



# Regulatory Advisory

June 2014



Mail-Out #MSC 14-08

## Truck and Bus Regulation Early Access to Certain Approved Amendments

The Air Resources Board (ARB or Board) approved amendments to the Truck and Bus Regulation (regulation) at its April 24-25, 2014 meeting. The approved amendments are intended to better ensure that the air quality benefits originally envisioned by the regulation will be achieved by providing additional compliance flexibility to vehicle owners. Because the amendments could not be considered before April 2014, the Executive Officer released Regulatory Advisory MSC 13-28 in November 2013, which provided two new options for fleets to meet the January 1, 2014 compliance date. First, it allowed vehicle owners to take early advantage of anticipated regulatory changes in 2014. Additionally, it provided until July 1, 2014, for owners to complete and report the good faith actions that were taken to comply with the January 1, 2014 compliance date. The advisory is available at <http://www.arb.ca.gov/msprog/mailouts/msc1328/msc1328.pdf>.

At the April 2014 Board meeting, the Board approved most of the anticipated regulatory changes described in the November 2013 advisory, as well as several additional modifications to the regulation. This advisory describes how owners can plan for and take advantage of the approved amendments, and the steps owners that previously claimed good faith efforts must now take to meet amended regulatory requirements.

### Background

The regulation requires diesel truck and bus owners to take steps to reduce their engine emissions. The regulation is a part of the State's plan to meet federal ambient air quality standards and to protect public health, particularly near roadways and distribution centers where toxic emission exposures are frequently high. Nearly all trucks and buses with a manufacturer's gross vehicle weight rating greater than 14,000 pounds that operate in California are required to be upgraded between 2012 and 2023 to reduce exhaust emissions.

Most heavier trucks and buses (with a gross vehicle weight rating greater than 26,000 pounds) were required to have a particulate matter (PM) filter by January 1, 2014. There are certain exceptions to these requirements for owners that have reported to use flexibility options allowed under the regulation. These include, but are not limited to, certain agricultural and limited-use work trucks, low-use vehicles, and vehicles operated in certain rural areas. Additional information about the regulation is at: <http://www.arb.ca.gov/msprog/onrdiesel/documents/FSRegSum.pdf>.

To comply with the PM filter requirements, owners can upgrade existing engines by installing PM filters that are Verified Diesel Emission Control Strategies approved by ARB, or by upgrading to cleaner engines or vehicles. A list of Verified Diesel Emission Control Strategies that have been approved by ARB can be found at:

<http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>.

Fleet owners that reported by January 31, 2014, to opt-in to existing compliance options and to take advantage of the anticipated changes in the November 2013 advisory may continue to use them without taking any additional action this year. Owners that reported their good faith efforts to comply with the January 1, 2014 compliance date will need to complete the actions by July 1, 2014, unless they are able to take advantage of new options described below.

### **Early Access to Approved Amendments**

The amendments approved by the Board at the April hearing will take effect when the regulation is finalized later this year. This section describes how fleet owners may take advantage of these amendments now and until the regulation is finalized. Note, if a large fleet applied for funding through the Goods Movement Emission Reduction Program (Proposition 1B) in 2013, the amendments below cannot be used to demonstrate compliance for purposes of obtaining funding. The fleet must continue to meet all regulatory requirements that were in place at the time of application to remain eligible for a Proposition 1B grant. For more information on the Proposition 1B program, please see the program website at: <http://www.arb.ca.gov/gmbond>.

Low Mileage Work Truck Phase-in Option – The Board approved amendments to replace the low mileage construction truck extension with a new Low Mileage Work Truck Option that allows a higher mileage limit and has an expanded definition. The new option extends compliance for construction trucks and other work trucks that travel less than 20,000 miles per year provided the fleet has a minimum number of PM filters. The expanded work truck definition now includes most straight trucks and tractors that exclusively pull low-boy or dump trailers regardless of who owns them. However, the expanded definition does not apply to any other tractor trailer combinations, buses, or truck and trailer combinations that haul goods.

- Owners that are already using the Low-Mileage Construction Truck Option do not need to take any additional action, and can continue operating as a designated low-mileage work truck up to the amended 20,000 mile limit in 2014.
- Owners that have work trucks that meet the expanded definition and will operate less than 20,000 miles in 2014 may retroactively claim the Low Mileage Work Truck extension by reporting no later than July 31, 2014.
  - Owners can claim the extension for eligible heavier trucks if at least 33 percent of the heavier vehicles in the fleet (not including low-use trucks) already have a PM filter.
  - Eligible owners must report January 2014 odometer readings and information about all heavier trucks in the fleet no later than July 31, 2014.

- Trucks that are newly reported to use the extension must have been in the fleet on January 1, 2012, or must have 1996 or newer engines.
- Eligible trucks will need to be labeled on each door with the letters “WT”, white letters on a 3 inch by 5 inch black background, by July 31, 2014.
- Each January fleet owners will be able to designate which trucks will use the work truck extension for the year.

Low Use Exemption – The Board approved the expansion of the low use mileage exemption to a total of less than 5,000 miles per year as anticipated in the November 2013 advisory, and in addition removed the hourly limit for trucks that perform work while stationary.

- Owners that perform work while stationary that did not claim the low-use exemption may retroactively claim the low-use exemption by reporting their January 2014 odometer readings until July 31, 2014 to ARB.
  - Each January vehicle owners can designate which trucks will use the amended low-use exemption for the year.

Oxides of Nitrogen (NOx) Exempt Area Extension - The Board approved a new compliance schedule for trucks operated exclusively in NOx Exempt Areas that will be phased-in from January 1, 2015 to January 1, 2020, and expanded the regions that are included in the definition of NOx Exempt Areas. The added regions are different than the regions in the November 2013 advisory. A map of the expanded NOx Exempt area approved by the Board can be found on the Fact Sheet posted at:

<http://www.arb.ca.gov/msprog/onrdiesel/documents/faqamend14.pdf>

- Owners that are currently operating in regions that were identified in the November 2013 advisory, but were not included in the NOx Exempt area expansion approved by the Board, will need to comply with the general requirements of the regulation or use other available compliance options starting January 1, 2015.
- Small fleet owners with three or fewer vehicles that are using the NOx Exempt Area extension as provided in the November 2013 advisory, but will not be able to use the extension beyond 2014, will still be allowed to claim the small fleet option. Owners must demonstrate that one heavier vehicle in the fleet has a PM filter by January 1, 2015 and report by January 31, 2015.

Small Fleet Option – The 2014 requirements to comply with the small fleet option are unchanged, but the Board approved amendments to defer the compliance date for the second truck to January 1, 2017, and the third truck to January 1, 2018. Small fleet owners that did not meet the January 1, 2014 deadline to have a PM filter, but meet the requirement by July 1, 2014, can still report by July 31, 2014, and will remain eligible to use the Small Fleet Option. Small fleet owners that did not comply with the small fleet option will need to comply with the general requirements of the regulation like other fleets.

Cattle Livestock Trucks – The Board approved amendments to allow cattle livestock trucks to use the specialty agricultural truck extension. The details on these options are being revised and will be made available for a 15-day public comment period before they can be finalized. When the public comment period is closed, affected owners will be allowed to report and take advantage of the amended option.

Economic Hardship Extension – The Board approved a new flexibility option that would defer compliance with the PM filter requirements until January 1, 2017, for owners that are unable to afford to comply and cannot get financing. Owners may claim this extension for up to three trucks that were in the fleet since January 1, 2012. The Board directed changes to be made so that the delay could only be used by owners that are truly financially unable to comply. Owners will be expected to provide financial information starting from January 1, 2012, documentation of all options that could be used to bring the fleet into compliance, and auditable proof that no financing options are available to the applicant. The details are being revised and will be made available for a 15-day public comment period before they can be finalized.

Other Amendments – All other approved amendments for lighter and heavier trucks apply to future years. The new compliance options that take effect in 2015 will be available to fleet owners that report by January 31, 2015. Please check <http://www.arb.ca.gov/msprog/onrdiesel/documents.php> for updated factsheets and other information on the new amendments and how to report.

### **Completing Good Faith Efforts to Comply**

Many fleets reported actions in good faith to obtain additional time, through July 1, 2014, to meet compliance requirements. This section describes the options available to fleet owners who reported they were making a good faith effort to comply and are not able to use the new compliance options described above.

- Owners that were approved for financing, ordered a truck that is equipped with a PM filter, or ordered a PM filter retrofit must complete the action to bring the fleet into compliance and must update the information in TRUCRS by July 1, 2014.
- Small fleet owners with three or fewer vehicles that received local funding (not including the Proposition 1B grant program) or a grant from the On-Road Heavy-Duty Voucher Incentive Program must complete the PM retrofit installation or truck replacement and update the information in TRUCRS by July 1, 2014.
- Small fleet owners with three or fewer vehicles that were approved for a Proposition 1B grant will need to complete the truck replacement per the requirements and schedule in the grant contract and will remain eligible for the small fleet option.
  - If the replacement truck is not delivered by July 1, 2014, the owner will need to update TRUCRS to show that the existing truck was approved for funding to be replaced. The owner must keep a copy of the funding approval letter, or proof of position on the Proposition 1B funding ranked list.
  - The owner will be able to print a temporary certificate that allows the existing truck to continue to operate until December 31, 2014, or per the terms of the contract.

- Small fleets that met the eligibility criteria, and applied for Proposition 1B funding and were either disqualified or withdrew from the grant process, need to take appropriate action to bring the fleet into compliance by July 1, 2014. After July 1, 2014, small fleets that are disqualified or withdraw because they are financially unable to complete the vehicle purchase will have 30 days to bring the fleet into compliance.
- Fleet owners that previously reported they were denied for a loan and still do not have the financial means to comply may be eligible for the economic hardship extension, as described above. While the provisions of this extension are being revised, owners that were unable to comply and were denied a loan, will be able to temporarily operate up to three vehicles that were in the fleet as of January 1, 2012, by submitting the following information that was used to support the original claim of being denied for a loan:
  - The TRUCRS ID and associated company name
  - The name and phone number of the contact person
  - Vehicle Identification Numbers of up to three vehicles that were in the fleet on January 1, 2012
  - A copy of the loan denial letter from the national or state-chartered financial institution or a licensed California finance lender

The copies should be scanned and emailed to [trucrs@arb.ca.gov](mailto:trucrs@arb.ca.gov) or sent by mail to:

Truck and Bus Reporting  
 P.O. Box 2815  
 California Air Resources Board  
 Sacramento, California 95812

The owner will be able to print a temporary certificate that allows the existing vehicles to be used until October 1, 2014, if the remainder of the fleet complies. Additional guidance about the economic hardship extension will be provided once the amended language is finalized.

**Reporting Compliance Actions Taken Under this Advisory**

To qualify and use the compliance options described in this advisory, an affected owner must report, under penalty of perjury, specific information to ARB through TRUCRS or by mail on or before July 31, 2014.

Information on TRUCRS, including how to report, either electronically or with paper forms, can be found at: <http://www.arb.ca.gov/msprog/onrdiesel/reportinginfo.htm>. To complete the reporting process, vehicle owners should be prepared to provide information about their company, the location where applicable records will be kept, and information about all of the heavier diesel trucks that operate in California within that fleet. Vehicle owners will be able to print a confirmation of reported compliance or a temporary operating certificate that can be used by brokers, motor carriers, or others who need to verify compliance of the individual vehicle owners or fleets they hire.

**Failure to Comply**

Vehicle owners that are noncompliant or fail to complete the good faith efforts to comply with the regulation by July 1, 2014, may be subject to penalties and possible Department of Motor Vehicle (DMV) registration holds. Vehicles operating without current DMV registration are subject to enforcement actions by law enforcement which may include vehicle impoundment.

**Contacts for Additional Information**

For further information about ARB's diesel vehicle regulations, please visit [www.arb.ca.gov/truckstop](http://www.arb.ca.gov/truckstop) or call 1-866-6DIESEL (866-634-3735) or email us at [8666diesel@arb.ca.gov](mailto:8666diesel@arb.ca.gov)