



6 December 2024

Chair Randolph and Members of the Board  
California Air Resources Board 1001 I Street  
Sacramento, California 95814

**RE: December 6, 2024, 2<sup>nd</sup> 15-Day Notice Amendment Language**

SUBMITTED ELECTRONICLY TO [cleancars@arb.ca.gov](mailto:cleancars@arb.ca.gov)

Mercedes-Benz Research & Development North America, Inc., and Mercedes-Benz USA, LLC, on behalf of the manufacturer of Mercedes-Benz vehicles, Mercedes-Benz AG (hereinafter "Mercedes-Benz") would like to thank the California Air Resources Board (CARB) for the opportunity to provide our comments on CARB's **2<sup>nd</sup> 15-Day Notice Amendment Language during the Advanced Clean Trucks Amendment Effort**. We appreciate the rulemaking team's willingness to engage throughout the process and the deliberative approach used to see through these regulatory changes.

While many important modifications have been incorporated thus far, Mercedes-Benz is concerned that the current version still does not adequately address incomplete Class 3 vehicles, which will result in inconsistent treatment of these vehicles under the regulation. In the following comments, Mercedes-Benz addresses the treatment of incomplete Class 3 vehicles under the Advanced Clean Trucks (ACT) and credit pooling under ACT.<sup>1</sup>

#### **Incomplete Class 3 Medium-Duty Vehicles (Sections 1963.2(h)-(j))**

Mercedes-Benz appreciates CARB's effort to address the certification and credit generation requirements for medium-duty vehicles under Sections 1963.2(h)-(j) of the Advanced Clean Trucks (ACT) regulation. However, we believe a significant disparity remains in how incomplete medium-duty vehicles in the Class 3 category, between 10,001 and 14,000 pounds GVWR, are treated within the regulatory framework of ACT.

In comparison, CARB's amendments appropriately define certification and credit generation pathways for incomplete Class 2b vehicles between 8,501 pounds to 10,000lb, but the proposed language regulation does not provide the same treatment, or sufficient alternatives, to adequately address incomplete Class 3 medium-duty vehicles. Class 3 vehicles are a critical segment of the medium-duty market, particularly for vocational use and for use as recreational vehicles. Incomplete and complete MDV ZEVs are generally developed and deployed with identical drivetrains regardless of their incomplete versus complete status. The difference between complete and incomplete vehicles can oftentimes be as simple as adding rack assemblies for last-mile delivery applications, the addition of rotating lights on construction site vehicles, or the absence or addition of windows. The drivetrain remains unchanged during the modification.

We believe that differences in certification between incomplete and complete MDV ZEVs in this case do not bring any technical added value and would also make customer communication more difficult if technically identical drives with different parameters were required to be certified and generate credits under separate regulatory frameworks.

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<sup>1</sup> In addition to the Mercedes-Benz comments, Mercedes-Benz also supports the comments filed by our trade association, Auto Innovators.

Further, the lack of aligned certification options for Class 3 incomplete vehicles presents a significant challenge for manufacturers and would hinder the deployment of zero-emission technologies in this important category, as noted in previous comment submissions from the Alliance of Automotive Innovation as well.

Mercedes-Benz strongly supports allowing incomplete Class 3 vehicles to be certified and generate credits under the same pathways available to incomplete Class 2b medium-duty vehicles under Section 1963.2 (h)-(i), as modified in the first and second 15-day change documents released October 7<sup>th</sup> and November 21<sup>st</sup>, 2024.

Historically, CARB has allowed Class 2b and 3 vehicles to be certified and earn credits under the same programs, which is evidenced in Advanced Clean Cars II, which covers both vehicle classes in the same regulatory program. Further, within Advanced Clean Trucks itself, CARB places Class 2b and 3 vehicles into the same group for the ZEV Sales Percentage Schedule and Weight Class Modifiers<sup>2</sup> rather than separating them out into different categories. Logically, it then follows that CARB should follow a similar approach in Section 1963.2 (h)-(i) and allow incomplete Class 3 vehicles the same flexibilities for credit generation afforded to incomplete Class 2b vehicles.

Specifically, we request that CARB allow incomplete Class 3 vehicles to meet the requirements of either the Zero-Emission Powertrain Certification Regulation in 13 CCR section 1956.8(a)(8) and 17 CCR section 95663(d), 13 CCR section 1962.2, 13 CCR section 1962.4, or the certification procedures in sections B, D, and F(1-5) of the “California Exhaust Emission Standards and Test Procedures for 2018 and Subsequent Model Year Zero-Emission Vehicles and Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes” as amended on September 3, 2015.

### **Medium Duty Class 2b and 3 Credit Pooling**

Mercedes-Benz is encouraged that CARB is continuing to develop credit pooling under the ACT program. Mercedes-Benz supports a medium duty credit pooling system as a means of encouraging ZEV sales, as a necessary and important compliance enabler to the ACT rule, and as an important assist in managing OEM distribution of vehicles that have limited model lines. Mercedes-Benz also supports, and thus highly recommends, the ability to pool early action credits under ACT.

We note, however, that careful consideration of the design of a credit pooling program should be taken. Any credit transfer caps that CARB applies must be set at appropriate levels to ensure usefulness of the credit pooling program, particularly in the early years of the ACT regulation. Indeed, overly stringent transfer caps will minimize the viability and benefits of credit pooling and more importantly will unnecessarily hamper implementation of ACT in California and other ACT states.

We believe that manufacturer administrative and compliance burdens should be considered when designing an ACT credit pooling system to ensure that any final provisions remain manageable and practical.

With an increasing number of states adopting the ACT regulation, Mercedes-Benz firmly supports the concept of ACT credit pooling to enhance Class 2b/3 ZEV sales and facilitate compliance with the ACT regulation.

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<sup>2</sup> See Table A-1 ZEV Sales Percentage Schedule & Table A 2. Weight Class Modifiers, CCR Section 1963.1 “Advanced Clean Trucks Deficits”

## Conclusion

Mercedes-Benz appreciates CARB's ongoing efforts to refine the Advanced Clean Trucks (ACT) regulation and provide pathways that support the transition to zero-emission vehicles. As a manufacturer committed to the future of sustainable transportation, we support CARB's overarching goals and welcome opportunities to collaborate on sensible solutions that ensure regulatory frameworks are both effective and practical. As outlined above, there are critical areas that require further consideration to ensure successful implementation:

- **Treatment of Incomplete Class 3 Medium-Duty Vehicles:** We strongly advocate for allowing incomplete Class 3 vehicles to be certified and generate credits under the same provisions as afforded to incomplete Class 2b vehicles in Section 1963.2 (h)-(i), as this would simplify the certification and credit generation process, prevent duplication of resources, and ensure that this critical vehicle segment is included in the transition to zero-emission technologies.
- **Credit Pooling:** We support CARB's ongoing work to implement an MDV credit pooling program under the ACT regulation, including pooling of early action credits, to maximize ZEV sales and enable compliance.

In closing, Mercedes-Benz remains committed to working with CARB to ensure that the regulatory environment supports both the adoption of zero-emission medium-duty vehicles and the practical realities of vehicle manufacturing and certification. Incomplete vehicles in the Class 3 weight range are frequently customized for vocational purposes, such as small business use or last-mile delivery and are also popular for recreational vehicle conversions. A robust and consistent supply of incomplete vehicles will ensure the ongoing supply of vehicles that can be customized and upfitted to meet the needs of various industries across the state of California, a goal shared by both Mercedes-Benz and CARB.

We respectfully request that CARB incorporate our recommendations to enhance the clarity, flexibility, and efficiency of the ACT regulation. We look forward to continued collaboration on this rulemaking and future efforts.

Sincerely,

MERCEDES-BENZ RESEARCH & DEVELOPMENT N.A., INC.

By: Amy Klinkenberger December 6, 2024  
Amy Klinkenberger, Director, Safety, Fuels & Regulatory Affairs Date

MERCEDES-BENZ USA, LLC

By: Gregory Gunther December 6, 2024  
Gregory Gunther, Senior Manager – Vehicle Compliance and Analysis Date