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INSURANCE

PROGRESSIVE

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Associate Member:

NAMIC

Date December 5, 2019

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

**SUBJECT: COMMENTS ON THE PROPOSED ADVANCED CLEAN TRUCKS
REGULATION—LARGE ENTITY AND FLEET REPORTING REQUIREMENT**

The Personal Insurance Federation of California (PIFC) is a statewide trade association that represents six of the nation's largest property and casualty insurance companies (State Farm, Liberty Mutual Insurance, Progressive, Mercury, Nationwide, and Farmers as well as associate member NAMIC) who write personal lines auto and home insurance in California.

PIFC is very concerned about the proposed large entity reporting requirement of the Advanced Clean Trucks draft regulation first published on October 22, 2019 and set for hearing before the California Air Resources Board (CARB) on December 12, 2019.

We are part of a coalition of directly affected businesses that are seeking to split the large entity reporting requirement from the manufacturer requirement and schedule a series of public workshops to solicit feedback and data from the additional 10,000 businesses that are estimated by CARB to be affected by this new concept.

PIFC is a signee on a coalition letter, sent to ARB November 27, 2019, that raises serious concerns about the draft regulations related to the burdensome reporting, vague enforcement, increased costs, data security risks, and unclear goals. In addition to those broadly shared issues, we have the following insurance industry specific concerns and comments that we provide for your consideration:

- Our members do not haul, or subcontract to haul, a large volume of insurance products. Most of what is hauled would be paper or office supply type items, and the majority of that would be transported through national mail carriers.
- To the extent PIFC member companies use contracted 3rd party motor carriers, these contracts typically do not dictate transportation means or methods, and they have no control over how these services are provided or information on which types of vehicles are used.
- Further, it would be extremely burdensome, if not impossible, to identify the type of commodity being shipped.
- Many other paper correspondence are sent via postal or parcel carrier. Those may be on 3rd party owned trucks having a Gross Vehicle Weight Rating (GVWR) over 8500 pounds at some point in the transit. However, validating that and the volume would likely be impossible.
- The use of ports/rail locations are rare and unusual.

- We are very concerned that most of the data that could be provided would be estimates that are likely to be inaccurate since the vendors hold the bulk of responsive data.
- While our members' contract with a large number of vendors, it is generally not the industry practice to gather details on vehicle statistics.
- There are no tracking systems or procedures that would aggregate data on number of vehicles or deliveries to their facilities. Insurers will be required to develop and institute tracking systems, as well as develop and institute related record retention policies. CARB must recognize that these are complex and expensive endeavors
- Lastly, while PIFC companies are national insurers that may have vehicles that meet the GVWR criteria, only a very small percentage are utilized in California.

Given that the draft Advanced Clean Trucks - Large Entity and Fleet Reporting Regulation would impose an onerous and costly reporting burden on our member companies yet provides such little value or actionable data, we respectfully request the ARB to consider an alternative approach to obtain the data it is seeking.

First we recommend that ARB modify the draft regulations to apply solely to companies providing significant hauling and carrier/delivery services since that is clearly the underlying focus of these regulations. In addition, those entities would have the type of data that CARB is seeking.

If that is not possible, we request that the ARB work with stakeholders to craft some "De Minimus" exemptions or a more narrow set of data requirements that better reflect the truly limited role these companies play in "last mile" delivery fleets.

Thank you for the opportunity to comment on the proposed reporting requirements. We again urge you to bifurcate the large entity reporting requirement from the manufacturer requirement and schedule a series of public workshops to solicit feedback and data from affected businesses like ours. We appreciate the ARB's willingness to work with stakeholders to develop fair and reasonable regulations that can be implemented in a manner that best serves Californians as intended.

Sincerely,



Seren Taylor
Senior Legislative Advocate