

State of California  
AIR RESOURCES BOARD

EXECUTIVE ORDER D-602

Relating to Exemptions under Section 27156 of the Vehicle Code

Clean Fuel Technology, Inc.  
"EPS-1, EPS-2, and EPS-8"

WHEREAS, Vehicle Code Sections 27156 and 38391, and Title 13, California Code of Regulations (hereafter "CCR") Section 2222(e), authorize the California Air Resources Board (ARB) and its Executive Officer to exempt add-on and modified aftermarket devices from the prohibitions of Vehicle Code Section 27156.

WHEREAS, Clean Fuel Technology, Inc. of 4545 Spring Mountain, Unit 102, Las Vegas, Nevada 89103, has applied to the ARB for exemption from the prohibitions in Vehicle Code Sections 27156 and 38391 for its EPS-1, EPS-2, and EPS-8 device, manufactured by Beijing Yuantong CO. Ltd., Room 319 Building A, No. 19 West Chegongzhuang Street, Haidean District, Beijing 100044, China, for installation on the following vehicles as shown below.

| Vehicle Model-Year | Model | Engine Displacement                |
|--------------------|-------|------------------------------------|
| 2006 and older     | EPS-1 | Light-duty diesel engines          |
|                    | EPS-2 | Heavy/Medium-duty diesel engines   |
|                    | EPS-8 | Small diesel engines               |
| 1995 and older     | EPS-1 | Light-duty gasoline engines        |
|                    | EPS-2 | Heavy/Medium-duty gasoline engines |
|                    | EPS-8 | Small gasoline engines             |

WHEREAS, pursuant to the authority vested in the Executive Officer by Health and Safety Code Section 39515 and in the Chief, Mobile Source Operations Division by Health and Safety Code Section 39516 and Executive Order G-02-003, the ARB finds that:

1. The EPS-1, EPS-2, and EPS-8 is a device spliced into the fuel line. The internal components of the device consist of magnets with a nickel coating installed in the fuel flow path.
2. The fuel line is part of the required motor vehicle pollution control system.
3. The EPS-1, EPS-2, and EPS-8 is intended for use with a required pollution control system of any vehicle powered by a diesel engine.
4. The EPS-1, EPS-2, and EPS-8 by being installed on the fuel line, alters the original design of a motor vehicle pollution control system.
5. The EPS-1, EPS-2, and EPS-8 is subject to the prohibitions of Vehicle Code Section 27156 and an add-on part as defined by Title 13, CCR Section 1900 (b)(1).
6. The EPS-1, EPS-2, and EPS-8 does not reduce the effectiveness of any required motor vehicle pollution control system.

7. ARB, in exercise of technical judgement, is aware of no basis on which the EPS-1, EPS-2, and EPS-8 will provide either a decrease in emission or an increase in fuel economy.
8. ARB has not determined what effect the use of the EPS-1, EPS-2, and EPS-8 may have on any warranty; either expressed or implied, by the manufacturer of a motor vehicle on which the device is installed.
9. The EPS-1, EPS-2, and EPS-8 is not a certified motor vehicle pollution control device pursuant to Health and Safety Code Section 43644.
10. ARB by granting an exemption to Clean Fuel Technology, Inc. for the EPS-1, EPS-2, and EPS-8 does not recommend or endorse in any way the device for emissions reduction, fuel economy, or any other purpose.

IT IS HEREBY RESOLVED that the EPS-1, EPS-2, and EPS-8 is exempt from the prohibitions of Vehicle Code Section 27156 for installation on 2006 and older model-year diesel engines and 1995 and older gasoline engines subject to the following conditions:

1. No changes are permitted to the device as described in the application for exemption. Any changes to the EPS-1, EPS-2, and EPS-8 or any of its components, or other factors addressed in this order must be evaluated and approved by the ARB prior to marketing in California.
2. Marketing of the EPS-1, EPS-2, and EPS-8 without a permanent label showing the Executive Order number or marketing of the EPS-1, EPS-2, and EPS-8 for an application other than the one stated in this Executive Order shall be prohibited unless prior approval is obtained from ARB. Exemption of the product shall not be construed as an exemption to sell, offer for sale, or advertise any components of the EPS-1, EPS-2, and EPS-8 as an individual device.
3. Marketing of the EPS-1, EPS-2, and EPS-8 with a different name other than the one identified in this Executive Order shall be prohibited unless prior approval is obtained from ARB.
4. Any oral or written references to this Executive Order or its content by Clean Fuel Technology, Inc. its principals, agents, employees, distributors, dealers, or other representatives must include the disclaimer that the Executive Order and the exemption it provides are not an endorsement or approval of any emissions reduction claims for the EPS-1, EPS-2, and EPS-8, and is only a finding that the device is exempt from the prohibitions of Vehicle Code Section 27156.
5. This exemption shall not apply to any device, apparatus, or mechanism advertised, offered for sale, sold with, or installed on a motor vehicle prior to or concurrent with transfer to an ultimate purchaser.

6. No claim of any kind, such as "Approved by the Air Resources Board" may be made with respect to this Executive Order in any advertising or other oral or written communication.

THIS EXECUTIVE ORDER DOES NOT CONSTITUTE A CERTIFICATION, ACCREDITATION, APPROVAL, OR ANY OTHER TYPE OF ENDORSEMENT BY THE AIR RESOURCES BOARD OF ANY CLAIMS OF THE APPLICANT CONCERNING ANTI-POLLUTION BENEFITS OF THE EPS-1, EPS-2, AND EPS-8.

Violation of any of the above conditions shall be grounds for revocation of this order. The order may be revoked only after ten day written notice of intention to revoke it, during which period the holder of the order may request in writing a hearing to contest the proposed revocation. If a hearing is requested, it shall be held within ten days of receipt of the request, and the order may not be revoked until a recommendation is made, after the hearing, that grounds for revocation exist.

Executed at El Monte, California, this 15<sup>th</sup> day of March 2006.



Allen Lyons, Chief  
Mobile Source Operations Division