOMMENDATIONS**

While CAPCOA supports the proposed extensions for the 2<sup>nd</sup> and 3<sup>rd</sup> trucks in small fleets we believe that enforcing the July 31, 2014 opt-in period for taking advantage of the small fleet compliance would be a significant detriment to the success of future incentive programs and to small fleets trying to comply with the regulation without the use of incentive funding. Instead, CAPCOA recommends that small fleets be allowed to opt-in to the small fleet compliance option at any time through January 1, 2018. Further, for small fleets that secure incentive funding, CAPCOA recommends that they be required to opt-in as part of the incentive award process.

Reasons for enacting this recommendation include the following:

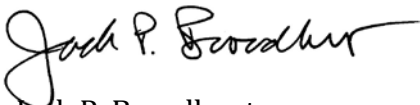
1. **Better reporting and information could be obtained by CARB from additional small fleets reporting in TRUCRS.** The small fleet compliance option requires annual reporting for all trucks. Allowing additional fleets to opt-in after July 31, 2014 would provide CARB with better and clearer data for the 2<sup>nd</sup> and 3<sup>rd</sup> trucks in small fleets. If the 2<sup>nd</sup> and 3<sup>rd</sup> trucks were instead forced to use the engine model year schedule, CARB would have no data on these fleets, nor would they have any assurance of their compliance status.
2. **Fleet owners would still be required to demonstrate compliance with PM BACT requirement for the first truck in their fleet to be eligible for grant funding.** Small fleets will still be required to take action on their first truck, at their own expense, in order to be eligible for the small fleet compliance option. However, it is not realistic to believe all small fleets will have completed their first truck requirements by July 1, 2014, nor report such action by July 31, 2014. Many small fleets will continue procuring filters and/or new trucks throughout the next year. In some cases, these fleets may still be waiting for new equipment to be delivered from manufacturers. Fleets that become compliant at any time during 2014 or later should remain eligible for incentive funding for their 2<sup>nd</sup> and 3<sup>rd</sup> trucks since they would still

be able to provide surplus emission reductions for another 1-2 years. Alternatively, if a small fleet fails to report by July 31, 2014, completes their first truck upgrade requirements after this date and is then forced to go with the engine model year schedule for their 2<sup>nd</sup> and 3<sup>rd</sup> trucks, there is a strong likelihood they would be non-compliant again with the more restrictive general requirements.

- 3. Existing trucks in small fleets using the engine model year schedule will, in most cases, be ineligible for incentive funding unless substantial administrative changes are quickly made to existing incentive program guidelines.** CARB's major incentive programs (Carl Moyer and Prop 1B GMERP) currently require at least 1 year of surplus emission reductions prior to a fleet's compliance date, which can be obtained from reductions in PM or NO<sub>x</sub>. However, pre-1994 engines are required to be replaced with 2010 model year or newer engines by January 1, 2015, and 1994-1995 engines years are required to be replaced by January 1, 2016. To obtain the required 1 year of surplus emission reduction, pre-1994 engines would have needed to be operational by *January 1, 2014*, and 1994-1995 engines would need to be operational by *January 1, 2015*. The next round of Prop 1B GMERP funding is not anticipated to be available until 2015 at the earliest. This would leave 1994-2006 engines already equipped with filters as the only equipment that could be eligible to be replaced with Prop 1B GMERP funds using the model year schedule. It is unlikely that many small fleets would be in a position to scrap these trucks given the substantial expense already incurred to equip them with filters. In addition, the advisory is unclear whether the number of fleets using the newly created Economic Hardship extension under §2025(p)(10) would be eligible for grant funding in the future, and if so, if there would be enough eligible applicants that could obtain sufficient financing to complete the process of purchasing a 2010 or newer vehicle even after grant funding is applied.

To reiterate, CAPCOA appreciates the opportunity to comment on the 15-day proposed modifications to the regulation. We hope that our recommendations are considered, reviewed, and enacted by CARB staff. We feel the proposed recommendations will lead to successful implementation of future grant programs, alleviate future confusion for small fleets, and provide CARB with better data to implement the requirements of the Truck and Bus Regulation. CAPCOA stands ready to assist in the implementation of the recommendations included above.

Sincerely,



Jack P. Broadbent