EXECUTIVE OFFICER HEARING STATE OF CALIFORNIA AIR RESOURCES BOARD

ZOOM PLATFORM

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

COASTAL HEARING ROOM

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SACRAMENTO, CALIFORNIA

FRIDAY, OCTOBER 20, 2023 10:01 A.M.

JAMES F. PETERS, CSR CERTIFIED SHORTHAND REPORTER LICENSE NUMBER 10063

APPEARANCES

STAFF:

Steve Cliff, PhD, Executive Officer

Sydney Vergis, PhD, Deputy Executive Officer, Mobile Sources and Incentives

Paul Adnani, Manager, On-Road Heavy-Duty Diesel Section, Mobile Source Control Division (MSCD)

Analisa Bevan, Assistant Division Chief, MSCD

Daniel Hawelti, Staff Air Pollution Specialist, On-Road Heavy-Duty Diesel Section, MSCD

Kim Heroy-Rogalski, Branch Chief, Mobile Source Regulatory Development Branch, MSCD

David Hults, Assistant Chief Counsel, Legal Office

Wei Li, Air Resources Engineer, Advanced Emission Control Strategies, MSCD

Mitzi Magtoto, Staff Air Pollution Specialist, On-Road Heavy Duty Diesel Section, MSCD

Alex Wang, Senior Attorney, Legal Office

ALSO PRESENT:

Christopher Angulo, TEMSA North America

Artie

Anthony Bento, California New Car Dealers Association

Kevin Brown, MECA Clean Mobility

Brandon Buchanan, American Bus Association

Terry Fischer

Greg Gallup, Royal Coach Tours

Gage Kelly, ABC Companies

APPEARANCES CONTINUED

ALSO PRESENT:

Juan Lepe, Motor Coach Industries

Bill Magavern, Coalition for Clean Air

Brent Maitland, MCI

Jed Mandel, Truck and Engine Manufacturers Association

Kim Mesfin, Affinity Truck Center

Hugues Morneau, Prevost

James Nixon, Nixon Egli Equipment Company

Thom Peebles, ABC Companies

Ashley Porter, TEC Equipment

Alissa Recker, Daimler Truck North America

Chris Riddington, Classic Charter Bus Company

Dan Rodriguez, Coach USA, Mega Bus

Suzanne Rohde, American Bus Association

Chris Shimoda, California Trucking Association

Manjeet Singh

Andrew Soper

Mike Tunnell, American Trucking Association

Adam VanderBee, TEC Equipment

Michael Vlaming, Crane Owners Association, Mobile Crane Operators Group

Frank Wheeler, Municipal Maintenance Equipment

James Wheeler, Municipal Maintenance Equipment

Charles Williams, American Stage Tours

Mark Woods, Wildwood Express Trucking

INDEX

INDEX	PAGE
Call to Order	1
Opening Remarks	1
EXECUTIVE OFFICER Cliff Staff Presentation Jed Mandel Gage Kelly Michael Vlaming Ashley Porter Charles Williams Adam VanderBee Mark Woods James Wheeler Christopher Angulo Juan Lepe Frank Wheeler Chris Shimoda Bill Magavern Mike Tunnell Kim Mesfin Brent Maitland Kevin Brown Greg Gallup Anthony Bento Suzanne Rohde Dan Rodriguez Alissa Recker Andrew Soper Hugues Morneau Terry Fischer Thom Peebles Manjeet Singh Artie James Nixon Brandon Buchanan Chris Riddington Staff Comments Adjournment Reporter's Certificate	4 6 17 19 123 4 26 28 30 23 33 33 33 33 33 42 44 45 55 55 66 66 66 69 70

PROCEEDINGS

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EXECUTIVE OFFICER CLIFF: Okay. Good morning.

The October 20, 2023, Executive Officer hearing will come to order. I'll begin with a few housekeeping items.

We're conducting today's meeting in person as well as offering remote options for public participation, both by phone and in Zoom. Anyone who wishes to testify in person should fill out a request-to-speak card available in the foyer outside the hearing room. Please turn it in to a CARB assistant as soon as possible prior to the beginning of the public comment period.

If you are participating remotely, you will raise your hand in Zoom or dial Star 9 if calling in by phone.

The clerk will provide further details regarding how public participation will work in a moment.

For safety reason please note the emergency exit to the rear of the room through the foyer. In the event of a fire alarm we are required to evacuate this room immediately and go down the stairs to the lobby and out of the building. When the all-clear signal is given, we will return here and resume the hearing.

A closed captioning feature is available for those of you joining us in the Zoom environment. In order to turn on subtitles, please look for a button labeled CC at the bottom of the Zoom window as shown in the example

on the screen now.

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I would like to take this opportunity to remind everyone to speak clearly and from a quiet location whether you're joining us in Zoom or calling in by phone.

I will now ask the clerk to provide more details regarding public participation.

BOARD CLERK GARCIA: Thank you.

Good morning, everyone. I will be providing additional information on how public participation will be organized for today's hearing. We will first be calling on any in-person commenters who have turned in a request-to-speak card and then we will be calling on commenters who are joining us remotely.

If you are joining us remotely, and wish to make a verbal comment on today's hearing, you must be using Zoom or webinar or calling in by telephone. If you are currently watching the webcast on CAL-SPAN, but you wish to comment remotely, please register for the Zoom webinar or call in. Information for both can be found on the public agenda for today's hearing.

To make a verbal comment, we will be using the "raised hand" feature in Zoom. Please virtually raise your hand as soon as the item has begun to let us know you wish to speak. To do this, if you are using a computer or tablet, there is a "raised hand" button. And if you are

calling in on the telephone, dial Star 9 to raise your hand.

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Even if you previously indicated which item you wish to speak on when you registered, you must raise your hand at the beginning of the item so that you can added be added to the queue.

When the comment period starts, the order of commenters will be determined by who raises their hand first. We will call each commenter by name and will activate each commenter's audio when it is their turn to speak.

For those calling in we will identify you by the last three digits of your phone number. We not show a list of remote commenters. However, we will be announcing the next three or so commenters in the queue so you are ready to testify and know who is coming up next.

Please note you will not appear by video during your testimony.

I would also like to remind everyone to please state your name for the record before you speak. This is especially important for those calling in by phone to testify.

We will have a time limit for each commenter and will begin the comment period with a two-minute time limit. During public testimony, you will see a timer on

the screen, and for those calling in by phone we will run the timer and let you know when you have 30 seconds left and then when your time is up.

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If you wish to submit written comments today, please visits CARB's Send-us-your-comments page or look at the public agenda on our webpage for links to send these documents electronically. Written comments will be accepted on the item until the executive officer closes the record for that item. And if you experience any technical difficulties, please call (805) 772-2715 so that an IT person can assist.

Thank you. I'll turn the microphone back to Dr. Cliff.

EXECUTIVE OFFICER CLIFF: Thank you.

Today's agenda item is number EO 23-1-1, Proposed Amendments to the Heavy-Duty Engine and Vehicle Omnibus Regulation. If you are here with us in the room and wish to comment on this item, as I mentioned please fill out a request-to-speak card as soon as possible and submit it to a CARB assistant. If you are joining us remotely and wish to comment on this item, please click the "raised hand" button or dial Star 9 now.

We will first call on in-person commenters, followed by remote commenters when I open the record for public testimony.

On March 23rd, 2023, the Board delegated to the Executive Officer the authority to adopt, amend and revoke emission standards and test procedures, compliance test procedures and compliance flexibilities for new on-road motor vehicles in Resolution 23-15.

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Today, staff is proposing to amend the existing legacy engine flexibility provisions of the Omnibus Regulation to maintain originally anticipated engine supplies for 2024 through 2026 model years. These amendments will provide manufacturers additional flexibility to meet customer demand for new engines while maintaining the emissions benefits of the program.

The proposed amendments also include additional labeling requirements for heavy-duty diesel engines that are produced and delivered for sale in California. In addition to working with truck manufacturers to develop these flexibilities that will help smooth the path in ensuring combustion product availability, I am also happy to announce that staff has recently posted a new report, the Advanced Clean Truck Compliance and Incentives Update, to our website. This report that shows under the Advanced Clean Truck regulation that truck manufacturers are now two years ahead of schedule of their regulatory requirements. This means that CARB's zero-emission truck sales requirements will not impact a truck manufacturer's

ability to satisfy remaining internal combustion engine demand.

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The report makes several important points. Users are interested in adopting zero-emission technology, several manufacturers are stepping up to meet that market interest, and the flexibility that we built in to allow for a phased-in transition toward a zero-emission future is working. Helping the trucks that transport goods across the state switch to zero emissions is a key to achieving our clean air future, and the data show that progress is well underway.

I will now ask Mitzi Magtoto of the Mobile Source Control Division to please begin the staff presentation.

MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO: Thank you, Dr. Cliff.

Today's presentation is about our proposed amendments to the Heavy-Duty Engine and Vehicle Omnibus Regulation.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:

Let's start with an outline of our presentation.

First I will provide background information on

California's air quality challenges and the need to -- for reducing NOx emissions from on-road heavy-duty vehicles.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:

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Next I will summarize the existing heavy-duty truck engine omnibus requirement. Then I will discuss the need for additional flexibilities and describe the Clean Truck Partnership agreement. Then I will present staff's proposed amendments and plan 15-day changes specifically on the legacy engine provisions in the Omnibus Regulation.

Next I will briefly talk about the projected costs and projected emissions and health benefits.

Finally, I will conclude with staff's recommendation.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:

So first let me start with a reminder of the air quality challenges that California faces and the importance of cutting heavy-duty truck emissions further.

California has made significant progress in improving air quality over the last decade. Yet, it still has the worst air quality in the nation. Approximately 67 percent of California's population still lives in areas exposed to concentrations above the federal ozone and fine particulate matter for PM2.5 standards.

Further, a disproportionate number of those most impacted by high ozone levels live in low income and disadvantaged communities that also typically experience greater exposure to diesel exhaust and other toxic air

pollutants.

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implementation plan.

As shown in the map shaded in red, the South Coast and San Joaquin Valley Air Basin remain the nation's only two regions classified as extreme nonattainment regions for the 2015 ozone standard. Thus substantial NOx reductions are needed to meet the federal ozone and PM2.5 air quality standards.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:
Statewide, heavy-duty vehicles are the largest

contributor of NOx omissions in California. Therefore, further NOx reductions are needed from heavy-duty vehicles to achieve California's air quality goals. The Omnibus Regulation is the major regulation that reduces NOx emissions and is vital for achieving our SIP commitments in 2031 and 2037. And if we did not meet our commitments, we could lose highway funds and be subject to federal restrictions on permitting new facilities and federal

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:

As mentioned earlier, the Omnibus Regulation is vital for achieving our SIP commitments. The Omnibus Regulation was adopted by the Board in September 2021.

The primary goal of this regulation is to reduce the NOx

and PM emissions from medium- and heavy-duty engines and vehicles beginning in 2024 model year.

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The omnibus NOx standards for 2024 to 2026 model year engines would reduce the current emission standards by 75 percent, from 0.2 to 0.05 grams per brake horsepower-hour. In addition, a lower PM standard of 0.005 grams per brake horsepower-hour was established and that it's 50 percent below current emission standards.

This regulation also includes significant modifications to several elements of the current heavy-duty engine certification program as well as stronger in-use requirements.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:

One of the compliance flexibilities in Omnibus is the legacy engine provisions that allows limited production of heavy-duty engines rated below 525 horsepower, referred to as legacy engines, which only meet the 2010 model year NOx and PM emission standards in 2024 and 2025 model years.

Legacy engine sales in California are only allowed if the manufacturer offsets any excess NOx and PM emissions deficits through the use of heavy-duty zero-emission powertrain credits, heavy-duty combustion credits, or performing projects in disadvantaged

communities. For example, a certifying engine manufacturer that sells a total of 100 heavy-duty diesel engines in California in the 2024 model year would be allowed to sell 45 legacy engines for that model year in California as long as it offsets the emission increases using credits. To qualify for the legacy engine provisions a manufacturer must certify at least one engine family to the omnibus requirements.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:

Earlier, we received information regarding changes to manufacturers' product distribution plans for 2024 to 2026 model year. While the technology needed for diesel-fueled engines to comply with the Omnibus Regulation is available, some manufacturers do not intend to produce such engines for some categories of trucks in California.

Given the impacts to fleets, additional flexibility was desired to maintain the originally anticipated engine supplies for 2024 to 2026 model years and to enable a smoother transition to the Omnibus standards which are more stringent than U.S. EPA's requirements. To address this issue, in March of this year, the Board delegated to the Executive Officer the authority to adopt, amend and revoke emission standards

and test procedures and compliance flexibilities for new on-road motor vehicles in Resolution 23-15.

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On July 5th of this year, the Clean Truck

Partnership was signed. Then on August 1st CARB released

the proposed amendments to the Omnibus Regulation for

public comments. We received a total of 47 comments, with

27 commenters requested an Executive Officer hearing. The

hearing notice was published on September 15th, for

October 20, 2023, hearing.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:

On July 5th, CARB reached an agreement with EMA and all of their member OEMs and also separately with Ford Motor Company.

One of the elements in the agreement is to provide greater flexibility in meeting the omnibus requirements for model year 2024 to '26. As I'll discuss later, we are proposing to allow OEMs to sell an increased number of legacy engines in model year 2024 to '25 and to extend that provision to model year 2026 so long as all excess emissions' deficits are offset. This provides an emission-neutral solution.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:
The legacy engine provisions remain optional.

The proposed amendments to the existing legacy engine provision would provide greater compliance flexibility to manufacturers in the 2024 through 2026 model year time frame, while maintaining the emissions benefits of the Omnibus Regulation.

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Engine manufacturers would be allowed to choose between two legacy engine options. Option 1 keeps the existing legacy engine provisions for 2024 and 2025 model years, but extends that production period for legacy engines to 2026 model year.

Option 2 is added for manufacturers that make medium heavy-duty diesel engines in addition to products in other heavy-duty diesel primary intended service classes. For example, this applies to a certifying engine manufacturer that produces both medium heavy-duty diesel engines and heavy heavy-duty diesel engines in 2024 and 2025 model year.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:

The same mechanism applies for our proposed changes. All emissions deficits must be offset with credits or performing projects in disadvantaged communities.

The proposed amendments also provide an option to manufacturers to start working on the projects in

disadvantaged communities as early as 2024 or 2025 model year.

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The proposed amendments could also allow the certification of legacy engine families before a manufacturer submits an application for its 2024 model year omnibus-compliant engine family.

The proposed amendments would also include special labeling provisions for legacy engines. All 2024 to 2026 model year legacy engines that are produced and delivered for sale in the California market would be required to include the term CA on their engine labels to enable manufacturers' truck engines produced and delivered for sale in California and to facilitate CARB's compliance determination of the requirements.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:

As part of planned 15-day changes to be proposed after this hearing, we are proposing to slightly modify the definition of California sales volume by removing the sale to ultimate purchaser clause. The modified definition would help simplify tracking compliance for manufacturers.

Additionally we are considering a clarification on the number of decimal places for the family emissions limit for legacy engines.

Finally, we are considering a minor modification

to the California OBD requirements by removing the option to certify that the California OBD requirements from subsection 1971.1D to align with the OBD requirements in the current subsection 1956.8A.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO: The proposed amendments have been analyzed and projected to be emissions neutral and cost neutral to manufacturers.

There will be no additional emissions reductions beyond those projected in the current Omnibus Regulation, nor any emission increases from the emission reductions projected for the current Omnibus Regulation.

Manufacturers are required to offset any increased emissions from the additional legacy engine sales using heavy-duty ZEV or combustion credits or performing projects in disadvantaged communities.

There would be no cost impact to the manufacturers because any technology cost savings gained from the additional legacy engine sales would be offset by the additional cost of purchasing emission credits or performing projects in disadvantaged communities.

While there would also be operational cost savings to fleet operators, due to the decreased use of diesel exhaust fluid by legacy engines, CARB staff anticipates fleets to pay premium price for purchasing new

legacy engines which would later be offset by savings from lower diesel exhaust fluid consumption. This savings in cost to the fleet owners are expected to offset each other and have a net zero change over calendar years 2024 through 2035.

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MSCD STAFF AIR POLLUTION SPECIALIST MAGTOTO:

Staff recommends that the Executive Officer of the California Air Resources Board to consider approving the proposed amendments to the heavy-duty engine and vehicle Omnibus Regulation.

This concludes our presentation.

EXECUTIVE OFFICER CLIFF: Thank you.

We will now hear from the public who signed up to speak on this item, either by submitting a request-to-speak card or a raised hand in Zoom.

I will ask the clerk to begin calling the public commenters.

BOARD CLERK MOORE: Thank you.

We have currently 14 commenters in person as well as 10 commenters with their hands raised in Zoom.

I apologize in advance if I mispronounce your name.

I would like to remind all commenters to speak slowly and clearly for our court reporter.

Also, just a friendly reminder that speaker sign-ups close at 10:50.

We will first hear from Jed Mandel.

Jed, I've activated your --

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JED MANDEL: Can you hear me?

BOARD CLERK MOORE: -- microphone. Please unmute, and you may begin.

JED MANDEL: Can you hear me?

BOARD CLERK MOORE: Yes.

JED MANDEL: Thank you.

Good morning. I'm Jed Mandel speaking on behalf of the Truck and Engine Manufacturers Association.

As you know well, EMA and CARB entered into an unprecedented agreement in July, the Clean Truck Partnership, regarding the implementation and alignment of a suite of California and federal medium— and heavy—duty on highway emission regulations. I want to take this opportunity to thank you, Dr. Cliff, and especially your staff for working with us to achieve this agreement.

One component of that agreement is CARB's commitment to expand the scope of the omnibus legacy engine reg -- flexibilities for model years 24 -- 2024 through 2026.

Today's hearing is part of CARB's process to finalize the critically important amendments expanding the

flexibility provisions of the Omnibus Rule. While those amendments won't fully ameliorate the potential for limited availability of product in California, they will implement changes that allow for increased availability of medium- and heavy-duty engines in vehicles. As such, and consistent with our Clean Trucks Partnership agreement with CARB, we support the prompt adoption and finalization of the proposed amendments.

We are pleased to work with CARB and its staff on this important and unprecedented agreement. We know there is more work to do. We look forward to continuing to partner with CARB on the successful implementation of the Clean Trucks Partnership.

Thank you.

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BOARD CLERK GARCIA: Thank you.

Next we'll her from Gage Kelly.

GAGE KELLY: Good morning. My name is Gage
Kelly, and my goal here is to represent ABC Companies and
the motorcoach operators we support throughout California,
and those who could not be here today, to shed light on
the motorcoach industry.

ABC's one of the leaders in the zero-emission space and we absolutely agree that the industry should strive to reduce carbon emissions in minimizing the environmental impact. However, we firmly believe that any

new regulation standards should be based on the realities of the market, pragmatic in its approach, and predicated on timelines that meet industry production.

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From the conversations I've had with motorcoach operators throughout California, I believe that implementing this regulation without an extension or exemption to the motorcoach industry could be counterproductive. If you're unaware, the pandemic caused over half of our industry to close their doors.

California's no exception to that. Operators that we've talked to and seen have offloaded much of their fleet to stay afloat, lost a lot of vehicles to the banks, and are only now starting to put the pieces back together.

Fleets also stopped replacing their vehicles, which meant the backlog to OEMs and operators -- excuse me -- to manufacturers that we still see today. There's now a limited vehicle inventory in the market, which is only -- this regulation will only cause a further push for that limitation.

I think there will be unintended consequences to this such as risking contracts to out-of-state operators, increased maintenance cost to older vehicles, and even pivoting their businesses to purchase smaller vehicles to curb this regulation.

In summation, I think that we're all in agreement

we should continue progress emission standards and implement these changes. However, we firmly brief that there's a balance to be struck between the goals, practical manufacturing realities in supporting the health of the industry we hope to improve. Our ask here is to grant the motorcoach industry unrestricted use of the current clean diesel technology until a CARB-compliant engine is available for the motorcoach industry.

Thank you.

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BOARD CLERK GARCIA: Thank you.

Next we'll hear from Michael Vlaming.

MICHAEL VLAMING: Thank you.

Thank you for the opportunity, Dr. Cliff, to comment on the proposed regulation. My name is Michael Vlaming. I am the Executive Director of the Crane Owners Association and Mobile Crane Operators Group.

We have submitted written comments to the proposed amendments, and I appear today to emphasize the importance of this issue and the need for an alternative to address a specific impact that would result from the implementation of the regulation as currently drafted.

The members of the Crane Owners Association and Mobile Crane Operators Group are California crane rental contractors that own and lease, both on and off road, mobile cranes and tower cranes for the construction

industry. The mobile cranes that our members have are subject to several CARB regulations. These mobile cranes are specially designed and expensive specialized construction equipment that cost from the hundreds of thousands of dollars for the smallest cranes to several millions of dollars for the largest cranes.

Our issue with the proposed amendment is the availability of mobile truck cranes that are equipped with on-road medium heavy-duty and heavy heavy-duty diesel engines, during the time period that the CARB regulations are out of alignment with the EPA engine regulations.

Because of the small number of cranes sold each year the allocation of CARB-compliant engines by engine manufacturers to crane manufacturers will be drastically reduced and it is projected in some case to be zero. Without compliant engines these new truck cranes with on-road engines will not be able to be registered in California and because of production lead times, cranes that have been purchased or ordered will not be able to be utilized when delivered in 2024.

Our proposed solution is to make an adjustment to the existing N series federally compliant engine provision to allow on-road engine exemptions for cranes to allow (inaudible) their fleet.

Thank you.

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BOARD CLERK GARCIA: Thank you.

Ashley Porter.

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ASHLEY PORTER: Good morning. My name is Ashley Porter, and I'm here today representing TEC Equipment, a Volvo and Mack heavy-duty and medium-duty truck dealership. Thank you for the opportunity to speak on California's Air Resources Board recent regulatory activity regarding the proposed amendments to the heavy-duty engine and vehicle omnibus.

The current Omnibus Regulation amendments have established an aggressive timeline that requires our manufacturers to certify a California CARB-compliant engine with the NOx requirement that is half what the current EPA regulations are. And the sales manager for the heavy-duty truck sales department in Oakland and the majority of the customers that we sell to fall within the vocational, refuse and municipalities segment. With the current regulations we are limited in the make and model of trucks that will meet our customers' needs and are compliant.

The current regulations limit the trucks to be either natural gas or electric that will present significant challenges to these markets. I'm confident our manufacturers are working fervently to make the requirements of the new regulations as well as the demands

of the vocational, refuse and municipality truck markets. The fact of the matter is we're not there yet and need more time.

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I'd like to highlight the challenge these regulations present to our refuse, vocational, municipality customers. Currently, our refuse customers run 8- to 10-hour shifts and have aggressive sustainability goals. CNG for many of our customers are produced from a closed-loop carbon negative circle. They are sorted into garbage, organics and green waste, and putting them into aerobic or anaerobic digesters to produce the natural gas that fuels their fleet.

Moving toward ZEV fleet is taking these companies from a carbon-negative position to a carbon-positive position. Moving to ZEV will take the organics, green waste and recycling used for use in natural gas into the landfills.

In the coming years our refuse customers are facing significant challenges to the availability of trucks, cost and infrastructure. The trucks used are our vocational customers, dirt, concrete and municipality under new omnibus regulations are faced with the fact that CNG or electric are not capable to perform these tasks.

These trucks spend hours in the field producing (inaudible) -- this is a glimpse into how omnibus

regulations are affecting our customers and dealerships.

BOARD CLERK GARCIA: Thank you.

ASHLEY PORTER: Thank you.

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BOARD CLERK GARCIA: Charles Williams.

CHARLES WILLIAMS: Good morning. Charles Williams, American Stage Tours, Concord, California.

Our company's been in business for 40 years, serving San Francisco Bay Area. We provide transportation services for senior groups, schools, military, emergency services, FEMA. We do convention shuttles, weddings, and corporate transportation.

Our industry lost all revenue and shut down for 15 months starting March 14, 2020. Motorcoach industry lost over 1500 U.S. DOT registered companies during the pandemic. With this major reduction the motorcoach industry is grossly underserved.

Motorcoach manufacturers halts in production of new buses during the pandemic as the entire industry was completely shut down. Next to no coaches were produced in 2020 and 2021. And as a result, companies fell behind in their fleet replacement plans.

New coach production is now close to pre-pandemic levels, but due to the fact that California coach operators will not be able to purchase new equipment for the next three years, this will put us behind in our fleet

plans and will also put California at a huge disadvantage to the surrounding states that are not limited to new coach purchases. Customers such as professional sports teams, collegiate sports, and the tour travel industry require equipment that's three years or newer in their contracts; and will now outsource this to out-of-state companies rather than California-based operators. This will have a major impact -- negative impact on our industry and the people it employs.

Thank you.

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BOARD CLERK GARCIA: Thank you.

Adam VanderBee.

ADAM VANDERBEE: Good morning. My name's Adam VanderBee. I'm the regional sales director for TEC Equipment in the Central Region. TEC Equipment is the largest dealership group by rooftop on the West Coast. We're an authorized distributor of multiple brands, but primarily Volvo, Mack, Hino, and Isuzu.

I appreciate the opportunity to speak today with concerns that we have over the Omnibus Regulation. It's important to note however that our concern is not over the steady migration of zero-emissions technologies. It's the speed it ferocity of which we're being pushed to get there, particularly as it relates to the low NOx requirement. Prior to the ruling our engine manufacturers

were working towards the development of a new low-NOx engine to align with the EPA mandate of 2027. With the pull forward however to 2024, it became impossible for our manufacturers to mechanically reach that requirement.

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The Clean Truck Partnership appeared to be a viable solution for both sides. But the credit banking components still makes it virtually impossible to comply over the next three years. It will be a matter of years not months before our manufacturers can have a viable, reliable and affordable 0.05 gram diesel engine that is considered carbon neutral. They are offering a 0.1 motor next year, but the carbon offset essentially requires us as dealers to sell one electric truck for every diesel that we sell in California next year.

The unfortunate reality is that Class 8 battery electric vehicles are in their infancy stages of development and adoption. In 2022, for example, there were 14,828 Class 8 registrations in California; and there were only 173 Class 8 BEV registrations nationwide. The availability of materials to produce these energy dense batteries is a major bottleneck and the unrealistic cost driver. A battery electric vehicle is on average three times more expensive than a traditional diesel. It costs -- or it weighs about four tons more, and has a range that's about five tons -- or five times less than a

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traditional diesel. So -- I know I'm running out of time too here, but just to reiterate -- thank you.

BOARD CLERK GARCIA: Thank you.

Mark Woods.

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MARK WOODS: Hello. I'm Mark Woods. I'm vice president of a family operation in central California. Wе have 60 trucks. We haul packing supplies throughout California for all the major packing houses. thing that -- we're having a real challenge with right now with the dealerships is, you know, trying to find out what they're going to be able to provide for new trucks for -you know, just for next year, because we've got quite a few customers asking us what are availabilities going to be for the future and how we're going to manage this. mean we're involved like with hauling citrus trees, drip irrigation, cardboard, pallets. And these companies are really in fear of what's going to happen to us and what's going to happen to their industry without our trucks. But hopefully we can all come together and do the

Thank you.

BOARD CLERK GARCIA: Thank you.

James Wheeler.

JAMES WHEELER: Good morning. Dr. Cliff, I'll

25 | jump right into it.

right thing.

You've got a great team of people. I've gotten a chance to work with them here recently. They do a really nice job towards the mission.

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The issue that we face as a California dealership for critical infrastructure and emergency equipment is we don't have a supply of engines for our critical customers.

Omnibus Regulation set the benchmark for ACF which affects fleets. Currently OEMs are directing California-compliant engines mostly to California dealers, which are regulated by ACT. ACT requires combustion engines to be sold only when these California dealers have sold electric. Problem being, they're not selling electric. Therefore they can't sell enough combustion.

Further complicating the issue is that credits and offsets are controlled strictly by the OEMs. We recently had a conversation with one major manufacturer who very clearly said they're going make a business decision to not access, purchase or use those credits. So currently in its state we have major manufacturers of trucks having a path to provide combustion in a critical infrastructure segment and choosing not to.

We don't have a choice but to supply these critical vehicles, including street sweepers for Caltrans, sewer cleaning machines, trash trucks. All of this is critical to maintain infrastructure and support our

communities.

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We believe if Omnibus carves out for '24 to '26 an emergency category for this type of equipment and allows it to -- and allows these manufacturers of this type of equipment dealers to supply legacy engines not currently regulated with the new January 1 standard for that three-year window, we can bridge the gap, we can get where we need to go. But we will not make it in this current form.

Thank you.

BOARD CLERK GARCIA: Thank you.

Christopher Angulo.

CHRISTOPHER ANGULO: Good morning, Dr. Cliff. My name is Christopher Angulo, and I'm here representing the TEMSA North America. I'm the operation manager for a branch in Burlingame, California.

I want to thank you and the Air Resources Board and staff for allowing us to say a few words today.

TEMSA North America was established in the U.S. in 2009 and has become one of the top four OEM manufacturers of motorcoaches in the industry today. We manufacture and currently sell four different size vehicles: TS-30, TS-35, TS-45 and TS-45EV. We have various locations across the U.S. and I am here today from our Cali -- Burlingame facility.

As I stated above, we currently have four different coaches options for our customers, one of those options being the TS-45EV -- EV. We have just recently finalized all testing by using this in the San Francisco area now for demo trials with our customers. We support the transition to EV down the road, but we also understand the -- all the challenges this will ultimately -- be ultimate to get there, from an infrastructure issue to range-of-the-coach challenges.

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We have only been using one engine manufacturer for our three size units we currently sell here in the United States. Cummins as the engine manufacturer is one of the options currently available in the U.S. TEMSA currently represents about 15 to 20 percent market share to the industry today and about 25 of our sales -- 25 percent of our sales currently are sold here in California. Based on those figures and rising demand for our mid- to full-sized units, TEMSA will be drastically affected based on the number of CARB-compliant engines that have been assigned from allocations somehow from Cummins.

The new CARB-compliant engines will not be even available before 2026. TEMSA will not be able to meet the demands of our customers in California. So this will also drastic -- dramatically affect them with their contracts

and needs.

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Based on the above-stated comments, we believe TEMSA will not have sales of more than 100 coaches based on new regulations. So again not only affecting TEMSA but the customers of California who purchase directly from TEMSA.

This was a brief summary of who we are at TEMSA and we are here to ask the opportunity to continue to work with CARB to come up with a more successful solution to all the issues we are addressing here today. We support the Board's air emission goals set for the heavy-duty vehicles for (inaudible).

Thank you for the opportunity to be here and be heard today.

BOARD CLERK GARCIA: Thank you.

Juan Lepe.

JUAN LEPE: Good morning, Dr. Cliff, and thank you for this hearing. I'm Juan Lepe with MCI, a builder of over-the-road motorcoaches. We are a small-volume manufacturer with two sales and service locations within the State.

MCI supports the rational progress to zero emissions, but we have -- and we have both public and private sector emission motorcoaches operating and for sale in the state. We appreciate CARB's amending of

regulation for 2027, and recent staff efforts to learn issues and data related to the private motorcoach market.

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However, there are critical issues for diesel-engine availability in 2024 to 2026 needing a resolution. Due to the low NOx requirement and legacy provision, our allocation for the Cummins X12 engine for our leading model, the J4500, dropped 93 percent from a 77-unit average per year to only 5 units. This a about 7 percent of our market requirement. California is 10 to 12 percent of our annual business, so this is a significant negative impact.

This decline was not anticipated and we were not informed until around July 15th following CARB's agreement with the engine OEs. This was not a transparent process, and the small but important passenger carrying private motorcoach market, that is very different from the trucking market, were not included in this discussion.

Due to the normal lead times this is already affecting our production and we stress this is not a supply-chain issue, its a regulation limiting supply. The lack of flexibility in '24 to '26 will result in the purchase of older, less efficient vehicles with fewer safety features such as collision avoidance.

MCI and our small private operators are still recovering from the impact of COVID while planning a

zero-emission future. We ask for an amendment, exemption or flexibility under the Omnibus Regulation specifically for 2024 to 2026 that addresses the small volume market engine allocation problem created by the legacy provision.

Thank you for your time. We appreciate it.

BOARD CLERK GARCIA: Thank you.

Frank Wheeler.

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FRANK WHEELER: Thank you, Dr. Cliff, for allowing us to be here. My name's Frank Wheeler. I'm with Municipal Maintenance Equipment. This is a company I started 35 years ago. It's now currently being run by both my sons. I've worked hard for that 35 years providing service and support to governmental entities in infrastructure repairs -- infrastructure maintenance, which as we all know, when we have an emergency, every piece of equipment that a city or a county or a state agency owns becomes an emergency vehicle to be responding to the needs of that emergency.

The current regulations, Omnibus and ACT, quite simply earn a shouting match relative to the languages. They don't work together. Independently they work well. But they don't work together as a directive to assist in fitting the critical needs we have. Most of the equipment we sell is equipment that's mounted on these diesel trucks. And because of the weight and pitch formula, et

cetera, et cetera, isn't something that lends itself easily to electrification. The lack of engines and chassis available right now -- it's not engines, it's chassis. The chassis manufacturers control what amount of chassis hit the street and where they go. There's no directive that they must do one thing or another. They choose where they go.

So we're caught in a crossfire between ACT and Omnibus. And therefore we have 200 pieces of equipment now and order -- 150 of them apply to these engines.

We've currently been informed by our manufacturers we'll have less than 30, with orders for 150 right now. So that poses a significant cost.

Thank you.

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BOARD CLERK GARCIA: Thank you.

Chris Shimoda.

CHRIS SHIMODA: Good morning, Dr. Cliff. Chris Shimoda with the California Trucking Association. I'm here on behalf of our truck dealer members to highlight ongoing product availability and allocation issues.

So while the Clean Truck Partnership and these changes proposed to the legacy engine provisions of the Omnibus Rule, we're nominally supposed to resolve the product availability issues created by us having our own standards in California for model years 2024 through 2026.

Our California truck dealer members are reporting reductions in normal allocations of up to 60 to 90 percent. And then that's across brand. This is in stark contrast to the analysis that was done in the SRIA for the original low-NOx Omnibus Regulation which forecasted there would be a slight decrease in vehicle sales in California, and that's clearly not come to pass. While we appreciate the work that CARB and the OEMs are doing to make these standards work, clearly more needs to be done. You know, whether it is a legacy engine cap provision issue, or if it is an ACT credit issue, we just encourage CARB staff to keep working with the OEMs and, you know, quite frankly, listen to the dealer members who are testifying today to lessen the impact on their businesses in the lead into the 2027 national standard. Thank you.

BOARD CLERK GARCIA: Thank you.

Bill Magavern.

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BILL MAGAVERN: Good morning. Bill Magavern with the Coalition for Clean Air.

I want to bring us back to the first point made in the staff presentation, which is air quality. That is the primary mission of this agency; and, you know, unfortunately despite a lot of progress, we're still in a situation where tens of millions of Californians are

breathing unhealthy air, people are being sickened and killed by our air pollution. And the biggest single problem we have with air pollution in California is toxic diesel exhaust. The heavy-duty omnibus measure is one of the most important steps that CARB has taken to reduce diesel exhaust, and for that reason we supported it strongly when it was adopted by the Board.

So we are not thrilled by these changes which envision more legacy diesel engines being sold in California. Nevertheless, I think what is best for public health is to have this measure finalized and implemented and enforced as soon as possible. So we recommend that you do that.

BOARD CLERK GARCIA: Thank you.

Mike Tunnell.

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MIKE TUNNELL: Good morning, Dr. Cliff and staff.

My name is Mike Tunnell. I'm with the American Trucking

Association, the largest national trade association

representing the trucking industry.

The success of the Omnibus Regulation depends on the sale of new trucks. We're here today because this regulation is disrupting the supply of new trucks into the California market. Member companies have reported sales allocation cuts as deep as 60 to 90 percent. This means that dealers are unable to sell and fleets are unable to

purchase normal volumes of new trucks, greatly reducing the benefits of this regulation.

The proposed amendments do not adequately address these allocation cuts, while the benefit calculations do not reflect the sales restrictions. Further amending the regulation to reduce the supply constraints is needed to achieve the projected benefits.

The cost of the regulation also need an honest assessment. Our members are reporting upcharges of 10- to 15,000 dollars for a new 2024 model year truck being sold This is as much as 7 and a half times in California. higher than the 2,000 dollar price increase staff have estimated. Lowering the offset cap limit is one option for reducing these significant upcharges. The regulatory documents simply do not reflect how the regulation is impacting truck dealerships and trucking fleets in the Limiting new truck sales will not produce the benefits being promised and will force some fleets to hold on to existing equipment longer, a further disbenefit. The agency needs to address the real impacts that are occurring from this regulation which will continue with the proposed amendments and work on modification to ensure its sales volumes, align with the benefits being --(inaudible)

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BOARD CLERK GARCIA: Thank you.

Kim Mesfin.

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KIM MESFIN: Good morning, Dr. Cliff. I'm Kim Mesfin. I'm President of Affinity Truck Center. I'm a Volvo-Mack dealer in the heart of the impacted area here in Central Valley. I'm also the California Truck Dealer Chair representing all OEMs underneath California new car dealers.

And we've been working hard to understand the regulations and how they all cross-apply. And it is limiting the products that we are able to sell into the valley to help improve the air.

We're all in on zero emission, selling electric vehicles as fast as we can and get infrastructure in place. However, the availability of diesel even after -- in May I heard we had zero to sell. And I appreciate the amendment, I appreciate the alignment in 2027. But I now have only natural gas vehicles on one of my brands to sell; and I have only 37 legacy diesels to sell, where past year I sold 450.

Our dealership serves primarily over-the-road Class 8 trucks. And my customer base is primarily Punjabi Indian driving over the road. And they are not in a position even though they would get through with all your our exemptions, they're not hit by these regulations as

yet. But I have no vehicles for them to sell. So they would be forced to buy outside of California, yet drive back into California, impacting emissions in no way for the positive, like we're all here to do today.

I just ask that you look and -- while I appreciate your working with the OEMs and the EMA, we need to bring in resources on the ground to see how it applies to the different types and functions of trucks. One diesel engine is not the same in all purposes. So the other gentleman that spoke to the lack of availability of refuse, the lack of availability of fire trucks, we really need to look at the purpose and find a better way, such as renewable fuels, to keep those running, with better emissions, while we innovate in the EV area.

Thank you.

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I also posted my comments on line, the ones I was originally presenting. So more organizing and more details.

Thank you.

BOARD CLERK MOORE: Thank you.

We will now move to Zoom commenters. We currently have 17 commenters with their hands raised in Zoom. We'd like to remind everyone that the comment sign-up is now closed.

I apologize in advance if I mispronounce your

name.

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The first commenters will be Brent Maitland,
Kevin Brown, Greg Gallup, Anthony Bento and Suzanne Rohde.

Brent Maitland, I've activated your mic. Please unmute, then you may begin.

Brent Maitland.

BRENT MAITLAND: Yes. Sorry. Thank you.

I'm Brent Maitland from MCI, a builder of over-the-road motorcoaches. We're a small volume manufacturer with sales and service locations within the state. And we support a rational progress to zero emissions and have a lot of electric motorcoaches operating and for sales in the state. Motorcoaches are efficient and safe with fuel economy and local emissions per passenger.

We appreciate CARB's amending the regulation for 2027 and recent staff efforts to learn issues related to the private motorcoach market. However, critical issues on diesel engine availability exist for 2024 to '26 and need resolution. Due to the low NOx requirement and legacy provision, our allocation of Cummins X12 engines for our leading model, the J4500, dropped 93 percent from our 77-unit-per-year average to only five units. That represents 7 percent of the market requirement.

California about 12 percent of our annual business, so

it's a significant negative impact. This decline was not anticipated and we were not informed until around July 15th following CARB's agreement with the engine OEMs. This was not a transparent process, and the small but important passenger carrying motorcoach operators and us, which are different from trucking, were not included in the discussion. We relied on what Cummins communicated to us during this process. During normal lead times this is already affecting our production. But we stress it's not a supply chain issue. It's due to the regulation.

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The lack of flexibility from '24 to '26 will result in using older, less efficient vehicles with fewer safety features such as collision avoidance.

We ask for an amendment, exemption or flexibility under the Omnibus Regulation, specifically from '24 to '26, that address the small volume markets allocation problem created by the legacy provision.

Thank you for your time and helping us to continue to recover from COVID and planning for a zero emission future.

BOARD CLERK MOORE: Thank you.

The next commenter is Kevin Brown. I've activated your mic. Please unmute and begin.

KEVIN BROWN: Good morning. I'm Kevin Brown with MECA Clean Mobility.

For nearly 50 years MECA has been the trade association representing leading supplies of clean mobility technologies. From clean combustion to electrification, our members invest in jobs, manufacturing capacity and innovation to develop and commercialize emission control, efficiency and electric technologies for a wide variety of on- and off-road vehicles and equipment in all world markets.

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MECA supports the Executive Officer's proposed amendments to the heavy-duty engine and vehicle omnibus regulation for model years 2024 to 2026. We recognize the need for lead time to test and certify engines and new standards. And we understand the need for fleets that are available vehicles to continue to operate their businesses.

MECA has worked with CARB and others at Southwest Research Institute that demonstrate that the model year 2024 FTP standards can be met with improved calibrations applied to current active treatment architectures. The underlying need for these amendments lie with the compressed implementation timeline based by engine manufacturers and not the availability of technology.

Emission control suppliers have made investments to deliver the technologies to meet the model year 2024 standards. And these amendments significantly reduce the

rate of return on those investments.

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Although we support the assurance that these amendments will not lead to increase in NOx emissions, we are concerned with the precedent and associated risks of trading mobility source regulatory compliance with supplemental emission projects once rules are finalized.

Most importantly, MECA urges CARB to move forward as quickly as possible to finalize the adoption of subsequent amendments to align the 2027 and later model year requirements with EPA's Clean Truck Rule to ensure the timeline to introduce these engines is retained.

In closing, our industry remains committed to working with CARB and the challenges and opportunities that lie ahead to achieve -- (inaudible).

 $\label{eq:BOARD CLERK MOORE:} \mbox{ The next commenter is Greg}$ Gallup.

I've activated your mic. Please unmute, and you may begin.

GREG GALLUP: Yeah, thank you. Yes.

Can everyone hear me okay?

BOARD CLERK MOORE: Yes.

GREG GALLUP: Yes. My name is Greg Gallup. I am the CEO of Royal Coach Tours. We are a second-generation family-owned business motorcoach company based in San Jose, California. We started operations in 1960 and just

celebrated just recent our 60th anniversary.

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As mentioned earlier, our industry has been greatly impacted by COVID. And right now we currently run 65 vehicles in California and greatly of pride to say that we transport over half a million customers over the last year. We specialize in private and public school transportation, group tours, senior groups, college and professional athletics, conventions, tech shuttles; we do a lot of work with FEMA relief for disasters and military.

We've always took a pride of having a very clean fleet, meeting all the safety standards and always get a 10 percent new purchase every year to meet those standards.

Since COVID, we have not been able to purchase any vehicles for the past three years due to manufacturers not having vehicles, and banks not feeling comfortable to loan money to us to make these purchases.

I've just now been informed just recent in the last few months through both my vendor manufacturers, MCI and Prevost, that there will not be any engines available for me to purchase for the next three years. This will now put me six years behind my current replacement fleet standard, which is now going to put me in jeopardy of 20 to 30 percent of my contracts that I have with customers that require a vehicle three or five years or newer. I am

greatly concerned that this will reduce my volume, and motorcoach companies from outside the State of California will now come in that can meet these three- to five-year requirements for my customers, causing me to -- unfortunately my business to shrink even further.

So I am asking for us to take a look at the standards and see if there's any kind of relief that can help out the motorcoach industry.

Thank you so much for your time.

BOARD CLERK MOORE: Thank you.

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Our next commenter is Anthony Bento.

I've activated your microphone. Please unmute, and you may begin.

ANTHONY BENTO: Good morning. I'm Anthony Bento and I'm speaking on behalf of the California New Car Dealers Association.

Over the past several months we've received reports from our truck dealer members of declines in inventory of up to 90 percent in 2024 due to the Omnibus Regulation. This is after the announcement of CARB's agreement with the Engine Manufacturers Association. It's obvious that declines of vehicle supply of this magnitude would devastate California truck dealers and harm local businesses throughout the state.

A severe decline in new vehicle supply in

California will also undermine our state's environmental goals, as it will delay retirement of the oldest, most polluting vehicles. It will further shift sales of noncompliant vehicles to out-of-state dealers, as manufacturers appear to be simply moving allocation of such vehicles from California dealers to non-California dealers in 2024. Many of those vehicles sold by out-of-state dealers will continue to be operated in California, further undermining our state's environmental goals.

In closing, we ask CARB and CARB staff to provide needed relief and clarity on these rules to avoid unnecessary harm to California's economy.

Thank you.

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BOARD CLERK MOORE: Thank you.

Our next commenter is Suzanne Rohde.

I've activated your microphone. Please unmute, and you may begin.

SUZANNE ROHDE: Good morning. I'm Suzanne Rohde with the American Bus Association, a national trade association representing the private bus industry. Thank you for holding this hearing on the proposed amendments.

The bus industry by design is environmentally friendly. We take cars off the road, reducing both emissions and congestion. We support the Board's ZEV

efforts for heavy-duty vehicles. But we need to work with the Board to ensure the time frames are reasonable and the environmental benefits of bus travel are recognized.

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We're pleased the Board worked with the engine OEMs to reach an agreement for more flexibility. We're also pleased the Board agreed to align with the regulation with EPA's Clean Trucks Rules for 2027 and beyond. And we're encouraged by the proposed revisions to the legacy caps.

But unfortunately these revisions do not address the needs of the bus industry, which you're hearing.

Where you're -- all the efforts and things went towards looking at the truck issue. Even your materials, even today's presentation is all about trucks. You didn't think about buses. We don't take it as a slight. We know our volumes are small compared to the truck industry. And you may not be as familiar with bus operations.

But now our OEMs are in a bind, as you're hearing. And they don't have any insight into how the engine OEMs are allocating their engines.

The bus market doesn't offer the same type as the engine manufacturers, such as volumes and opportunities for offsetting emissions, so there's no incentives for them to work with bus OEMs.

So we know that we have a problem for the next three years. Our fleet operators -- this also poses

serious problems for our fleet operators, as you're hearing at this hearing today, as they try to recover from the pandemic as well as the OEMs.

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This is also going to affect bus passengers, many from price sensitive, underserved communities who may be forced to find alternatives, less environmentally friendly and more costly. So we're asking the Board for relief.

We need greater flexibility. But it's only for the short term, model years '24 through '26. And the number of engines involved is very modest. We appreciate the Board's need to keep these emissions neutral, but if no relief is provided, we'll fear that less buses, meaning more cars on the road, means more emissions.

So we thank you and we hope we can work this out. BOARD CLERK MOORE: Thank you.

Our next five commenters will be Dan Rodriguez,
Alissa Recker, Andrew Soper, Hugues Morneau, and Terry
Fischer.

Dan Rodriguez, I've activated your microphone. Please unmute, and you may begin.

DAN RODRIGUEZ: I would like to thank the Board for the opportunity to speak today. My name is Dan Rodriguez and I serve as the Vice President of Public Affairs for Coach USA/Mega Bus. We are one of the largest passenger transportation companies in North America. At

present, our operations in California involve a fleet of 108 buses. Coach USA routinely upgrades our vehicles, maintaining an average fleet age of 10 years. Our efforts have been recognized by the EPA as being instrumental in reducing our carbon footprint.

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Unfortunately recent discussions with three of the largest motorcoach manufacturers revealed their anticipation of scarce vehicle availability in California for at least the next three years. This scarcity is not solely attributed to supply chain disruptions or the ongoing UAW strike impacts, engine manufacturing and other crucial bus components.

The more critical driver of this issue is the impact of the omnibus low NOx regulation on engine manufacturers which leaves them unable to provide engines for motorcoaches. While there are similar challenges within the truck sector, it seems the amendments made by CARB in engine manufacturers primarily consider truck fleets while excluding bus fleets.

I urge CARB to account for the requirements of the state's bus operators. Coach USA comprehends the urgency of combating climate change and we have contributed to substantial strides in this area. Our buses remove millions of carbon emitting cars from California roads annually, emitting only 1.7 pounds per

passenger, significantly lowering the emissions.

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Due to the impact of COVID we had to curtail expenses and postpone fleet acquisitions due to the substantial decrease in ridership. Consequently we might be left with no alternative but to reduce services leading to potential layoffs. This would result in a decrease in environmentally responsible transportation options.

BOARD CLERK MOORE: Thank you.

Our next commenter is Alissa Recker.

I've activated your microphone. Please unmute, and you may begin.

ALISSA RECKER: Good morning. My name is Alissa Recker speaking today on behalf of Daimler Truck North America.

DTNA is the largest producer of medium- and heavy-duty vehicles in North America, and we're fully committed to lowering NOx and greenhouse gas emissions from new technology diesel engines while simultaneously developing zero emission vehicle products.

DTNA supports the proposed amendments to the legacy in the engine provisions. We believe these provisions are consistent with the Clean Truck Partnership that EMA and CARB entered into in July, and we sincerely appreciate the action that CARB staff is taking to provide additional flexibility for 2024 through 2026. These

additional flexibilities, including the extension of some legacy volumes into 2026 under option 1 and the addition of option 2, are critical modifications. DTNA strongly encourages the executive officer to consider approving these amendments as proposed by staff.

Thank you, Dr. Cliff and the Board, for the opportunity to speak today.

BOARD CLERK MOORE: Thank you.

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Our next commenter is Andrew Soper.

And I've activated your microphone. Please unmute, and you may begin.

ANDREW SOPER: Good morning. My name is Andrew Soper speaking on behalf of Link-Belt Cranes. Link-Belt is a manufacturer of mobile cranes which has missed significant presence in participation in California's mobile crane industry. The most significant challenge the industry face is availability of compliance-certified engines and ultimately cranes.

Mobile cranes are critical to the infrastructure goals of the state. Compared to over-the-road truck manufacturers, the mobile crane industry is very small. The production in sales volume provide few levers when competing for engine availability.

While the proposed amendments offer engine manufacturers additional flexibility to serve the

marketplace, it is our opinion that little consideration was given to the impact on manufacturers who are not part of the EMA. Whether intentional or inadvertent, an allocation system now exists from the engine supplier base for CARB-certified legacy engines. Allocations of engines for Link-Belt Cranes and our cohort of manufacturers are practically zero for year -- model years '24 through '26, with no hope of improvement. The shortage of engines' availability will restrict commercial participation by crane manufacturers in the California market in certain product categories, particularly hydraulic truck cranes and all terrain cranes. Ultimately California crane users will have no opportunity to update and modernize their fleets.

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Without an avenue by which to update their fleets, crane users will continue to operate older vintage cranes with greater impact to air quality.

CARB has a track record of recognizing the heavy-duty on-road crane industry for its unique engine needs. Within the framework of the N series federally compliant exempted engines CARB is allowed the use of non-road engines and all terrain cranes.

We respectfully ask that the Board and CARB to consider expanding the scope of the N series exemption to include both all terrain cranes and hydraulic truck cranes

using federally compliant on-road engines. This would merely be a short-term solution until engine manufacturers develop engines that meet the Omnibus Regulations.

In conclusion, we must recognize the negative impact of the omnibus and the proposed changes on the commercial viability of the mobile crane industry.

Thank you.

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BOARD CLERK MOORE: Thank you.

Our next commenter is Hugues Morneau.

And I've activated your microphone. Please unmute, and you may begin.

HUGUES MORNEAU: Good morning. I'm Hugues

Morneau representing here Prevost, a Quebec manufacturer

for seated coach commuter and shuttle buses as well as

shells for motorhome and entertainers.

Since many years Prevost has sold an average of 90 vehicles annually in California, representing about 10 percent of its total sales. I'm here today to highlight that Prevost will have no product available to sell to California customers for the next three years, between 2024 and 2026, unless adjustments are made to the latest engine legacy provision being considered by CARB. The recent pandemic cost significant hardship for the motorcoach industry, virtually eliminating all sales. We've been working for many months to rebuild our

production capacity coming out of the pandemic to meet customers' demand for newer product. However, just as we're now reaching pre-pandemic production levels the NOx regulation will prevent us from providing product to our California customers until we return to our national standard in 2027.

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We cannot sell our legacy engines in '24 due to limited availability of NOx credit from unexpectedly lower heavy-duty zero-emission vehicle sales and the greater demand for credit to sell compliant diesel vehicle under the Omnibus NOx Regulation.

As part of the Volvo group we are committed to having 100 percent fossil free product across all of our product line by 2040.

We're trying also to expedite the launch of our Prevost battery electric coach but do not realistically anticipate this being available before late 2026. Before then we cannot integrate the lower emission CARB-compliant diesel engine in our product due to space constraint and time required to engineer a solution.

Our industry is a small volume business, but our customers play a key role in helping California address environmental challenges by taking up to 30 cars off the road for each coach trip as well as transporting victim to safety in face of spreading wild fires.

I appreciate the opportunity to explain how this regulation will impact our California-base customer, a segment of the state transportation system that makes our -- an outsized contribution to California environmental goals relative to its number.

Thank you.

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BOARD CLERK MOORE: Thank you.

Our next commenter is Terry Fischer.

I've activated your microphone. Please unmute, and you may begin.

TERRY FISCHER: Good morning. Thank you for the opportunity to speak this morning. My name is Terry Fischer. I'm the president and owner of Transportation Charter Services. We operate 95 motorcoaches in the Los Angeles, Orange County and San Diego markets. Historically I have maintained my fleet replacement annually with new equipment purchases to align with CARB's goals over the past 10 years.

In the earlier presentation we heard all about the amendments and how this relates to trucks, but really no mention of bus. I know this regulation is very complicated. But I would like to just simply address how all of these changes are affecting my business.

We were severely impacted by COVID-19 when we were shut down for 15 months. Motorcoach manufacturers'

health of production of new buses during the pandemic as the entire industry, which completely shut down. No new coaches were produced in 2020 and 2021, and as a result my company fell behind in our fleet replacement plans.

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New coach production is now back to pre-pandemic levels. But due to the fact I'm being told by the manufacturers that I will not be able to purchase new equipment for the next three years, this will put us even further behind and put California operators at a huge disadvantaged to surrounding states that are not limited.

2023 was the first year we could purchase. However, equipment finance companies weren't lending to our industry because they -- until they saw that our businesses had recovered.

Our company does the majority of professional sports in Southern California, and a few collegiate sports during travel; and they require contractually three years or newer equipment. With new regulations we run the risk that these markets will now source other-state companies rather than the California-based operators to maintain their age compliance. And this will have a major negative impact on our industry in California and the people that are employees. As well California has mandated certain safety equipment on new equipment. This mandate in safety equipment became available on new coaches in 2020 and very

few coaches with this new equipment have gone into service during the pandemic, and now this rule will delay California DOT's requirement even further, putting public safety at risk.

Thank you.

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BOARD CLERK MOORE: Thank you.

Our next five commenters are Thom Peebles, a number ending in 927, number ending in 508, number ending in 771; and then James Nixon.

Thom Peebles, I've activated your microphone.
You can unmute.

Also we -- it's my understanding there are slides involved.

THOM PEEBLES: That's correct. Thank you. And I'll just signal when the next slide.

Thank you, Dr. Cliff, CARB staff for the opportunity to speak today on behalf of the motorcoach industry. I'm Thom Peebles with ABC Marketing, the largest independent distributor of motorcoaches in North America with locations throughout the U.S., Canada, including four in California alone.

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THOM PEEBLES: Our company and our 133

California-based employees are leading efforts to bring

zero-emission buses to market and all the required support and the thousands of riders that they move every single day.

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THOM PEEBLES: In just over two years we've gone from zero to over 30 percent of our new vehicle deliveries being battery electric buses. However, these buses cannot replace our clean diesel motorcoaches for the majority of operators due to three issues: range, cost, and a lack of reliable public charging infrastructure.

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THOM PEEBLES: In fact, ABC Companies has also privately funded the largest motorcoach charging facility in North America in Newark, California. Bottom line, we are definitely committed and well on the journey to zero emissions.

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THOM PEEBLES: However, 70 percent of our customers' needs remain for clean diesel. And with the impact of COVID on travel we're forecasting a deficit in new coach replacement cycles growing over 450 vehicles by the end of this year, bringing the challenge of a limited

number of legacy engines available front and center. With one engine supplier our allocated 15 engines is practically 14 percent of what we need to support our California-based operators.

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THOM PEEBLES: If we do not amend legacy engine availability we will put our motorcoach operators in jeopardy. Many of them will leave and bring those from out of state. And in addition to that, or worst yet, their customers will get in their own vehicles, undermining the very spirit of this regulation.

Next slide.

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THOM PEEBLES: Therefore, ABC Companies respectfully request that we allow an unrestricted use of the current technology, clean diesel engines, until a CARB-compliant engine is available.

BOARD CLERK MOORE: Thank you.

Our next commenter is a number ending in 927.

You will hear a prompt when I activate your microphone indicating that you may begin your comment. Please state your name for the record, and you can begin.

MANJEET SINGH: My name is Manjeet Singh. I'm from (inaudible) Bakersfield.

So my concern is trucking is already going through a lot of trouble since 1980.

BOARD CLERK MOORE: Please -- your comment is not --

MANJEET SINGH: There's a lot of depression anxiety in the trucking community.

BOARD CLERK MOORE: Your microphone on?

MANJEET SINGH: This is the worst time we're seeing. And these new CARB law, they're going to make it worse. So because the spot rates they're in the record low. We don't have any bills right now. If the CARB is going to apply the new law, we're going to suffer a lot. We have to move out of state; if we have to buy a new house in another state, start from zero, which is going to hurt family, children, everybody. And the State is also going to face a big problem.

We don't want to buy any untested trucks, because this just -- just in case, if my truck get totaled, I'm not going to be able to buy another truck. So I have to fire my employee or the -- at the (inaudible). So I am concerned over these new laws. That's it.

Thank you.

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BOARD CLERK MOORE: Thank you.

Our next commenter is the number ending in 508.

You will hear a prompt when I activate your

microphone, indicating that you may begin your comment. Please state your name for the record and you may begin. Just a reminder to mute any speakers that you might have in the room if you're listening to the broadcast live.

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ARTIE: My name is Artie (inaudible). Yeah, we're a company out of Bakersfield, California, Stanford trans -- majority running trucks -- newer trucks out of California going out across country out of state.

Now, that a -- we try to keep our trucks compliant and everything and doing rotation on our trucks so that we don't do -- break down on the road. But now if we're going to do a rotation on our trucks and when we come to the dealership in California and ask them that we want to rotate our trucks, they say we don't have any trucks available. By that, it's forcing us to actually try to buy stuff out of state. And either move out of state, because we've got to move product out of 48 states, (inaudible) -- and moving it without any emissions, and it's okay for them. But people that are based out of California are getting (inaudible) for that removal (inaudible) living in California, one way or another being forced to move out of California because of these emissions, which out-of-state trucks are still allowed to come into California, pick up freight that don't have emissions at all.

So therefore, I'd like to see if this could be pushed out a little bit to where we could still be able to buy trucks and be able to keep running our business out of California other than being forced to move out.

Thank you.

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BOARD CLERK MOORE: Thank you.

Our next commenter is James Nixon.

After James Nixon we'll hear from Brandon Buchanan and Chris Riddington.

Chris Riddington will be the final speaker for the day.

James Nixon, I have activated your microphone. Please unmute, and you may begin.

JAMES NIXON: Good morning. My name is James
Nixon with Nixon Egli Equipment Company. We're a small
family-owned construction equipment dealership that
represents a broad variety of manufacturers in California.

We firmly support CARB's efforts to move us to zero emission future and are one of the leaders in selling zero-emissions speciality construction equipment in California to date.

That said, I'd like to speak in support of specialty crane owners and mobile crane owners group.

Link-Belt and Manitowoc submitted written comments on the proposed amendments.

The manufacturers of specialty cranes have been told that due to the engine disallocations, small niche volume manufacturers such as crane manufacturers will not be receiving the necessary engines for the 2024 through 2026 model years. There's no commercially available zero-emission solution for these machines in the two- to three-year time frame in question, nor will there be an available engine that meets proposed emission requirements.

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Our customers have a state mandate to update their fleets, and they'll be unable to get the cranes to do so. There's already a multi-year replacement backlog due to the economic impacts of COVID. And the engine restrictions will greatly exacerbate that, forcing customers to run older, more polluting cranes rather than upgrading to new engines.

Furthermore, these cranes are used to update and maintain critical infrastructure such as bridges, dams and sewer plants, and perform emergency cleanup. They are essential to maintain California's infrastructure.

There are only approximately 30 engines per year for specialty crane manufacturers, thus limiting the effect on emissions.

Thank you, guys, for the opportunity to speak this morning.

BOARD CLERK MOORE: Thank you.

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Our next commenter is Brandon Buchanan.

I've activated your microphone. Please unmute, and you may begin.

BRANDON BUCHANAN: Good morning. My name is Brandon Buchanan with the American Bus Association. And I'm happy to represent the motorcoach industry.

I just wanted to highlight and reiterate a number of points that were made by earlier commenters, primarily looking at the efficiency that motorcoaches provide which leads us to be an environmental solution and a good partner to help you reach your environmental goals.

Motorcoaches transport on average 35 -- take on average 35 cars off the road as part of the 55 to 80 passengers they carry with each trip.

There is a reason why motorcoaches are often used to support critical infrastructure, at least contributing to evacuation efforts from wildfires such as you've had in California in recent years, evacuations from hurricanes, and participation most recently in the news in Hawaii with those wildfires as well.

We also support the critical functions of transit agencies and -- if there's moving people from home to work; support Amtrak, the intercity passenger rail with the Amtrak throughway service, more than -- of the top 30

pairs served by Amtrak throughway, more than half of those exist in California. So you're a critical partner for movement of large numbers of people.

We also support Department of Defense. And of the 34 military bases in California, all of those are served by motorcoaches.

And so, as is we mentioned, more than a third of the industry within California has been harmed by the pandemic and forced to close their doors. Vehicle lifecycles are typically 7 to 10 years have been dramatically increased and delayed as a result of the lack of credit and the lack of ridership. We are just now starting to recover, and we've just now been assisting with the implementation of removing vehicles with older than 2010 engines from the roads. We are a critical partner. We're critical to the transportation of large groups of people. And we're a great partner for you in reaching your environmental goals.

Thank you.

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BOARD CLERK MOORE: Thank you.

Our final commenter today is Chris Riddington.

I've activated your microphone. You may unmute, and then begin.

CHRIS RIDDINGTON: Hello. I'm Chris Riddington with Classic Charter Bus Company, a small bus business in

the San Joaquin Valley of California; also a proud member of the California Bus Association, United Motorcoach Association, and the American Bus Association.

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You have heard a lot of valuable information today from motorcoach leaders on how this affects us all. I won't duplicate but want to put it into my simple words, "Well, you're killing our industry."

You are telling bussers, "We can't buy new buses for three years as Californians." We -- when has CARB ever done that, told our industry, "We can't buy the newest engines"? CARB has always told us to buy the latest and greatest and get the cleanest engines we could. But now CARB is telling bussers, "We can't buy new buses." And the big corporations who CARB has made deals with won't sell those engines to us for three years. But these big corporations can sell them to the other 49 states, just not if you're a Californian.

If CARB told all Californians it can't buy new cars until 2027 and/or we are dropping available cars by 90 percent to Californians, you would have mutiny on your hands. You may even get a call from your boss, Mr.

Newsom, and say, "Hey, CARB Board, California needs to buy new cars." But you're not doing that. But you're doing that to bussers. Why? Because you can. Big government, big corporations can push the little industry like ours

around. So you will take your win and go about your business while leaving us out in the cold to run used equipment three years longer than we should. We are just mom & pop shops, small business owners, husband and wife teams, father-daughter teams, mother-son teams. You have heard us and you've heard our customers, like Mrs. Smith's 6th grade class who's riding in a 2014 bus instead of a 2024; or our servicemen who take -- we take from Fort Irwin to 29 Palms riding in a 2015 instead of a 2025.

I will close with something my mom and teacher used to say to people when they did bad things. And if -- if you don't pass a provision for our little industry to buy buses for the next three years, as we need, then that is a very bad thing, and my mom would say, "Shame on you."

BOARD CLERK MOORE: Thank you.

That concludes the commenters for today.

Dr. Cliff, back to you.

EXECUTIVE OFFICER CLIFF: Thank you and thank you to all the commenters.

Staff, are there any issues that you'd like to respond to that were raised in comments today?

Dr. Cliff.

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MSCD MOBILE SOURCE REGULATORY DEVELOPMENT BRANCH CHIEF HEROY-ROGALSKI: Thanks, Dr. Cliff.

Yeah, I would just like to point out that CARB staff crafted the proposed amendments after hearing this spring from original equipment manufacturers regarding changes to their product plans. And our goal in crafting these amendments was to ensure originally anticipated engine availability that is to avoid shortages. So we're confident that the proposed amendments will help smooth the transition to the omnibus standards.

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I also want to note that on October 24th CARB staff will be hosting a workshop to discuss projects in disadvantaged communities that can be done -- funded by manufacturers to offset excess emissions from legacy engines. And we encourage interested folks to participate in that.

I want to echo Dr. Cliff's thanks to all the people who came in person and who participated remotely today to share your concerns, as well as the many people that I and my staff have been talking to regarding these same concerns over the past several months. We look forward to working -- continuing to work with affected dealers, fleets, and manufacturers to try to minimize any remaining shortages.

We're very heartened regarding the vehicle manufacturers' progress towards Advanced Clean Truck or ACT compliance. We're very pleased to see the large

volume of ACT credits that are currently available. We'd like to note that vehicle manufacturers who need ACT credits can buy and use such credits to meet their ACT responsibilities while enabling continued diesel sales during the transition to zero emission.

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All in all we see some positive steps engine and vehicle manufacturers could take to increase engine availability and avoid the possible shortages we heard about today. And we look toward to exploring those in the coming weeks.

EXECUTIVE OFFICER CLIFF: Okay. Thank you.

I will now close the record on this agenda item. However, if it is determined that additional conforming modifications are appropriate, the record will be reopened and a 15-day Notice of Public Availability will be issued. If the record is reopened for a 15-day comment period, the public may submit written comments on the proposed changes which will be considered and responded to in the Final Statement of Reasons for the regulation.

Written or oral comments received after this hearing date but before a 15-day notice is issued will not be accepted as part of the official record on this item.

Upon consideration of the full public record of this item and staff's proposed amendments, I will make a final decision and issue an Executive Order accordingly.

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The October 20, 2023, public hearing is now
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    adjourned. Thank you.
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              (Thereupon the Air Resources Board Executive
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              Officer hearing adjourned at 11:29 a.m.)
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CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand

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Reporter of the State of California, do hereby certify: That I am a disinterested person herein; that the

foregoing California Air Resources Board Executive Officer hearing was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of November, 2023.

James &

JAMES F. PETERS, CSR Certified Shorthand Reporter License No. 10063