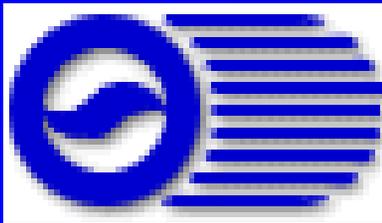


AB 118: Enhanced Fleet Modernization Program

Public Workshop
March 4, 2009





Outline

- Background
- Revised Proposal
- Regulatory Text
- Next Steps/Schedule
- Comments and Discussion





Background: AB 118

- Voluntary scrap program for high polluting cars, light- and medium-duty trucks
 - ARB adopt by July 1, 2009
 - ARB and BAR to administer January 1, 2010
- ~\$30 million in annual revenue 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
 - December 16, 2008
- Initial program concepts



General Eligibility

- All model years eligible
- 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



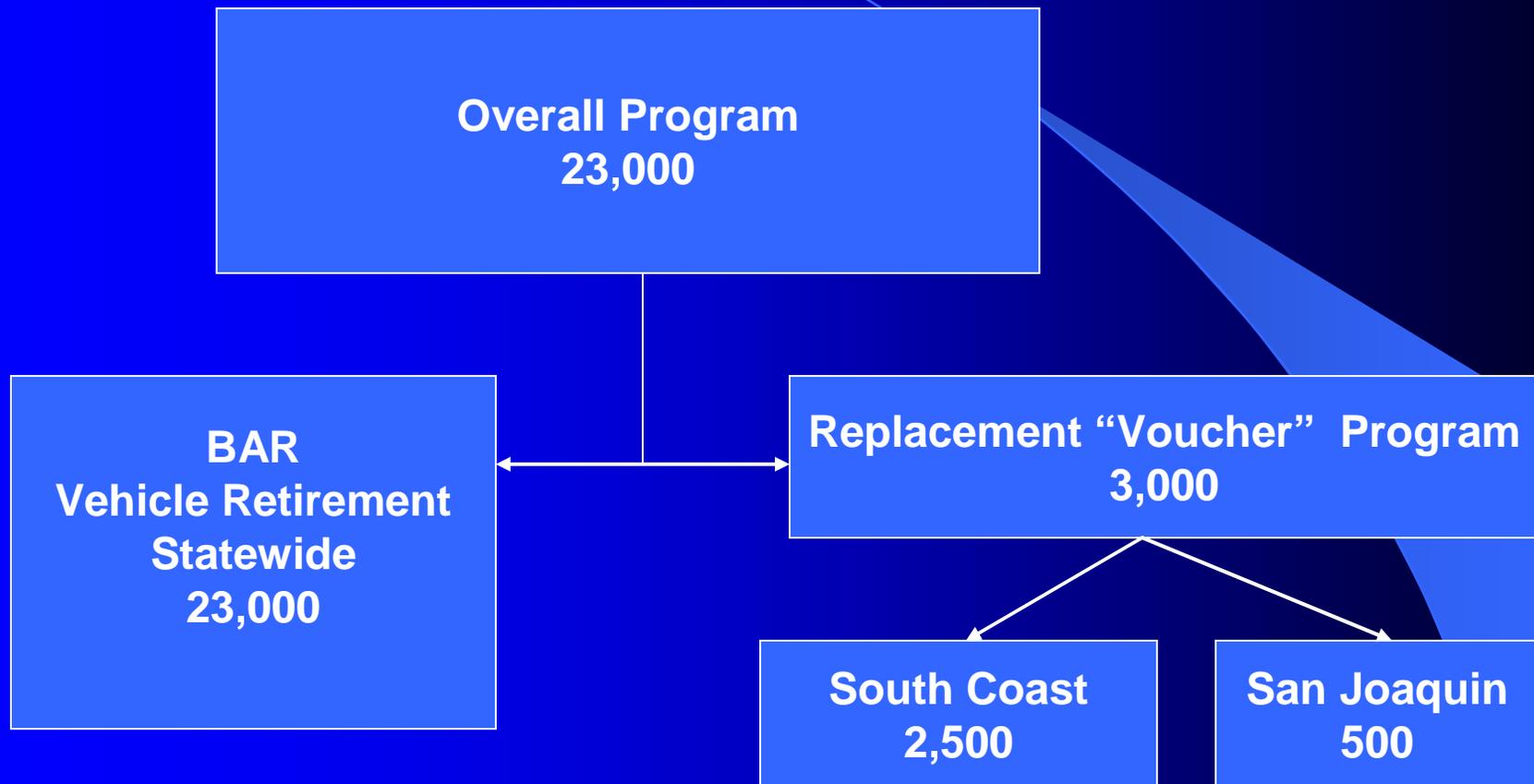


Consideration of Areas with Greatest Air Quality Issues

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



First Year Goals





Base Retirement Incentive

- \$1,000 for all vehicles
- \$500 additional for income eligible





Targeted Vehicles for Vouchers

- High-emitting vehicles as identified by BAR database
 - Vehicle age
 - Vehicle history
- Pre-1976 vehicles
 - (not currently CAP-eligible)
- Diesel vehicles



Vouchers for Replacement Vehicles

- ARB to coordinate
- Retired vehicle to receive voucher for purchase of “newer” vehicle
- Administered through local air districts
- Purchases through new and used car dealerships



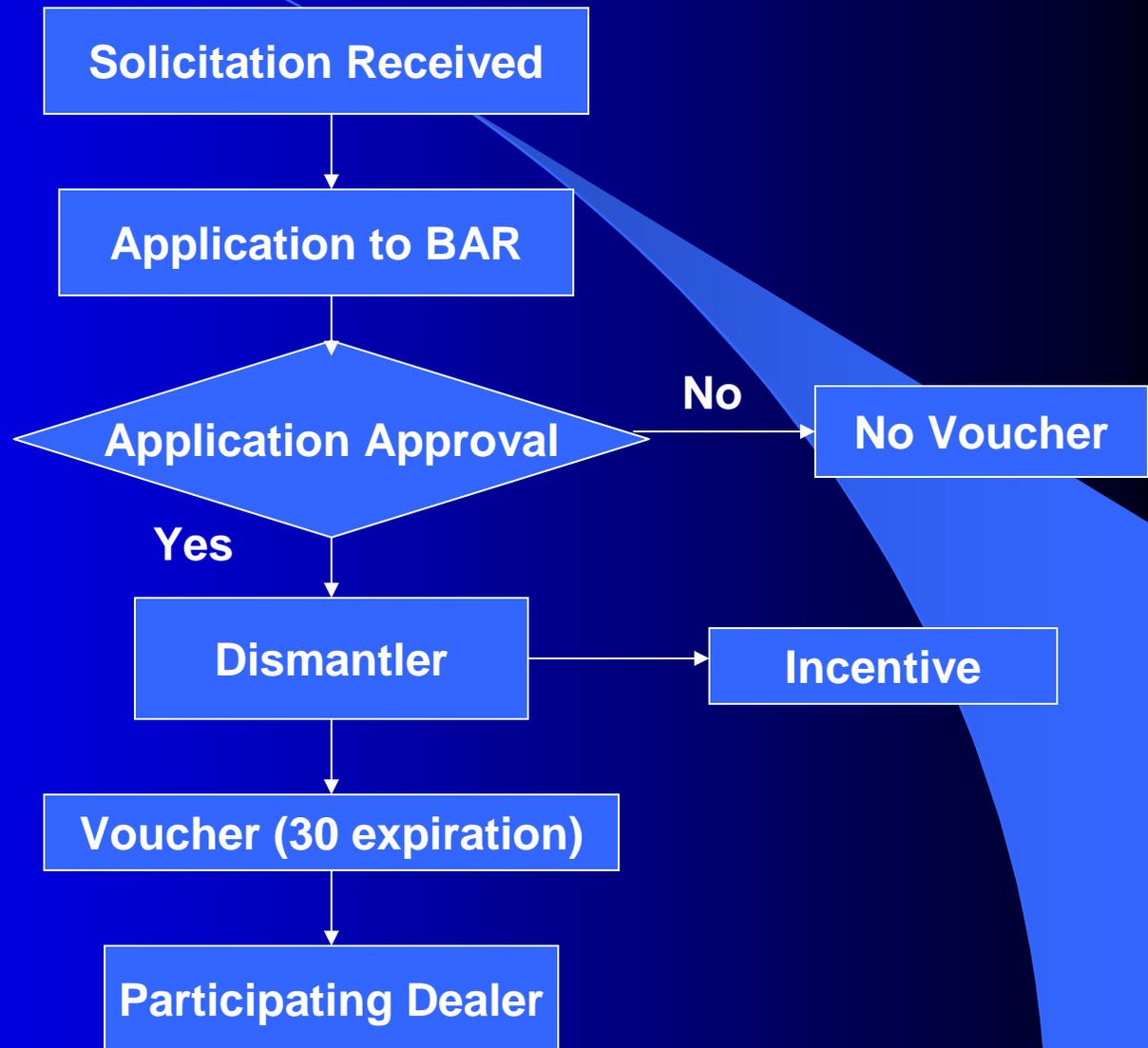
Voucher Incentive for Replacement Vehicles

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





Consumer Voucher Process





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 (targeted only)	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	2003 and newer (newest 8 years)



Cost-Effectiveness

Consumer	Total	Cost-Effectiveness\$/ton
1988 to Average	\$1,000	\$10,750
1988 HEP to 2008	\$3,000	\$20,100



Overview of Regulatory Text



Next Steps/Schedule

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



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Comments and Discussion