Air Resources Board

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Secretary for
Environmental Protection

Edmund G. Brown Jr.
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June 15, 2016 MAIL-OUT ECARS #16-04

TO:
- All Passenger Car (PC), Light-Duty Truck (LDT), and Medium-Duty Vehicle (MDV) Manufacturers
- All Heavy-Duty Engine and Vehicle (HDE/V) Manufacturers
- All Highway Motorcycle (HMC) Manufacturers
- All Licensed Used Direct Import (UDI) Vehicle Emission Test Laboratories

SUBJECT: Reporting California Vehicle and Engine Production Numbers for Assessing Annual Certification Fees for Fiscal-Year (FY) 2016-2017 (16/17)

Health and Safety Code section 43019 authorizes the Air Resources Board (ARB) to collect annual fees to cover the costs of State programs related to motor vehicles and engines in California. Under Title 13, California Code of Regulations, (13 CCR) sections 1990-1994, "California Clean Air Act Annual Certification Fees," manufacturers producing new on-road vehicles and engines for sale into California (hereinafter, California vehicles and engines) and laboratories licensed for the California certification of used direct import (UDI) vehicles (hereinafter, California UDI vehicles) are required to pay their annual certification fees as determined by the Executive Officer. In this Mail-out, manufacturers and laboratories are requested to report the numbers of their California vehicles and engines or, as applicable, California UDI vehicles, so that the Executive Officer can determine the total number of vehicles and engines subject to the fiscal year (FY) 2016-2017 (16/17) certification fees, the per-unit fee, and the assessed fees of each manufacturer and laboratory. The ARB requests production reports and contact information no later than July 15, 2016.

Manufacturers that obtained ARB certification for their vehicles with a gross vehicle weight rating (GVWR) above 8,500 pounds solely for purposes of complying with 17 CCR section 95663, "Greenhouse Gas Exhaust Emission Standards and Test Procedures for New 2014 and Subsequent Model Heavy-Duty Vehicles," (hereinafter, Section 95663 manufacturers) are not subject to assessment for the annual certification fees in 13 CCR sections 1990-1994. As a result, such Section 95663 manufacturers are not included in Tables 2A and 2B, and their production numbers are not required in this Mail-out.

The FY 16/17 certification fees are based on the numbers of California vehicles and engines produced in calendar year (CY) 2015 (January 1 through December 31, 2015) that include the Quarters 5 through 8 (QTR 5-8) production of model year (MY) 2015

vehicles and engines and the QTR 1-4 production of MY 2016 vehicles and engines. Manufacturers are required to keep track of the production numbers for each quarter for two model years, MY 2015 and MY 2016. Due to marketing variations (e.g., dealer trades, changes in dealer distribution in response to local markets), such quarterly production numbers are usually adjusted before they are reported to ARB for purposes of calculating certification fees, and determining compliance with various fleet average compliance programs, for example, non-methane organic gases plus oxides of nitrogen (NMOG+NOx) for passenger cars and light-duty trucks, vehicle equivalent credits (VEC) for medium-duty vehicles, averaging-banking-trading (ABT) for heavy-duty engines, and hydrocarbons plus oxides of nitrogen (HC+NOx) corporate averaging for motorcycles.

At the request of manufacturers to reduce the reporting burdens involving two model years and to use the more accurate model-year production numbers that are reported for the various fleet average compliance programs, ARB will allow manufacturers the option to have their FY 16/17 certification fees assessed based on their complete MY 2015 production number when a manufacturer's MY 2015 production number is higher than the manufacturer's CY 2015 production number. In subsequent years, these "opt-in" manufacturers will only have to report their model-year production numbers for assessing their certification fees. (The option described above was first allowed with the FY 07/08 certification fees.)

In this Mail-out:

(a) For manufacturers reporting their CY 2015 production numbers for the MY 2015 and MY 2016 vehicles and engines that were produced from January 1 through December 31, 2015, fill in Tables 1A, 2A, and 3A with the appropriate production numbers.

(b) For manufacturers with a higher MY 2015 total production number than their CY 2015 total production number and who wish to have their FY 16/17 certification fees assessed based on their MY 2015 production number, fill in Tables 1B, 2B, and 3B in addition to Tables 1A, 2A, and 3A. Henceforth for future annual certification fees assessments, these newly "opt-in" manufacturers will need to report their appropriate model-year production number only.

(c) For manufacturers who had switched to paying their annual certification fees in prior years (i.e., for FY 15/16 and earlier) based on their model-year production number rather than on their calendar-year production, disregard Tables 1A, 2A, and 3A and fill in only Tables 1B, 2B, and 3B with the MY 2015 total production numbers.

(d) For laboratories, fill in Table 4 to report the number of California UDI vehicles tested and certified by the laboratories during the January 1 through December 31, 2015 time period.

(e) The total production number subject to the FY 16/17 certification fees is determined from those reported according to paragraphs (a), (b), (c) and (d) above.

(f) The production numbers for heavy-duty engines and vehicles, and diesel and incomplete medium-duty vehicles with a 8,501-14,000 pounds GVWR that were certified under separate Executive Orders are to be reported separately for their respective engine and vehicle certification in the column "Engine (E) or Vehicle (V) Certification" in Tables 2A and 2B.

(g) Manufacturers are requested to modify the tables by adding any California-certified MY 2015 or MY 2016 test groups and engine families that are missing from the tables and provide their California production numbers.

(h) Test groups and engine families with zero vehicle or engine production, or zero UDI vehicle certification, must be reported as "0", (i.e., please do not leave the production field blank).

(i) For ease and accuracy of calculating the total production number, the per-unit fee, and each manufacturer's or laboratory's fees, staff requests that manufacturers and laboratories download and use the Excel Tables 1A, 1B, 2A, 2B, 3A, 3B, and 4 as applicable that are attached to this Mail-out. The Mail-out and its attached tables are posted on ARB's web site at http://www.arb.ca.gov/msprog/mailouts/mouts_16.htm#ecarsd.

(j) Staff requests that manufacturers save and submit the completed tables, in their Excel format, to ARB's Document Management System (DMS). For uploading and work flow naming guidance see Attachment A. Manufacturers and consultants who do not have a DMS user account should contact their assigned certification staff at ARB to obtain a DMS account. For reference, Tables 5A and 5B (attached) are the current lists of On-Road Light-Duty Certification (ONRLDC) Section and Compression-Ignition and Heavy-Duty Certification (CI&HDC) Section staff, respectively, and their assigned manufacturers and laboratories.

(k) All manufacturers and laboratories shall also provide their mailing addresses and contact information, which ARB will use to prepare the FY16/17 certification fee invoices. Worksheet "Invoice_Contact" within Tables 1A, 1B, 2A, 2B, 3A, 3B, and 4 is an Excel table with the format for providing the mailing and contact information for invoice purposes.

(l) UDI vehicle emission test laboratories are requested to attach their filled-in Excel Table 4 to an e-mail sent to the laboratory's assigned ONRLDC section staff.

(m) For manufacturers that submitted applications for certification for their MY 2015 or MY 2016 engine families through consultants or contract services, this Mail-out will be sent to both the manufacturer's last indicated contact and the consultant or contract service indicated in the applications for certification. Staff requests that the consultants and contract services also forward this Mail-out to their manufacturer clients and/or ensure that the required information for each of their manufacturers is provided to ARB.

(n) **Manufacturers and UDI test laboratories are requested to provide their production numbers or certified UDI vehicles as applicable, and invoice contact information by July 15, 2016.**

(o) Because the per-unit fee and manufacturers' certification fees for FY 16/17 all depend on the reported total number of California vehicles and engines, and California UDI vehicles, revisions to a manufacturer's or laboratory's reported production numbers will not be permitted.

Upon the finalization of the production numbers of the California vehicles and engines and California UDI vehicles, and the calculation of the per-unit fee, the FY 16/17 fee assessment notices will be sent to each manufacturer and laboratory according to the mailing and contact information provided in worksheet "Invoice_Contact". Payment is required within thirty (30) days after receipt of the notice, unless arrangements are made with ARB's Administrative Services Division for quarterly payments.

Under 13 CCR section 1993(f)(2) and 1994(c), **failure to comply with the annual certification fee requirements to report California production numbers and/or pay the assessed fees may result in a suspension of the processing of a manufacturer's applications for certification**.

According to 13 CCR section 1994(a), between July 1 and July 31 of each year, the ARB shall assess and notify manufacturers of the certification fees to be collected for the fiscal year. The present certification fees schedule, unfortunately, has fallen behind the schedule called for in regulation. In Mail-outs ECARS #14-08 dated October 20, 2014 and ECARS #15-10 dated October 27, 2015, the ARB notified manufacturers and explained our three-year plan to bring the annual certification fees program into conformance with the schedule provided for in regulation. The plan and its progress are summarized below.

Certification Fees For Fiscal Year	Based On Production Numbers In Calendar Year	Manufacturer's Vehicle/Engine Production Number Reports To Be Submitted By	Certification Fees Invoice Notification
2014/2015	2013	November, 2014	March, 2015 (Completed)
2015/2016	2014	November, 2015	February, 2016 (Completed)
2016/2017	2015	July 15, 2016	**August, 2016**
2017/2018	2016	April, 2017	Before July 31, 2017 (In Conformance With Regulation)

Based on the plan and ARB's October, 2014 and October, 2015 advance notifications, manufacturers should have funds appropriated for two invoices in CY 2016 for payment on the annual certification fees, the first invoice sent in February of this year for FY 15/16 based on reported CY 2014 production numbers, and the second invoice based on this Mail-out for FY 16/17 based on CY 2015 production numbers to be reported by July 15, 2016. This second certification fee payment during CY 2016 brings production reporting and fee assessment up-to-date. Subsequently, the annual certification fees will follow the schedule provided for in regulation starting with the FY 17/18.

Any questions concerning a manufacturer's MY 2015 and MY 2016 engine families or laboratory's CY 2015 California UDI vehicles subject to the FY 16/17 certification fee should be directed to the assigned ONRLDC or CI&HDC section staff. For questions concerning changes in the schedule of certification fees, please contact Jackie Lourenco, Chief, New Vehicle and Engine Programs Branch, at (626) 450-6152 or at Jackie.Lourenco@arb.ca.gov.

Sincerely,

For

Annette Hebert, Chief
Emissions Compliance, Automotive Regulations and Science Division

Attachments: (see page 6)

Attachments to Mail-out ECARS # 16-04

Attachment A:	Guidance for Submission into the Document Management System (DMS) of FY 16/17 Certification Fees Production Numbers and Invoice Contact Information
Table 1A:	January 1-December 31, 2015 Production Numbers for MY 2015 and MY 2016 PC, LDT, Chassis-Certified MDV, and Chassis-Certified HDV Test Groups, and Invoice Contact Information
Table 1B:	Complete MY 2015 Production Numbers for MY 2015 PC, LDT, Chassis-Certified MDV, and Chassis-Certified HDV Test Groups, and Invoice Contact Information
Table 2A:	January 1-December 31, 2015 Production Numbers for MY 2015 and MY 2016 HD Engine and Vehicle Families, Including 8,501 – 14,000 Pound GVWR Diesel and Incomplete MDV Certified Under the Engine Test Procedures, and Invoice Contact Information
Table 2B:	Complete MY 2015 Production Numbers for MY 2015 HD Engine and Vehicle Families, Including 8,501 – 14,000 Pound GVWR Diesel and Incomplete MDV Certified Under the Engine Test Procedures, and Invoice Contact Information
Table 3A:	January 1-December 31, 2015 Production Numbers for MY 2015 and MY 2016 HMC Families, and Invoice Contact Information
Table 3B:	Complete MY 2015 Production Numbers for MY 2015 HMC Families, and Invoice Contact Information
Table 4:	Licensed Used Direct Import Vehicle Emissions Laboratories, and Invoice Contact Information for CY 2015
Table 5A:	On-Road Light-Duty Certification Section Manufacturer Assignments
Table 5B:	Compression Ignition and Heavy-Duty Certification Section Manufacturer Assignments