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Clerks' Office
California Air Resources Board
1001 I Street
Sacramento CA 95812

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

RE: Proposed Amendments to the Heavy-Duty Engine and Vehicle Omnibus Regulation

Dear Dr. Cliff:

The California Trucking Association (CTA) and American Trucking Associations (ATA) appreciate the opportunity to comment on the proposed amendments to the Heavy-Duty Engine and Vehicle Omnibus Regulation. The purchase and deployment of new trucks helps to reduce emissions and fuel consumption and advance the use of the newest safety features. A robust new truck market is an important aspect of our members' businesses.

The proposed amendments are in response to the fact that manufacturers do not intend to produce Omnibus compliant engines for several categories of new trucks sold in California. These amendments were also specified in the Clean Truck Partnership Agreement which was previously agreed to by CARB and the truck and engine manufacturers in July 2023.¹ Importantly, the agreement commits CARB to aligning with the U.S. EPA's Clean Trucks Plan NOx Final Rule in 2027, in essence reestablishing a national emissions program for heavy-duty trucks.

Until then, the Omnibus rule leaves in place an unachievable standard that relies on the use of production caps and offsets to achieve compliance. In plain terms, this means California truck dealerships have substantially less product available for the California market. Fleets are not able to purchase normal volumes of new trucks in California and are paying a significant premium for California-compliant trucks. These events, which are happening today, erode the effectiveness of the regulation and its benefits.

While our organizations support adjustments to the regulation to increase the availability of new trucks sold in California until a national standard is reestablished, the proposed amendments fall short. These amendments, while providing some relief, do not address

¹ California Air Resources Board, *Clean Truck Partnership* (July 6, 2023).

the overall lack of product availability nor the significant price increases being advanced by the regulation.

The ISOR indicates “market forces may cause a fleet to be willing to purchase legacy engines at a premium price estimated to be \$606.2 to \$2,044.1, equal to the DEF cost savings per legacy engines.” (p. 14) Instead, our members are indicating a price increase of roughly \$10,000 more per truck with a legacy engine when purchased in state compared to purchasing the same truck outside the state.

As indicated in our previous comments, missing from this rulemaking process has been a focus on the needs of the sellers and purchasers of these engines – the companies that will ultimately decide the rule’s success or failure.² We urge CARB to work with these stakeholders to identify additional modifications to the regulation to address product availability and costs issues.

Part of this effort should include immediately monitoring availability and cost metrics for the new trucks subject to this rulemaking to identify ways to reduce adverse impacts. Anecdotal information provided to CTA by its dealer members indicate vehicle allocation cuts as deep as 50-90% across all truck brands for the 2024 model year. This will result in devastating economic damages to these dealers, their employees and customers.

Finally, clear guidance is needed to help fleets and dealerships navigate the complex maze of potential compliance scenarios created by the overlay of this regulation, Manufacturers Advisory Correspondence 22-04, the ACT and ACF regulations, and the CARB/EMA Enforcement Discretion letter. While each of these documents can influence a fleet’s purchase decision, differences in the terminology used in the various documents are creating confusion and uncertainty among sellers and purchasers.

Respectfully,



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² California Trucking Association & American Trucking Associations, *Proposed Heavy-Duty Engine and Vehicle Omnibus Regulation and Associated Amendments* (August 25, 2020).