



May 28, 2020

California Air Resources Board  
1001 I Street  
Sacramento, California 95814

Re: Comments on Proposed Advanced Clean Truck Regulation

Ford appreciates the opportunity to comment on the draft amendments to the proposed California Advanced Clean Trucks (ACT) rules, as issued on April 28, 2020, and revised on May 1, 2020. Ford believes in the future of electrification, not only in the heavy-duty market, but across all market segments. As we have publicly indicated prior, we are making substantial investments in the development of all-new EV products that will not only help improve California's air quality, but also meet customer needs. Ford is especially very proud of its reputation of being a trusted manufacturer in the heavy duty market, where our work trucks range between privately owned medium duty Super Duty pickups to heavy duty last mile delivery trucks that large fleets use.

In these comments, Ford seeks to confirm its understanding regarding how the ACT rules will be implemented with respect to two issues: 1) categorization of trucks under the ACT rules vs. the greenhouse gas rules; and 2) interpretation of the "delivered for sale" language. Ford also seeks to recommend two enhancements regarding year-end reporting.

#### Truck Categorization

The EPA/NHTSA definition of Medium-Duty Passenger Vehicle (MDPV) does not currently appear in the proposed ACT rules. Ford understands this to mean that, for ACT purposes, the sole defining characteristic for categorizing trucks is GVWR. Meanwhile, CARB's Greenhouse Gas regulations do define the term MDPV and cover how such products should be addressed.

In light of the above, Ford's understanding is that the categorization of a truck for ACT purposes is independent of its categorization for GHG purposes. As such, our reading of the rules is that a >8500 lb. GVWR MDPV could be part of a manufacturer's light duty fleet for GHG purposes, and, at the same time, be part of the manufacturer's MD/HD fleet for ZEV (ACT) purposes. Ford would appreciate it if CARB could confirm this understanding. If Ford's understanding is not correct, it would be helpful if CARB could share an example of how manufacturers should take MDPVs into account under the

ACT rules. If a vehicle's status as an MDPV is in fact relevant to its ZEV categorization, then it would seem that changes to the ACT regulatory language would be needed to make that clearer.

Ford supports the approach of having the ZEV regulations be based solely on GVWR, which will allow EV pickup manufacturers much greater flexibility in determining how to design and develop future MD pickup products.

#### "Delivered for Sale"

Ford also seeks clarification with respect to the "Delivered for Sale" language in the proposed regulatory text. Based on public workshops, and as cited in 17 CCR 1963.4 (a)(5), Ford understands CARB's intent in the ACT rules is to stay consistent with LD ZEV regulations, which clearly state that ZEV products are "reported" based on when they are delivered for sale. The proposed regulatory text, which Ford supports, is consistent with this understanding: *"a manufacturer must report.....to CARB for each type of on-road vehicle produced and delivered for sale."* We support this reporting consistency between light- and heavy-duty ZEV regulations. However, the proposed regulations appear to include conflicting language elsewhere. The proposed language addressing OEM deficits (1963.1(a)), and credits (1963.2(a)) state that such deficits/credits are incurred *"when the on-road vehicle is sold to the ultimate purchaser in California."* This does not align with the "delivered for sale" approach and would impose burdens on OEMs to track vehicles through their final sale, an approach that CARB has now deemed unnecessary in connection with the light-duty ZEV rules. Ford requests that CARB strike this text in the credits/deficits sections of the final rule, so it is clear that CARB's intent is to report ZEVs based on when they were delivered for sale.

#### Reporting

Ford recommends that for ACT reporting, CARB leverage their existing *"Zero Emission Vehicle (ZEV) Credit Reporting and Data Tracking System (CRDTS)"*. Using the same system that CARB uses for current LD & MD ZEV reporting requirements would provide OEMs that sell LD, MD, and HD products with a central database that tracks all ZEV credits. A central database is especially important since CARB intends to allow MD ZEV products to comply with either LD ZEV regulations or HD ZEV requirements in the ACT rule. Using CRDTS also serves as an important data validation check as CARB currently approves the sales volume information that OEMs provide—which ensures both manufacturer and agency agree on the reported information. A central database is also extremely beneficial as it provides a single information source that is aligned with CARB executive orders along with maintaining previous reporting and credit bank information—giving both agency and industry an easy reference tool to assess compliance and credit banks. Finally, using CRDTS allows CARB the opportunity to automate the credit spending process and order that is outlined in the ACT rule.

Related to year-end reporting, Ford also believes CARB should revise 17 CCR 1963.4 to include CARB acceptance of OEM information as an explicit step between OEM sales reporting and when OEM credit transfers can occur. This will help to ensure CARB acknowledgment of the amount of available credits, which is what Ford believes CARB intends in this portion of the regulations. Ford recommends adjusting the timing of the credit acceptance and credit transfer steps to each have an additional 90 day window (e.g., CARB credit acceptance is completed no later than 180 days following the end of each model year, and credit transfers occur no later than 270 days following the end of each model year).

Feel free to contact me if you have any questions about these comments. Thank you for your consideration of Ford's input to the proposed rules.

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