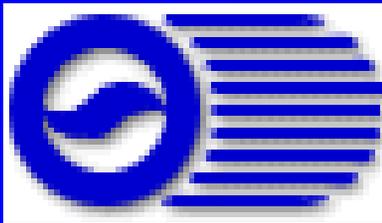


AB 118: Enhanced Fleet Modernization Program

Public Workshop
December 16, 2008





Outline

- Background
- Revised Proposal
- Next Steps/Schedule
- Program Contacts
- Comments and Discussion





Background: AB 118

- Voluntary scrap program for high polluting cars, light- and medium-duty trucks
 - ARB adopt by July 1, 2009
 - BAR to administer January 1, 2010
- ~\$30 million in annual funding through 2015



Background: AB 118

- District programs remain intact
- Flexibility in vehicle registration
- Focus on areas with greatest air quality problem
- Consider:
 - flexible compensation
 - cost-effectiveness
 - low-income populations

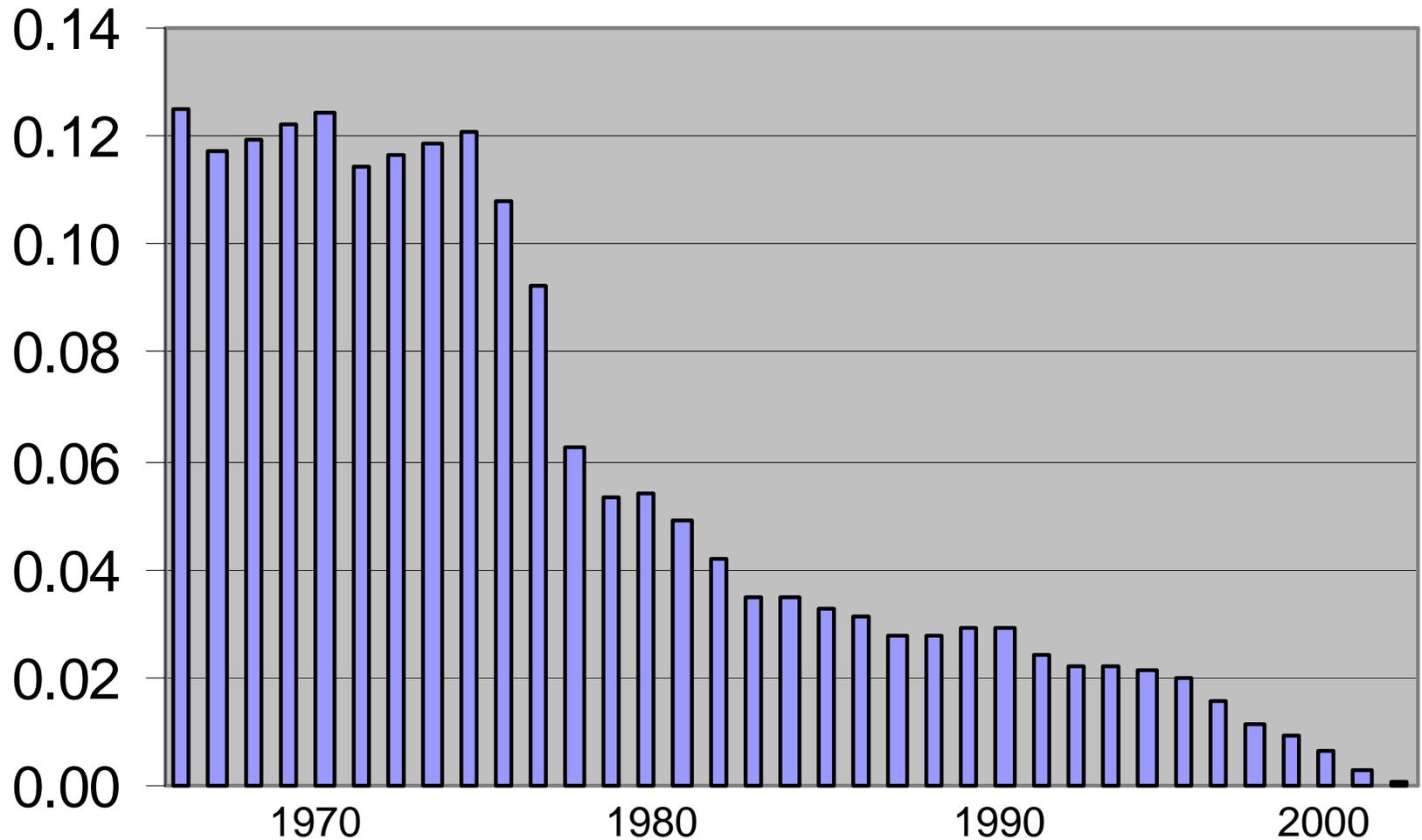


Background

- Previous workshops:
 - May 23, 2008
 - September 2, 2008
- Initial program concepts

Emission Benefits

Tons Per Year NOx+ROG



Model Year



General Eligibility

- All model years eligible
~~1976 and newer~~
- Gross vehicle weight rating up to 10,000 pounds
- Operational requirements
- Vehicles may or may not be undergoing registration



Operational Proof

- California registration for previous two years
- or
- Alternatively: proof of ownership combined with other documentation such as
 - insurance, or
 - repair receipts



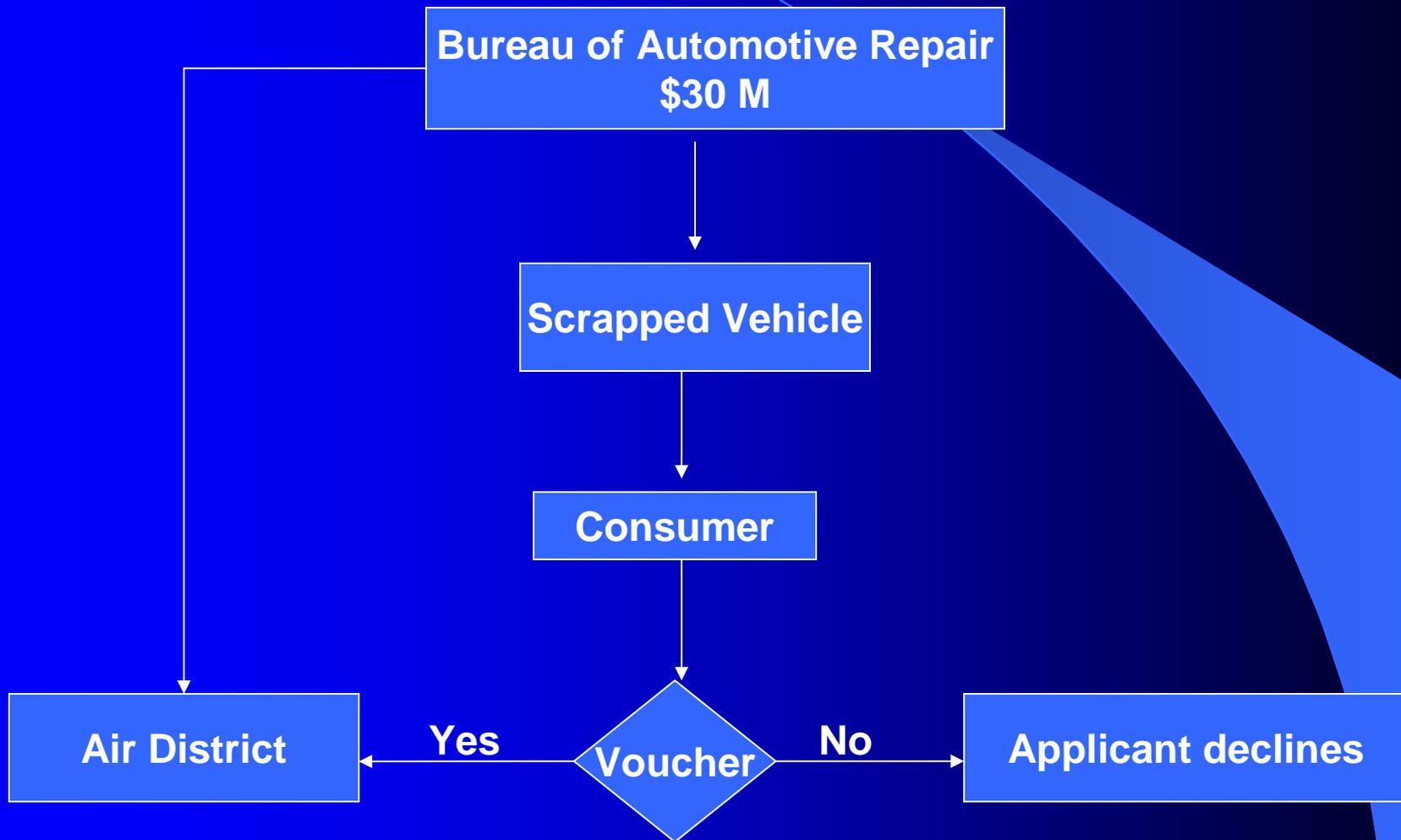


Consideration of Areas with Greatest Air Quality Issues

- Vehicle retirement available statewide
- Voucher program for vehicle replacement focused in South Coast, San Joaquin Valley and Bay Area initially
- Voucher program to expand to additional areas as necessary



Overall Program Concept





Targeted Vehicles

- High-emitting vehicles identified by BAR database
 - Vehicle age
 - Vehicle history
- Pre-1976 vehicles (not part of CAP)
- Diesel vehicles



Base Retirement Incentive

- \$1,000 for all vehicles
- ~~\$1,000 for vehicles 18 years and older~~
- ~~\$1,500 for vehicles less than 18 years~~
- \$500 additional for income eligible





Vouchers for Replacement Vehicles

- Retired vehicle to receive voucher for purchase of “newer” vehicle
- Administered through local air districts
- Purchases through commercial car dealerships
- Other incentives? e.g. transit tickets



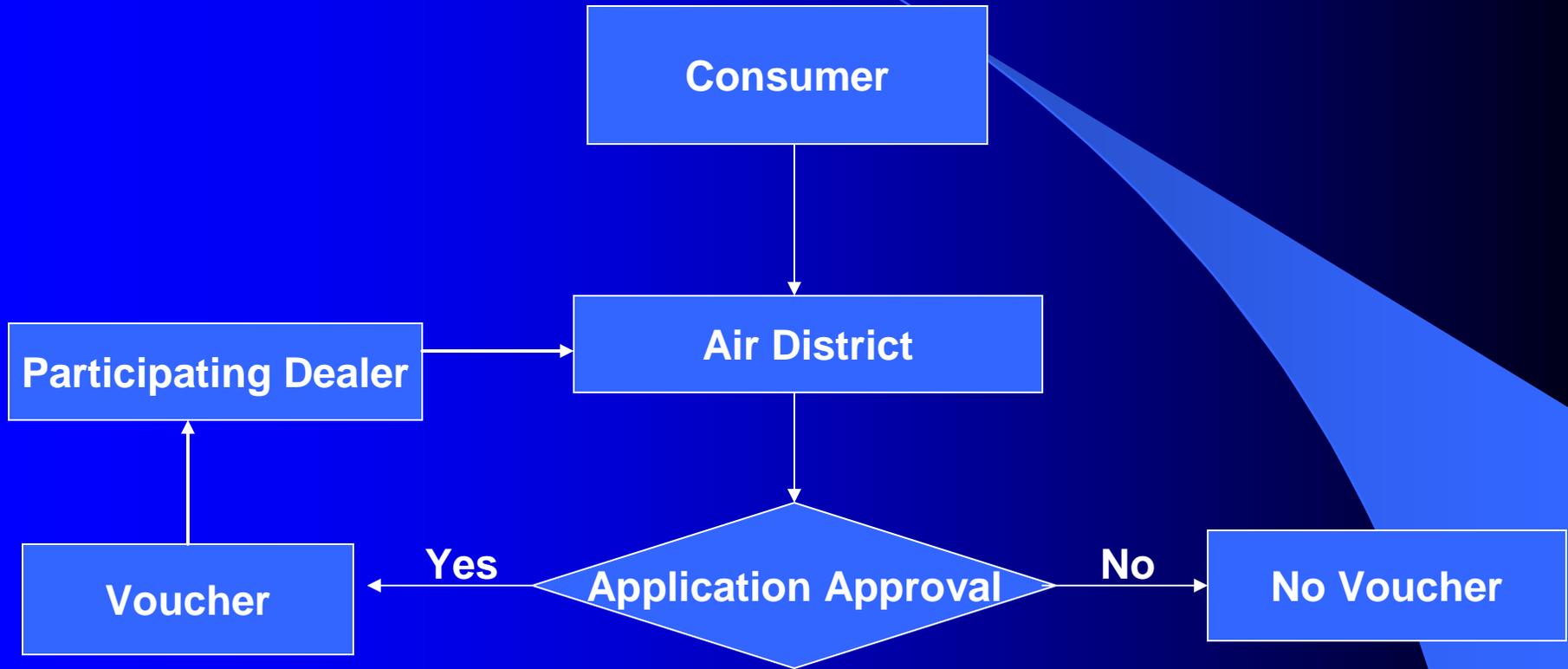
Voucher Incentive for Replacement Vehicles

- Base Voucher: \$2,000
 - newest four model years
- Additional \$500 for income eligible participants
 - newest ten model years





Voucher Program Concept





Summary: Income Eligible

- Proposal:
 - Use existing CAP definition (225 percent of federal poverty limit)
 - Additional \$500 toward vehicle retirement
 - Expand model year eligibility for replacement vehicles
 - Additional \$500 toward clean vehicle replacement



2010 Program Incentives

Consumer	Retired Vehicle	Voucher	Total	Replacement Model Years (rolling)
All	\$1,000	\$2,000	\$3,000	2007 and newer (newest 4 years)
Income Eligible	\$1,500	\$2,500	\$4,000	2001 and newer (newest 10 years)



Average Cost-Effectiveness

Consumer	Retired Vehicle	Voucher	Total	\$/ton
All	\$1,000	\$2,000	\$3,000	\$24,000
Income Eligible	\$1,500	\$2,500	\$4,000	\$40,000



Next Steps/Schedule

Milestone	Date
Fourth Workshop	January 28, 2009
Staff Report Available	April 10, 2009
ARB Adoption Hearing	May 28, 2009
BAR Regulatory Process	Summer/Fall 2009
Program Implementation	January 1, 2010



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Comments and Discussion