

Mobile Source Certification and Compliance Fee

Aftermarket Part Regulatory Workshop
June 5, 2019

Agenda

- California Mobile Source Fee Authority-Background
 - HSC 43019.1 (2018, SB 854)
- Mobile Source Certification, Audit, and Compliance Fee Regulation for Certain Source Categories
 - Regulation scope
 - Fee methodology overview
 - What special considerations should we consider?
 - Information needed
- Next Steps
 - Workgroup/workshops

New

HSC 43019.1

New Off-Road, Aftermarket Parts, Components Fees

- Authority provided by SB 854 in 2018
- CARB may adopt a schedule of fees to cover all or a portion of the state board's reasonable costs associated with the certification, audit, and compliance as authorized pursuant to HSC 43013 and 43018, and subdivision (h) of Section 27156 of the Vehicle Code.

New

HSC 43019.1

New Off-Road, Aftermarket Parts, Components Fees (continued)

- Fee assessment considers:
 - impacts on manufacturers
 - company size
 - number of certifications requested and consistency with prior-year certifications
 - category complexity
 - product's potential impact on emissions
 - potential change in number of certifications issued
 - impacts on processing time if fee doesn't cover CARB's costs

New

HSC 43019.1

New Off-Road, Aftermarket Parts, Components Fees (continued)

- Includes categories not covered by current mobile source fees (HSC 43019: on-road vehicles, engines and motorcycles)
- Categories that may affect this group include:
 - Aftermarket Part Exemption (EO series D)
 - Performance Parts
 - Intercooler Kits
 - Air Intake Kits
 - ECU Programmers
 - Supercharger/Turbochargers
 - Fuel Tanks

Executive Order (EO) Categories

EO Number Series	Topic	EO Number Series	Topic
G-07 thru 10	Portable Fuel Containers (PFCs) Certified For Use In California	D	Aftermarket Part Exemptions
RM	Evaporative components for Spark-ignited Marine Water Craft	B	Alternative Fuel Retrofit Certification
C-U	Small Off-Road Engines - Evaporative Components	K	Aftermarket Critical Emission Control Parts for Highway Motorcycles.
G-05	Small Off-Road Engines - Evaporative Components	N-yyyy-100	New On-Road Heavy-Duty Exempt Engines
Q	Small Off-Road Engines - Evaporative Components	U-R	New Off-Road Compression-Ignition Engines
A	New Cars, Light/Medium/Heavy-Duty Vehicles	U-L	New Off-Road Large Spark-Ignition (LSI) Engines/Equipment
M	New Street-Use Motorcycles	U-U	New Small Off-Road Spark-Ignition Engines/Equipment
T	Grey Market	U-W	New Spark-Ignition Marine Engines/Watercraft
P	New Federal AB965 Cars & Light-Duty Trucks	G-08 thru 09	Off-Road Large Spark Ignition Equipment
U-G	Electric Golf Carts	DE	Verification of Diesel Emission Control Strategies (On/Off Road, SS, Harbor Craft, TRU, RTG)
U-M	New Emission-Compliant ("Green Sticker") Off-Road Motorcycles & All-Terrain Vehicles	AB	Alternative Control Technologies (e.g. Bonnets) verification/approval for at-berth regulation
U-N	New Emission-Non-Compliant ("Red Sticker") Off-Road Motorcycles & All-Terrain Vehicles		

Fee Models

- Staff evaluated US EPA and CARB current fee programs
 - Based on direct labor and operational costs
 - Indirect costs (building/administrative overhead)
 - Costs divided by the number of EOs issued per year
 - Adjusted annually by CPI
- Model design of choice
 - Application fee, plus line item fee
 - Pay once with application

Activities Used to Determine Costs for the Purposes of This Fee Regulation

- Certification
 - Review and approval of an application with the issuance of an executive order or authorization letter
- Audit and Compliance
 - Testing and confirming product in production, and testing before and after sale
- Does not include enforcement, fee for use, or other

Special Circumstances

- Considering lower cost fee for:
 - Low volume sales?
 - Small Business?
 - Other?

Information Needed

- Business information
 - Number of businesses affected by regulation
 - Number of small businesses (< 100 employees)
 - Number headquartered in California

Aftermarket Parts, Retrofits, and Components Workgroup

- Categories:
 - Aftermarket parts (D)
 - Diesel Emission Control Strategies/Retrofits (DE)
 - Alt. Fuel Retrofits (B)
 - Alt. Control Tech. (e.g. Bonnets) verification/approval for at-berth regulation (AB)
 - Portable Fuel Containers - PFCs (G-07 thru 10)
 - Evap. Components for SI Marine Water Craft (RM)
 - Evap. Components for Sm. Off-Road Engines (C-U,G-05, Q)
- Discussion/Agenda for working groups
 - Fee structure
 - Fee impacts on manufacturers
 - Dates for workgroup meeting

Timeline

- Workgroup Meetings (start May, 2019)
- Second Workshop (Late Summer, 2019)
- Board Hearing date (Spring, 2020)

Stay Informed

GovDelivery (List serve)

Sign on, search for name of topic “Mobile Source Certification and Compliance Fee Regulation,” check box, and hit the submit button (at bottom of page)

<https://public.govdelivery.com/accounts/CARB/subscriber/new>

Workshop notices and information

<https://ww2.arb.ca.gov/mobile-source-certification-and-compliance-fee-regulation-meetings-workshops>

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Questions?