

**Appendix F:**  
**Optional Trailer Fleet Compliance Schedules**

## **Appendix F: Optional Trailer Fleet Compliance Schedules**

The proposed regulation would require all 2010 and previous model year 53-foot or longer box-type trailers that operate in California to be compliant with its equipment requirements before January 1, 2013. Alternatively, in lieu of meeting this compliance deadline, trailer owners would also have the option to participate in one of two optional trailer fleet compliance schedules. These schedules include the large fleet compliance schedule for fleets of 21 or more 53-foot or longer box-type trailers, and the small fleet compliance schedule for fleets with 20 or fewer 53-foot or longer box-type trailers. The trailer fleet compliance schedules would be available for 1) dry-van trailers and 2) refrigerated-van trailers that the owner elects not to bring into compliance with the refrigerated fleet compliance provision, as described in Chapter VIII, Requirements and Compliance Deadlines.

For the purposes of this proposal, a “nonconforming trailer” means a trailer that does not meet the equipment requirements of the proposed regulation. Under the two optional trailer fleet compliance schedules, trailer owners would be required to retrofit applicable nonconforming trailers with SmartWay equipment to bring them into compliance with the proposed regulation or retire them from California service according to an established timeline. By participating in any compliance schedule, trailer owners would be agreeing to allow ARB to periodically audit their vehicles and records to ensure that they are in compliance with all air quality regulations. ARB would reserve the right to terminate an owner’s participation in any compliance schedule should the owner be found in violation of the proposed regulation. If participation in a compliance schedule is terminated by ARB, the owner would be required to reach full compliance within 90 days or by December 31, 2012, whichever is later, but no later than December 31 of the final compliance year of the applicable compliance schedule.

### **A. Minimum Fleet Compliance Thresholds**

Under either of the two optional trailer fleet compliance schedules, a trailer owner would be required to meet certain minimum fleet compliance thresholds. A minimum fleet compliance threshold is the percentage of total trailers participating in a compliance schedule that must be either in compliance or retired by the end of a compliance year. Minimum fleet compliance thresholds would increase from year to year, and a trailer owner participating in a trailer fleet compliance schedule would be required to retrofit or retire a sufficient number of nonconforming trailers every year to meet these compliance thresholds. The large fleet compliance schedule would have six annual minimum fleet compliance thresholds starting in 2010, and the small fleet compliance schedule would have four annual minimum fleet compliance thresholds starting in 2013.

### **B. Trailer Fleet List**

Fleet owners participating in a compliance schedule would be required to provide a trailer fleet list, which would include information on all 53-foot or longer

box-type trailers within the fleet, including compliant, nonconforming, exempted, and refrigerated trailers. The trailer fleet list would serve the following purposes:

- The number of trailers on this list would be used to ensure that fleets of 21 or more trailers do not participate in the small fleet compliance schedule.
- Except for refrigerated trailers to be phased-in under the refrigerated fleet compliance provision, and exempted trailers, only trailers participating in a trailer fleet compliance schedule would be allowed to be nonconforming after December 31, 2012. Therefore, the trailer fleet list would provide ARB a means to differentiate these trailers from nonconforming trailers that would be operating in violation of the proposed regulation.
- The list would also provide ARB with a tool with which to enforce the provisions of these compliance schedules and ensure that participating fleets are bringing their trailers into compliance as they are required.
- The list would be used to determine the compliance base number, which, in turn, would be used to calculate the retrofit and retirement commitments for each compliance year. The compliance base number would be the total number of nonconforming trailers that owners would choose to bring into compliance over the course of the applicable trailer fleet compliance schedule. The compliance base number would not include the following:
  1. Delayed compliance trailers, as determined in accordance with the early compliance option, as described in E.1.
  2. Early compliance trailers (trailers in compliance before January 1, 2010),
  3. Exempted trailers, or
  4. Refrigerated-van trailers for which compliance would be delayed pursuant to the refrigerated fleet compliance provision.

Compliant trailers that are not used to delay retrofits and retirements of delayed compliance trailers pursuant to the early compliance option (as described in E.1) could also be included in the compliance base number and used to meet annual minimum fleet compliance thresholds.

Except upon specific Executive Officer approval, ARB would not allow alterations to the number or identity of trailers on the trailer fleet list once the submission due date of the applicable compliance plan has passed. That is, outside of providing additional information about the trailers already listed, no other changes would be allowed. Model year 2010 and previous trailers brought into California after the applicable due date would not be eligible to participate in a trailer fleet compliance schedule, and would have to be compliant by December 31, 2012. Executive Officer approval would only be granted for extenuating circumstances, such as company mergers, acquisitions, or splits.

### **C. Compliance Plan**

To participate in an optional trailer fleet compliance schedule, a trailer owner would be required to submit a compliance plan outlining how the owner plans to meet the applicable minimum fleet compliance thresholds. The plan would have to include, for each compliance year, a detailed list of nonconforming trailers to be retrofitted or retired that year. The number of trailers included on each list would have to be enough to ensure that the fleet meets the minimum fleet compliance threshold for that applicable compliance year. By providing these lists, the owner would be making a commitment to retrofit or retire these trailers as reported. Failure to meet these commitments would constitute a violation of the proposed regulation.

### **D. Small Fleet Versus Large Fleet**

The proposed regulation would offer a deferred compliance schedule for smaller fleets, providing additional time for them to bring their trailers into compliance. For the purposes of the trailer fleet compliance schedules, staff defined a “small fleet” as a fleet with 20 or fewer trailers. Staff established this definition by using transportation revenue estimates (CEC, 2007; EIA, 2008; and OOIDA, 2004) and the definition of “small business” set forth in Government Code 11342.610.

To determine fleet size, fleets would have to account for all 53-foot or longer box-type trailers within the fleet, including exempted trailers, compliant trailers, nonconforming trailers, and refrigerated trailers.

### **E. Large Fleet Compliance Schedule**

The large fleet compliance schedule was established for fleets of 21 or more 53-foot or longer box-type trailers. If a trailer owner does not participate in the early compliance option, the large fleet compliance schedule would provide fleet owners six years to either retrofit all their nonconforming trailers to meet the equipment requirements of the proposed regulation or retire such trailers from California service. The annual minimum fleet compliance thresholds for the large fleet compliance schedule are presented in Table F-1 below.

**Table F-1: Minimum Fleet Compliance Thresholds for Large Fleets**

| Compliance Year            | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------------------|------|------|------|------|------|------|
| Fleet Compliance Threshold | 5%   | 15%  | 30%  | 50%  | 75%  | 100% |

Staff believes that six years is enough time for manufacturers of SmartWay trailers and equipment to increase production capacity to match the expected increase in demand for their products. In addition, the time would allow certain fleets to better manage the concurrent financial and logistical impacts of the proposed regulation and the proposed Truck and Bus Rule.

## **1. Early Compliance Option**

The large fleet compliance schedule would also provide an option to delay retrofits and retirements until 2016 if an owner has compliant trailers operating before January 1, 2010. For the purposes of the early compliance option, an “early compliance trailer” means a trailer brought into compliance before January 1, 2010, and a “delayed compliance trailer” means a trailer for which compliance may be delayed until 2016. Under the early compliance option, one trailer brought into compliance before January 1, 2009 would allow the delay of 1.5 trailer retrofits or retirements until 2016. However, a trailer owner would only be allowed to delay a maximum of 30 percent of the total number of trailers participating under the large fleet compliance schedule, which for this purpose, would also include their early compliance trailers. For example, a person who owns 100 trailers would be allowed to delay the compliance of up to 30 trailers until 2016, if they had brought at least 20 trailers into compliance by December 31, 2009.

Delayed compliance trailers would be subtracted from the total pool of nonconforming trailers for the purpose of determining the compliance base number and retrofit and retirement commitments for compliance years one through six. Therefore, participating in this option would reduce the number of trailers that would have to be retrofitted or retired each year during the six-year compliance schedule. Delayed compliance trailers would have to be brought into compliance by December 31, 2016.

The early compliance option would provide additional flexibility for trailer owners, but also ensure that GHG reductions would not be lost.

## **2. Large Fleet Compliance Plan Revision**

Prior to the fourth compliance year, ARB would allow a trailer owner participating in the large fleet compliance schedule to submit a large fleet compliance plan revision to reorder trailer retrofit and retirement commitments for compliance years four, five, and six. For example, a trailer owner would have the option to switch a trailer scheduled for a fourth year retrofit with a trailer scheduled for a sixth year retrofit if, for some reason, the latter trailer was brought into compliance earlier than expected. This optional provision would provide trailer owners additional flexibility to re-evaluate their compliance plans at the mid-point of the compliance schedule. However, trailer owners opting to revise their compliance plan would not be allowed to alter commitments in a way that would result in the fleet’s failure to meet an applicable minimum fleet compliance threshold.

## **F. Small Fleet Compliance Schedule**

For fleets with 20 or fewer 53-foot or longer box-type trailers, the small fleet compliance schedule may be used. This schedule provides additional time for smaller fleets to begin bringing their trailers into compliance. The annual

minimum fleet compliance thresholds for the small fleet compliance schedule are presented in Table F-2 below.

**Table F-2: Minimum Fleet Compliance Thresholds for Small Fleets**

| Compliance Year            | 2013 | 2014 | 2015 | 2016 |
|----------------------------|------|------|------|------|
| Fleet Compliance Threshold | 25%  | 50%  | 75%  | 100% |

The benefits of the small fleet compliance schedule would include:

- Smaller fleets would have additional time to base their decisions on what technologies larger fleets are using.
- Demand from larger fleets would stimulate equipment production and potentially drive down prices in later years when smaller fleets would need to comply.
- The delay would provide additional lead-time for smaller fleets to devise their compliance strategies.

#### **G. Reference**

CEC, 2007. California Energy Commission. *Transportation Energy Forecasts for the 2007 Integrated Energy Policy Report*. CEC-600-2007-009-SF. September 2007.

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