

# Mobile Source Certification and Compliance Fee Workshop

On Road Engines and Vehicles,  
Motorcycles, GHG Trailers and  
Aerodynamic Components

November 20, 2020

9 AM

# Agenda

- Recap
- Proposed Fees and Definitions
- Fee Payment Process
- Next Steps
  - SRIA publication in December
  - Board Hearing March 25, 2021

# Recap

# HSC 43019

## Current On-Road Vehicle/Engine Certification Fee

- Authorized CARB in 1988 to adopt a schedule of fees for the certification of motor vehicles and engines sold in CA to cover the costs of state programs
- Annual fee cap was \$9,679,312 in 2018 (increases yearly by California Consumer Price Index [CPI])
- Current procedures located at 13 CCR 1990-1994

# HSC 43019

## Updated On-Road Vehicle/Engine Certification Fee

- Authority updated in 2019 (AB 85)
- Authorizes CARB to adopt a schedule of fees for the certification of motor vehicles and engines sold in CA
- The fee “shall be in an amount sufficient to cover” the state board’s reasonable costs
- Fee cap removed
- Use of CPI to increase fee annually
- Fees to be directed to new mobile source certification and compliance fund

# HSC 43202.5 and 43202.6

## New On-Road Vehicle/Engine Fees

- Authority provided by AB 2381 in 2018
- Requires CARB to enhance its certification, audit, and compliance activities for new motor vehicles to detect defeat devices or other software used to evade emissions testing
- Provides for recovery of implementation costs
  - Capped at \$5,000,000
  - allowed to adjust annually with CPI

# Mobile Source (MS) Program Executive Order (EO) Categories

EO Number Series	Topic	EO Number Series	Topic
	<b>On-Road Vehicles and Engines</b>		<b>Off-Road Vehicles and Engines (Cont'd)</b>
A	New Cars, Light/Medium/Heavy-Duty Vehicles/Engine	U-U	New Small Off-Road Spark - Ignition Engines/Equipment
M	New Street-Use Motorcycles	U-W	New Spark - Ignition Marine Engines/Watercraft
N	New On-Road Heavy-Duty Exempt Engines		<b>Evaporative Components</b>
P	New Federal AB965 Cars & Light-Duty Trucks	G	Portable Fuel Containers (PFCs) Certified For Use In California
	<b>GHG Phase 2</b>	RM	Evaporative components for Spark-ignited Marine Water Craft
A	P2 GHG Vehicle /ZEP	Q	Small Off-Road Engines - Evaporative Components
AT	GHG Trailer		<b>Aftermarket Parts</b>
AD	GHG Aerodynamic Components	B	Alternative Fuel Retrofit Certification
	<b>Off-Road Vehicles and Engines</b>	C	Experimental Permits
U-G	Electric Golf Carts	D	Aftermarket Part Exemptions
U-L	New Off-Road Large Spark-Ignition (LSI) Engines/Equipment	K	Aftermarket Critical Emission Control Parts for Highway Motorcycles.
U-M	New Emission Compliant ("Green Sticker") Off-Road Motorcycles, All-Terrain/Utility/Sport Vehicles, Sandcars		<b>Retrofits</b>
U-N	New Emission Non—Compliant ("Red Sticker") Off-Road Motorcycles & All-Terrain Vehicles	DE	Verification of Diesel Emission Control Strategies (On/Off Road, SS, Harbor Craft, TRU, RTG) for In-Use Diesel Engine Regulations
U-R	New Off-Road Compression - Ignition Engines	AB	Alternative Control Technologies (e.g. Bonnets) verification/approval for At-Berth regulation

# Outreach to Industry Fee Cost Impacts

- July Workshop Request
- Posted questions on CARB Website
- Several follow-up e-mails
- Meetings



# Fee Cost Impacts on Manufacturers

- Using CARB costs per application, what impact will the fee costs have on:
  - the number of applications
  - California production
  - vehicle/equipment pricing
  - impact your business model
  - type of financial hardship (if any) for your business
  - any factors that are not currently being considered, but you believe should be considered when establishing new certification fees

# Proposed Fees and Definitions

# Light Duty Vehicle Executive Order Series

# Light Duty EO Series (A/P EO Series)

Application Type	Proposed Fee
New	\$46,509
Zero-Emissions	\$11,627
Partial Carry over	\$23,254
Carry over	\$11,627

# Fee Phase-in for New and Partial Carry Over Applications

Fee	2021 MY	2023 MY (1/1/2022)	2024 MY	2025 MY	2026 MY	2027 MY
Light Duty, Medium Duty A series	Current Fee Reqs	50% of Proposed Fees	75% of Proposed fee	100% of Proposed fee	100% of Proposed fee	100% of Cost Recovery

- Proposed application fees start January 1, 2022 (with OAL approval) for all applications. Model year based applications will initiate with the 2023 MY.
- New and Partial-Carry Over application fees phased in. Zero-emission and carry over fees will not be discounted.
- 2026 MY and 100% recovery includes CPI changes.

# Zero-Emission

- A mobile source technology that produce zero exhaust emissions of any criteria pollutant (or precursor pollutant) or greenhouse gas, excluding emissions from air conditioning systems, under any possible operational modes or conditions.
- Application fee is 25% of category base fee

# Partial Carry Over

- A partial carryover application is identical to the previous model year's application except for:
  - Model year,
  - First letter of the Test Group/Engine/Vehicle/Evaporative family name,
  - Manufacturer contact information,
  - Projected sales data,

# Partial Carry Over

(Continued)

- A partial carryover application is identical to the previous model year's application except for:
  - Model names (may add models if the certification emission levels and worst case are not changed),
  - Part numbers (may add new parts if they are shown to be durable to full useful life and do not impact the certification emission levels), and
  - Equipment types.
- Application fee is 50% of category base fee



# Carry Over

- A carryover application is identical to the previous model year's application except for the:
  - Model year,
  - Test Group/Engine/Vehicle/Evaporative family name (typically the first character),
  - Manufacturer contact information, and projected sales data.
- Application fee is 25% of category base fee

# Heavy Duty Vehicle Executive Order Series

# Proposed Fees

## Heavy Duty E.O. Series

Application Type	Proposed Fee	
	Engine	Vehicle Evap
New	\$121,265	\$14,935
Partial Carry-over	\$60,632	-
Carry-over	\$30,316	\$3,734
New – N Series (exempt engine)	\$98	
New – Fuel Fired Heaters	\$293	

# Fee Phase-in for New, Partial Carry-Over Heavy Duty EO Series Applications

Category	2021	2023 MY (1/1/2022)	2024 MY	2025 MY	2026 MY	2027 MY
Heavy Duty EO Series	Current Fee Reqs	50% of Proposed fee	75% of Proposed fee	100% of Proposed fee	100% of Proposed fee	100% of Cost Recovery

- Proposed application fees start January 1, 2022 (with OAL approval) for all applications. Model year based applications will initiate with the 2023 MY.
- Phase in for New and Partial-Carry Over application fee. Carry-over, N-Series, and Fuel-Fired Heater fees will not be discounted.
- 2026 MY and 100% recovery includes CPI changes.

# Partial Carry Over

- A partial carryover application is identical to the previous model year's application except for:
  - Model year,
  - First letter of the Test Group/Engine/Vehicle/Evaporative family name,
  - Manufacturer contact information,
  - Projected sales data,

# Partial Carry Over

(Continued)

- A partial carryover application is identical to the previous model year's application except for:
  - Model names (may add models if the certification emission levels and worst case are not changed),
  - Part numbers (may add new parts if they are shown to be durable to full useful life and do not impact the certification emission levels), and
  - Equipment types.
- Application fee is 50% of category base fee

# Carry Over

- A carryover application is identical to the previous model year's application except for the:
  - Model year,
  - Test Group/Engine/Vehicle/Evaporative family name (typically the first character),
  - Manufacturer contact information, and projected sales data.
- Application fee is 25% of category base fee

# Heavy Duty GHG Vehicle, Trailers and Aerodynamic Components Executive Order Series



# Proposed Fees

## Heavy Duty GHG EO Series

### Heavy-Duty On-Road Vehicles (A, AT and AD EO series)

Application Type	Proposed Fee		
	GHG Vehicle	Trailer/ Aerodynamic*	ZEP
New	\$17,539	\$3,936/ \$3,936	\$3,908
Low CA Production MFG [Production Limit]	\$13,154 [301]	-	-
Zero-Emission	\$4,385	-	-
Carry Over/Minor Modification	\$4,385	\$984/\$984	-

\* Trailers require annual renewal. Aerodynamic components require renewal upon standard change for trailers (MY 2021, MY2024 and MY2027)

# Fee Phase-in for New, Partial Carry-Over and GHG Low CA Production Applications

Category	2021 MY	2023 MY (1/1/2022)	2024 MY	2025 MY	2026 MY	2027 MY
Heavy Duty GHG Vehicle, Aero/Trailer (A, AD, AT, ZEP series)	Current Fee Reqs	50% of Proposed fee	75% of Proposed fee	100% of Proposed fee	100% of Proposed fee	100% of Cost Recovery



- Proposed application fees start January 1, 2022 (with OAL approval) for all applications. Model year based applications will initiate with the 2023 MY.
- Phase in for New, ZEP, GHG Trailer and Aerodynamic component application fee. Zero-emission, carry over, and minor modification fees will not be discounted.
- 2026 MY and 100% recovery includes CPI changes.

# HD GHG Vehicle Low CA Production Manufacturer

- A Low California Production Manufacturer produces a total of no more than 301 HD GHG Vehicles annually for sale in California.
- Application fee is 75% of category base fee

# HD GHG Vehicle Partial Carry Over

- A partial carryover application is identical to the previous model year's application except for:
  - Model year,
  - First letter of the Test Group/Engine/Vehicle/Evaporative family name,
  - Manufacturer contact information,
  - Projected sales data,

# HD GHG Vehicle Partial Carry Over

- A partial carryover application is identical to the previous model year's application except for (continued):
  - Model names (may add models if the certification emission levels and worst case are not changed),
  - Part numbers (may add new parts if they are shown to be durable to full useful life and do not impact the certification emission levels), and
  - Equipment types.
- 50% of category base fee

# HD GHG Vehicle Carry Over

- A carryover application is identical to the previous model year's application except for the:
  - Model year,
  - Test Group/Engine/Vehicle/Evaporative family name (typically the first character),
  - Manufacturer contact information, and Projected sales data.
- Application fee is 25% of category base fee

# Trailer (AT) Carry Over

- A carryover application is identical to the previous model year's application except for the:
  - Model year,
  - Trailer family name (typically the first character),
  - Manufacturer contact information, and Projected sales data.
- Application fee is 25% of category base fee

# Aerodynamic Component (AD) Minor Modification

- A minor modification application includes:
  - the same type of device or group of devices (e.g. skirt, fairing) as the current calendar year approved device(s)
  - the device(s) will be installed on the same type of trailers.
- Application fee is 25% of category base fee



# On-Road Motorcycle Executive Order Series

# Proposed Fees

## On-Road Motorcycle E.O. Series

Application Type	Proposed Fee*
New	\$17,447
Low CA Production MFG (Applies to all engine families) [Production Limit]	\$13,085 [300]
Partial Carry Over	\$8,724
Carry Over	\$4,362
Low CA Sales Engine Family (NEW) (Any manufacturer except Low CA Production, Limited to 3 applications) [Production Limit]	\$872 [100]

\*Only one discount can be applied to an engine family--Low CA Production manufacturer, Partial Carry over, Carry over, or Low CA Engine Family.

# Fee Phase-in for New and Low CA Production Manufacturer Applications

Category	2021	2023 MY (1/1/2022)	2024 MY	2025 MY	2026 MY	2027 MY
Motorcycle M series	Current Fee Reqs	50% of Proposed fee	75% of Proposed fee	100% of Proposed fee	100% of Proposed fee	100% of Cost Recovery

- Proposed application fees start January 1, 2022 (with OAL approval) for all applications. Model year based applications will initiate with the 2023 MY.
- Phase in for New, Low CA Production Manufacturer and Partial-Carry Over application fee. Carry over and Low CA Production Engine Family Name fees will not be discounted.
- 2026 MY and 100% cost recovery includes CPI changes.

# Motorcycle

## Low CA Production Manufacturer

- A Low California Production Manufacturer produces a total of no more than 300 on-road motorcycles annually for sale in California.
- Application fee is 75% of category base fee

# Motorcycle Low CA Production Engine Family

- A Low California Production Engine Family is limited to a total of no more than 100 motorcycles annually for sale in California.
- Limited to 3 applications
- Application fee is 95% of category base fee

# Partial Carry Over

- A partial carryover application is identical to the previous model year's application except for:
  - Model year,
  - First letter of the Test Group/Engine/Vehicle/Evaporative family name,
  - Manufacturer contact information,
  - Projected sales data,

# Partial Carry Over

(Continued)

- A partial carryover application is identical to the previous model year's application except for:
  - Model names (may add models if the certification emission levels and worst case are not changed),
  - Part numbers (may add new parts if they are shown to be durable to full useful life and do not impact the certification emission levels), and
  - Equipment types.
- Application fee is 50% of category base fee

# Carry Over

- A carryover application is identical to the previous model year's application except for the:
  - Model year,
  - Test Group/Engine/Vehicle/Evaporative family name (typically the first character),
  - Manufacturer contact information, and Projected sales data.
- Application fee is 25% of category base fee



# Implementation

# Current Payment Process

The screenshot shows a web browser window with the URL <https://ww2.arb.ca.gov/digital-services>. The page header includes the California Air Resources Board logo and navigation links: ABOUT, OUR WORK, RESOURCES, DIGITAL SERVICES (circled in black), RULEMAKING, and NEWS. Below the header, the page title is "Digital Services" with a blue underline. Underneath, there is a section titled "Make a Payment" with a blue underline, followed by the text "Pay by credit card, wire transfer, check, money order, or EFT." and a blue button labeled "PAYMENT OPTIONS".

# Credit Card Payment

## Credit Card Payments

Pay for registrations, permits, citations, certifications, invoices, fees and more with a Discover, MasterCard, or Visa credit card. First Data, the processing vendor, charges a *convenience fee of 2.65% of the transaction amount*. CARB does not receive revenue from this service fee.

## Online Payments

Make online payments with the First Data payment portal. First Data is not affiliated with CARB and CARB is not responsible for the contents of their website. Please read and evaluate First Data's security and confidentiality statements.

PAY NOW

- Third Party convenience fee assessed

# Cash/Check/Phone Payment

## Check, Money Order or Cashier Check

When paying by check, money order, or cashier check, write the CARB reference or invoice number on your payment. Make the payment payable to the California Air Resources Board and mail your payment and supporting documents to:

California Air Resources Board  
Attn: Accounting, RM 20-25  
P.O. Box 1436  
Sacramento, CA 95812-1436

For FedEx and UPS deliveries:

California Air Resources Board  
Attn: Accounting  
1001 I Street, RM 20-25  
Sacramento, CA 95814

## Pay by Phone

When making credit card payments by phone or fax, contact CARB in advance at [Accounts Receivable](#) or (916) 322-6149 and specify the reason for the payment (i.e. permit, registration, etc.). Include related payment documents to apply the payment correctly.

# Future Payment Process

- Concepts
  - Webpage
  - Types of payments
  - Fee selection process
  - Credits

# Next Steps

# Information Requests

Please provide your feedback by December 4th

- Fee schedule
- Definitions
- Proposed Implementation
- For any changes, please include business information which may be marked as confidential. Subject to limitation under the California Public Records Act.

# Timeline

- First Workshop (April 30, 2019)
- Second Workshop (November 21, 2019)
- Third Workshop (February 21, 2020)
- Fourth Workshop (July 31, 2020)
- Fifth Workshop (November 19, 2020)
  - Additional work groups or meetings, as needed
- Board Hearing date (March 25, 2021)
- Post Hearing Implementation Workshop



# 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>

# Contacts

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***Questions?***