



January 16, 2018

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Ms. Mary J. Nichols, Chair  
California Environmental Protection Agency  
Air Resources Board  
1001 I Street  
Sacramento, California 95812

**Re: Comments of Autocar, LLC and Autocar Industries, LLC  
Response to Invitation for Comments on How California Should Spend its Trust Allocation  
California's Beneficiary Mitigation Plan for the Volkswagen (VW) Environmental Mitigation Trust (EMT)**

Dear Chair Nichols,

Autocar, LLC and Autocar Industries, LLC (collectively, "**Autocar**") are small, private, U.S. vocational chassis assemblers located in Indiana and Alabama, producing specialized heavy-duty vocational trucks and terminal tractors used in California and across the United States to collect solid waste and recycling, sweep streets and shunt freight at warehouses, railroads and ports.

Autocar has been a leader in its industry with regard to early adoption of environmentally sound technology. In each of the past five years, 73-90% of Autocar's refuse trucks sold for use in California were built with compressed natural gas ("**CNG**") engines. Autocar has built and sold more than 6,000 CNG trucks, with a majority of those trucks produced for use in California, and CNG fueled vehicles now comprise the largest portion of Autocar's refuse truck production. No other refuse truck maker's product mix reflects a higher concentration of clean-fuel burning vehicles.

On the forefront of current technology, natural gas engines are the only available internal combustion engines that have been certified to California's 0.02 Optional Low-NOx Standard (OLNS) and thus are the only true "near-zero" ("**NZ**") engines available in the marketplace today. As an early adopter, Autocar has already installed almost 300 NZ engines in refuse trucks that are currently hauling trash on the streets of Los Angeles, Long Beach and other locations in California. As of February 2018, every natural gas engine installed in Autocar trucks will have near-zero emissions. Autocar recently expanded its operations to Birmingham, Alabama, significantly increasing its workforce and production capacity, in anticipation of increased demand for near-zero emissions trucks. Every Autocar truck is made in the U.S.

Autocar submits these brief comments from a truck manufacturer's perspective, to provide preliminary input to California Air Resources Board ("**CARB**") as it drafts the Beneficiary Mitigation Plan ("**Plan**"). We look forward to discussing these comments in more detail as CARB advances through its decision-making regarding elements of the Plan, and the framework of the funding mechanics.

CARB's stated goals for utilization of the EMT funds are to: (1) mitigate the excess nitrogen oxide ("NOx") emissions caused by the subject VW vehicles; (2) benefit low-income or disadvantaged communities that are disproportionately impacted by air pollution; and (3) align expenditures with the State's priorities. Autocar believes that California's use of EMT funds to incent commercial and government fleets' purchases of NZ emissions CNG, liquid natural gas ("LNG") and renewable natural gas ("RNG") refuse trucks, street sweepers and terminal tractors will satisfy each of these goals for a number of reasons including the following:

- (1) **Replacing diesel and older CNG trucks with NZ trucks will mitigate the excess NOx emissions caused by the subject VW vehicles.** Taking high-fuel consumption diesel and older CNG trucks off the road will immediately reduce NOx emissions. Unlike heavy-duty hybrid and electric trucks which are still in development, NZ refuse trucks, street sweepers and terminal tractors are readily available today from Autocar and several other manufacturers. Municipalities and solid waste companies are years ahead of other transport industries in the adoption of CNG and NZ and installation of natural gas fueling infrastructure. These public and private fleets know the benefit of cost saving natural gas, a dependable domestic fuel source, compared to diesel -- a fossil fuel still largely dependent on foreign oil. Refuse companies have actively sought and utilized other incentive programs to begin conversion of their fleets, and will continue to do so with the assistance of funds from the Plan.
- (2) **Targeting the reduction of emissions from refuse trucks, street sweepers and terminal tractors will benefit low-income or disadvantaged communities disproportionately impacted by air pollution.** Garbage and recycling trucks roll on the streets of every city, town and village in California on a daily basis. Street sweepers are prevalent in the cities and suburbs. And terminal tractors are in motion 24/7 at California's busy ports. These vehicles reach California's most disadvantaged and polluted communities, which would most dramatically benefit from an immediate reduction in emissions from these mobile sources.
- (3) **Expenditures for replacement of trucks and terminal tractors align with the State's environmental priorities of reducing air pollution at the ports and reducing emissions from mobile sources.** Among the priorities of California's air pollution programs, including but not limited to the South Coast Air Quality Management Plan and the Los Angeles and Long Beach Clean Air Action Plan, are reduction of air pollution at the ports and emissions from mobile sources. Directing EMT funds toward the immediate upgrade of heavy trucks, such as refuse vehicles, street sweepers and terminal tractors, is consistent with these long-standing environmental priorities, and will accelerate the achievement of the programs' objectives. Such funding is also consistent with the California Energy Commission's proven Natural Gas Vehicle Incentive Program (NGVIP), which has provided buy-down incentives for CNG trucks since 2014.

For these reasons, Autocar submits these comments in support of California's EMT allocation as described herein. We would appreciate the opportunity to discuss our comments with you. Please direct any questions to me at (765) 489-5499.

Sincerely,



James M. Johnston  
President