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APPENDIX A

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APPENDIX B

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State of California AIR RESOURCES BOARD

Final Statement of Reasons for Rulemaking Including Summary of Comments and Agency Response

FOR AMENDMENTS TO THE REGULATION TO REDUCE EMISSIONS FROM IN USE ON-ROAD DIESEL VEHICLES MADE AS PART OF THE PUBLIC HEARING TO CONSIDER PROPOSED AMENDMENTS TO THE REGULATION TO REDUCE EMISSIONS FROM IN-USE ON-ROAD DIESEL-FUELED VEHICLES,

> Public Hearing Date: April 24 and 25, 2014 Agenda Item No: 14-3-2

I. GENERAL

A. Action Taken During This Rulemaking

In this rulemaking, the Air Resources Board (ARB or Board) adopted amendments to the Regulation to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen and Other Criteria Pollutants from In-Use Heavy-Duty Diesel-Fueled Vehicles (Truck and Bus regulation) California Code of Regulations (Cal. Code Regs.), section 2025.

At the Board's October 2013 meeting, staff provided an update on the implementation of the Truck and Bus regulation. Stakeholders expressed concern regarding the ability of some fleets to make the needed upgrades to comply. These concerns specifically focused on small fleets, lower mileage fleets, and fleets in rural areas, all of which arguably continue to be impacted by the recession. Staff informed the Board that it intended to develop and propose amendments to the regulation that will help ensure that the air quality benefits originally envisioned by the regulation will be achieved, while providing the ability of these fleets with additional compliance flexibility.

The notice of public hearing for this rulemaking was published in the Office of Administrative Law's Regulatory Notice Register on March 7, 2014, and posted on the ARB's website and made publicly available on March 5, 2014, at http://www.arb.ca.gov/regact/2014/truckbus14/truckbus14/truckbus14.htm.

A "Staff Report: Initial Statement of Reasons for Proposed Rulemaking" entitled: "Proposed Amendments to the Truck and Bus Regulation" (Staff Report) was also released on March 5, 2014 and made available to the public upon request as required by Government Code § 11346.2.

The Staff Report which is incorporated by reference herein, describes the rationale for the amendments of section 2025. The text of the originally-proposed amendments of

section 2025 was included in Appendix A of the Staff Report. The hearing was held on April 24 and April 25, 2014.

In developing these amendments, staff focused on three objectives:

- Protecting emission reductions by providing lower cost compliance options to small fleets, low mileage fleets, and certain rural fleets.
- Providing new opportunities for fleets to access public incentive funds.
- Recognizing fleets that made early investments to comply.

Overall, these amendments would achieve about \$400 million dollars in cost savings (a 20 percent reduction in overall regulatory cost) for those affected by the amendments, while:

- Starting in 2020, ensuring emissions would be at the same level as the existing regulation.
- Continuing progress in reducing statewide exposure to diesel PM from vehicles covered by the regulation by 85 percent, in support of ARB's October 10, 2000 Diesel Risk Reduction Plan (DRRP) at http://www.arb.ca.gov/diesel/documents/rrpapp.htm
- By 2023, providing the NOx reductions from trucks necessary to meet State and federal air quality standards.

By 2023, the amended regulation would cumulatively achieve 93 percent of the PM2.5 and NOx benefits, and similar benefits to reduce premature deaths attributable to exposure to PM2.5 emissions, as was envisioned in 2010. On balance, staff believes the proposed new flexibilities are reasonable and consistent with a rebalanced compliance approach for fleets still suffering from the impacts of the economic recession.

To achieve these objectives and benefits, staff proposed amendments to the Truck and Bus regulation that included:

- A longer-phase-in period for PM requirements in certain rural areas while continuing to ensure compliance with diesel risk reduction program goals.
- Additional time and a lower-cost pathway for small fleets to achieve compliance with PM requirements, while re-opening opportunities for these fleets to apply for and receive public incentive funding.
- A compliance pathway for owners currently unable to qualify for a loan to finance compliance.
- A longer compliance timeline for low-use and certain vocational or work trucks that travel fewer annual miles and are not competitive in obtaining incentive funding.
- Recognition of fleets that took early action to comply by providing additional useable life for retrofit trucks.

At the April 24 and April 25, 2014 hearing, the Board considered the proposed amendments to section 2025 and received written and oral comments. At the conclusion of the hearing, the Board adopted Resolution 14-3, which approved the amendments for adoption subject to the Executive Officer making the modifications to the originally proposed amendments, as presented at the hearing and set forth in the Resolution, and any other conforming modifications as may be appropriate, available to the public for a period of at least 15 days, as required by section 11346.8 of the Government Code. As directed by the Board, the additional modifications included extending the compliance date for the second truck in the small fleet option, revising the new option for fleets that cannot afford to comply, modifying the requirements for cattle livestock trucks, and other minor modifications. The modifications do not make any significant changes to the amendments the Board approved for adoption and do not affect the conclusions in the air quality emissions assessment in the Staff Report released on March 5, 2014. The Resolution directed the Executive Officer to consider any written comments submitted regarding the modified regulatory text during the 15day comment periods and make any other conforming modifications as may be appropriate in light of the comments received, and then either adopt the final modified regulatory text or, if warranted, present the regulation to the Board for further consideration.

The modified regulatory text, reflecting the changes presented at the hearing and directed by the Board, was made available for a supplemental 15-day comment period by issuance of a "Notice of Public Availability of Modified Text" on July 1, 2014. The 15-Day Notice described each modification to California Code of Regulations, title 13, section 2025, and the rationale for the modifications. The modifications to the initially proposed regulatory text were clearly identified by double strikeout and underline and attached to the 15-Day Notice. The 15-day Notice and attachments were mailed to all parties identified in California Code of Regulations, title 1, section 44(a) and other interested parties. The 15-day Notice and attachments were also posted on the ARB's webpage for the rulemaking on July 1, 2014, and made available for public comment through July 17, 2014. The 15-day Notice and its attachments are incorporated by reference into this document.

Additional modifications to the regulatory text were made available for a second supplemental 15-day comment period by issuance of a "Notice of Public Availability of Modified Text" on September 12, 2014. The second 15-Day Notice described each modification to California Code of Regulations, title 13, section 2025, and the rationale for the modifications. The changes to the initially proposed regulatory text were clearly identified by double strikeout and underline and attached to the second 15-Day Notice. The 15-day Notice and attachment were mailed to all parties identified in California Code of Regulations, title 1, section 44(a) and other interested parties. The second 15-day Notice and attachments were also posted on the ARB's webpage for the rulemaking on September 12, 2014 and made available for public comment through September 29, 2014. The 15-day Notice and attachments are incorporated by reference into this document.

Following the two 15-day comment periods, and after consideration of all comments received, staff completed the Final Regulation Order for the Truck and Bus Amendments, which reflect the changes directed by the Board at the April 2014 hearings and text circulated for public comment during the two 15-day comment periods, and presented it to the Board for adoption on November 20, 2014. At the close of the public hearing, the Board adopted Resolution 14-41 adopting the Final Regulation Order for the amendments to California Code of Regulations, title 13, section 2025.

B. Documents Incorporated by Reference

The Staff Report is incorporated by reference.

C. Fiscal Impacts

Fiscal Impact on State Government

No fiscal impact exists because the amended Truck and Bus regulation does not affect any State agency or program except for school bus transportation, and as described below, there will be no increased costs for school districts.

Fiscal Impact on Local Government

ARB has determined that the amendments to the Truck and Bus regulation will impose no mandate on local agencies or school districts that is reimbursable pursuant to Part 7 (commencing with section 17500) of Division 4 of the Government Code. No fiscal impact exists because the amended Truck and Bus regulation does not affect any local agency or program except for school bus transportation, and no changes were made to the school bus requirements.

D. Consideration of Alternatives

For reasons set forth in the Staff Report, in staff's comments and responses at the hearing, and in this Final Statement of Reasons for Rulemaking (FSOR), ARB has determined that no alternative considered by the agency, or that has otherwise been identified and brought to the attention of the agency, would be more effective in carrying out the purpose for which the regulatory action was proposed or would be as effective or less burdensome to affected private persons than the adopted regulation.

II. NONSUBSTANTIVE CHANGES TO THE FINAL REGULATION ORDER

Staff has made minor nonsubstantive changes to the final regulation order to correct punctuation and typographical errors, fix incorrect references, and improve accuracy and clarity. The changes do not alter any requirement and reflect the original intent of the regulation.

III. SUMMARY OF PUBLIC COMMENTS AND AGENCY RESPONSES

The Board received numerous written and oral comments during the 45-day public comment period and at the April 2014 Board hearing. Set forth below is a summary of each objection or recommendation specifically directed to the proposed regulation for

in-use on-road diesel vehicles or to the procedures followed by ARB in proposing or adopting the regulation. Each comment is followed by the agency response explaining how the proposed action was changed to accommodate each objection or recommendation, or the reasons for making no change. The comments have been grouped by topic whenever possible. Comments that do not involve objections or recommendations specifically directed towards the proposed regulation or to the procedures followed by ARB in this rulemaking are generally not summarized below.

A. Summary of Commenters

During the 45-day comment period, the Board received written comments from the persons or entities listed in Table 1. The reference code listed in the first column is used to identify the person or entity submitting the comment in the summary of comments and responses. Oral testimony was presented at the Board Hearing by the persons or entities listed in Table 2. Table 3 lists all commenters who submitted comments on the modifications to the originally proposed amendments (first 15-day comment period. Table 4 lists all commenters who submitted comments on the modifications to the originally proposed amendments (second 15-day comment period). Following the table is a summary of each pertinent objection or recommendation, together with an agency response providing an explanation of how the proposed action has been changed to accommodate the objection or recommendation or the reasons for making no change. The comments have been grouped by topic whenever possible. Comments not pertinent to the modifications proposed in the first 15-Day Notice or the second 15-Day Notice are not summarized below.

List of Persons and Entities Who Submitted Comments During the 45-Day Comment Period

Reference Code	Commenter	Company or Affiliation
AARMC01	Cook, Mike	A&A Ready Mixed Concrete Inc.
ABAT	Batteate, Albert	
ACLOG01	MacMullin, Robert	Associated California Loggers
ACLOG02	Carleson, Eric	Associated California Loggers
ADEGRA	DeGraaf, Arthur	
AESI01	Miller, Christopher	Advanced Engine Systems Institute
AFORS	Forsyth, Allen	
AGIBS	Gibson, Anthony	
AGUIT	Guitron, Alicia	
AKAR	Karelas, Andreas	
ALCDTO	Macauley, Richard	Associated loggers, Cal Dump Trk Owners
ALOG01	Anderson, Myle	Anderson Logging Inc
ANTRU	Ananian Krause, Lisa	Ananian Trucking
APALK	Palkow, Alice	
ARAUE	Raue, Anke	
ARCONT	Callahan, William	Associated Roofing Contractors
ARLLC	Phipps, Leslie	Ancile Ranch LLC
ARTRU01	Archer, Shellie	Archer Trucking, Inc Ukiah & Marysville
ARTRU02	Archer, Shellie	Archer Trucking, Inc Ukiah & Marysville
ATS	Kroening, Joe	ANDY'S TRANSFER & STORAGE
BCAQMD01	Wagoner, Jim	Butte County AQMD
BFLON	Flonnoy, Brett	
BHIGG	Higgins, Benjamin L.	
BJORD	Jordan, Brian	
BRAN	Brennan, Bob	Brennan Ranch
BREAD	Reader, Brad	
BRSG	Stumpf, Blain	BST Rock, Sand & Gravel
BSHEP01	Shepherd, Bob	
BSNS	Newell, Bill	Bill and Sherry Newell and Sons
BTCI	Britton, Doug	Britton Trucking Co., Inc.
BTI	Button, Bob	Button Trans. Inc
BTRUJI	Trujillo, Bernardo	
BVISS	Visser, Bill	
CALV	Alvarez, Cindy,	
CASTO01	Rea, Michael	CASTO (School Bus)
CCA01	Brandenberg, Bill	California Cattlemen's Assoc.
CCA02	Oldfield, Justin	California Cattlemen's Association
CCTA01	Santoro, Tom	ССТА
CCTA02	Rajkovacz, Joe	ССТА
CCTA03	Brown, Lee	ССТА

Reference Code	Commenter	Company or Affiliation
CDEKON	De Koning, Curt	
CDTI01	Brown, Kevin	CDTi
CFA	Brink, Steven	California Forestry Association (CFA)
CFLEE	Fleeman, Charles,	
CFN01	Edgar, Sean	CleanFleets.net
CIAQC01	Lewis, Michael	Construction Ind. Air Quality Coalition
CITA	White, Sherry	CTTA (California Tow Truck Assoc)
CMEDI	Medina, Chris	
CMIT	Mitchell, Curtis	
	Diesel Truck Rule	
COSO	Advocates	Coalition of State Organizations
CPC	Hastings, Woody	Climate Protection Campaign
CSCOT	Scott, Christopher	
CSDT	Donelson, Charles	C and S Donelson Trucking
CSMA01	Smith, Tim	Central Sierra Mining Association
CTA01	Mauch, Geoffrey	СТА
CTA02	Sauer, Eric	СТА
CTA03	Osofsky, Alan	СТА
CTA04	Tennies, Robert	California Truck Association
DANT	Anthes, David,	
DCC	Brown, Norman	Delta Construction Co.
DDELE	Delerio, Darrell,	
DEELLC	Hartman, Jeff	Diesel Exhaust & Emissions, LLC
DELETED01	deleted comment	
DELIN	Elings, Dennis	
DERIV	Erivn, Devilla	
DFERR01	Ferrari , Debbie	
DFERR02	Ferrari , Debbie	
DFERR03	Ferrari , Debbie	
DGRAND01	Grande, David	
DGRAND02	Grande, David	
DGRAND03	Grande, David	
DHOHEN	Hohenberger, Darrel	
DHOLL	Hollis, Damon	
DJACK	Jackson, David	
DKIRW	Kirwan, Dennis,	
DMAHAL01	Mahal, Damanjit	
DML	Heuvel, Ron	Duane Martin Livestock
DMYOV	Myovich, Douglas	
DNEHER	Neher, Donald	
DONALD01	Simons, Gary	Donaldson Co. Inc.
DPFEIL	Pfeiler, Douglas	
DPTI	Palmer, Daniel	Dan Palmer Trucking Inc
DROSA	Rosatti, Denny	

Reference Code	Commenter	Company or Affiliation
DRSYOU	Young, S. Stanley, Ph.D.	
DTI	Klenske, Terry	Dalton Trucking, Inc.
DVIER	Vierra, Dave,	
DWIL	Wilson, Dave	
DWISE	Wise, Donald	
EAME	Amezcua, Eli	
EREDC	Doiron, Pamela	El Rancho Espanol de Cuyama/The Spanish Ranch
EROCHA	Rocha, Ed,	
ESWG	Kumar, Virendra	ESW group
FBRAG	Anderson, Mike	Fort Bragg
FLCI	Folchi, Tony	Folchi Logging & Construction Inc
FLFTI01	Torres, Chris	F & L Farms Trucking Inc.
FLFTI02	Torres, Chris	F & L Farms Trucking Inc.
FRAM	Ramirez, Francisco	
FROCHE	Roche, Frank	
FSTU01	Sanchez, Liz	First Student
FTRUC01	Faulkner, Ron	Faulkner Trucking, Inc.
FVLF	Vaine, Frank	Frank Vaine Logging & Firewood
GATI01	Gee, Jenming	Gee Agri Transport, Inc.
GATI02	Gee, Jenming	Gee Agri Transport, Inc.
GCAPC	Cha, Kazoua	Grinestaff & Cha, APC
GHOWE	Howe, Greg	
GLIVE	Garner, Vicki	Garner Livestock
	Mirassou Morehouse,	
GLSI	Lindamar,	G & L Supply, Inc.
GLT	Lyon, GREG	GREG LYON TRUCKING
GMART	Martinez, Galo	
HBECI	Whitworth, Jim	H&B Equipment Co, Inc.
HBSC	Hay , John	Hay Brothers Sheep Co.
IRONM01	Phillips, Craig	Ironman works
ISALC	Salcido, Ivan	
JADI01	Adivari, Joe	
JADI02	Adivari, Joe	
JALC	Alcaraz, Jesse	
JBLUM	Blumenkopf, Joshua	
JDEGR01	DeGraaf, Joanna	
JDEGR02	De Graaf , Joanna	
JEHO01	Ehoff, Jim	
JEHO02	Ehoff, Jim	Triple E Trucking
JFLES	Flesch, Joseph	
JFULL01	Fuller, Jim,	
JFULL02	Fuller, Jim	
JHANS	Hansen, Jeffrey	
JIMR	R., Jim	

Reference Code	Commenter	Company or Affiliation
ITLI	Liese, Valerie	Jack Jones Trucking, Inc.
JKATZ	Katz, Jesse	
JLIVE	Jewett, Sara	Jewett Livestock
JMART	Martinez, Josie	
JMATL01	Matlen, Joe	
JMATTHEY01	Joshi, Ajay	Johnson Matthey
JMCDON	McDonald, James	
JOLAG	Olagaray, John,	
JORTE	Ortega, James	
JSTAFF	Stafford, Joe	
JTRANS	Lopez, Julian	Jeff Transport
JTTLLC	Edwards, John	J&T Transport LLC
JVAN	Van Dyk, John	
КСАВ	Cabron, Karen	Controller
KDEKON	De Koning, Kenny	
KKWT	Benninghoff, Steve	KKW Trucks
KPROP	Konanz, Mike	Kamps Propane
KRT	Rocha, Kevin	K. Rocha Trucking
KVSI	Hartmann, K	KVS Inc
LAFR	Sturdevant, Mark	Los Angeles Freightliner
LAZE	Azevedo, Louise	
LBELT	Beltran, Laura	
LBROWN	Brown, Larry	
LDEJ	De Jong, Larry	
LHUT01	Hutnick, Loren	H&H Excavation Gen. Eng.
LSTAR	Rukstalis II, Richard J	LandStar
LWEL	Welsh, Lynne	
MCASH	Cash, Mark	
MCONC	Mendez, Manuel	Mendez concrete
MDRON	Dron, Max	
MEBE	Eberhardt, Monte	
MECA01	Brezny, Rasto	MECA
MGREEN	Green, Michael	
MRICH	Richmond, Mark L.	
MSTAP	Staples, Michael	
MTHOM	Thomas, Mike	
MTRANS	Mendonca, Heather	Mendonca Transport
NCONT	Contreras, Norma	
NEI01	Nuss, Ron	Northwest Excavating, Inc
NFIKE	Fike, Nina	
NIZY	Nizynski, Leo	
NVAR01	Williams, Myesha	Rose Foundation's New Voices Are Rising
NVAR02	Ratner, Jill	Rose Foundation for Communities & the Env
NVAR03	Williams, Myesha	Rose Foundation's New Voices Are Rising

Reference Code	Commenter	Company or Affiliation
ORIN	Butuc, Vladimir	Orit Inc
OZTRU	Gamche, Ed	Ozark Trucking and Raley's
PCARD01	Cardona, Pedro	
PCARD02	Cardona, Pedro	
PETRUCK	Galindo, Gary	Peterson Trucks/ Peterson caterpillar
PFITZ	Fitzgerald, Pat	
PNUTT	Nuttall, Pam	
PPAVE	Pavel, Paloma, Ph.D.	
PWATE	Waters, Paulette	
PWILK	Wilkinson, Paul	
RBAL	Balch, Richard	
RCROC	Pitto, Mary	Rural County Representatives of California
RDI	Doss, Adam	Rich Doss, Inc.
RFRY	Fry, Raymond	
RLANDS01	Landsburg, Ron	
RLANDS02	Landsburg, Ron	
RMARS	Marson, Roy	
RRANCH	Ritts, William	Ritts Ranch
RSMIT	Smith, Ron	
RTANK	Tankerson, Rod	
RTAY	Taylor, Ron	
RTRU	Sostaric, Joe	Reliable Trucking
RYADO	Yadon, Ron	
SBELL	Bell, Steven	
SDAN	Daniel, Scott	
SGEE	Geertsen, Scott	
SJABB	Jabbusch, Stewart	
SKTRU	Bradshaw, Kim & Sherman	S&K Trucking
SLOCAPCD	Fonzi, Roberta	San Luis Obispo County APCD
SMARC	Marcus, Susie	
SMCC	Filipponi, Douglas	Santa Margarita Cattle Co.
SSIEI	Bidnick, Bruce	SSI Express Inc
STLLC	Smith, Andy	Smith Trucking LLC
STTRU	Bell, Colby	Starlite Trucking
SVIOL	Violini, Scott	
SWASI	Chin, Martin	Sam Wong and Son, Inc.
SWVL	Grenon, Steve	Stevens Worldwide Van Lines
TAPCD	Chamblin, Steve	County of Tehama APCD
TBOW01	Bowen, Tom	
TBOW02	Bowen, Tom	
TBROWN01	Brown, Timothy	
TCUREE	Curee, Tom	
TEAM	Turner, Robert	Teamsters
THANS	Hanson, Tim	

Reference Code	Commenter	Company or Affiliation
TLOP	Lopez, Tony	
TPAST	Pastore, Tina	
TQI	Andreyka, Michael	Tight Quarters Inc.
TRENN	Renner, Tim	
TTROTT01	Trotter, Timothy	
TTROTT02	Trotter, Timothy	
TTROTT03	Trotter, Timothy	
TTROTT04	Trotter, Timothy	
UCLA01	Enstrom, James	University of California, Los Angeles
UCLA02	Enstrom, James	University of California, Los Angeles
UCLA03	Enstrom, James	University of California, Los Angeles
	McKamey, Pauletta ,	
UDE	Owner Operator	Ugly Dog Enterprises
USOE	Soemaker, Ursula	
VAF01	Van Dyke, Robert	VA Farms
WELLC	Ladd, Randy	Wizard Express LLC
WJHPCA01	Jones, Timothy	Wanger Jones Helsley PC Attorneys
WLIVE	Williams, Nancy	Williams Livestock
WSCH	Schoellerman, Willard	
WTRU	Corriea, Dan	Weststar Trucking
WWADE	Wade, William	

List of Individuals and Other Entities who Presented Oral Testimony

Reference Code	Commenter	Affiliation
AARMC02	Cook, Mike	A&A Ready Mix Concrete
ACAST	Caster, Angela	
ACLOG03	Carleson, Eric	Associated California Loggers
AESI02	Miller, Christopher	Advanced Engine Systems Institute
AJW	Hessler, Chris	AJW
ALAOC	Holmes-Gen, Bonnie	American Lung Association of California
ALOG02	Anderson, Myles	Anderson Logging
APCOSAC	Greene, Larry	Air Pollution Control Officer Sacramento
ARTRU03	Archer, Shellie	Archer Trucking
ASL	Allen, Bill	Amador Stage Lines
BAAQMD	Broadbent, Jack	BAAQMD
BCALD	Caldwell, Bud	
BCAQMD02	Wagoner, Jim	Butte County Air Quality Management District
BCC	Grote, Lisa	Be CARB Compliant
BEACH	Beachler	
BINS	unidentified speaker	Brooks Institute

Reference Code	Commenter	Affiliation
BOSMC	Johnston, Larry	Board of Supervisors of Mono County
BPLOW	Plowman, Betty	
BRITT	Britten	
CASTO02	Rea, Michael	California Association of School Transportation
СВАК	Baker, Chris	
CCA03	Oldfield, Justin	California Cattlemen's association
CCA04	Lewis, Tim	California Cattlemen's association
CCA05	Batteate, Albert	California Cattlemen's association
CCA06	Azevedo, Bill	California Cattlemen's association
CCA07	Peeki, Brad	California Cattlemen's association
CCRIST	Crist, Cynthia	
CCTA04	Rajkovacz, Joe	California Construction Trucking Association
CDTI02	MacDonald, Ian	CDTI
CFCA	Fisher, Tony	Coalition for Clean Air
CFN02	Edgar, Sean	CleanFleets.net
CFS	Schrap, Matt	California Fleet Solutions
CIAQC02	Lewis, Mike	Construction Industry Air Quality Coalition
CIC01	Ficker, Jared	Catalina Island Company
CMSA01	Weitekamp, Steve	California Moving and Storage Association
СОА	Mangalindan, Alvan	Crane Owners Association
		California Professional Association of Specialty
CPASC	Wick, Bruce	Contractors
CSMA02	Smith, Tim	Central Sierra Mining Association
CTA05	Shimoda, Chris	California Trucking Association
CTTA	Blackburn, Kirk	California Tow Truck Association
CWORT01	Wortman, Chris	
DECARB	de Carbonel	
DFERR04	Ferrari, Debbie	MAG Trucking
DONALD02	Simons, Gary	Donaldson
DRDELI	Di.Libero, Dr.	
DROCHA	Rocha, Doug	
DTF02	Coates, Michael	Diesel Technology Forum
EDF	Morehouse, Erica	Environmental Defense Fund
FARIS	Faris	
FDEBO	DeBoer, Fred	
FLFTI03	Torres, Chris	F&L Farms Trucking
FRESNOCO01	Sadredin, Seyed	Fresno
FRESNOCO02	Case McNarry, Judy	Fresno County Supervisor
FSTU02	Sanchez, Elizabeth	First Student
FTRUC02	Faulkner, Ron	Faulkner Trucking
GCADD	Cadd, Gary	, , , , , , , , , , , , , , , , , , ,
GFTR	Fain, Garren	G. Fain Trucking
GGC	Gannini, Gary	Gary Gannini and Company
GGT01	Lopopolo, Gayle	Ganduglia and Ganduglia Trucking

Reference Code	Commenter	Affiliation
GTRUCK	Lanting, Tom	Gardener Trucking
HRAN	Smith, Patrick	Harris Ranch
JDEGR03	deGraaf, Joanna	deGraaf Ranch Trucking
JMATL02	Matlen, Joe	Valley Farm Transport
JMATTHEY02	Joshi, AJ	Johnson Matthey
JRT	Rogers, Doreen	Jeff Rogers Trucking
JVARO	Varozza, Joe	
LALE	Alegre, Larry	
LASI	Lopez, Mitch	Lopez Ag Service, Inc.
LBOIL	Boilen, Leona	
LCAQMD01	Gearhart, Doug	Lake County Air Quality Management District
LHUT02	Hutnick, Loren	
LRPOC	Freedman, Aubrey	Libertarian Returning Party of California
MAIR	Smith, Greg	Maxx Air
MAND	Anderson, Michael	
		Manufacturers of Emission Controls
MECA02	Brezney, Rasto	Association
NGUY	Nguyen	
NVAR04	Ratner, Jill	New Voices are Rising
PBAR01	Barrett, Patricia	
PCRAM	Cramer, Pat	
PEBANK	Hunter, Chuck	Pacific Enterprise Bank
RAMAP	Akaba, Azibuike	Regional Asthma Management and Prevention
RATRANS	Stilwell, Joshua	Rewood Auto Trasport
RDEVR	DeVries, Ronnie	
RTRUCK	Ramorino, Bob	Roadstar Trucking
RVAUG	Vaughn, Richard	
RVJEN	Davis, Steven	RV Jensen
SCAQMD	Hugo, Henry	SCAQMD
SCC	Phillips, Kathryn	Sierra Club California
SERIB	Erb, Stacey	
SJVAD	Brazil, Dennis	Mayor, City of Gustine, SJVAD
SMILLI	Milligan, Sylvia	
SRC	Smith, RJ	Solid Rock Construction
TCAPCD	Abbs, Allen	Tehama County Air Pollution Control District
TCFCA	Magavern, Bill	The Coalition for Clean Air
TCOMER	Comer, Tina	
TLUIZ	Luiz, Tony	
TMOHL	Mohler, Thomas	
TNRDC	Bailey, Diane	The Natural Resources Defense Council
UCA	Dorsa, Tony	Unified Contractors Association
UNK01	Burke, Bryn	
UNK02	unidentified speaker	
UNK03	Wright, Richard	

Reference Code	Commenter	Affiliation
UOCS	Anair, Don	Union of Concerned Scientists
VAF02	Van Dyke, Robert	VA Farms
VAND	VanDyke	
WCSG	Slater, James	West Coast Sand and Gravel

List of Persons and Entities who Submitted Written Comments During the First 15-Day Comment Period

Reference Code	Commenter	Affiliation
AFSI	Faulkner, Dana	Advanced Freight Systems, Inc.
AVILL	Villa, Artemio	
AWAY	Wayman, Allen	
BMAR	Marsh, Brian	
BMOY	Moyer, Betty	
BSHEP02	Shepherd, Bob	
CAPCOA	Koyama, Kenneth	САРСОА
CAVER	Avery, Charles	
CBA02	Giddens, Tom	California Bus Association
CBA03	Robinson, Robert	California Bus Association
CBA04	Busskohl, John	California Bus Association
		California Construction Trucking
CCTA05	Rajkovacz, Joe	Association
CGUZ	Guzman, Carolina	
CIAQC03	Lewis, Michael	Construction Ind. Air Quality Coalition
CLYN	Lynch, Christian	
CMATT	Matthews, Charlotte	
CPOLA01	Polanco, Cesar	
CPOLA02	Polanco, Cesar	
CROSSR	Schrap, Matt	Crossroads Equipment Lease and Finance
CST	Ceja, Rudy	Ceja and Sons Trucking
CWORT02	Wortman, Chris	
	This comment was posted then	
	deleted because it was unrelated	
	to the Board item or it was a	
DELETED02	duplicate.	
DMAHAL02	Mahal Damanjit	
DPASK	Paskman, Deborah	
DST	Davison, Thomas	Davison & Sons Trucking
DTORR	Torres, David	
ECORD	Cordova, Elli	

Reference Code	Commenter	Affiliation
EJONES	Jones, Emmanuel	
ELONG	Long, Elizabeth	
EXTRIN	Grace, Gary	Express Transpro Inc.
FLFTI04	Torres, Chris	
GGODW	Godwin, Genny	
GPRAT	Pratt, Gene	TEA PARTY
		International Metals & Energy
IMET01	Rim, Julius	Technology
		International Metals & Energy
IMET02	Rim, Julius	Technology
IMOY	Moya, Irvin	
JAREN	Arenz, Julie	
JARR	Arreola, Jaime	
JBURL	Burleson, Jeff	
JCAB	Cabrera, Juan	
JDOUK	Doukakis, Jim	
JFULL03	Fuller, Jim	
	Kohanek, JoAnn, trucking	
ЈКОН	dispatcher	
	Moya De la Torre, Jose, Owner	
JMOY	Operator	
JMULL	Mullin, Jim	
JNORT	Norton, Joel	
JRAM	Ramirez, Javier	
JVILL	Villarreal, Juan	
	Mullins, Kerry, Trucking Co.	
KMULL	Owner Operator	
LARTE	Arteaga, Leonel	
LHAWK	Hawkins, Lynn	
LHUT03	Hutnick, Loren	
LWHIT	White, Larry	
MBROWN	Brown, Michael	
MECA03	Brezny, Rasto	MECA
MFLOR	Flores, Melanie	
MJOHN	Johnson, Mark	
MSING	Singh, Major	
МТОК	Helmuth, James	Majesty Transport of Kentucky
MVINC	Morgan, Cindy	Marsh Ventures, Inc.
NEI02	Nuss, Ron	Northwest Excavating, Inc
PHTRANS	Porter, Carol & Dan	Porter Horse Transportation
RCHAP	Chappell, Robert, R.A.Chappell	
RFLY	Flythe, Roger	
RGOOD	Goodwin, R,	Owner/Operator
RGUEV	Guevara, Raul	

Reference Code	Commenter	Affiliation
RMILL	Miller , Richard	
RTOG	Tognoli, Richard	
SLAM	Lam, Swan	
SMADD	Maddison, Scott and Cheryl	Scott Maddison Trucking
SMITS	Mitsler, Sandra,	
SSPAD	Spade, Sam,	United States Citizens
TBOTT	Bottorff, Timothy	
TBROWN02	Brown, Timothy,	Owner-Operator
TJONES	Jones, Trent	
TTROTT05	Trotter, Timothy,	
VAVET	Avetisyan, Vardan,	
VPARE	Paredes, Victor,	
VSAN	Sands, Virginia	
WCURT	Curtin, William	
		Wanger Jones Helsley PC Attorneys
WJHPCA02	Jones, Timothy	for John R. Lawson Rock and Oil, Inc.
WLOP	Lopez, Walter, Solo	Solo
WTHOM	Thompson, William	
YSALD	Saldana, Yadida	

List of Persons and Entities who Submitted Written Comments During the Second 15-Day Comment Period

Reference Code	Commenter	Affiliation
BCAR	Carter, Barry	
CPOLA03	Polanco, Cesar	
EJIM	Jimenez, Elizabeth	Jimar Transport
GGAR	Garcia, Gabriel	
JSIN	Singh, Jaswinder	
KBAU	Bauman, Kent	
WMCC	McCarthy, William	
ZBAR	Barcenas, Zayde	Barcenas Trucking
JFULL04	Fuller, Jim	

B. Summary of Public Comments Presented Prior to or at the Hearing and Agency Responses

The 45-day comments refer to the amendments that were made available with the March 2014 hearing notice. Some of these sections have since been renumbered and the responses to the comments will refer to the section of the current regulation released with the July 1 and September 14, 2014 Notices of Availability of Modified Text.

1. General

a) **Opposed to Regulation**

- 1. **Comment:** My truck was considered compliant when it was built and should still be considered ok till it dies. The trucking industry is making only new trucks since 2010 and the old trucks will slowly die off anyway and then a new one will half to be purchased. (MTOK)
- 2. **Comment:** If you run the small businesses out of business you won't have tax revenue to collect. Furthermore no one will come to pick up your goods, meaning no money for taxes! No trucks your state stops, without trucks no jobs, no freight, no construction. This would be really dumb to enforce at this time! (RCHAP)
- **3. Comment:** Why is California trying to run the trucking industry out of business? We need the truckers to service our state. STOP killing jobs. Leave the truckers alone. (VSAN)
- 4. **Comment:** You are not going to be happy until you have put every private trucker out of business or cause a mass strike. How much more do you think the tax payers are going to put up with? California is already the worst state in the nation to do business in. (CLYN)
- 5. **Comment:** Your regulations have forced me to cease doing business in your state. (WCURT)
- 6. **Comment:** I am against the restrictions on in-use, heavy-duty, diesel fueled vehicles. (ELONG)
- **7. Comment:** I'm against the regulations. It wasn't right then. It isn't right now. (TLUIZ)
- 8. **Comment:** We used to have the eighth largest economy in California. You guys are destroying it. Wake up. You're doing it on purpose. (TMOHL)
- **9. Comment:** My truck is a 2006. Has the sticker on the side of the motor that says it is CARB compliant. So I feel that my motor is CARB compliant. When they implemented the smog on the automobiles in the late '70s, early '80s, they didn't

go back to the cars that were built in the '40s and '50s and the '60s and make all these people put catalytic converters on their cars. They grandfathered them in. (JVARO)

- **10. Comment:** I own a small fleet trucking company. We have new trucks and some older trucks. Old trucks run very good, and we are replacing them as time comes, and when funds are available. Please do not create any deadlines to buy new trucks. We all know that there is an end to old stuff, and time will come, when all of us will have clean trucks and reefers. (MDRON)
- **11. Comment**: As far as I'm concerned, when you guys stamp a motor that says this motor meets the emissions for CARB and EPA, you accepted it. You cannot go back and change the rules. (LHUT02)
- 12. Comment: All diesel engines that have been working in California have a stamp on them that says, "This engine meets and or exceeds the emissions for the date that it was build and is accepted by the California Air Resource Board and the Federal Environmental Protection Agency." I encourage the California Air Resource Board to find a better way to implement the Truck and bus rule. (LHUT01)
- **13. Comment:** Please consider the damage your regulations are doing to our environment and economy. Now you are proposing forcing us to purchase new trucks and getting rid of the ones that are serving our industry very well. If it is really a matter of cutting emissions state wide, then penalize the SUV drivers in the south who pollute more than the working man up in the north state. (USOE)
- **14. Comment:** I would love the opportunity to continue running our truck in California until it no longer runs and at that point replacing it with a newer truck that is compliant. (UDE)

Agency Response: The regulation is needed to improve air quality and reduce health impacts of air pollution caused by existing diesel engines. ARB has been granted both general and specific authority under the Health and Safety Code to adopt regulations and measures necessary to attain federal national ambient air quality standards in all areas by applicable attainment dates and to achieve the maximum feasible and cost-effective emission reductions from all mobile source categories, including both new and in-use on-road and off-road diesel engines used in motor vehicles. In California, among all diesel engines, trucks are the largest single source of emissions of smog forming pollutants and diesel particulate matter, which has been identified as a toxic air contaminant. Although emissions are expected to decrease over time with normal vehicle replacements, emissions do not decrease quickly enough to meet the federal air quality attainment standards or the goals of the Diesel Risk Reduction Plan (DRRP). The amended regulation continues to meet the State emission reduction commitments by key deadlines.

- **15. Comment:** This regulation will affect millions, but the hardest class hit will be the truck drivers that are 58 and older. CARB will be destroying the livelihoods of people that have been in business for 40 years and still want to continue working. It doesn't matter if we receive a loan or a grant, our business does not generate enough money to pay for a new/used truck. In addition, these trucks were bought in good faith EPA approved. (MRICH)
- **16. Comment**: Trucks that are well kept up and are not in a un-maintained condition should be able to get and keep a certificate to keep running in California. Owner-operators do not have the money to keep up with every ruling that you make for their trucks. (JKOH)

Agency Response: Emissions reductions from existing heavy duty diesel vehicles are needed to protect public health, meet State Implementation Plan (SIP) obligations, and meet federal ambient air quality standards as described in response to comment 14. For more information on how the amendments reduce compliance cost while continuing to achieve needed emissions reductions, see response to comment 44. The amended Economic hardship extension provides more time for vehicle owners that were financially unable to comply as described in response to comment 269.

17. Comment: Make a grandfather ruling for people with pre 2007 trucks. Require them to comply with a smoke test at a state approved facility every year to assure they are complying with their emissions standards for the year of engine they have BEFORE they are able to get their registration. This would put hundreds of Californians to work, they would work at the smog stations, have to go to classes to get certified which would employ teachers not to mention all of these expenses would be going to the state of California and getting hundreds of Californians off of government aide. Sound familiar? This is the same regulation that applies to older cars. You never required car owners to replace a 5 year old car just that they continue to comply with that years regulation and if they purchase a new car then it must have the latest technology. (STLLC)

Agency Response: The ARB already has programs to control excessive smoke emissions and tampering from heavy-duty diesel trucks and buses as described in response to comment 339. The Periodic Smoke Inspection program requires that diesel and bus fleet owners conduct annual smoke opacity inspections and repair those with excessive smoke emissions to ensure compliance. Passing a smoke inspection test is not an indicator of a low emitting vehicle. Emissions reductions from existing heavy duty diesel vehicles are needed to protect public health, meet SIP obligations, and meet federal ambient air quality standards as described in response to comment 14. With regards to withholding the DVM registration before vehicle passing the smoke inspection program, it could only be done through a legislative change.

18. Comment: I along with others have been hanging on by a thread and we need some reprieve from any more regulations at this time. I am all in for clean air but

at this time we need to give the small companies a break. Even if the break is time! (ALCDTO)

- **19. Comment:** CARB regulations create an expensive barrier that small start-ups cannot overcome. The CARB mandate will annihilate most small and medium size businesses that do not have the capital and are unable to borrow to comply. Comment: The economic hardship and poverty are more hazardous health effects than the health effects as a result of PM. (DCC)
- 20. Comment: On any given day in Santa Maria you see trucks hauling out of the produce sheds and most are older trucks, but with the new rules in place less and less trucks are hauling produce which in turn hurts California's economy. We rely on farmers to grow produce and trucks to haul the produce out of state but with fewer trucks that aren't compliant it puts a stranglehold on the agriculture industry. Farmers will pick less, grow less and produce shippers will ship less because of lack of compliant trucks. In turn, what happens is farmers and produce sheds have to lay off workers and in today's economy and with unemployment at all-time highs we as Californians are going backwards in time not forward. (LSTAR)
- 21. Comment: I reside in Santa Maria CA. In 2005, I bought a brand new Kenworth tractor with a Caterpillar motor. In 2005, I was legal for CA emissions. Up to 2010 I hauled produce back east to places like Ohio, NJ and Boston Mass. In 2011, I changed to hauling things like store fixtures, trade shows, and other specialty freight. The rules that C.A.R.B wants to enforce are forcing me to either move out of the great state of CA or to buy a new piece of equipment. My issue as it is with others is that those of us with older equipment #1 can't afford to replace our equipment and #2 like myself, [I] don't want to replace equipment that is reliable and has nothing wrong with it. My truck gets 6.2 miles per gallon on fuel but these new trucks are getting less fuel mileage have more issues and that's loss in revenue. (LSTAR)
- **22. Comment:** I am disappointed by the CARB regulations because it is harming our economy. (BTRUJI)
- **23. Comment:** You have excluded my Peterbilt from California. I live and work here. You are putting me out of business! (RMARS)
- 24. Comment: CARB is not back pedaling when trying to "improve" the rules resulting in more compliance of air quality regulations. The entire trucking community is against the Truck and Bus rule. Sure there are gross polluters which I believe the majority of us despise. But to all of us from an operational standpoint, this rule is less about air quality and more about staying in business. (TTROTT03)

- **25. Comment:** With these new rules about emissions I have been forced to stay away from my family and stop hauling the produce I love. I will remain out of state until this requirement is changed. (DHOHEN)
- **26. Comment:** No further restrictions! The economic impact will be detrimental. NO to CARB intrusion on free markets and capitalism! (LWHIT)
- 27. Comment: I own one truck & one trailer, and there is no way I can swing a newer truck now. Rates have been down, fuel prices high, and it does not seem to be improving. The only option I have is to bypass the state, which will make me sad. (SGEE)
- 28. Comment: I have not been back since the beginning of this year since my truck has been "deemed" an excessive polluter based only on the model year. That is ludicrous. I maintain my truck perfectly and have no soot come out of my pipe, even when it's cold. California is in a sad state of affairs and this isn't helping the situation at all. I used to run over 10k a year in your state, not anymore. Change your rules, please. Seems like politics as usual. The system is broken. (LWEL)
- **29. Comment:** I would like to make a quick comment to the people who run the CARB rules in California. I own a pre-2007 truck that I paid \$60,000.00 for. I run flatbed freight and would run in California around 4 or 5 times a year. Your rules have ended any trucking into California for me. My truck is Legal to the year model built, and your rules tell me it isn't! This is unconstitutional! I have torn your crummy state out of my map, and will never go there again! (JSTAFF)
- **30. Comment:** I was denied a permit to run to the Bakersfield area which I have been doing for the last 12 years. I do this run taking nuts back to the Southeast and it was pretty good for me. That being obvious, I don't feel I need to put a filter that would be a financial burden on my one truck company just to come into the state. I will be dropping my permits to CA in July with my tag renewal. (CSDT)
- **31. Comment:** While we sympathize with the economic conundrum many owneroperators and motor carriers find themselves in who have complied with the regulation thus far, we also must recognize the plight of many owner-operators and motor carriers unable to comply. This is NOT because they made some conscious choice at avoidance as some commenters in the docket attempt to claim. We have members on both sides of this equation and ultimately any perceived unfairness should be blamed on a poorly constructed and implemented set of rules. Other trucking firms should do as California Construction Trucking Association (CCTA) has done and vigorously oppose the environmental encroachment into the trucking industry by environmental regulators instead of viewing these regulations as a way to eliminate competition in the marketplace. (CCTA02)

- **32. Comment:** Is the air going to get that much cleaner? It's already fairly decent. Is there any point in having -- causing all this misery, pinning one group against another and people losing their jobs, losing their livelihood. (LRPOC)
- **33. Comment:** These people need to work, with so many people unemployed I find it irresponsible to put more people out of work (CMATT)
- **34. Comment:** These rules will just make truckers take their trucks to other states and leave California without needed products. The rules need to be workable so the truckers can make money; the products can be delivered and will stop the unnecessary raise in prices that these rules will cause. (JMULL)
- **35. Comment:** I guess you people have nothing better to do than screw with the one industry that keeps this nation running. You're going to regulate this country out of business then how [do] you expect to get your food, wine and all the other crap you just assume shows up like magic (MBROWN)
- **36. Comment:** I am writing to the CARB people with all respect and ask to consider their tough laws that are hurting not only the trucking industry but also the state's economy. Please reconsider and leave the trucking industry alone. (ISALC)
- **37. Comment:** Let the technology come in like all new emissions on cars have. The old will leave the new will take over in time. As of now, the new technology is not working. It needs time to find out why. This type has been proven wrong in large truck engines before. (PFITZ)
- **38. Comment:** Commercial vehicles are the lifeblood of our economy. Already costs of new exhaust filtered and urea injected diesels have skyrocketed maintenance costs for trucking company's translating to increased goods costs in an already economically challenged times. An exemption is essential for the economic health of California. (JNORT)
- **39. Comment:** Getting rid of my non-polluting quality trucks because you say so, puts me out of business. This is not acceptable. The new amendments provide no meaningful relief to your unfounded, autocratic rulemaking. (ACLOG01)
- **40. Comment:** While I do appreciate the proposed revision to allow the extension of a single truck to operate until January 1, 2017 and the expansion of NOx Exempt areas it still does not change the fact that I would be forced to buy a newer truck if I wanted to continue working. (DNEHER)
- **41. Comment:** I'm hoping that someone at ARB will realize and understand that by changing the rules again, and enforcing this July deadline, you people at CARB will be personally responsible for the financial hardship that you will be placing on the Independent Owner Operators and their families. (TBOW01)

- **42. Comment:** The proposed amendments to the truck and bus regulation will increase the cost of living in California. As truckers and companies will go out of business, the cost of goods and services will increase. (SFRAUS)
- **43. Comment:** The proposed amendments to the truck and bus regulation will increase the cost of living in California. As truckers and companies go out of business, the cost of goods and services will increase. I urge you to oppose this regulation. (AALI)
- **44. Comment:** Now is not the time to make more regulations that will hurt the working men and women of California. Drive more businesses out of the state. (WTHOM)

Agency Response: The amended regulation would reduce the overall compliance costs of the regulation by over \$400 million dollars, a 20 percent reduction in the total costs of the regulation. These cost reductions are achieved by lengthening compliance requirements for small fleets, fleets operating in counties that have made substantial progress towards cleaner air, and certain lower use fleets. By lengthening compliance requirements, the amended regulation would defer some of the compliance costs for many vehicles up to five years and would improve the ability of vehicle owners to raise the capital needed to make upgrades. The additional time also provides fleet owners additional opportunities to take advantage of declining used compliant truck prices and public incentive programs. The Board determined the amended regulation achieves the appropriate balance in addressing concerns about competitive disadvantage and protecting public health while still meeting air quality obligations. Emissions reductions from existing heavy duty diesel vehicles are needed to protect public health, meet SIP obligations, and meet federal ambient air quality standards as described in response to comment 157. The amended regulation provides additional flexibility that would reduce compliance costs while preserving more than 90 percent of the emission benefits of the regulation necessary to meet California's air guality obligations.

45. Comment: If the rules don't change or get relieved some you will see costs go thru the roof in California. Things in the grocery store, clothing store, homes, everything we buy will go very high as companies will pass the costs onto the consumer. Also you will be putting small businesses out of business. In closing I ask that instead of forcing these rules onto the trucking industry I ask C.A.R.B to come together with us owner operators, small trucking companies, and small business and ask us what can be done to have clean air but not at high costs. I ask my industry to help C.A.R.B understand the costs of the industry and the costs of the new unreliable equipment and the loss of profit when trucks lose revenue because of issues with PM filters. (LSTAR)

Agency Response: The amendments do not impose any new additional costs on small businesses, and should actually result in small businesses, many of them small fleets, being able to spread out the compliance costs over a long period of time, thus, lowering their average yearly compliance costs. For more information on how the

amendments reduce compliance costs while continuing to achieve needed emissions reductions, see response to comment 44. For more detailed information regarding concerns about PM filter durability, please see the response to comment 713.

b) **Opposed to Amendments**

- **46. Comment:** Prior to the so-called final CARB regulation, industry associations and business owners practically begged the staff to delay implementation due to the economic recession in the State. All that fell on the deaf ears of the CARB staff and they forged ahead with the regulation. I find it interesting that the staff now appears to feel it is necessary to extend the deadline for compliance to the naysayers. Many small businesses have already been sacrificed with this regulation, operator and small fleet owners as "bottom feeders". The least the staff can do now is enforce it. (DGRAND02)
- **47. Comment:** I am strongly in favor of implementing the diesel truck rules immediately. I am a firm believer that every resident in California deserves the right to clean air and it is your responsibility to protect the residents of California. Do the right thing act now! Please stand strong! (DERIV)
- **48. Comment:** Please fully implement the CA Diesel Truck and Bus Regulation as it was passed in 2008. (CPC)
- **49. Comment:** Now more than ever it is important to stand strong in the face of pressure to reduce regulations. There is one air. This is the air we breathe. This is a public health issue. Implement the rule it is a great rule. We appreciate your rule and want you to stand behind it. (PPAVE)
- **50. Comment:** I am writing to you to support immediate and full implementation of the California Diesel Truck and Bus Regulation in California as it was passed in 2008. (AKAR)
- **51. Comment:** Please consider this a comment to implement the California Diesel Truck and Bus regulation in California. It was passed some time ago, let's implement it. (DANT)
- **52. Comment:** I applaud the leadership the board showed when they passed the rule and now urge you to implement it statewide without delay. (CFLEE)
- **53. Comment:** We need you to stand strong to protect public health. Thank you. (MGREEN)
- **54. Comment:** Support immediate and full implementation of the CA Diesel Truck and Bus Regulation. (DROSA)
- **55. Comment:** I support any initiative to clean up the air. Stand strong on the Diesel Truck Rule. (SMARC)

- **56. Comment:** These regulations are crucial to reducing overall pollution, and delaying the benefits of these regulations, whose implementation has already been delayed is unacceptable. The regulations were approved in 2008 and there is no need to further coddle small fleet owners from following necessary standards. (JBLUM)
- **57. Comment:** I write to express strong support for the current on-road diesel vehicle rules, and urge the continued timely implementation of the diesel truck and bus rule. It's time to move ahead without any additional delay and implement the diesel truck and bus rules. (NVAR02)
- **58. Comment:** On behalf of the Lung Association, other health and medical organizations in support of this life-saving diesel truck and bus regulation. Some of the other groups that are supporting this regulation and our letter to you include the California Thoracic Society, numerous medical associations, and asthma coalitions. Your leadership is important today to continue this important effort. We believe this rule is fair and balanced. It does include flexibility and compliance choices already. We do applaud and appreciate all the fleets that have complied. We appreciate the investments that have been made. And we need to have a fair and consistent application of the rule and level playing field as we move forward. (ALAOC)
- **59. Comment:** Despite the significant progress made in emission reductions, there are still thousands of older trucks operating in California that need to be cleaned up in order meet regional air quality standards and reduce local health risks. Therefore, we strongly urge the board to limit any changes to the Truck and Bus regulation in order to maintain the health benefits of the standards and ensure that existing clean truck investments by California companies are not undermined. (COSO)
- **60. Comment:** I saw a story in today's "Los Angeles Times" that small truckers and independent operators are seeking another delay in the final implementation of these rules. If I understand this, these interests got an extension in 2010 due to the recession. Now, four years later, in the midst of a rather robust economic recovery, they want another extension. Please say no and protect the air that the citizens of California breathe. (DWISE)
- **61. Comment:** If particulate matter and NOx have been causing premature deaths due to asthma, why would CARB now limit the prevention of premature deaths by passing these extensions? Are children suffering with asthma not affected by pollution from small carriers? Where is the concern that CARB had back in 2008 for this health issue? (GGT02)
- **62. Comment:** Stop the proposed delay and protect public health by keeping the Diesel Rule strong. The truck industry has had enough time. (NVAR05)

- **63. Comment:** We do urge the Board to keep the truck and bus rule as strong and consistent as possible in order to maintain the critical health and environmental benefits that it provides and also to avoid undermining investments in clean trucks that have already been made. (EDF)
- **64. Comment:** We have done our job. We expect that you folks do your job and protect the well-being and health of the children of the state. Okay. We are on board; you need to be on board, too. Thank you. (GTRUCK)
- **65. Comment:** I represent about 150,000 Californians who live in every part of the state. The thing we're concerned about is that this new proposal would suggest that now people who live in some rural areas where they can still have exposure to air pollution are suddenly going to have to wait a couple more years before their exposure is reduced. I want to urge you to reconsider your proposal to weaken this rule. I think I'm one of a lot of people in this room who gone through this rulemaking and the diesel improvement rules over the last decade or more and are very anxious and understand that we need to do something now to reduce emissions to especially reduce exposure to particulate matter and other pollutants. And it is the right thing to do for us, but it's the right thing to do for our kids and future generations. (SCC)
- 66. Comment: The people who are not represented here today are people who actually have asthma and the people who live near ports and warehouses that are impacted by the air quality. My mission is to focus on public health and air quality and I don't think that an extension is going to improve the air quality. That needs to be a priority because you're a public health agency. That's your mission. (RAMAP)

Agency Response: The amended regulation continues to meet all key milestones of the DRRP, and the State's SIP commitments to attain National Ambient Air Quality Standards by the applicable federal compliance dates. The amended regulation does not result in any increase in emissions compared to today's existing environmental concerns, and over the life of the regulation, the amended regulation cumulatively achieves 93 percent of the PM2.5 and NOx benefits as compared to the current regulation.

All engines that are operated in non-attainment areas will still need to meet 2010 engine standard emission levels by 2023, which provides the NOx reductions necessary for the State meet its commitment to achieve federal air quality standards. The amended regulation would also achieve a major reduction in diesel PM emissions, helping to achieve California's goal of an 85 percent reduction in statewide exposure to diesel PM consistent with the DRRP. The amended regulation preserves reductions in premature mortality (3,500 fewer deaths statewide attributable to PM2.5 exposure) as envisioned in the 2010 amendments, valued at billions of dollars. For more information on how the

amendments reduce compliance cost while continuing to achieve needed emissions reductions, see response to comment 44.

The amended regulation would achieve a 47 percent reduction in statewide PM2.5 emissions in 2020 and a 37 percent reduction in statewide NOx emissions in 2023, both consistent with reductions provided in the current regulation. While the loss of some of the original PM2.5 and NOx benefits will occur in the near term, on balance, staff believes the new flexibilities are reasonable and consistent with a rebalanced compliance approach for fleet owners still suffering from the impacts of the economic recession.

No alternative considered by ARB would be more effective in carrying out the purpose for which the amended regulation is proposed or would be as effective as or less burdensome to affected private persons than the amended regulation.

67. Comment: I do not support the amendments because they do not help the problem. Rural California cannot afford this rule and do not have the air quality issues to warrant the cost associated with compliance. (ALOG01)

Agency Response: For more detailed information on the need for the amendments, please see the response to comment 44. For information on the availability of funding in rural areas, please the response to comment 577.

c) Amendments Not Fair to Compliant Fleets

- **68. Comment:** Four days before you guys decided that you were going to give the extension we signed the paper on our house. It was more important for us to have our business than our house. So now we're in a rental house. You people can't make up your mind what you're going to do. Now we have to worry about if we're going to have a business or not? (SERIB)
- 69. Comment: You can't waffle on your rules at the last minute because of a lack of planning by individuals not planning on doing anything anyway. I'm an out of state owner who runs 60 percent of my miles in your state, and I have to comply and I am. I have to compete for the same business against those that got grants and now those that are not going to do a thing until they are caught and fined. Fair trucking rates are not going to go up to meet the cost of running the newer trucks until the playing field is leveled and everyone understands the excessive cost of running the newer trucks. (SWASI)
- **70. Comment:** It is not fair what has happened, giving more extensions and trying to change the law. I spent on some credit cards to comply with CARB ,while others are hurting the trucking spent on some credit cards to comply with CARB (JTRANS)

- **71. Comment:** It is my position as CEO of Starlite Trucking that any further amendments to the Truck and Bus rules would be negligent and punitive towards those that have already complied. (STTRU)
- 72. Comment: My firm represents certain small construction business owners in the Inland Empire who feel that it is neither fair nor just for CARB to continually grant modifications or extensions for companies who are either willfully or negligently refusing, or failing, to comply with regulations for upgrades to their diesel vehicles/equipment under the guise that such requirements are either infeasible, impractical, or too dangerous.

While the objecting construction companies present their cause as a negative effect on their company, what they do not present to CARB is that by avoiding expenditures related to compliance, they gain a economic advantage in the field against all the other companies that have complied. Without having to spend any money on making changes to their equipment, these company can afford lower bids on construction projects while other companies, such as HDCE, who, in order to afford to continue running their company and paying their employees, may have to offer a higher bid, thereby losing the contract at issue. This creates an unfair business advantage in favor of the construction companies who are saving money not just by refusing to comply with CARB regulations but who can make lower bids. (GCAPC)

- **73. Comment:** I purchased new trucks. I now have \$2 million of debt that I didn't have before this regulation! I don't believe it is fair to those of us that followed the rules to let others get out of this because they are finding it hard now! Truck companies or individuals that do not follow the rules have an unfair competitive advantage over us, because they have no debt. (WTRU)
- 74. **Comment:** Lawson operates a large fleet of vehicles subject to the Regulation, and has invested millions of dollars proactively complying with the current rules in order to be compliant in advance of stated deadlines. Like many fleet and individual owner operators, Lawson cares about the environment and supports measures to improve air quality in California, and has invested a large amount of private capital in pursuit of that goal. Having made that investment, Lawson has grave concerns regarding ARB's recent moves to roll back its environmental protections. In addition, giving a "free pass" to those who have been unwilling to make the necessary investments in our state's environment, as has been mandated by ARB, is patently unfair to those who have risked their businesses by exhausting significant resources to comply. ARB's retraction of the Regulation places those who comply with its directives at a significant competitive disadvantage. As a result, Lawson, along with many other compliant operators, will suffer significant damages by ARB's contemplated amendments. (WJHPCA01)

- **75. Comment:** We sold a well maintained truck that was paid for and making money in order to purchase a new 2014 truck that costs us approximately \$2300 per month, not including our increased insurance premiums. That cost is after we spent \$50,000 of our savings as a down payment to bring the monthly cost down. We now find out that we sold a perfectly good truck that was paid for, spent a majority of our savings on a new truck, have higher insurance premiums, just to realize that CARB is going to extend the regulation requirements for people who could not qualify for financing to comply. With the extension to comply for non-qualifying owner operators we feel as if we are being punished for being responsible with our credit in order to qualify for financing as well as being punished for complying with the regulations set forth by CARB in the first place. It does not provide any incentive to operators who operate in California and complied by, the Dec. 31, 2014 deadline by purchasing a new truck whether they qualified for a California grant or not. (MTRANS)
- **76. Comment:** I had to save and spend my savings to comply so there should be no changes at all. (CDEKON)
- 77. Comment: Our economy is based on supply and demand, and with the new CARB regulations, this would create a supply issue that would allow us to raise our rates to pay for your rules. Now I won't be able to raise my rates and pay for all of this new technology you made us get. You go thru with this decision, and the very people that complied may go out of business trying to make the payments on this new equipment. (SSIEI)
- **78. Comment:** I'm opposed the amendment because I am in compliance and have to compete against those who were not in compliance before and now is because of the amendments. (LALE)
- **79. Comment:** In an incredibly competitive industry making proposed changes that relieves or forgives anyone would be unfair, and take an already uneven playing field, and simply make it more so! (BTI)
- 80. Comment: They have had enough time to get in compliance. (EXTRIN)
- **81. Comment:** We have spent a million and a half since 2011 to get compliant. We'll have to spend at least another 750,000 by 2017 to stay compliant. So what we need, we need all these people to get CARB compliant like we are where we can keep the rates up to where we need. My first nine months of my fiscal year with all the money we had to spend on extra payments, retrofits and all the stuff we had done in the first nine months, I'm \$13,000 in the hole. I'm opposed for the amendments, because we need to get the rates up. Everybody needs to be on a level playing field to get the rates up to where we can all survive this. (FTRUC02)

- 82. Comment: Four years ago, I said I'm not complying. You know why. Because I thought you would change your mind. And two a half years ago I thought, they might be serious. You better be serious because you can't keep changing. With my kids, I told them a rule. If I broke that rule, I lost their confidence. And let me tell you what. You need to stick with the rules you made and go with the rules because you're going to break the rest of us. (BEACH)
- **83. Comment:** In 2008, you had your first Board meetings. We fought it then. By 2010, we knew we had to comply. So we did comply. It's like a stick in the eye to people like me that you allow people to go forward and not be able to comply. My trucks are heavier now. I could lose 1500 pounds on every load. That costs me \$30 to \$40 a day over the people that are not complying because their trucks are lighter. (BRITT)
- 84. Comment: Amending the final rules at this point would severely punish those carriers, both large and small, that had made the sacrifices and financial investment to comply and rewards those that ignored the rules and deadlines. (KKWT)
- 85. Comment: I have complied with the rule and my debt load is now over two and a half times what my maximum ever has been in my lifetime. It is nonsense for people to say that they just heard about this Truck and Bus Regulation in the last six months. We have had some improvements in air quality partly because of the thousands of carriers like me who are complying. I can't afford to go borrow more money and refinance again to follow your rules if you allow the extensions to others who will have a competitive advantage. It's like you want me to finance their extensions. They had as much time to prepare for this rule as me. (BTCI)
- 86. Comment: We continue to see and compete with non-compliant operators and/or operators without the burden of the high cost of compliant equipment. Proposals to extend compliance dates will punish businesses that made the investment in new equipment while giving operators utilizing old equipment a "Free ride". I urge the board to not adopt these proposals. (BRSG)
- **87. Comment:** I believe you realize the decisions and rules that you've made in the past have created disastrous economic hardship on the trucking industry. But you're six years too late. This is not a fair thing to do to change a mandatory program when the deadlines are up. (VAF02)
- **88. Comment:** We're really opposed to any rule changes. Puts us at a great disadvantage to compete with the other carriers that have not done anything so far. They're waiting for the rule changes. They're always saying if we don't do anything, CARB change the rules and they won't have to. So far, they've been right on target. The longer they wait, the more we spent, and they're still undercutting our rates. [This] makes it very hard for us to compete. (RVJEN)

- **89. Comment:** I believe the law should be the same for everybody. There should be no more extensions, it's not fair for the ones who already bought a new truck and are compliant to have clean air. If further extensions are made more pollution there is and if the law is not applying to everyone then there should not be one to begin with. (PCARD02)
- **90. Comment:** It is not a fair policy for the people that went out and did the right thing, thinking everyone will have to obey the same rules, but now you are changing all the rules and regulations. It's like they are getting punished with filter and new truck payments while the other truckers were waiting for this to happen. (EAME)
- **91. Comment:** Why was this amendment not addressed in 2011? 2012? 2013? A little too late for I believe most of the businesses who did the right thing. (SKTRU)
- **92. Comment:** There is no doubt that the regulation was forced down the throat of industry with little foresight and little understanding of the real issues that California trucker's experience. The biggest problem with the proposed modifications, besides the unfair playing field it creates, is the extensions to report or apply. Those who completely ignored the law now have another chance to follow the rules on a schedule more favorable to them than to their compliant competitors. (JMATL01)
- **93. Comment:** Our business has been saddled with low or non-existent margins brought on to some degree by trucking companies that have failed to invest in the proper equipment but rely on low prices to generate work. How is CARB planning to compensate all the trucking companies that played by the rules and now appear to be penalized for doing so? (RTRU)
- **94. Comment:** I don't think there should be any changes. I have already updated my fleet and it cost me a lot money to do this so it's not fair. (KDEKON)
- **95. Comment:** Once again a slap to the face to those of us who stepped up and went into debt to comply!!! We have all known that these regulations would pose a HUGE hardship on our industry, but CARB has held strong to the regulation. Now late in the game they decide to relax? (GHOWE)
- **96. Comment:** CDTi urges against Truck and Bus Rule changes that create an uneven playing field for the trucking industry. Thousands of vehicle owners are incurring substantial capital and maintenance costs to operate roadworthy, emissions-compliant trucks. (CDTI01)
- **97. Comment:** First I would like to share my concern about what CARB is doing and their role in confusing the regulation even more. In addition, it is giving an uneven playing field to large out of state companies competing in California, with these large companies hiring small non-compliant companies, with extensions, to

haul goods at reduced rates against carriers that have been responsible and complied. (CTA04)

- **98. Comment:** After spending \$18,000 retrofitting my truck, CARB is going to allow others to continue to operate without upgrading their equipment. I am against any rule changes this late in the game. Let the rules stand. No more extensions. No more grants. Enforce the rules. (CMIT)
- **99. Comment:** It is not fair to change mandatory programs after the deadlines are up. We are a small company but have still spent over one million dollars on new equipment to be in compliance with ARB and Drayage truck regulations. A majority of our sub-haulers have also gone deep into debt. These changes are not right. Why should we reward those who procrastinate and proclaim ignorance to a mandated change that was implemented years ago? (VAF01)
- **100. Comment:** Regulatory changes have economic and environmental consequences. By ensuring that fewer retrofits will be installed, relaxed standards cause fixed overhead costs to be spread over a smaller number of units, increasing unit's costs. Meanwhile, the overall emissions increase as total retrofit numbers are reduced. (AESI01)
- **101. Comment:** We certainly understand the need for ARB to address the reasonable challenges facing small businesses. However, ARB should be concerned about the signal that the latest proposal sentenced to the truckers and companies that have already complied. They have spent money to comply with the regulation now. Delaying the compliance deadlines for others who have been slower to comply can place the actors at a real competitive disadvantage. ARB should not tilt the playing field in a way that simply shifts cost to the truckers that have already invested in compliance or against the public's health. (AESI02)
- **102. Comment:** Our company has spent over \$6 million in equipment (\$600k from CARB funding) in the last 4 years to be compliant. If the rules are less punitive or extended, companies who did what was required WILL be forced out of business. (RDI)
- **103. Comment:** When it was time for me to be in compliance I did so or I would of had to shut down or run my trucks out of compliance. I am in compliance because this is my business I was expecting all other truckers to be doing the same and that way keep an even playing field. This new regulation will change the playing field and give the edge to the ones that chose to ignore the laws, thereby causing me to lose my customers and my livelihood. I have spent millions of dollars to comply by the given deadlines and now you are trying to reward the ones who are not in compliance by giving them more time. I already lost jobs to the truckers not in compliance because they can run cheaper. If you pass this new regulation and extend time to those not in compliance it will put me out of business. (CCTA01)

- **104. Comment:** Out of necessity, a majority of our sub-haulers, owner-operators, have also gone deep into debt, borrowing against their houses, their friends and family, trying to stay in the business, the only business most of them know. These changes are not right. I never want to see a business fail or employees lose their jobs. But people that have procrastinated and claimed ignorance should not be rewarded by this new amendment. (VAF02)
- **105. Comment:** I find it absolutely unbelievable and a slap in the face that CARB at this time is reconsidering their policies. As one of many that have played by the rules and to the tune of \$17,500 I have complied with CARB requirements. How can you people legally and ethically change the rules after having already set a deadline? You are potentially creating a situation in which those of us that have incurred the cost of updating or retrofitting our equipment cannot compete financially and our cost of operating is much higher than the non-compliers which could benefit from your action. I would in fact call it discriminatory. (PWILK)
- **106. Comment:** Reliable made the investment to comply not based on current economic conditions but on the belief that CARB regulations would cause some trucking companies that run poor operations to either invest significantly in their equipment or leave the business. Now CARB is contemplating to allow trucking companies additional time to comply. Many of the companies given this extra time have made no effort to come in compliance. (RTRU)
- **107. Comment:** Once CARB ruled that trucks and buses must comply with your initial ruling, you better stick to your original mandate. We have almost 100 employees and we've all had to work hard to be compliant by dealing with reduced pay, no raises, less benefits and the company had to stop matching our employee's 401k plans. Yes, I have applied and was granted Prop. 1B funds, to which, I thank you. Please remember small fleets and owner-operators also were given that opportunity. I don't think it fair when my competitor who uses owner-operators, hasn't raised his rates in over a decade and refuses to raise their rates or help their owner-operators become compliant. How is this fair to those companies that have complied with regulation? Companies like this are going to stay under the radar while the rest of us comply. CARB has given everyone the same amount of time to comply and you have given everyone an opportunity to apply for funding. You shouldn't give any extensions to those that have ignored California law. (JJTI)
- **108. Comment:** Considering that the program is rapidly approaching major compliance milestones, further modification of requirements in the program would be unfair to those fleet owners that have already come into compliance. By continuing to delay deadlines for those fleet owners who have not complied with program requirements, the Board will put those compliant fleet owners at a serious competitive commercial disadvantage. (JMATTHEY01)

- **109. Comment:** The good faith extension proposal is a detrimental killer to all small business owners. We already know that the largest trucking companies that do not have to comply under the good faith program will benefit and succeed in their quest to monopolize the transportation of all commodities and goods for the state of California. (LHUT03)
- **110. Comment:** We had to get rid of perfectly good (low mileage) trucks, retrofit and purchase new equipment. This took time and valuable resources. Many truckers have gone out on a limb to become compliant; and sadly, I have seen some good operators simply give up and change careers. Yet there are some that do not think that your rules apply to them. They simply believe that if they sit on their hands long enough, someone else will come along and lift them up! Why did we spend so much money and time to become compliant? Because we are in the business of trucking. (GATI01)
- 111. Comment: Many of the written comments and actually many of the oral comments so far have indicated these amendments destabilize the highly competitive trucking industry, effectively penalizing those who have already complied with the rule and forcing them to compete with higher-polluting non-compliant truck owners who are afforded with a lower business cost due to their failure to comply. We understand the intention of the amendments, but we would urge the ARB to add further safeguards to certain of these amendments to ensure that relief is provided only to the intended areas and stakeholders. (CDTI02)
- **112. Comment:** ASI companies strongly support the air quality goals of the original rule. We certainly understand the need for ARB to address the reasonable challenges facing small businesses. However, ARB should be concerned about the signal that the latest proposal sentenced to the truckers and companies that have already complied. ARB should not tilt the playing field in a way that simply shifts cost to the truckers that have already invested in compliance or against the public's health. I strongly urge the Board to stay the course and reward, not penalize, the truckers and companies that have already complied with the regulation. (AESI02)
- **113. Comment:** As a broker, how do you expect us to keep up with and enforce these regulations? With the new proposals, you have regulation dates on top of regulation dates and "if he did this then they don't need to do that". It's too much. Every time I contact CARB I cannot get a direct answer to my question. (STLLC)
- **114. Comment:** How many drivers decided to quit trucking because of this law? Why is this proposal happening now and not before the end of the year? Why wasn't all the ramifications thought of when the millions of dollars were spent to start this whole process? (TPAST)

- **115. Comment:** I was actively involved to protest the regulations that were ultimately adopted concerning trucks. I wrote letters, and drove many miles attending several hearings and meetings to make my voice heard about the difficulties that we would have (along with other construction truckers) to meet your time lines. I asked for a more lenient time line to allow for us to use the good trucks we had until they wore out, etc. I did everything in my power to try and prevent the hurried time-line that was ultimately adopted, begging for a more reasonable schedule. I cannot accept the CARB changing things now. I will join others and we will sue you for causing direct financial problems for our companies and our industry. (ARTRU01)
- **116. Comment:** We recently spent \$15,000 on a filter, taking out a loan to be able to do it. The requirement was changed and it will now be January 2015. Or maybe even January 2016? This puts financial hardships on small companies such as ours, when the rules are constantly changing and we are not always notified in a timely manner. Please consider making your decisions in a timely manner and sticking to those decisions, so that businesses owners are not confused as to how to comply with the regulations. (KCAB)
- **117. Comment:** We completely agree with CLEAN AIR not only here in California, but for the planet earth. However why does California and the people who live and work in this state have to sacrifice our lively hood for the entire world. Why do we have to worry about our financial future just because we choose to own a business, more specifically a trucking company? (SKTRU)
- **118. Comment:** I am opposed to any changes to the Truck and Bus rule as it currently stands today. The rule is currently very poorly understood and if allowed to be changed once again will prove to be even more confusing. To change the law now, sends the message that shippers as well as early complying fleets where naive and should not have done so. Non complying fleets will now have an economic advantage and will undercut efforts to professionalize and comply with regulations. Let's not go backwards now by changing the rules once again, losing credibility, and ignoring the end result of cleaner air that we started with. (SDAN)
- **119. Comment:** When I purchased my truck in 2008, I did my homework and I WAS in compliance until 2026 based on a conversation that I had with a carb rep and the rules that were published by carb at the time. The rules have changed 4-5 times since I bought my truck! (TBOW02)
- **120. Comment:** Please, do not consider relaxing the hard fought requirements for diesel trucks. (ARAUE)
- **121. Comment:** I urge you on behalf of the independents, as well as the over 500 employees of West Coast to abandon any proposed amendments to future delays. (WCSG)

- **122. Comment:** Here we are seven years later; folks, and now you've got it so convoluted, so screwed up. You got the trucks fighting each other. You got nobody knowing anything about anything. You don't even know what your rules are. There is no way that our trucks can be compliant. One construction truck is exempt. The next one is not. One cow truck is exempt. The other one isn't. We get a million dollars in Shasta County for log trucks and say Sierra Pacific Industry gets seven out of them out of 16.66. Fair? Absolutely not. (PCRAM)
- **123. Comment:** These amendments are just moving the brick walls around a little bit. I don't see a great benefit. Might give guys a couple more years. But if you're not on a line of compliance now, I really don't think you're going to get there with these amendments. (ALOG02)
- **124. Comment:** The good faith extension proposal is a detrimental killer to all small business owners. We already know that the largest trucking companies that do not have to comply under the good faith program will benefit and succeed in their quest to monopolize the transportation of all commodities and goods for the state of California. (LHUT03)
- **125. Comment:** Until you require smog checks on cars in the bay area, you need to stop making any further rules affecting the trucking industry who we rely on to deliver food and other daily essentials. How do you think food is going to get into grocery stores without trucks? (SSPAD)
- **126. Comment:** Oppose proposed revisions to the Truck and Bus rule. They must not be implemented. (BMOY)
- **127. Comment:** ARB's actions influence investment in future technologies. The next generation of emission control and efficiency technologies is nearing commercial readiness. These emerging technologies for cars and trucks are needed to continue to meet California's economic growth while addressing the challenges posed by ozone non-attainment and climate change. These new technologies will reduce greenhouse gas emissions and conventional emissions caused by transporting cargo and people around California. But investment in the innovative technologies will slow to the extent the companies that are developing these technologies become concerned and question ARB's commitment to maintaining its own adopted standards. (AJW)
- **128. Comment:** Any Board decision that provides revisions to the program beyond staff's recommendations would inject significant uncertainty and result in serious negative consequences for the market. First, considering the program is rapidly approaching a compliance milestone, further modifications would be unfair to those fleet owners like some that we spoke to today that have already come into compliance. Second, on behalf the industry I should say that regulatory uncertainty puts enormous strain on manufactures like Johnson Matthey, but also

our distributors and installers who have made significant investment in facilities and highly trained technicians to perform retrofits. (JMATTHEY02)

- **129. Comment:** We believe in this program because we are young owners (35-39), we have children and we want California to be a better place. But we believe that the market will only be stabilized and competitive if everyone follows the same rules. To accomplish this goal, CARB needs to follow its original agenda and not change anything except up enforcement. (RDI)
- **130. Comment:** In 2010, ARB already delayed the retrofit compliance requirements that were established in 2008. Changing these well-established regulations again at this late date would further destabilize the marketplace and send the wrong message to vehicle owners that they should defer all investments in cleaner retrofits, even though they are readily available. (ESWG)
- **131. Comment:** Giving others an extension will only put further pressure to hold rates down. This will ultimately have the effect of putting compliant companies out of business and enabling those who did not comply a free pass into our share of the market when rates are able to increase. Please do not allow those who are not compliant be allowed to have any extension through any further delays. (DMYOV)
- **132. Comment:** However, those who in good faith tried to comply with the law are being punished, and harshly. Personally, I am being punished to the tune of almost \$90,000 and will continue to be punished with higher vehicle registration fees for the life of the newer trucks. In addition, to comply with the regulation as written, I will have to purchase yet another set of trucks by 2023, while others will only have to purchase one set of trucks by 2020. (CENT)
- **133. Comment:** Adopting further amendments so late in the Rule unfairly rewards truck owners for non-compliance and encourages all fleets and all industries to delay compliance for future state environmental programs. (CDTI01)
- **134. Comment:** As a supplier of catalysts in diesel retrofit systems in North America, CDTI has made significant investments in support of California's truck and bus rule and have supported many of the preceding ARB programs. We understand the intention of the amendments, but we would urge the ARB to add further safeguards to certain of these amendments to ensure that relief is provided only to the intended areas and stakeholders. (CDTI02)
- **135. Comment:** The only thing that's really happened here that is hurting the state that people in the state is the truckers, because you've got them divided now. Those that have the money that went ahead and made the changes and those that just flat can't afford to make the changes is where it's coming from. (GCADD)

136. Comment: I'm getting sick and tired of these extensions. Companies are buying non-CARB compliant trucks cheap and going into your state. I invested my money to be CARB compliant and traded in my truck that was fine just to be legal and you pull this stuff. Start handing out fines and the people will upgrade their truck. Don't be threatened into [thinking] there will be a shortage of trucks. (NIZY)

Agency Response: The Board determined that, on balance, the amendments were needed to better ensure that the air quality benefits originally envisioned by the regulation would be achieved. Specifically, the Board was concerned with small fleets, lower mileage fleets, and fleets in rural areas with cleaner air, all which arguably continue to be impacted by the recession and are challenged in complying with the regulation. In considering changes, the Board carefully considered various options to find the best balance in providing additional flexibility for such fleets while minimizing the impacts to compliant fleets that have already made investments to comply, providing additional flexibility can be viewed as unfair. However, most of the amendments were structured in a manner that would minimize the impact on such fleet owners that compete in the same markets. The amendments also included changes that reward fleets that have already complied. For more information on how the amendments apply to different type of fleets please refer to the response on each of the following:

- The Small Fleet Option provided more time for the second and third truck in a small fleet, but did not change the compliance requirements for the first truck as described in response to comment 482.
- The Low Mileage Work Truck Extension was a modification of the existing extension for construction trucks that expanded to include other low-mileage work trucks, as described in response to comment 501.
- The low use exemption mileage limits were increased but continue to apply to infrequently used vehicles, as described in response to comment 393.
- The Economic Hardship Extension was modified substantially to reduce the potential for abuse as described in response to comment 288.
- Amendments were made to extend the use of credits for compliant fleets and for trucks that were retrofitted before January 1, 2014, as described in response to comment 362.

Additional amendments generally apply to future compliance requirements and are options that are available to all eligible fleets.

137. Comment: I am reading that CARB is considering extending the dates for people that are still non-compliant. That is not only unfair to the Truckers that have paid attention and worked hard to be compliant, but you are placing installers in a very difficult position also. When CARB changed the mileage for Low Use Construction vehicles I had 4 people cancel their orders, and I had product on the shelf and paid for waiting to get them installed. Now I have

product that we have purchased and need to find a home for. I have a large number of these DPF's waiting for people to get installed, how many of those people do I expect to cancel as well. (PETRUCK)

- **138. Comment:** ARB's proposed rollback of the retrofit deadlines violates its legal obligations and would directly harm ESW, its dealers, and its downstream vehicle-customers, that have made substantial investments to comply with the existing regulations. (ESWG)
- **139. Comment:** The proposed rule changes represent yet another rollback to the Truck and Bus Rule that has already been modified several times. Each of these changes has made it more challenging to supply DPFs or have reduced the potential retrofit market size. Due to the continuing decline in retrofit requirements, it is not only clear that supplying DPFs to this market remains commercially viable. The proposed rules are shown to decrease compliance cost but this does not account for the revenue loss incurred by those that manufacture, supply, and maintain retrofit DPFs. Continually changing ARB rules confuses the market, diminishes ARB's credibility, and makes it difficult to justify Donaldson's ongoing investment in California's retrofit market. We would urge ARB to retain the original requirements for the Truck and Bus rule. If flexibility changes are implemented that reduce anticipated retrofit volume then similar reductions in compliance cost should be offered for manufacturers and installers. (DONALD01)
- **140. Comment:** I'm an owner of Maxx Air or a DPF retrofit distributor. We lose all credibility with our customers every time this gets put back. And CARB loses all credibility as well. And I don't believe that by pushing this back we're going to then see a smoother graduation of people over the next few years slowly doing this. They're all going to wait again until after the next deadline passes to see what CARB is going to do again. (MAIR)
- 141. Comment: Just as emission regulations drive investment in the development and commercialization of new technologies, regulatory changes resulting in market uncertainty, drive-up risk and disincentives investment. This is true not just in the emission control industry but in any green technology industry that relies on regulations to exist. Regulatory changes in the middle of implementation destabilize the market, not only for the companies that have made business investments but also the end users that have invested in complying with the regulations and who must compete with their peers who are awarded flexibilities after the start of implementation.

As a result of repeated regulatory changes and the loss of potential retrofit opportunities, this industry has been severely impacted. According to the staff report, the currently proposed amendments alone are likely to result in a loss of 8,420 retrofit opportunities or \$160 million in revenue over the next three years. Using the above relationships, this could represent as many as 3,300 lost retrofit

related jobs in California. This is in addition to the 2010 changes to the on and off-road in-use fleet rules that eliminated over 80,000 retrofit opportunities or a loss of \$1.5 billion in retrofit-related revenue and impacted an estimated 11,200 to 26,400 jobs. Many of these jobs were or could have been in California. (MECA01)

142. Comment: Delay in truck and bus rule is unfair to those truck owners that complied with the regulation. Proposed changes undermined future regulatory efforts by encouraging regulated parties to test ARB's resolve to impose meaningful deadlines. Fewer retrofits mean fewer California jobs needed to install and maintain retrofit equipment. Regulatory uncertainty discourages investment in innovative vehicle technologies needed to meet air quality and climate objectives. (AESI01)

Agency Response: ARB recognizes that the amendments may reduce the number of retrofit PM filters required and may impact the number of projected retrofit system sales, resulting in downsizing of few businesses. However, many fleet owners remain challenged in meeting the compliance requirements of the regulation and cannot afford to make the necessary upgrades anyway. As such, the proposed amendments will better ensure the expected emission benefits of the regulation are realized. For more information on how the amendments reduce compliance cost while continuing to achieve needed emissions reductions, see response to comment 44. For more information on the need for the amendments, see response to comment 136.

143. Comment: I believe the law should be the same for everybody. There should be no more extensions. It's not fair for the ones who already bought a new truck and are compliant to have clean air. If further extensions are allowed, there will be more pollution and if the law is not applied to everyone then there should not be one to begin with. (PCARD01)

Agency Response: For more information on why the amendments are needed, see response to 136. For information on how the amendments safeguard emission reductions, please see the response to comment 66.

144. Comment: We are CARB compliant. So from these amendments that are being proposed and approved, we would have a lot of issues that here we've complied on time, but what I've seen for the offset for those who haven't complied, there is no reward for those who have complied. We've seen 50 percent loss in our bottom line the last year because of CARB compliance and maintenance issues. I think there's got to be serious economic offset for all of those who have complied. (HRAN)

Agency Response: For more information on why the amendments are needed, see response to 136. For information on how the amendments extend the use of retrofitted vehicles for those who complied, please see the response to comment 362.

d) Legal Concerns

145. Comment: Contrary to many commenters who have taken the position that the Statewide Truck and Bus rule represents "settled law" in the State of California, the CCTA would remind everyone that three current legal challenges exist (ours is the ripest) aimed directly at this regulation and only because of legal delays in the court system there has not been any justice – justice delayed is justice denied. Only the uniformed or naive would conclude that the Statewide Truck and Bus rule can be considered "settled law." For those upset at any extended flexibility in implementation of the rule, we strongly believe legal challenges ought to be settled before any further damage is done to California's trucking industry – for both large and small fleets. You must ask yourself if one or all of these suits are successful, and stops these regulations in their tracks – how would one feel then about these regulations? (CCTA02)

Agency Response: ARB disagrees with this comment and does not believe that the referenced lawsuits have merit or that the substantial health benefits the regulation is affording should be delayed pending the lawsuits' outcome. For more information on why the amendments are needed, see response to 136. For information on how the amendments safeguard emission reductions, please see the response to comment 66.

- **146. Comment:** CARB has crossed the line by interfering in interstate commerce as specifically prohibited in the Commerce Clause of the U.S. Constitution. CARB may be able to force intrastate carriers into bankruptcy but have stepped outside the lines on interstate carriers. I sincerely hope that officials in the department come to their senses and repeal much of this regulation. (JMCDON)
- **147. Comment:** We do not house our truck in CA and should not be held to CA laws. (APALK)
- **148. Comment:** I feel that the proposed "Truck and Bus Rule" is not only illegal, but unconstitutional. All diesel engines that have been working in California have a stamp on them that says, "This engine meets and or exceeds the emissions for the date that it was build and is accepted by the California Air Resource Board and the Federal Environmental Protection Agency." I encourage the California Air Resource Board to find a better way to implement the Truck and bus rule. (LHUT01)
- **149. Comment:** As a trucking company, my trucks will not be going to California again and I am talking with any trucking company that will hear me to do the same. Interstate Commerce is supposed to be an even playing field across the board. (KMULL)

Agency Response: The proposed amendments do not violate the Interstate Commerce Clause of the United States Constitution. The proposed amendments on their face do not discriminate against out-of-state companies. Rather, the provisions of the proposed amendments apply evenhandedly to both in-state and out-of-state businesses that operate in California, and have only an incidental effect on interstate commerce. The amendments are being adopted pursuant to express authority granted to the ARB under the California Health and Safety Code and the police powers invested in the state to protect the public's health and welfare. Applying the *Pike v. Bruce Church, Inc.*, (1970) 397 U.S. 137, balancing test, ARB believes that the putative health and welfare benefits of the regulation clearly outweigh any burden that the proposed amendments may impose on commerce. This response also applies to the regulation as a whole. As stated on page 34 of the 2008 FSOR:

Staff believes that the board approved regulation would not be in violation of the Commerce Clause of the U.S. Constitution. The Commerce Clause of the United States Constitution (U.S. Const., Art. I, §8, cl. 3) grants Congress the power "[t]o regulate Commerce with foreign Nations, and among the several States. . . ." In addition to granting Congress an affirmative grant of authority, courts have found that the clause creates an implied restraint on state authority to enact legislation that imposes significant burdens on interstate commerce. (See *United Haulers Ass'n, Inc. v. Oneida-Herkimer Solid Waste Management Authority* (2007) 127 S.Ct. 1786; *Healy v. The Beer Institute* (1989) 491 U.S. 324, 326, fn.1.) The adopted regulation is not per se unlawful in that it does not expressly discriminate against out-of-state heavy-duty vehicle fleets, have the practical effect or purpose of protecting California economic interests at the expense of out-of-state interests, or have an impermissible extraterritorial effect on other states.

When a state statute or regulation is neutral on its face, has only indirect or incidental effects on interstate commerce, and regulates even handedly, the courts have applied a balancing test that weighs the state's legitimate interests in adopting the regulation against the burden that the regulation may have on interstate commerce. (*Pike v. Bruce Church, Inc.* (1970) 397 U.S. 137.). Here, the board approved regulation, which achieves significant reductions in diesel PM, an identified TAC, and NOx, with concomitant reductions in health risks to the public (i.e., resulting in fewer fatalities, hospitalization, lost school and work days), would provide great health and welfare benefits to the public. The benefits of the regulation, adopted under the police powers granted to the State, clearly outweigh any burdens that the regulation would impose on out-of-state interests above and beyond those imposed on in-state interests.

We do not believe that the regulation is in conflict with the interstate commerce clause. Since the regulation applies equally to both in-state and out-of-state fleets operating within the state of California, there would not be an economic inequality as a result of the regulation. For information about the economic impacts and the methodology for the cost analysis, see Chapter XIV and Appendix J of the TSD.

The 2010 FSOR also included a discussion of the commerce clause at pp. 219-220 which is incorporated by reference here. The staff believes that the above analysis applies to the proposed amendments as well.

- **150. Comment:** If CARB does go through with the new changes I plan to join a class action lawsuit against CARB for financial degradation to my business which hundreds of truckers statewide have already signed on to. (TBROWN01)
- **151. Comment:** I cannot accept the CARB changing things now. I will join others and we will sue you for causing direct financial problems for our companies and our industry. (ARTRU01)
- **Comment:** A particularly egregious result of ARB's proposed amendments is 152. that many truck and fleet owners who have expended significant sums of money to comply with the Regulation in advance of the deadline will be in a position where they could have avoided these costs by waiting until the last minute, and taking advantage of the amendments now proposed. In other words, the money spent complying with the Regulation will have been unnecessary under the proposed changes. ARB concedes in the ISOR that the investments in the trucks that are proposed to be exempted or provided extensions is unnecessary to reach its emissions-reducing goals. This effectively results in a deprivation of private property, by ARB's regulatory action, in a manner that is arbitrary, capricious, and is of no benefit to the public. Without any public benefit supporting the deprivation, ARB violates well-settled constitutional property rights. (See Kelo v. City of New London, Conn. (2005) 545 U.S. 469; see also Cal. Const. art. 1, § 19.) Lawson will seek to recover the expenses it has incurred as a result of ARB's unjust, arbitrary, and capricious regulatory action. (WJHPCA01)
- **153. Comment:** We are fine with new technology coming out but mandating it is wrong, and as the Supreme Court said, no local or State Government can mandate or regulate or put an undue financial burden on motor carriers. (PFITZ)

Agency Response: ARB disagrees with these comments as discussed on page 32 of the 2008 FSOR with respect to the original adoption of the Truck and Bus Regulation:

Staff does not agree that the proposed regulation would result in a regulatory taking. The "Takings Clause" of the Fifth Amendment to the United States Constitution provides that the federal government shall not take private property for public use, without just compensation. The Fifth Amendment provides in relevant part: No person shall be . . . deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation. The prohibition was extended to the states by the Fourteenth Amendment. The Fourteenth Amendment provides in relevant part that "[no State shall] deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

Generally, in real property regulatory takings claims, courts have found a compensable taking if a regulation does not substantially advance legitimate state interests or has permanently deprived an owner of "all economically beneficial or productive use" of the

land (*Lucas v. South Carolina Coastal Council* (1992) 505 U.S. 1003, 1015; *Tahoe-Sierra Preservation Council, Inc. v. Tahoe Regional Planning Agency* (2002) 535 U.S. 302). In determining whether a state may avoid compensation when it has used its police powers for public health and welfare purposes, and the action has resulted in depriving an owner of all beneficial or productive use of his land, the courts have looked to see if the proscriptions of the regulation were, in fact, covered by preexisting implied limitations on the property owner's title. (*Lucas v. South Carolina Coastal Council, supra*,505 U.S. at 1027.) In *Lucas*, the Court acknowledged that where such implied limitations exist, "the property owner necessarily expects the uses of his property to be restricted, from time to time, by various measures newly enacted by the State in legitimate exercise of its police powers." (Id.)

Of significance to the instant proposed regulation, the Court went on to clarify that implied limitations on ownership rights almost always exist with regard to the commercial value of personal property. The Court stated: [I]n the case of personal property, by reason of the State's traditionally high degree of control over commercial dealings, [the personal property owner] ought to be aware of the possibility that new regulation might even render his property economically worthless. (Id., at 1027-1028.) In line with the Supreme Court's decisions with regulatory takings, the proposed regulation cannot be considered as unconstitutional. First, the regulation will not deprive the stakeholder of all beneficial value of the regulated engines and vehicles. Even those engines and vehicles that must be retired under the proposed regulation will continue to retain fair market value in domestic and international markets outside of California. Second, consistent with Lucas, even in the unlikely event the regulated engines and vehicles lost all of their beneficial value, ARB is exercising its vested police power authority to regulate in-use on-road fleets. Over the past 40 years, ARB has adopted a panoply of air quality regulations affecting nearly every vehicular source category for purposes of public health and safety. Given the extreme air quality problems confronting most areas of the state, owners of in-use on-road vehicles should be well aware that regulation of their fleets was likely to occur, especially given the high level of emissions associated with the operation of such vehicles.

The staff believes that the above analysis applies to the proposed amendments as well.

- **154. Comment:** The commenter asserts that the proposed amendments fail to protect against parties fraudulently claiming loan denials to obtain relief from having to comply with the regulation. (WJHPCA01)
- **155. Comment:** The CARB Board should compel staff to provide formal enforcement relief for fleets and owner-operators that have been approved:

A. Grant funding from all public and private/public sources including ports, rail, Carl Moyer, Prop 1B or any other existing or proposed public source. Due to subsequent funding delays or denial, businesses become subject to enforcement action. Brokers and supply chain entities that hire or dispatch any truck with an "approved grant" for a DPF, replacement engine or truck should be provided relief from enforcement action.

B. Good Faith loan declination for the purchase of a DPF, replacement engine or truck should be provided relief from enforcement action. Brokers and supply chain entities that hire or dispatch any truck with a "Good Faith Extension" for a DPF, replacement engine or truck should be provided relief from enforcement action. We are aware of at least one case where a small fleet in 2011, located in Ontario Ca, (Ivve Transportation) which contracted four owner-operator motor carriers that were provided a grant approval for a DPF that was subsequently denied by the SCAQMD. Both the truck owners and the brokering motor carrier had reason to believe that the trucks were CARB-legal but were nevertheless fined \$126,000 (ultimately settled at \$59,050) by CARB. (See: http://www.arb.ca.gov/newsrel/newsrelease.php?id=239).

In 2010, Senate Bill 1402 (Dutton) was passed to help deal with these types of egregious enforcement situations. We are requesting that the circumstance above be added to the list of penalty policy considerations that the Board takes into account. Clearly, the Ivve Transportation situation was not protected by the language in SB 1402 but should have been. By reference, the legislature directed that the penalty policy shall take into consideration all relevant circumstances, including, but not limited to all of the following:

(1) The extent of harm to public health, safety, and welfare caused by the violation.

(2) The nature and persistence of the violation, including the magnitude of the excess emissions.

(3) The compliance history of the defendant, including the frequency of past violations.

(4) The preventive efforts taken by the defendant, including the record of maintenance and any program to ensure compliance.

(5) The innovative nature and the magnitude of the effort required to comply, and the accuracy, reproducibility, and repeatability of the available test methods.

(6) The efforts of the defendant to attain, or provide for, compliance.

(7) The cooperation of the defendant during the course of the investigation and any action taken by the defendant, including the nature, extent, and time of response of any action taken to mitigate the violation.

(8) The financial burden to the defendant CCTA (CCTA02)

Agency Response: The staff proposed 15-day changes to the proposed amendments in response to concerns about enforceability and validity of claims of financial hardship. As described in the July 1, 2014, 15-day notice: Section 2025(p)(10) was revised to reflect the Board's direction to decrease the potential for fraud and improve enforceability. The revisions reduce the extension period to January 1, 2017; remove the requirement to upgrade to a 2010 model year equivalent engine, and identify the

steps the owner must take to bring the fleet into compliance before the extension can be claimed.

New language was added to section 2025(p)(10)(B) that requires the fleet owner to have made every possible attempt to bring all vehicles into compliance and identifies the steps the owner must take to gather price estimates from retrofit installers, truck dealers, and leasing entities. Additional language was added to a newly numbered section 2025(p)(10)(C) that requires the owner to submit annual financial data such as annual revenue, debt, assets, credit score and other financial data to substantiate the claim. Additional language was added to a renumbered section 2025(p)(10)(D) that outlines the information that must be included with the loan application, and the owner must obtain a signed statement from the lender that confirms the applicant is financially unable to qualify for any loan the lender offers. A new section 2025(p)(10)(F) adds language that prevents the owner from claiming the extension and later expanding the fleet or preferentially retiring compliant vehicles rather than non-compliant vehicles. New section 2025(p)(10)(G) specifies labeling requirements for the trucks that use the economic hardship extension. Finally, new section 2025(p)(10)(H) explains the extension cannot be transferred to another truck or fleet owner.

As noted in SB 1402 and in ARB's penalty policy:

<u>http://www.arb.ca.gov/enf/sb1402/policy.pdf</u>, ARB takes all relevant circumstances into account in determining penalties. The staff does not agree with the commenter's characterization of the case settlement and believes that the cited news release speaks for itself.

156. Comment: The commenter claims that the ARB has provided no rational basis for the provisions of the proposed amendments that would provide limited relief to small fleets with limited resources to comply with the regulation. (CCTA02)

Agency Response: ARB disagrees with this comment. For more detailed information on the amendments to the small fleet option, please see response to comment 461.

e) Alternative Proposals

157. Comment: With all the economic slowdown and increased regulation coming from business owners from every angle, the financial resources are not there to do what is being asked. My recommendation is more time than what is even being proposed. (DKIRW)

Agency Response: The amended regulation preserves the emissions benefits needed to meet air quality standards and SIP commitments, while meeting the needs of owners that could not comply, and addressing concerns of those who already made investments to comply. The Board carefully balanced the needs of the stakeholders and provided the additional time for fleets that need it. Fleets that could demonstrate that they do not have the financial resources to comply could take advantage of the economic hardship extension to delay compliance to January 1, 2017 for up to three trucks.

The U.S. EPA has approved California's SIPs for the South Coast and San Joaquin Valley air districts that rely on the emissions reductions from the current regulation. The amended regulation was carefully crafted to maintain the air quality benefits and satisfy the federally-enforceable SIP commitments for the emissions reductions in these two regions while maximizing flexibility. To comply with the approved SIPs, the emissions impacts of the amendments in these two regions are very limited. For the South Coast air district, the attainment years are 2014, 2022, and 2023. For the San Joaquin Valley air district, the years are 2014, 2017, 2019, and 2023. Diesel PM has been identified as a toxic air contaminant and the ARB must implement measures that achieve the 'maximum feasible' toxic emissions reductions as required by HSC section 39666(c) to protect public health in California. The DRRP, approved by the Board in 2000, established key targets for reducing diesel PM emissions from diesel-fueled engines and vehicles with the final goal of maximizing diesel PM reductions by 2020. As amended, the regulation will continue to meet these air quality goals and obligations.

- **158. Comment:** The following recommendations are provided to improve the Truck and Bus regulation:
 - Increase the expanded low-use vehicle exemption from 5,000 miles per year to 7,500 miles per year with no expiration on January 1, 2020.
 - Delay replacement requirements for construction trucks and increase the mileage threshold to 30,000 miles per year.
 - Delay the requirement to install a diesel PM filter to January 1, 2018 for the first truck in a small fleet if that is your only truck.
 - Create a high value chassis metric by which specialty construction trucks are given the same consideration as heavy cranes.
 - Fleets following the engine model year compliance schedule that took early steps to upgrade their trucks before it was necessary should also receive credit consistent with those offered for fleets utilizing the PM filter phase-in option. The credit could alternatively be applied to the percentage requirements for the PM filter compliance schedule for Low Mileage Work Trucks.

Fleet owners should have the ability to report the classification of a truck and take early actions for compliance purposes for a minimum of 180 days after the board adoption date for any applicable changes made to the regulation. CIAQC recommends that fleets following the Engine Model Year compliance schedule that took early steps to upgrade their trucks before it was necessary should also receive credit consistent with those offered for fleets utilizing the PM Filter Phase-in Option. The recommendation is that a fleet utilizing the Engine Model Year compliance schedule that replaced an existing truck in its fleet with a 2010 emissions equivalent truck (engine includes OEM particulate filter) prior to January 1, 2014 should receive a credit of two years that can be applied to Engine Model Year schedule for any other truck of similar age or older than the truck that was replaced. (CIAQC01)

Agency Response: Throughout the regulatory amendment development process, staff evaluated a number of suggested alternatives to the proposed amendments, including

those the commenter suggests. Allowing vehicles to continue to be exempt up to 7,500 miles indefinitely would fail to provide the NOx emission reductions to meet 2023 SIP obligations. In addition, the proposal to increase the low mileage work truck extension mileage threshold and to delay compliance for construction trucks would exempt between 60 to 85 percent of most construction trucks from compliance obligations until 2023. As a result, the DRRP goals would not be met. Therefore, the Board and staff rejected the alternative proposal.

The commenter also suggested a delay in the small fleet requirement until starting January 1, 2018. Small fleets contribute to about 50 percent of statewide NOx and PM emissions, and represent half of the emission benefits from the regulation. Many small fleet operators compete with other fleets that are currently compliant with the regulation. This alternative proposal would create a significant competitive disadvantage for various owners and other fleets that already complied, and would eliminate a significant fraction of emission benefits.

The commenter also suggested creating a high value metric for specialty construction trucks that would allow these trucks to have an extended schedule similar to the heavy crane phase-in option. Staff did not propose such an amendment as the existing regulation already provides several flexibility options that would allow fleets to keep certain trucks for a longer period of time. With the Phase-In Option for Heavier Trucks, fleets owners can meet PM filter requirements from 2012 to 2016 with no vehicle replacements required until January 1, 2020. Additionally, all vehicle owners had the option to install a PM filter by January 1, 2014, on any vehicle to extend its use until 2020 or later, depending on the engine model year, regardless of the compliance option used for the remainder of the fleet. The amended regulation extended the use of those vehicles until January 1, 2023. Ultimately, the Board and staff determined that an extended schedule for high value trucks was not necessary because of the existing flexibility options in the regulation.

In response to the commenter's suggestion that fleets that took early steps to comply should receive additional credits, the Board approved the extension of existing credits is described in response to comment 362.

In response to the comment that fleet owners should have the ability to report to use the work truck extension, trucks using the formerly low mileage construction truck extension already are in compliance with the low mileage work truck extension and would not need to newly report. Additionally, on June 27, 2014, ARB issued an advisory that explained how truck and bus owners can plan for and take advantage of recently approved amendments including the low mileage work truck extension.

159. Comment: We have one additional problem, which I've made comment on more than one occasion. I made it very clear to everybody we operate our (concrete pumps) entirely off of a radio remote for safety reasons. So, we're not around to watch a little light change in the cab for a filter problem and that has not yet been addressed. (DECARB)

Agency Response: The concerns about a potential engine shutdown during a pour can be addressed by proper PM filter sizing and proper engine and PM filter maintenance. The PM filter warning systems are usually set conservatively to warn the operator of a pending filter regeneration with more than enough time to finish a shift, if there are no extenuating circumstances and the engine is operating properly.

- **160. Comment:** Concrete pumps are as unique as heavy-cranes and can cost up to a million dollars to replace. The ISOR for the April 24, 2014 Board hearing provided the following information relating to the additional flexibility granted to heavy to heavy cranes, "This option would recognize the high cost of replacing heavy cranes and the added complexity for retrofitting existing cranes and meeting crane safety certification standards." Heavy concrete pumps share many of the same attributes, complexity, and costly expense. ..Concrete pumps are unique vehicles in the same vein as heavy-cranes and as such are entitled to the same considerations and flexibility to comply with CARB regulations. (CCTA05)
- **161. Comment:** "Heavy Crane" definition [(2025(d) (33), p. 15]: Both the California DMV and Caltrans consider concrete pumps to be cranes. Most of the same attributes of the heavy crane definition apply to concrete pump trucks with three or more axles and a GVWR greater than 54,000 lbs. We are requesting that the following language be added to the "heavy crane: definition: "and concrete pump trucks with three or more axles and a GVWR greater than 54,000 lbs." (JAREN)
- 162. Comment: You talked about cranes here, but you haven't talked about concrete pumps. We have the same issues on safety and OSHA and everything else the crane guys do with stability. We have the same issues in terms of value of the chassis where you have chassis that run over a million and a half dollars. We don't have real estate or enclosure space to handle a new truck or a new engine. We have computerization between the concrete pump and the truck. So we're not people who buy used equipment. We're people who buy new latest available technology. So I do want to be I guess sort of included in the crane thing, (DECARB)
- **163. Comment:** Similar to the Heavy-Crane Phase-in Option, the Executive Officer should create a high-value chassis metric by which specialty construction trucks are given similar consideration. Alternatively they could follow the specialty agricultural vehicle extension provision found in 2025(m)(11)(A) that lists specific applicable truck types (CIAQC01)
- **164. Comment:** As a matter of equity, the owners of high replacement cost construction trucks and on-road equipment such as concrete boom pumps should be afforded the same compliance schedule as the "Heavy Crane Phase-in Option" proposed in Section 2025 (n) at p. A-32 of Appendix A. The rationale provided in Appendix E for this schedule is "Modifications to cranes require a

manufacturer or registered professional engineer who is familiar with the equipment to review and approve any modifications to the crane, and may require modifications to load charts, procedures, instruction manuals and other items as needed." (CARB Hearing Documents, Appendix E). This same condition applies to carrier or truck mounted concrete pumps and conveyers, which are unique vehicles with the cost of replacing these vehicles beginning in the \$200,000 range and climbing to well over \$1 million.

The same issues of weight distribution and balance are of concern, but also the recapturing of the original investment cost takes far longer than many other diesel powered equipment. Engine replacement or retrofitting with a DPF to comply with CARB's regulation is highly problematic for these vehicle owners, largely due to the lack of physical space and the fact that the equipment operator is often outside of the equipment and unable to cease operations for a filter regeneration event or monitor filter performance until too late.

Ready Mix concrete has approximately 45 minutes from time of batching to time in place before it begins to harden. It is a perishable commodity; once the set begins there is no method to stop the reaction without destroying the concrete. Therefore even if an operator was faced with a regeneration requirement of 45 minutes or more, the concrete would have set-up in the vehicle. This adds an expense of over \$10,000 just in parts, plus liability and the interrupted slab may have to be removed and replaced at cost to the pumping company.

Replacement of the engine is not an option due to enclosure limitations, electronic interface with the pump computers and programming is beyond a "chip" replacement. Retrofitting with a DPF can be a significant safety problem because once the unit is up on outriggers the operator leaves the machine and a radio remote control operates all the functions required. The operator positions themselves as close as they can to the point of concrete placement per safety regulations. (CCTA02)

165. Comment: Scare tactics regarding boom pumps collapsing due to CARB regulations is outrageous and unsupported by reliable facts and evidence. What is clear is that scare tactics are being used to gain an advantage these companies do not deserve. Some of my clients have employees who have been in the construction business for over 20 years, who are experts at operating boom pumps. They are amazed that such information is being disseminated among educated people. Boom pumps move or are maneuvered by hydraulic pressure. If a boom pump loses power, there is no hydraulic pressure to cause the boom to move; ergo, the boom pump would not collapse but rather freeze in place. If the boom pump collapses or breaks down, that is more likely due to maintenance issues and not regulation requirements. (GCAPC)

Agency Response: Additional consideration for concrete pump trucks is not justified. Staff investigated the certification requirements for modifications to concrete pump

trucks and concluded that certification requirements are not substantially similar to crane certification standards and do not present a significant barrier to installing PM filter retrofits. Although the Board recognizes that costs for new concrete pump trucks are considerably higher than a typical truck tractor, the power unit can be replaced underneath the concrete pump superstructure (i.e., re-trucking) at substantially lower cost. This practice is commonplace for concrete pump trucks and cannot be done with cranes because of certification requirements. The concerns about a potential engine shutdown are not warranted and can be minimized by proper PM filter sizing and scheduled maintenance practices. Retrofit installers typically set the warning systems conservatively to warn the operator of pending filter regeneration with more than enough time to complete a shift if the engine is operating properly. So, even if the operator is remote from the cab of the vehicle staff believe the warning light will be seen in more than enough time to return to the yard and clean the PM filter. Finally, many concrete pump trucks are already using the Work-Truck Option that provides for an extended compliance schedule. The schedule was extended for two additional years in recognition of lower usage and higher costs for construction trucks and other specialized vehicles that travel less than 20,000 miles per year and the Low-Use Exemption for vehicles that travel less than 5,000 miles per year. Staff expects with these changes, even more concrete pump trucks will be able to utilize this provision and gain additional compliance time. Staff incorporates its response to Comment 164 here. See response to comment 501 for more information about the amendments to the Low-Mileage Work Truck Option and comment 393 for additional information about the Low-Use Exemption.

The California Vehicle Code (CVC) identifies concrete pumper boom trucks as cranes for registration purposes, and assessing registration fees. The basis for determining registration fees is not related to whether concrete pump boom trucks can be retrofitted or otherwise comply with the same emission reduction requirements as other heavy duty diesel vehicles.

166. Comment: I don't understand why older trucks have more time like 94s and 95s, that does not make sense to me. I hope the people that are in charge of this program try to understand us and give us more time. (JARR)

Agency Response: The regulation was structured to require PM filters on1996 and newer engines in heavier vehicles beginning on January 1, 2012. The compliance requirements for 1995 model year and older engines were deferred until after 2014 because these vehicles are at or near the end of their useful lives. These older vehicles are not required to have PM filters, but rather are required to be replaced. For more information on why the amendments are needed, see response to 136.

167. Comment: I also agree with extending out these folks that have put filters on and let those trucks run until 2023. Please consider in installing or putting in there that these early technology trucks that came out from the factory in '07 through '09, put those in there. Let those trucks run out 20 years. When you

sunset those trucks in '23, it's going to be adieus for those. If you keep those trucks in, these little guys might be able to buy those. (FLFTI03)

- 168. Comment: I feel allowing the trucks that installed filters early the ability to operate for more time is good. The problem is, it does not address the 2007-2009 technology trucks. There are many of those out on the road currently. Many companies purchased those trucks to get into compliance. That was during the time which the Truck and Bus rule was approved. Those trucks have a useful life of a minimum 20 years. There is nothing wrong with those trucks. They have a factory filter installed and operate relatively well. Not to say they are trouble free, but they are filtered and cleaning up the air. Currently those trucks sunset in 2023, this is only 15 yrs. Not long enough in a Heavy duty trucks life. If you were to allow those trucks to operate until 2029, those units could go to the operators that are unable to purchase new trucks. This would go a long way toward helping the one truck owner/operators get into compliance. Maybe better than modifying the rule as proposed. (FLFTI02)
- **169. Comment:** If modifications to the timeline are changed, owners who purchased trucks/filtered units, should be able to operate them for a longer period. The 2023 end date for 07-09' engine model year trucks should be extended. These trucks last for at least 20 years those units should be able to have a useful life of that time period. Why should those who put filters on get more time and people who purchased the first generation filtered trucks be not be given more time. (FLFTI01)
- **170. Comment:** From 1/1/2020-onward, CTA supports replacing the blanket "25% Rule" with an early action credit which would allow fleets who purchased 2007-2009 model year engines prior to 1/1/2014 to continue to run those trucks until 1/1/2027. This change would both reward fleets who took early steps towards compliance and better allow these fleets to manage their truck replacement schedule by not imposing an arbitrary 25% replacement goal in any given year. (CTA02)
- **171. Comment:** We would support extended life for investment in technology that was required, like the 2007 to 2009 engines. (JMATL02)

Agency Response: Allowing trucks with 2007 to 2009 engines after January 1, 2023, would not achieve the emissions reductions needed to meet federal State Implementation Plan (SIP) commitments and to attain National Ambient Air Quality Standards by the applicable federal compliance dates.

172. Comment: The proposed changes give a further extension for those that have a filter on by January of 2014. However the law clearly stated that, as long as the filter was ordered in 2013 it did not have to be installed as of that date. This proposed extension for those that have gone through the expense to get these filters needs to be amended to allow for the proven order date rather than

installation date. Once again, to avoid penalizing those that have followed the rules. (DFERR01) (DFERR03)

Agency Response: The regulation does provide a temporary extension in cases where owners have placed orders at least four months prior to the initial compliance deadline and the replacement vehicle or PM filter has not been received due to a manufacturer delay. The temporary extension period ends May 1 of the compliance year, and the vehicle or engine that was planned to be replaced or retrofitted may not continue to be operated after May 1 until the fleet is brought into compliance. In addition, owners that use the manufacturer delay extension may still qualify for credits where a PM filter retrofit is required by January 1, 2014, as long as the PM filter is installed before May 1, 2014.

Basing compliance on the installation date of a PM filter as opposed to an order date assures greater emission reductions and enforceability. Simply allowing a compliance requirement to be met based on the order date of a PM filter or a replacement vehicle originally equipped with a PM filter would be difficult to enforce because staff would need to assess documentation for each vehicle they encounter. Additionally, owners can easily order a PM filter or replacement vehicle and then cancel the order, allowing the owner to operate the vehicle and bypass enforcement while in a non-compliant state.

173. Comment: ALL I ask for is an extension under Prop. 1B to continue waiting for this grant until December. (CST)

Agency Response: ARB has granted extra time for small fleet owners with three or fewer vehicles that were approved for a Proposition 1B grant. Fleet owners were able to retrieve a temporary certificate that allows the existing truck to continue to operate until December 31, 2014, or per the terms of the contract.

174. Comment: The only way CARB will help the small fleet owner in Northern California who operates entirely in the north is to exempt them from these rules. Ag, Log and construction Trucks operating in the northern mountain areas of California that work seasonal shouldn't be included in regulations that are intended to improve air quality in the southern portion of the state. Forcing fleet owners whose trucks travel less than 50,000 miles a year to comply to these regulations is unreasonable. They are already reducing their emissions by two thirds or more of what trucks traveling the interstate Highways do. It is not financially possible to replace trucks with new trucks that cost \$150,000 when they are used for such short operating seasons. (TRENN)

Agency Response: See response to comment 432 regarding amendments for fleets operating in certain areas of California. For information on how fleets can delay replacement of a truck by filtering, see response to comment 329.

175. Comment: The other thing I'm very concerned about is the onerous job of compliance that you put on truck brokers. DMV won't do it. CHP won't do it. But you want me to do it. And I risk fines if I don't make sure that every sub-hauler is compliant. How can that be fair? (ARTRU03)

Agency Response: Staff disagrees with this comment. The requirements on truck broker are reasonable and not onerous. As stated in 2008 rulemaking documents (Staff Report), the verification of compliance is to ensure that all vehicle owners comply with the regulation. Instate or out-of-state motor carriers, California-based brokers, or California residents that operate or direct the operation of any vehicle subject to the regulation are responsible for hiring fleets with compliant trucks. Both motor carriers and brokers direct the operation of their drivers, and as such, are in a unique position to verify compliance with the regulation. Such a requirement is already in place for other aspects of motor vehicle compliance, such as requiring proof of vehicle insurance, proper drivers licensing, and proof of compliance with various drug testing, vehicle safety, and worker compensation requirements.

The regulation requires these motor carriers and brokers to retain records documenting that the drivers they hire or dispatch are in compliance with the regulation, but will have an affirmative defense for violations by a vehicle operator they dispatched if they can demonstrate that they verified the compliance status of the operator at the time they were hired or dispatched. Currently, owners that report to the ARB to use flexible compliance options must report information about all of the heavier vehicles in their fleet that operate in California during the year and can print a certificate that confirms they have reported to the ARB. Fleet owners that comply by using the engine model year schedule are not required to report but have the option to report company and vehicle information and to print a certificate that states they are complying with the engine model year schedule. Either certificate can be used by a motor carrier, broker or other entity as evidence the hired fleet has reported compliance with the regulation. Motor carriers/brokers or other entities must obtain copies of the certificate or other proof of compliance annually. ARB also posts the names and motor carrier numbers of the fleets that have reported compliance at

http://www.arb.ca.gov/msprog/onrdiesel/tblookup.php

2. Agricultural Vehicle Extensions

a) General Agricultural Vehicle Extension

176. Comment: Section (d) Definitions Item #5 Agriculture Operations Sub-Section B Appendix A-4. The last sentence should be deleted or reworded for the following reasons: The trees harvested before someone decides to convert that area to another use have been a farm crop for as old as the trees are at time of harvest. The forest operations are simply the harvesting of the last crop. (RLANDS01)

Agency Response: The definition of agricultural operations was not amended. During the original rulemaking in 2008, the single, one-time removal of trees for the purpose of converting land to a residential or commercial development was not included in the

definition, because residential and commercial development activities are not agricultural operations.

177. Comment: Ag Low mileage and Ag Limited mileage exemptions are good forever. How are you going to pay for the truck if you're only going to run it 10,000 miles a year? If you can prove you're only going to run the truck 10,000 miles for the next ten years and it is allowed to be exempt now, leave it alone. (ALOG01) (ALOG02)

Agency Response: This concept was not proposed because it would jeopardize the commitments made in the SIP and DRRP. For more detailed information on the goals of the SIP and the DRRP, please see response to comment 157. The existing agricultural vehicle extension delays compliance for agricultural vehicles that travel less than 10,000 miles per year until 2023. This provides more than a decade to plan for compliance. Many of these older vehicles will be replaced when costs of repairs do not justify the expense. Owners that do not replace their vehicles through normal attrition by that time will be able to comply by purchasing used trucks that are about 10 years old.

178. Comment: Our agency has provided your staff with key Information regarding two additional truck types that should be considered for the same regulatory relief these amendments provide to livestock trucks. Hay trucks and hay squeezes have nearly identical compliance issues as livestock trucks, and the squeezes are further impacted by a very limited production capacity. (SLOCAPCD)

Agency Response: Hay trucks owned by farmers and farming businesses and hay squeezes regardless of owner are already eligible for the Agricultural Vehicle Extensions. The agricultural vehicle mileage extensions delay compliance until 2017 for vehicles that travel less than 15,000, 20,000 or 25,000 miles/year depending on the engine model year. The amended regulation extended the compliance schedule by allowing eligible vehicle to continue using the extension past 2017 if the new lower mileage limits continue to be met. The new mileage thresholds are 15,000 miles/year from January 1, 2017 until January 1, 2020 and 10,000 miles/year from January 1, 2020 until January 1, 2023. Higher mileage hay trucks and hay squeezes were not considered for the Specialty Agricultural Vehicle Extension because they do not have the same seasonal availability concerns as cattle trucks, they typically remain in the State all year, and have a more significant impact on emissions. Because of the extended compliance schedule of the agricultural vehicle extension it is unlikely there will be limited availability of hay squeezes.

179. Comment: I buy, sell, and haul hay. Our trucks are cab-over trucks, and we travel 70 percent of our time in exempt counties. These cab-over trucks are not available anymore, and we cannot put the retrofit motors in them and keep them cool. Everybody I've talked to says it's just not available on their technology. I move for ag exemption. (CBAK)

Agency Response: The Board recognizes that cab-over tractors have not been manufactured for nearly a decade in the United States because of limited demand of the configuration. As these tractors age and are being retired, they are being replaced with trucks that have a conventional cab. Hay trucks are not eligible for the agricultural vehicle extension unless they are owned and operated by a farming business for its own use. However, like other trucks, cab-over trucks can use a number of flexibility options that require the use of PM filter retrofits, but do not require engine or vehicle replacements until 2020 or later depending on the engine model year. Cab-over trucks are being successfully retrofitted with PM filters which is a viable compliance option. In circumstances where a PM filter could not be installed on a particular vehicle or engines, the owner can apply for a PM filter extension to delay compliance until January 2018. At that time, the vehicle must be upgraded or replaced to meet the 2010 model year or newer engine requirements, except for those that are operated in NOx Exempt Areas.

180. Comment: Section (d) Definitions Item 6 Agriculture Vehicle Sub-item (D) Page Appendix 5 THIRD SENTENCE should read: It also includes water trucks "OR" (not and) trucks designed or modified to be used exclusively for the dusting, spraying, fertilizing, or seeding of crops. Section (d) Definitions Item (55)"specialty agriculture vehicle" Sub-Section C page Appendix A-13 This should read: A truck equipped with a water tank owned by a farmer or his contractor, not operated for uses with compensation coming from non-agriculture operations that provides dust suppression on dirt roads providing access to agriculture operations OR (not and) for the transportation of water for crop or tree irrigation or for livestock. (RLANDS02)

Agency Response: The use of "and" in the agricultural vehicle definitions are inclusive; therefore they have the same meaning as to what the commenter is suggesting. For example, in the definition of specialty agricultural vehicle, the use of "and" includes water trucks that are solely used for watering crops and those that are solely used for dust suppression. The definition does not require the water truck to do both to remain eligible. The amended regulation, allows owners that can show their vehicles met the mileage and eligibility requirements of the agricultural vehicle extension since January 1, 2011, to have one more chance to opt-in before January 31, 2015.

b) Specialty Cattle Truck Extension Support

- **181. Comment:** We have a dire situation in Imperial County with the impending closure of National Beef and the loss of our processing capacity that will require us to send cattle to Texas or Kansas. There are not enough trucks to haul the volume of cattle that will be needed so we need out of state truckers to help. (CCA01)
- **182. Comment:** (Cattle) trucks typically operate seasonally and serve as the sole mechanism to move cattle from one forage [area] to another and transport calves to market. Our transportation needs before the implementation of the truck and

bus regulation, especially during the spring and fall, were already tight. Ranchers must be able to access additional trucks, including those from out of state.

Of all beef calves marketed annually, we can estimate that roughly one-third remain in California while the rest are sold to out-of-state buyers who contract with their own haulers to move cattle east. Our ranchers must stay competitive to compete with competitors in other states. This does not account for the over 200,000 cows, probably more, that are annually moved to other states and back just for summer forage. A very telling example of this predicament is our additional transportation needs replicating from the closure of California's largest beef processor in Brawley. To maintain the hundreds of jobs created by beef producers in the Imperial Valley, the 380,000 head of cattle previously harvested annually just a few miles down the road will now have to head east to Texas, Nebraska, Kansas and Colorado. (CCA03)

- **183. Comment:** I'm a livestock transporter as well, and without the regulations I strongly believe there will not be enough trucks to meet the needs to move the cattle in a timely manner. As you previously heard, there is not a lot of time. So you just can't put them on hold and wait until you get somebody to come and do it. And as myself, I have trouble myself getting trucks to move these cattle during the spring and fall season. Off season, it's not a big issue. But the problem is the season is when they all have to be moved. (CCA05)
- **184. Comment:** Unfortunately, California ranchers are already subject to a shortage of livestock haulers and depend on both in-state and out-of-state truck fleets to provide enough trucks to move livestock when it is necessary. It has become clear that the implementation of this rule has severely limited the amount of truckers who are willing to continue to operate their vehicles in California and resulted in a complete disinterest by most out-of-state haulers to operate in California any longer. The movement of cattle in California is generally seasonal, taking place in the spring and fall, and miles traveled by livestock haulers typically occur in rural areas. (SMCC)
- 185. Comment: I'm also a producer and a livestock hauler. We are all interested in clean air, clean water, pristine environments. Everybody is benefiting from it. We're trying to do the best we can do. But we are based on what we can operate on. What are our costs. What our rates are. I appreciate this. I thank you. (UNK02)
- **186. Comment:** The Tehama County Air Pollution Control District Board thank you for acknowledging our concerns and proposing amendments for consideration at the CARB April Board meeting, including that livestock cattle trucks have unique operational characteristics, and having proposed exemptions that would add them as eligible for the agricultural vehicle specialty truck exemptions. (TAPCD)

- 187. Comment: As a California beef producer, I am writing to voice my strong support for your staffs proposed revisions to the Truck and Bus Regulation that would classify trucks that exclusively haul cattle as specialty farm vehicles. The proposed provisions will ensure ranchers have access to enough trucks to move their cattle by delaying retrofit and replacement requirements for dedicated livestock haulers until January 1, 2023. Bottom line, this provision helps alleviate the economic suffering that is currently taking place for many ranchers and is good for the overall health of California's beef cattle industry. It is strongly supported by both ranchers and livestock haulers throughout the state including many who have spent money to retrofit their trucks. (GLIVE) (RRANCH) (JLIVE) (SMCC) (ARLLC) (MEBE) (SVIOL) (ABAT) (LAZE)
- **188. Comment:** CCA strongly supports the amendments proposed by staff that would define trucks used to exclusively to haul livestock as a specialty farm vehicle under certain conditions. (CCA02)
- **189. Comment:** The California Cattlemen Association is here today in support of the proposed amendment for livestock trucks as proposed by the staff. And briefly, I would like to begin by voicing my appreciation for the willingness of your staff to address the concerns brought forward by CCA ranchers and the beef cattle industry. (CCA03)
- **190. Comment:** I support the proposed amendments defining the Specialty farm vehicle and allowing a delay in retrofit and replacement, and removing mileage restrictions on such vehicles. (CBACC)
- **191. Comment:** My family has one of the largest cattle marketing operations in California. We have a brick and mortar auction yard. We also buy and sell cattle direct to and from ranchers throughout the state of California. And we also have a satellite Internet video auction business. We are drastically affected by all the regulations that are in the effect. I'm here in support of the extension or the amendment being proposed. (CCA07)
- **192. Comment:** California Cattlemen's Association (CCA) strongly supports proposed amendments that would allow vehicles that have been retrofitted to delay future replacement requirements by an additional three years (CCA02)
- **193. Comment:** I am writing in support of your staffs proposed revisions to the Truck and Bus Regulation that would classify trucks that exclusively haul cattle as specialty farm vehicles. The proposed provisions will ensure we ranchers have enough trucks to move our cattle by delaying retrofit and replacement requirements for dedicated livestock haulers until January 1, 2023. (EREDC)
- **194. Comment:** I've been a beef producer for about 30-years-plus in California. My business is a one-man operation to ensure I get my cattle moved twice a year to summer and winter pasture. I also have a semi cattle truck and trailer. I

exclusively haul cattle. I don't haul anything else. Part of my business is subsidized by hauling cattle for hire. I've been doing that for other folks that are friends of mine and helping them out over the years. The drought and the economic impact on inadequate grazing grounds and the rising cost due to fuel is also another problem in our industry. (CCA06)

- **195. Comment:** We have one truck to haul our cattle to pasture and auction yard. We cannot operate with the Truck and Bus regulation. Please consider the new proposed amendment for Livestock Haulers in the ARB Diesel Truck and Bus Regulation. (WLIVE)
- **196. Comment:** There are some parts of the modifications I agree with. The ag parts, I agree with the agricultural parts. (FLFTI03)
- **197. Comment:** I am writing to voice my strong support for your staff's proposed revisions to the Truck and Bus Regulation that would classify trucks that exclusively haul cattle as specialty farm vehicles. (BRAN)
- **198. Comment:** I support the exemptions being proposed for livestock haulers, especially the removal of the 2500 limit for the ag specialty vehicles. This exemption will also greatly help the many seasonal haulers in California that cannot afford to make the upgrade due to the limited mileage they use their trucks each year. (CCA01)
- **199. Comment:** I am writing on behalf of the Hearst Corporation, which owns and manages over 155,000 acres of grazing land in San Luis Obispo and Monterey counties, to voice strong support for staff's proposed revisions to the Truck and Bus Regulation which would classify trucks that exclusively haul cattle as specialty farm vehicles. The proposed provisions will ensure beef cattle operations like ours will have access to trucks to move livestock by delaying retrofit and replacement requirements for dedicated livestock haulers until January 1, 2023. (BHIGG)
- **200. Comment:** We receive cattle in from probably eight to ten different states. These cattle are not just in the state of California that we market. So they come into our state from eight to ten different western states. We sell cattle out of the state of California probably up to 16 to 18 states, all the way to Missouri and Iowa and states further west. In the busy times of the year, the spring and the fall, there are not enough trucks to go around at a competitive rate. (CCA07)
- **201. Comment:** We are not against a cattleman that owns his own truck, not for hire, to be exempt for a certain length of time in the future. There is not a shortage of trucks. The cattleman need to schedule ahead of time and spread out their shipments. (EROCHA)

Agency Response: The amended regulation recognizes that while in-state and out-ofstate cattle livestock haulers typically operate more miles than are permitted under the low-mileage agricultural vehicle extension, they are being significantly impacted by market conditions, and that mileage from these trucks in California is likely to be significantly depressed for several years. The amendments allow trucks that are used exclusively to transport cattle to use the agricultural vehicle extension to delay compliance until 2023. Ranchers that haul their own cattle not-for-hire can operate all year. For-hire cattle livestock trucks may operate under the extension only during limited spring (May 1 – June 15) and fall (October 1 – November 15) seasons. Affected owners may claim the extension for cattle livestock trucks as long as they do not exceed the number of trucks owned in their California fleet on January 1, 2009. The amended regulation was determined to be the best balance in addressing concerns about competitive disadvantage during the rest of the year.

- 202. **Comment:** Rural areas for us means ranches or mountain allotments that are on rough, steep, dirt roads often going over river crossings. Newer large semis cannot make the turns required to reach these remote spots. We have invested extensive time and money modifying our existing trucks and trailers so that they are able to manipulate the turns and have appropriate ground clearance to get in and out of areas where new off the line factory built haulers cannot even dream of going. We indeed are a specialty unit that cannot be linked to hauling on the highway routes or linked to hauling produce. These are live animals with specified time limits to either forest service allotments grazing, or time limited sale weights. Often the time limits are in place to meet environmental regulations. We have a significant investment in these specialized trucks that we cannot possible replace in this short notice. There are no manufacturers who sell trucks designed for the off road experience that we face on a daily basis. A loss of our specialized cattle hauler for these mountain roads would be devastating. (RRANCH)
- **203. Comment:** Starting in 1856 we herded our cattle on public roads to and from our summer range in the Sierra Nevada Mountains. Due to the narrow roads and short turn radius on the routes available, only the few truck and trailer combinations still operating here on the West Coast can be used. Many of these truck/trailer combinations are older vehicles that cannot be retrofitted with diesel particulate filters due to the limited area available under the attached livestock box, and the livestock boxes and trailers are no longer manufactured. These unique and limited numbers of livestock trucks and trailers are absolutely necessary to those of us moving cattle to destinations with limited access. (CBACC)
- **204. Comment:** I am a livestock producer in Tuolumne Co. that seasonally moves our cattle to USFS grazing permits. These permits are located where the roads are very narrow, steep and no longer maintained by the USFS. Trucks to move these cattle are a big problem as there is a limited amount of trucks that can haul on these roads. Most trucking fleets in the valley will not and cannot haul on

these roads because of length and will not haul on the rocky roads. On the Stanislaus NF there are several thousand cattle that can only be moved by cab over truck and trailer only because of the narrow and windy roads. (BRAN)

Agency Response: The amended regulation allows for up to 20 cab-over trucks with an attached livestock module that exclusively haul cattle to be added to the Specialty Agricultural Extension whether they are for-hire or not. If there are additional cab-over trucks that exceed this 20 truck limit, those vehicles are still eligible to be included in the Specialty Agricultural Extension for livestock cattle trucks. For more information on the requirements to use the amended cattle livestock truck extension, see response to comment 201.

c) Specialty Cattle Truck Extension Changes

- **205. Comment:** While we understand the need for relief for the drought-stricken livestock industry, we believe the specialty agricultural equipment definition change for livestock haulers should be limited to not for-hire fleets who are engaged in ranching or livestock operations. (CTA02)
- **206. Comment:** Right now in California there are over 150+ compliant trucks that haul livestock. Us compliant trucks have spent millions of dollars to meet the 2014 deadline and have sat back waiting patiently for your enforcement. The only exemptions should be for Truck and Trailers and Cattle Ranchers who own a single truck to haul their own livestock, not hauling for hire! (JDEGR01)
- **207. Comment:** We are CARB compliant and strongly oppose the proposal to delay the rules for the for hire livestock haulers until 2023. We ask CARB for a compromise allowing ranchers with their own trucks not hauling for hire to be exempt, but that CARB enforce the rule for the for-hire carriers. (JDEGR03)
- **208. Comment:** In regards to the livestock exemption, I feel ranchers who haul their own livestock (not for hire) should be exempt. (ADEGRA)
- **209. Comment:** I work for a large cattle operation. My employer has spent a considerable amount of money to have his company's eight trucks CARB compliant in California. For being in compliance the company has the right to move cattle in and out of this state. If cattlemen who want to move their own cattle and have their own trucks, not for hire let them be exempt. All others, should do what is right and be in compliance, otherwise this is a slap in the face and not fair to those that have complied already. (DML)
- **210. Comment:** Let's change the wording not for-hire carriers. Let these ranchers have their own trucks, haul their own cattle. Not a problem. It's the for-hire carriers I have to compete against them daily. If we did anything, we'd like to change the wording to show not for-hire carriers be exempt. For-hire carriers need to comply. We had to comply. They need to comply. (VAND)

211. Comment: For the livestock exemption, we're proposing a compromise to limit that exemption to not for-hire cattle and ranching operations. (CTA05)

Agency Response: The regulation language was modified during the 15-day comment period to allow not-for-hire cattle livestock trucks to operate under the extension all year and for-hire cattle livestock truck owners to operate under the extension for a specified spring and fall cattle season. To address concerns about enforcement, outside the specified cattle season, for-hire trucks that operate in California or transport anything other than cattle will immediately forfeit the exemption. In addition, outside the specified cattle seasons, not-for-hire cattle livestock trucks will be required to present a brand certificate to ensure the brand of the livestock being hauled are registered to the hauler. Owners that use the extension must opt-in by January 31, 2015, and must label eligible vehicles. For-hire cattle trucks that may not operate in California outside the cattle seasons must be labeled "CS" and the owners that may operate all year, must be labeled "AG". The amended regulation addresses concerns about the seasonal shortage of cattle livestock trucks.

- **212. Comment:** This extension of the diesel emissions regulation is incredibly important to livestock producers who own and operate a small number of trucks to aid in the moving of their livestock especially sheep. With this extension it will allow sufficient time to fully depreciate existing trucks and allow for recapitalization of newer units in a more timely manner. This extension also has a huge benefit on a drought year where producers are moving more livestock based on limited forage and trying to retain as many producing females as possible. With the drought in mind and many producers having to sell off large percentages of their cow herds, it would be incredibly hard to reinvest in a truck when they will have to reinvest in their herds. (HBSC)
- **213. Comment:** My sheep operation requires me to haul my livestock from ranch to ranch within state, as well as out of state. When time allows I also haul livestock for other ranchers. Owning a truck and trailer rig allows me to get into tight areas where semis cannot, therefore putting my type of truck in demand. Hauling livestock is an integral necessity of my sheep business, but not a daily job or main source of income. Because of my sporadic use of my livestock truck, the inconsistent sheep market, rising costs, drought conditions, and feed and water shortages; I am not financially able to meet the costs associated with the retrofit. The proposed revision and January 1, 2013 date would allow me to continue my sheep operation and over time be able to replace my truck as necessary with age. Please do not delay in supporting this important and critical provision as proposed by staff at your hearing on April 24, 2014. (JOLAG)
- **214. Comment:** I want to talk about a large amount of the truckers that we have in this state are not exclusively cattle truck drivers. Some of those people also haul other commodities. Therefore, they can afford to do some of these upgrades better than the cowboy rancher trucker that hauls exclusively cattle truck and in a seasonal time of the year. (CCA07)

Agency Response: The amended specialty vehicle extension only applies to cattle trucks that exclusively haul cattle. The Board approved the extension for for-hire carriers for a limited season to address seasonal truck availability concerns and to minimize the impact on those who already complied. The extension was not expanded to include other types of livestock to limit concerns about competitive disadvantage for livestock haulers that transport a range of commodities and because the peak seasonal availability concerns are not expected to be as significant as they are for cattle. Keeping the extension narrow also limits the impact on emissions and improves enforceability. Farming businesses that raise sheep and other livestock travel lower annual miles and can use the existing agricultural vehicle mileage extension to haul their own livestock.

- **215. Comment:** To the extent significant additional flexibility is granted within other provisions applicable to for-hire livestock haulers (low-use agricultural provision, NOx Exempt Counties, 1000/5000 mile exemptions), we do not believe it is appropriate to punish compliant for-hire livestock haulers by granting an unenforceable, blanket exemption to their competitors until 2023. (CTA02)
- **216. Comment:** We're a compliant livestock hauler. I have a little bit of an issue over this allowing all the livestock haulers to not be compliant as to then every different truck in a different part of the trucking industry could essentially take their truck that is non-compliant and turn it into a livestock hauling truck then be compliant. (FDEBO)
- **217. Comment:** I am a single-truck owner and only haul livestock, mostly during the peak seasons when ranchers are moving their livestock to and from grazing areas. When you passed your original ruling in 2008, I made adjustments to my business knowing I would need to become compliant with ARB, and made the necessary, albeit expensive, transition to a new truck even when my older model truck was still fairly new, at only 8 years old. I have complied with California's ARB. I do not understand why you would penalize your faithful California businessmen who have complied with the Regulation in favor of all non-compliant truckers. While we do feel that Not-For-Hire cattle haulers should remain exempt, those of us who haul cattle for the Ranchers and Dairymen of California feel all trucks need to be compliant. (DVIER)
- 218. Comment: I'm a third generation trucker. There is not a shortage of cattle trucks. These guys that say they can't put a filter on or they can't afford to put a filter on, we've been doing this -- we've known this is coming for six years. If you put \$300 a month away for six years, you got a filter. I pay \$2500 a month for a new truck. We've always worked together. Everybody has a good relationship. But now you've pitted us together and it's turned into a battle. These amendments, they're bad for business. They're bad for California and they're bad for the environment, which you guys are trying to protect. (DROCHA)

- **219. Comment:** I believe if the CARB rules are not followed and the non-compliant trucks are exempt they are going to undermine the financial security of the companies that have complied. The vast majority of livestock carriers have complied. (EROCHA)
- **220. Comment:** To offer an extension until 2023 does not seem right for all the companies that have been working on complying the last few years and had to take their resources to fund these filters or purchase new trucks. This is not a fair playing field when now we have to pay for all these upgrades and trucks and a few can cut the rate and reap the benefit. We have livestock of our own and belong to the organization that is asking for this amendment. We do not agree with them on this. They are thinking of their own benefits not the livestock haulers. There are plenty of trucks around to haul the cattle so we strongly oppose this amendment. (DDELE)
- **221. Comment:** I'm for 29 years a livestock hauler, and I'm the last of the procrastinators. As of June, I'll have a new truck. I'm making a big investment to stay in business. You must stay progressive and professional in our business. If you change the rules now would be just totally lop-sided for everybody. (GGC)
- **222. Comment:** I got seven livestock trucks and been in business for 18 years. I got six brand-new trucks here and getting two more next month. It's all about working hard and staying compliant. We've all got to stick together. We can't change this now. We worked too hard for this. (RDEVR)
- **223. Comment:** It's killing us to have to compete with all these non-compliant trucks. I'm here speaking specifically for the livestock part of this, the cattle part. You have a special thing for the cattle that you want to make all cattle trucks exempt. That's a broad stroke. All cattle trucks, that's all cattle trucks in North America, that's a lot of trucks. There are thousands of cattle trucks. There is no specific -all cattle trucks. How do we compete against that? They say there is a shortage of trucks. I wouldn't call it a shortage of trucks. It's tight for two months out of the year. Every ag industry is like that. There is a season. Two months out of the year gets a little tight. They're trying to make it sound like it's new because of all these new laws. It's not it's the same. We're always going to have trucks. We will always supply trucks for the ranchers. (VAND)
- 224. Comment: The backers of this proposal have said the existing rules have depleted their ability to move livestock in the state. Believe me, if there was a need for more trucks, myself and the other compliant livestock only haulers, would add more trucks to meet the demand. We have known about these ARB compliancy laws for years. I started early, so as to spread my higher costs over more years, I had to, you said if I didn't I would be put out of business. This is all I have, all I do, I had no choice. Competing with non- compliant trucking companies is very difficult. I do it on a daily basis. They have a much lower cost per mile to operate, especially a company that isn't based in California and the

higher costs related to that. It would be like a punishment to those of us who followed the rules, who have been paying the higher costs associated with compliancy. We did all this knowing someday everyone else would be doing it too, and we would be on an even playing field. To extend non-compliancy thru 2023 would be devastating to the financial wellbeing of many California family owned companies, even forcing some out of business. The backers of this proposal are not trucking companies looking for a break; they are consumers looking to keep their costs for hauling low by allowing non-compliant, air polluting trucks to continue to operate in California for many more years. With all the steps forward you at the ARB have made, in the last ten years, you're not taking a step back, your falling down the stairs if you pass this amendment. (JVAN)

- 225. Comment: I strongly oppose the amendment to make all Livestock Carriers exempt thru 2023. I was forced to comply with California laws and ARB regulations to keep my business going. It is not right or fair to reverse these regulations for Livestock Carriers. Every Livestock Carrier I know has already complied with the New ARB Compliance Laws in California. (KRT)
- **226. Comment:** We are owner-operators and run two compliant livestock trucks for hire for deGraaf Ranch Trucking in Manteca. It is not a fair playing field for those of us who complied. The non-compliant trucks have done nothing but sit on their hands and ignore their rules. They charge the same rate per mile as compliant trucks do. They should not be rewarded for ignorance and defiance. Please enforce the rule as it stands. (JDEGR03)
- **227. Comment:** I own two CARB compliant trucks and have supported a family of six. This [rule] has been going on for 10 years and non-compliant trucks should be forced to comply. There are more compliant cattle trucks than not here in California and most out of state livestock haulers have complied. (ADEGRA)
- **228. Comment:** I have been an owner operator for more than 20 yrs. I haul livestock only. This last year I jumped thru all the hoops of getting CARB compliant. I think if most of us did it we should all have to comply. I think that the new proposal should not pass. (CMEDI)
- **229. Comment:** It's very difficult to ask for any type of leniency on these rules as I'm CARB compliant. I have personally spent hundreds of thousands of dollars to ensure that I keep up with your regulations. I have livestock and own trucks. I can't find trucks to ship them all at once. When north wind comes in April and May, you have a few days to really make a decision, get those trucks lined up, get the buyers, everybody on board to get these cattle out. And I stand to lose personally thousands of dollars a day if I can't do it, and I have, like I say, my own trucks. I know a lot of us face that same issue. (CCA04)

Agency Response: The amendment only allows for-hire trucks to operate exempt during specified spring (May 1 – June 15) and fall (October 1 – November 15) seasons annually. This change is intended to meet the seasonal demand for cattle livestock trucks, while eliminating the competitive disadvantage concerns during the off-season.

- **230. Comment:** There is no such thing as "An exclusive livestock only truck." They all had and still have the opportunity to apply for grants or to put Particulate Filters. If it detaches from a trailer it can haul anything. Don't let the CCA pull the wool over your eyes because it will be the same story from these same people in 2023 when they come back to CARB and ask for another 10 years. They already got 10 years. It's time to comply 2014 is here! (JDEGR01)
- **231. Comment:** As written, this provision is unenforceable, as CARB cannot ensure that out-of-state livestock haulers are exclusively pulling specific types of trailers outside of California. (CTA02)
- **232. Comment:** I transport heavy equipment. We run beef cattle on our farm. I can haul gravel with my belly dump. I have several things I can do. I'm not just a cattle truck. I can do -- any fifth wheel truck, any fifth wheel semi is not a cattle truck. You can do anything with it. Maybe that's all they do is haul cattle. But it's not designated to that. So I think you need to take that into consideration. (JVARO)
- **233. Comment:** We receive cattle in from probably eight to ten different states. These cattle are not just in the state of California that we market. So they come into our state from eight to ten different western states. We sell cattle out of the state of California probably up to 16 to 18 states, all the way to Missouri and Iowa and states further west. So definitely in the busy times of the year, the spring and the fall, there are not enough trucks to go around at a competitive rate. So that being said, I want to talk about a large amount of the truckers that we have in this state are not exclusively cattle truck drivers. Some of those people also haul other commodities. Therefore, they can afford to do some of these upgrades better than the cowboy rancher trucker that hauls exclusively cattle truck and in a seasonal time of the year. (CCA07)
- **234. Comment:** I don't agree with the new proposed regulation exempting livestock trucks. Every trucking company will try to use this to their advantage. Most of us livestock haulers haul other commodities like hay and general freight. You do what you have to do to pay the bills and so will the other seasonal livestock haulers. Most of them already do! (JDEGR02)

Agency Response: The amended cattle truck extensions cannot be used by haulers that transport multiple commodities or products and is limited to those that exclusively haul cattle. The Board approved the extension for for-hire carriers for a limited season to address seasonal truck availability concerns and to minimize the impact on those who already complied. The extension was not expanded to include other types of

livestock to limit concerns about competitive disadvantage for livestock haulers that transport a range of commodities and because the peak seasonal availability concerns are not expected to be as significant as they are for cattle. For more detailed information on why the amendment is only for trucks that exclusively haul cattle, see response to comment 214. To address concerns about enforcement, please see response to comment 648.

3. Economic Hardship Extension

a) Support for an Economic Hardship Extension

- **235. Comment:** I am a single truck owner, and my dad has two trucks. I'm asking for the extension because I was denied the loan, and cannot afford to comply. All I ask is to give the extension for those that actually need it. (GFTR)
- **236. Comment:** I would like to kindly request an extension for all of us who have done our very best to comply but were denied a loan. Of course we have done our best to comply but many owner operators from small businesses have been denied loans. We are not talking about hundreds of dollars for small businesses who only own 1 truck or 2 it is simply not that easy to invest thousands of dollars. The money is simply not there, small companies with only one truck work very hard to keep a business running. (JMART)
- **237. Comment:** I would like to propose that for anyone having financial problems and not being able to afford a filter or let alone a new truck, should be given extra time (extension) to be able to work with the truck they have and save some money so that they then have a better chance of affording something in future. I heard that there is a proposal for extension up till January 2017; if that is so I think this should be ample time for truckers to get through the financial difficulties of the past and the present. (DMAHAL02)
- **238. Comment:** I'm owner operator (one truck,) and I can't get a loan due to bad credit (bad economy results). The Economy still very slow in my work field. Please give us more time. (ECORD)
- **239. Comment:** The new proposal will allow me to save up a higher down payment for a new truck. I cannot qualify for a loan due to my bad credit. The proposal would allow me to keep operating for my long time customers. (SJABB)
- **240. Comment:** In particular we believe the changes made in clarifying the requirements to qualify for the Economic Hardship Extension go a long way to minimize the opportunities to abuse this extension and delay cleaning-up of older trucks. The reporting requirements, application requirements and responsibilities of the lending institution in certifying that sufficient information has been provided to support a loan denial help to tighten up the requirements to qualify for this extension. (MECA03)

- 241. Comment: I actually have friends who are truck drivers in the port near the port of Oakland, and they said they can't afford to put the filters on. They understand why that needs to happen; because we need to improve the air quality but they can't afford it. They can't afford to take time off and they don't make that much money. And there should be some type of compensation to help the small truck drivers who are impacted economically not being able to afford to make these types of changes. (RAMAP)
- **242. Comment:** The California Moving and Storage Association (CSMA) agrees with the proposed new flexibility option that would defer compliance with the PM filter regulations for up to 3 vehicles for any owner that cannot get financing to comply with existing regulations. (CMSA02)
- 243. Comment: I have been turned down for a loan on a PM filter and am trying to get the money saved up to buy one and have been working with a dealer to purchase one. If this proposal would pass and allow me to save this money from buying the PM Filter now, I could purchase a newer truck in a couple years or so. I have had to rebuild the engine in my truck and am still working that off, so not having to buy the PM Filter right now that would be close to \$20,000 more toward a new truck. (DELIN)
- 244. Comment: I am requesting more time to install a PM filter on my truck. I was told 6 months ago that I needed to install a \$20000 filter or purchase another truck. I applied for 3 different loans equipment personal and business all three were denied because of bad credit. Please give me more time to save the 20,000 dollars. (JCAB)
- 245. Comment: I believe some type of extension is fair for all those families that can't afford to change their trucks just yet. (NCONT)
- **246. Comment:** We are a one truck owner. To comply, we would have to overhaul the engine and install a filter or buy a replacement truck. We can afford neither. (SMADD)
- **247. Comment:** Last year I spent about twenty thousand in repairs, so it is pretty hard to save money to install a filter that [will] cost me sixteen thousand. (JARR)
- 248. Comment: We have taken every opportunity we are aware of to remain compliant and right now we are on a waiver because we were turned down twice for financing a new filter last year, so we are legal until July of this year. I am afraid of what is going to happen to our business in July when we are no longer allowed to run in California. I am afraid that not being able to operate in California is going to cost us our business and, even worse, our family. (UDE)

- **249. Comment:** We would like to see an extension of the deadlines because we will be burdened by heavy debt due to these regulations. We have been in business since 1963 and we do not want to close because of the regulations. (FROCHE)
- **250. Comment:** We can plan for and achieve engine repair and or replacement. We cannot replace an entire clean burning truck. We don't have the money. Our logging and hauling season is so short, the cash flow is not available to support the loan. Additionally, there is no certainty the driver will be available next season. The Carl Moyer money is not a solution. (ACLOG01)
- **251. Comment:** The requirements this regulations places on me will make it impossible for me to continue working and force me into early retirement (DNEHER)
- **252. Comment:** I do not have the ability to spend 20K for a filter and it is absolutely out of the question for me to purchase a replacement truck for the same reason. The financial hardship that this would place on my family and me would be insurmountable. (TBOW01)
- **253. Comment:** For my business the last few years have been really rough, I'm just getting by. There is no way I can replace trucks at this time, or the new emission device. (GLT)
- **254. Comment:** Our firm has losses since the recession started and continues to struggle. Our continued success is dependent on our equipment. At present we have no resources to upgrade. By forcing us to comply you will only be forcing us out of business. Please reconsider. (MCONC)
- **255. Comment:** As a lender, I've provided several hundred loans for many of the truckers in California, and it is very difficult for them. Over the last three to four years, incomes are not going up for most of these drivers. When talking about providing loans for DFPs, I don't think the Board has considered that the resale value of the truck is far less than the cost of a new DPF in many cases. Most lending institutions won't lend on that type of a fiscal situation. So just consider as many options as you possibly can. It's very difficult for many of these operators to move forward, and they're finding it very difficult with the cost of the trucks. I think the number one thing that everybody is asking for in the room is compromise. (PEBANK)
- **256. Comment:** Myself or anyone else cannot imagine adding a \$20,000 filter to an older truck. My credit is ruined from a recent chapter 13 on top. (RSMIT)
- **257. Comment:** The proposed retrofitting with a particulate filter would be more than my business could sustain and has cut me off from my home base. (JTTLLC)

- **258. Comment:** How can the state just expect the small mom and pop organizations or one-man owner/operators to cough up another \$20,000? The hardship is next to impossible. We complied with the December 2013 deadline by putting a down payment on a filter. The money we cannot get a loan for any more money. If CARB wants this filter in place, they should make it possible for all of us to comply. We need help. (CALV)
- **259. Comment:** Our company can only afford 1 truck at this point and time. The cost for a new truck for our needs is \$220,000.00. We cannot absorb that kind of cost. So what will happen is we plan to shut down operations in 1 year. (WELLC)
- **260. Comment:** This law makes it impossible to stay in business in California and to support our families. It is difficult for everyone, especially when we are still trying to recover from the mortgage crisis and many of us have gone bankrupt just to keep our homes. (JDOUK)
- **261. Comment:** Upgrading to newer equipment is not as easy as it may seem to you. It will be a great financial burden for a lot of us that do not have the resources big companies do, with rates ridiculously and sometimes offensively low that some brokers practically want you to haul freight for free and higher maintenance costs. Some colleagues that went through a lot just to comply are also frustrated because they think we are being rewarded for ignoring the regulations, but it is not that we are simply ignoring them we are trying to comply but we need more time, at least a couple more years. (FRAM)
- **262. Comment:** Since many small-fleet owners and owner-operators were specifically excluded from grant funding opportunities for a wide variety of reasons, the CCTA believes granting hardship relief to those unable to currently comply with the rule for financial reasons is appropriate. While many types of motor carriers (large and small) were adversely affected by the economic downturn, the effects still linger for tens of thousands of truck owners. (CCTA02)
- **263. Comment:** I am requesting your help to obtain an extension to install the equipment. I have received estimates from 2 different companies. I have 5 credit cards that are maxed out. I also lost my home 3 years ago. I need more time to clear my credit cards so I can install the system with the help of one. Please understand we need some help. (CGUZ)
- **264. Comment:** The economic reality makes this a very tough goal to accomplish. We are just exiting what has been a very prolonged depression, expenses are high and rates remain depressed. Banks have tightened their lending rules for new equipment. I would like to see a longer phase time allowance of an additional two to three years. (ATS)
- **265. Comment:** If extensions for commercial drivers to comply is not extended, you are going to have a ton of drivers that will no longer be able to drive in California,

and many non-California commercial drivers who will simply refuse to carry loads in California. (LHAWK)

- **266.** Comment: I did not qualify for a loan and could afford to comply. (MSING)
- **267. Comment:** I applied for a loan for the PM Filter and the loan got declined. I would like to know if you guys can help me out with an extension to operate the vehicle with a permit because I'm the only one that works and supports my household and cannot stop my truck for days or months. (JVILL)
- **268. Comment:** Give the small guys a break. They are the last people to hear about grants and changes. Even if they were to get a grant to purchase new equipment, they cannot get a loan. It will raise their operating expenses so they are unable to make a profit. These little guys do not put the miles on and burn the fuel like the bigger fleets do. (LDEJ)
- **269. Comment:** If as an owner of a single truck I am forced to put a filter on by June 30, 2014, I will be forced to take the hardship of moving outside of California. I'm still trying to qualify for the money to add my filter. And after many attempts to financial institutions, I have no funding. Unfortunately, the government ran out when it was my truck's generation to replace the filter. So in conclusion, I would request on my behalf and others like me to grant continuance of the good faith amendment until such funds are reinstated. (PBAR01) (PBAR02)

Agency Response: The Board recognized that a number of fleets are financially unable to come into compliance and approved the Economic Hardship Extension to provide a compliance pathway for these fleets. The extension will better protect the emission reductions expected from the regulation and provide more time for those who are currently financially unable to comply. The extension, until January 1, 2017, potentially also makes trucks in those fleets newly eligible for incentive funding and allows owners that are struggling enough time to save up for the needed investment to install a PM filter or to replace the existing truck by taking advantage of declining used truck prices. At the same time the Board understood that others have made investments to comply and additional time should only be made available to those who are truly financially unable to comply.

270. Comment: I believe that all of the remaining trucks that have not been able to retrofit or upgrade should be given the opportunity to prove their Economic Hardship. I believe that ARB should not make anyone jump through hoops to prove that either. (VPARE)

Agency Response: When the Board approved Economic Hardship Extension it carefully considered how to strike the best balance in providing additional flexibility for fleets that need it, while minimizing the impacts to compliant fleets in a manner that would prevent fraud. Owners that apply for the extension will be expected to provide

annual financial information to ARB starting from January 1, 2012, and will need to take several steps to comply. The steps include attempting to install a PM filter, lease a replacement truck and purchase a replacement truck. Owners must document their attempts to comply, and if they are financially unable to make the necessary investments then they must provide auditable proof that no financing options are available to bring another vehicle in the fleet into compliance.

To qualify for the Economic Hardship Extension, vehicle owners must prove that they are still financially unable to bring another vehicle into compliance. Owners must collect a total of three price quotes between July 1, 2014, and December 31, 2014, for one vehicle in the fleet. The quotes must include each of the following.

- A quote from an authorized PM filter installer for the purchase and installation of a PM filter retrofit.
- A quote from a vehicle dealer for a replacement cab and chassis or replacement vehicle with the same configuration and body type as the existing vehicle.
- A quote from a leasing entity for a one to three year vehicle lease for a replacement vehicle that has a PM filter installed and has the same configuration and body type as the existing vehicle.

To apply for the Economic Hardship Extension, the owner must report information in TRUCRS about all of the heavier vehicles in the fleet since January 1, 2012 and must complete an ARB approved Truck and Bus Economic Hardship Extension Form that includes the owners annual financial information for 2012, 2013, and 2014 including years in business, gross revenue, net income, debt, total net worth from filed tax returns, profit and loss statements and other documents. The owner must sign a statement under penalty of perjury that affirms the owner does not have any financial means to complete any of the three compliance actions (filter retrofit, replacement, or lease) without a loan.

The owner must then apply for financing from a California Capital Access Program lender and provide the lender with the completed paper form, copies of three price quotes and all of the financial information the lender requires to determine if the vehicle owner qualifies for financing. In cases where the owner does not have access to a CalCAP lender, such as there is not one in their region or they do not travel frequently enough in California, the owner must explain the reasons that a CalCAP lender could not be used and must apply to other state or federally chartered financial institutions. If the owner is denied a loan for the equipment, the lender should sign the form that confirms the information on the form is consistent with the information considered in the loan application. CalCAP lenders that deny a loan may use an alternative form that they send to ARB in lieu of completing the form. The owner must obtain a copy of the owner is denied for financing for all three options to comply (PM filter purchase, lease of a replacement truck and purchase of a replacement truck), the owner may apply for the extension until January 31, 2015.

271. Comment: Our simple request today is that we are asking the Board to please consider favorable options for small companies of 6 and under like ours of when making the amendments and provisions for the Economic Hardship Extension. We only ask that you allow a company like ours, a bit more time to complete our compliance without forcing us to take on un-favorable and un-affordable loans. Heavy credit debt is a very scary place for a company as small as ours. All we can ask is that you please consider us when you are making the changes and amendments to the Economic Hardship Extension. (AFSI)

Agency Response: The economic hardship extension is not limited to small fleets (fleets with three or fewer vehicles). The extension allows owners to defer compliance with the PM filter requirements by committing to upgrade directly to a vehicle with a 2010 model year or newer engine or install a PM filter by January 1, 2017 for up to three vehicles in a fleet. For more information on the requirements owner must meet before they can apply for the Economic Hardship Extension, see response to comment 270.

b) Change the Economic Hardship Extension

- **272. Comment:** The loan denial provision is for folks who generally cannot afford to achieve this compliance level and those who just don't care. The problem is that allowing folks to just opt into it through TRUCRS by January 31st, 2015, would be too easy to game the system and would provide benefit for those who don't necessarily deserve any type of consideration. There needs to be a high bar for the entry. I know there are enforcement provisions that exist for financial hardship, especially coming from a finance company perspective; it might need a little more thought out perspective. (CFS)
- **273. Comment:** If a truck owner seeks an extension because he has been denied financing for a new truck purchase, will CARB require that they also seek retrofit financing as an alternative option before granting the extension? The current amendment proposal does not clarify what the truck owner is required to show in order to prove that all financing options have been exhausted. CARB can make more specific clarifications in the updated regulation to ensure that truck owners have truly gone through every possible channel before seeking the extension. (IRONM02)
- 274. Comment: In its November 13, 2013 advisory, the Board described how fleet owners who made good faith efforts to comply could receive additional time to meet the 2014 PM requirements. One such good faith effort was unsuccessful application for a loan or other financing for a PM filter or replacement truck. While Johnson Matthey (JM) understands the spirit of the provision, the Board should delineate more specific standards to guide staff's review of such requests to ensure that loan/financing institution is credible and had the means to support the loan/financing request. Otherwise, the loan/financing provision could be manipulated to be used as an improper delay tactic to avoid completing retrofit installations. (JMATTHEY01)

- **275. Comment:** The Financial Hardship option should be approved, but with tighter restrictions. Those who make use of this proposal need to show that they have been working to comply with the rules. There should be verification that the applicant signed up to TRUCRS when required. Any notes of communication with the Board or Staff should be shown. The possibility of fraud in obtaining a denial letter is too easy. Strengthening the qualifications for this is needed. (GLSI)
- **276. Comment:** Loan Denial Extension Until 1/1/2018, California Trucking Association (CTA) insists that this provision be stricken from the final rule. Feedback we have received to date indicates that your staff will be unable to differentiate between a legitimate loan denial and loan denials done solely for the purpose of circumventing rule compliance. (CTA02)
- **277. Comment:** The proposed amendments to the Regulation provide a significant extension of time to truck owners who apply for, and are denied financing to replace or retrofit vehicles. The vague nature of this exemption provides no protection against fraud. The only requirement is that the owner makes a "good faith effort" to obtain financing. This exemption creates an incentive for truck owners to make loan applications with financing institutions less likely to approve loans, and/or submit applications in a manner that makes approval less likely. Without any definition of "good faith effort," ARB will be unable to enforce the limitations of this exemption. At a minimum, this exemption should only apply where a truck owner has applied to some minimum number of financial institutions, and should also have credit rating limitations, under which those with good credit scores just provide further assurances of a "good faith effort" to secure financing. (WJHPCA01)
- **278. Comment:** ESW believes a denial by a single loan institution will allow significant delay in installation of a filter. This will gut the program. ARB should provide other means to people to obtain loans. Loophole in that a single denial of a loan produces substantial delays. The solution to this financing problem is to work on mechanisms to facilitate such loans—and not to gut the program's requirements when a single loan is denied. (ESWG)
- **279. Comment:** There are truckers out there that are requesting from their banks a loan denial just so they can have more time and run their older trucks. (CCTA01)
- **280. Comment:** There is the great likelihood that many applicants who are seeking loan denials for economic hardship will in fact be approved for financing. Although many financial factors including ability to pay are considered when issuing a credit approval, some applicants may receive approvals within their financial means but will reject it in order to skirt current and future regulatory requirements. It is possible that economic hardship applicants may go "denial shopping" if presented an approval from one finance company when they believe

they will receive a denial from somewhere else, directly seeking out other lenders with stricter credit criteria or possibly less scruples. (CROSSR)

- **281. Comment:** The loan denial provision needs to be completely rethought, thrown out, or retooled, because we've done some analysis and gotten a lot of feedback on it. You're creating massive loophole. There is no way to tell a legitimate denial from one sought specifically to circumvent the rule. (CTA05)
- **282. Comment:** We believe that some of the added flexibilities involve significant loopholes and opportunities for abuse. One flexibility extension in particular that deserves further consideration is the proposed compliance delay until 2018 as a result of a loan denial. We urge ARB to identify means to tighten up the qualification requirements to insure that abuse of the good faith efforts and other flexibilities is minimized. (MECA01)
- **283. Comment:** In terms of the loan denial proposal that's on the table, I think that has the potential for a loophole. And I think if you're going to move forward with that option, make sure that the level of rigor on that is to a level that does not allow a gaming of that proposal. Particularly, there are many ways to comply with this regulation in terms of buying used trucks or new trucks or retrofitting. And a loan denial for a brand-new truck is not sufficient to say that that company did everything they could to comply. (UOCS)
- **284. Comment:** We have had dozens of small fleets and owner-operators come into our dealerships asking for loan denial letters even though they say they have no intention of buying a new truck. Although we turned them away, many dealerships and lenders did give fraudulent letters. There is major fraud involved with that extension provision, and it will be more prevalent should you give them a 3-year additional extension beyond July as proposed. (LAFR)
- **285. Comment:** Make sure that those applying for financial extensions are really legit and not trying to screw the system. (TBROWN02)
- **286. Comment:** I feel making it hard to utilize the delays is important. This makes the playing field more level. Owner operators need to be responsible for their part in this. The Truck and Bus rule has been out for a while. They should have pulled their heads out of the sand and started saving a long time ago. We have spent countless hours and recourses to stay in compliance. Not to mention the amount of capital. (FLFTI04)
- **287. Comment:** We thank ARB for including diesel retrofits as a compliance option under the Economic Hardship Extension. We continue to believe that VDECS are the most cost effective compliance options to reduce PM from older diesel vehicles. (MECA03)

288. Comment: I don't see how making us get rejected for a loan and showing you our taxes is going to prove anything. (YSALD)

Agency Response: The Board recognized that the criteria for the Economic Hardship Extension needed to minimize the potential for fraud and enhance enforceability so that the delay could only be used by vehicle owners that are truly financially unable to comply. The proposed requirements in the original staff proposal were amended significantly to address concerns about the potential for abuse and fraud. The extension period was shortened by one year to January 1, 2017 and is only available for up to three vehicles that were owned by the fleet on January 1, 2012. The extension cannot be claimed by owners who increased the number of heavier vehicles in the California fleet since January 1, 2012, after the PM filter requirements were in effect. Vehicles that did not previously operate in California are not eligible to claim the extension to prevent potential abuse from those who could newly come into California and unfairly compete with owners that have already made investments to comply. Finally, several steps have been added to ensure that each owner that receives the extension can demonstrate they have taken all prudent steps to comply and are still financially unable to comply. For more information on the requirements owners must meet before they can apply for the Economic Hardship Extension, see response to comment 270.

- **289. Comment:** In the event the staff does grant an extension to those that were denied credit. I would like to offer the following suggestions to tighten the qualification. Yes, qualification:
 - 1. GOOD FAITH. Must have applied and been denied credit prior to the compliance deadline for their engine year.
 - 2. Original sealed Letter from the lender to CARB explaining the reason for being denied credit.
 - A. If the denial reason was Credit based, the applicant must enroll in credit counseling to repair bad credit prior to being granted an extension. If they do not attempt to pay bills on time and pay off any collection accounts, then extending them time will do nothing but allow them to operate unfairly.
 - B. If the denial was financial, the applicant must provide a business plan as to how he/she will generate additional monies. No, cutting rates and working cheap is not a business plan.
 - 3. Shorten the time period. No extension should be beyond the already mandated last engine year deadline of 2016. (1994/1995 engine years) (DGRAND03)
- **290. Comment:** CARB's proposed amendment to the regulation, to "defer compliance with the PM filter requirements for up to 3 vehicles for any owner that cannot get financing to comply" makes owner operators more motivated to be declined by a lender than to actually seek CARB compliance. Ironman proposes that CARB employ a methodology in order to weed out any suspect denial letters from the genuine ones by requiring the credit score to be provided with the denial

letter. *Generally [independent owner operators] IOOs that are under 575 credit score will truly have a difficult time being approved by lenders. *IOOs with a credit score higher than 575 may also be genuinely declined, but there is higher chance of fraudulent reporting in this category. CARB should take a different approach with anyone claiming to be denied that has 575+ credit score and ask one of the CARB approved lenders to re-qualify the applicant.

Another methodology CARB could consider is requiring Owner Operators to produce three denial letters, one being from a CARB backed lender in order to validate the claim of financing declination. This would significantly eliminate the possibility of fraudulent lenders handing out denial letters. To put some cause for concern of anyone possibly submitting fraudulent information, CARB may consider adding the following language to the documents required for submitting denial information "I certify under penalty of perjury under the laws of the State of California that the information on this document is true and correct." (IRONM01)

291. Comment: Specifically, the loan denial extension should not be allowed to go forward. This provision will be impossible to enforce. Legitimate denials will be impossible to differentiate from illegal manufactured documents. (SDAN)

Agency Response: The amended Economic Hardship Extension was modified substantially from the original proposal to reduce potential for abuse as described in the response to Comment 288. The amended requirements include documentation to be signed by the vehicle owner and lender that states the information is true and accurate and ARB will take enforcement action against anyone that falsifies information. Additionally, although ARB will not automatically deny a request for the Economic Hardship Extension based on credit score alone, it will be a factor in determining if the claim is valid.

292. Comment: The California Construction Trucking Association (CCTA) does support some reasonably stringent standards to access the new Economic Hardship Extension compared to the process used to get some relief from the temporary "Good Faith Effort." However, we believe staff has been politically motivated to proposes a process that is so unwieldy and complicated as to render the usability of this provision by disadvantaged truck owners as close to nil as possible. We do not believe that this proposal fulfills the intent of the board's directive to staff. Much worse, the process proposed by staff gives too much discretion to bureaucrats within the agency to second guess submittals from truck owners and deny access to this provision based on subjective interpretations. Industry requires an unambiguous set of criteria not subject to second guessing by CARB staff. (CCTA05)

Agency Response: We disagree that the process to apply for the Economic Hardship Extension is unusable or that it provides too much discretion to ARB. The amended process is consistent with actions taken by fleets that have complied with the regulation and reduces potential for abuse by owners that have the means to comply. The

Economic Hardship Extension is a last resort for fleets that were out of compliance for 2014 and have exhausted all of their compliance options. Vehicle owners will need to prove they have taken prudent steps to comply and are financially unable to comply with regulatory requirements. The steps that owners must take include attempting, before they can apply for the Economic Hardship Extension, to lease or purchase a replacement truck or retrofit an existing.

c) **Oppose an Economic Hardship Extension**

- **293. Comment:** In addition, giving a "free pass" to those who have been unwilling to make the necessary investments in our state's environment, as has been mandated by ARB, is patently unfair to those who have risked their businesses by exhausting significant resources to comply. ARB's retraction of the Regulation places those who comply with its directives at a significant competitive disadvantage. As a result, Lawson, along with many other compliant operators, will suffer significant damages by ARB's contemplated amendments. (WJHPCA01)
- **294. Comment:** We are not comfortable with the proposals to extend the time for these folks that can't get loans. It's not enforceable, we feel. We're having a hard time with enforcement now it seems. We can run down the road today and look and see a lot of trucks that don't have filters. This all has created a lot of unfair competition out there. I personally have spent a million dollars on 15 trucks we have. I have 15 employees. Those employees would like to be here today to testify to you that this needs to be a level playing field. They would like to receive more money and benefits for themselves and their families. I don't believe that some of these amendments are good for the public. This is not in the best interest of the public at all. These folks have had six years. Can you honestly tell me after six years I'm on your Advisory Committee? We've sent out information to everybody with heavy-duty trucks. You mean to tell me you don't have a licensed truck, you received something and didn't know? (FLFTI03)
- **295. Comment:** You adopted the rule in 2008, and it's a tough rule. I don't think there's any doubt about that. You came back two years later when we were in the depths of the recession and you relaxed that. And we did not oppose that. But now four years later and you have all these people who are complying and coming to you and saying we went into debt in order to comply with this rule and to help clean up the air in this state. And I would be very concerned if those folks were ignored and that if we let drive the process the complaints of the non-compliant minority, most of whom I think are not going to be happy with anything that you do. So for us, it's important that we stay the course. (TCFCA)
- **296. Comment:** It looks as though part of the reason as to why CARB has made this proposal is so that there can be more time to make grants available. The crux of the problem is that there are many that have already complied in order to follow the law. They are now facing a financial burden that others are not and this impairs their ability to do business on an even playing field. They have to earn

higher rates to support their investment while others do not. They cannot compete in a fair way, they will suffer. (DFERR02)

- **297. Comment:** I think this is a bad idea. CARB has already laid down the law as to what us carriers are supposed to do to be compliant. So we spend a lot of money and time as well as resources to pull this off, and you decide to extend the rules out to very people who ignored your regulations. They are not going to ever get compliant. Now, those of us that followed the rules and became compliant, are not going to be able to raise our rates that were going to pay for the investment we had to do to be compliant with the new CARB regulations. Our economy is based on supply and demand, and with the new CARB regulations, this would create a supply issue that would allow us to raise our rates to pay for your rules. Now I won't be able to raise my rates and pay for all of this new technology you made us get. I simply will not be able to afford to stick my financial neck out there, and run myself out of business. This is defeating the purpose and direction of which CARB intended it to be. (SSIEI)
- **298. Comment:** I disagree with parts of your modifications to the Truck and Bus Rule. Allowing individuals and companies that cannot qualify for loans for new trucks or filters is unfair to those whose who took the initiative to comply with the rule. Why should these operators get a pass when the majority of the industry, (75%) has spent hard earned money on updated equipment? I can make my company not qualify for a loan if I want. So, can anyone else. It is too late to do this type of change to the rule and this will make it worse. (FLFTI01)
- **299. Comment:** So come December 2013 I installed a filter 15.000 (small engine) and in January of 2014 I got under-bid by a non-compliant small fleet owner for a job I previously had for 2 years. They were able to charge 200.00 dollars less per load. (JTRANS)
- **300. Comment:** Please consider the impact that the Emission Reduction Regulation has caused small companies like mine. I was not able to get any grants to help with my purchases so I had to flip the bill alone at risk of going out of business or bankruptcy. So to hear that now more changes are being considered that would delay compliance is a slap in the face to people like me that followed the rules and sacrificed so much to comply. If you change the rules of the game again, then you will be sending a message that tells people that if they procrastinate and ignore rules and regulations, they can be rewarded for doing so. (JALC)
- **301. Comment:** Our company has played by the rules all along. We installed a filter every year to stay compliant. It's just not fair that we played/paid by the rules and others who didn't are getting a free ride because they didn't play/pay by the rules. We saved and planned to be compliant. No extensions. (PNUTT)
- **302.** Comment: Surprise, surprise, several of my competitors is not complying, and now they may get rewarded for not complying! Don't you understand that every

truck that I have that is compliant has a huge expense that the non-compliant trucker is not bearing? If you issue these extensions now, the company which did not comply and now has more time is able to work for far less per hour that we can and still break even or make a profit. Do any of you remember telling all of us that of course the rates would increase to cover these expenses? It has not happened, and will not happen. I never thought I'd be against extension, but I never dreamed of spending so much money and then having others get rewarded for their non-compliance. What a slap in the face. (ARTRU01)

- **303. Comment:** Furthermore, the Economic Hardship provision will likely force many compliant fleets, both midsize and small, out of the trucking market. We estimate that the cost basis for operating a single compliant truck to be between 13-27% higher than operating a non-compliant truck (depending on utilization). Due to intense rate competition within the industry, we predict that compliant single truck owner-operators will be quickly put out of business by this provision, as they will be unable to compete for loads with contractors who delay compliance. To the extent they survive, whatever cost which cannot be recouped through higher rates will cut directly into their net income. Other small and mid-size fleets will face similar pressures. (CTA02)
- **304. Comment:** Even some of the proposal extensions make some sense. But the proposal that doesn't make any sense at all is the "I can't get a loan proposal," I'll call it. You claim that you can't get a loan for whatever reason. And in the meantime, the people that stepped up and went out and scratched and scraped and got the loan, they have already complied or they're willing and potentially able to comply; now they're on an uneven playing field. And now their business expenses are much higher. And now they risk losing their business because they have to pay so much more, as compared to their competitors. (DFERR04)
- **305. Comment:** I understand the financial predicament this puts some carriers in, but this has been a known escalation for many years with many opportunities for public funds. Extending these regulations at this point would be catastrophic to the compliant carriers within the state. (STTRU)
- **306. Comment:** I have a problem with you thinking about extending the length of time for trucking companies that have bad credit or cannot get a newer truck due to poor credit. My business is on the line here now due to you changing your minds it seems on a daily basis. I am in compliance and I plan to take more money due to the new regulations, but with you extending their credit or even extending the time limit for people who knew of this change years ago, like I, you punish me for complying with your laws, (SBELL)
- **307. Comment:** We have had dozens of small fleets and owner-operators come into our dealerships asking for loan denial letters even though they say they have no intention of buying a new truck. There are many carriers that have upgraded their trucks and would be put at a competitive disadvantage due to the increased

payment liability as compared to a non-compliant carrier that received such an extension with their old, polluting truck. (LAFR)

- **308. Comment:** There shouldn't be any extension if a small fleet can't get a loan. That means their rates are lower so they are hurting the companies that have already complied. (CDEKON)
- **309. Comment:** It's important to be fair to those that have complied. Why should a driver who has already complied with your rule have to compete against another driver who is being given a new extension? ARB should be careful not to take an action that makes timely compliance with ARB rules seem like a poor business decision. ARB needs anti-backsliding measures. Strong anti-backsliding will help ensure that the promised and paid for emissions reductions are actually delivered. An inspection and maintenance program will help reduce the potential for engine maintenance issues to interfere with the operation of emissions controls. A more rigorous aftermarket certification protocol will ensure that replacement of emissions devices meet the appropriate performance standards. (AJW)
- **310. Comment:** Based on improvements made, these small fleets and single truck owners expected that pricing would increase so that they can pay for the loans that they have received from various entities. With the proposed extensions and watering down of the law, especially the one where all you have to do is prove that you cannot get a loan, these people are now going to face financial hardship. They will now be getting penalized for trying to comply with the law. No more will the projected escalation of pricing be viable since any truck will do after all. What do we as brokers, the enforcers, as appointed by ARB say to those that have given up everything just to get that new truck and filter, while they look at other truckers who didn't bother to make an attempt and now will be rewarded. (DFERR01)
- **311. Comment:** Greatest concern is the Loan Denial Extension. We contend that it is no harder for small carriers to replace equipment than it has been for us large fleets. (GGT02)
- **312. Comment:** Not every situation is the same; there are genuine cases of hardship that cause difficulty in attaining set goals, etc. Kudos to everyone that has complied or have made a genuine effort to comply. Thumbs down to the few that make it bad for the industry. (GATI02)
- **313. Comment:** Being a company that has a fleet of 140 trucks and has been compliant with ARB regulations from the beginning, it is very disappointing to see a bevy of carve-outs, exceptions and extensions for those who were never compliant and had no intention of ever becoming compliant. Now, the irresponsible may be getting their way. And those who stayed compliant

throughout, even though it meant losing business because of their increased expenses, are slapped in the face. (JMATL01)

- **314. Comment:** We do not support extensions for those who have done nothing to be compliant to date. (JMATL02)
- **315. Comment:** After spending \$18,000 retrofitting my truck, CARB is going to allow others to continue to operate without upgrading their equipment. How will that help the air quality? If they can't qualify for loans or pay for the upgrades, how can they maintain their equipment? Let the rules stand. No more extensions. No more grants. Enforce the rules. (CMIT)
- **316. Comment:** Economic Hardship extension is not fair to brokers. Small fleet owners thought pricing would increase, but now with law watered down, pricing will not increase. [It] will create hardship for those who comply. (DFERR03)
- **317. Comment:** For the last four years we have planned for this carb ruling, now you're telling me this is all in vain, I had a fleet of well-maintained trucks that I have had to sell out of state to comply with this carb ruling. I have never believed in this rule but I complied with it and now I have a Company heavy in debt that previously had no debt. I realize that your job is not to worry about the health of the trucking industry, but to those of us who have stood up to the plate and did what they had to do are the very ones you're going hurt if you extend the ruling. (DPTI)
- **318.** Comment: My comment is directed to the possible 2018 Truck and Bus extension for individuals that were denied credit for the purchase of a new/used replacement vehicles or DPF systems. Many owner operators and fleets have already taken a financial risk by upgrading trucks, or purchasing filters to be in compliance by the deadline already in place. I am an owner operator that took advantage of grant funding to replace my truck two years before the deadline, with the assistance of a SCAQMD grant I was able to also gualify for the state financing program that was available for early compliance. Of course, many of us are paying exorbitant interest rates on new equipment financing or we too would not have been approved. One of the decision factors for purchasing new equipment was the potential increase in demand for operators in compliance, an advantage in order to afford the new trucks. If the decision is made to grant an extension to 2018 for those who waited till the 11th hour for CARB to bend the rule, they will now have the competitive advantage. Those of us with the \$2-\$3K per month truck payment per vehicle will be at an unfair disadvantage for complying with the CARB rulings as defined. Enforce the rules CARB has mandated or rescind them completely. (DGRAND01)
- **319. Comment:** We were thinking when we do other requirement, we would get more money for the contractor to pay us because we spent our money to work on it. So now how are we going to go out and compete with those guys don't do

anything about it. They bid the job for lower money. They don't need any payment. So they willing to work for lower the rate. So how are we going to compete with them? And now out \$50,000 in our pocket. So if you guys thinking about extension, think about us who followed the regulation, you know, to be compliant (NGUY)

- **320. Comment:** Many small fleets (and large) have gone through the complete compliance process having faith that industry compliance was fair and all fleets alike were on their path to compliance. However, the possibility of any fraudulent-based extensions will give way to unfair competition, resentment from those that "did the right thing" and sought compliance, and another blow to CARB and industry compliance efforts. (IRONM01)
- **321. Comment:** I upgraded to a 2013 truck with a bankruptcy on my credit so don't tell me you can't qualify. The people who don't upgrade their equipment keep all our rates down; that's why we need the older trucks gone so we can start charging more what we're worth so please don't give any more extensions. (JIMR)

Agency Response: The Board determined the Economic Hardship Extension was needed to provide a compliance path to vehicle owners that were unable to meet the January 1, 2014 requirements and have exhausted all of their compliance options. The extension provides more time, until January 1, 2017, for owners to find the means to make the necessary upgrades to achieve emission reductions and meet the expected emission benefits of the regulation. The Board carefully considered how to strike the best balance to provide additional flexibility for fleets that have no other compliance options, while minimizing impacts on compliant fleets. The original staff proposal was changed significantly to minimize the potential for fraud, to improve enforceability, and to address concerns about competitive disadvantage for those who already complied. For more information on the requirements owners must meet before they can apply for the Economic Hardship Extension, see response to comment 270.

d) Other Economic Hardship Extension Comments

- **322. Comment:** I'm a Georgia based auto carrier that transports vehicles to and from California once a month. And then there are the fleets who either don't have the capital, or the credit worthiness required to do the retrofit. I would like to know if the ARB could start a loan program or something like it to help owner operators who are based outside of California to become compliant. (DHOLL)
- **323. Comment:** In mentioning CalCap, we're curious why CARB doesn't simply write into the proposed language that non-California based fleet owners don't need to be included in this pre-requisite. As CARB knows, residency requirements preclude virtually all out-of-state applicants from access to CalCAP provided funds. It is misleading not to make this disclosure. (CCTA05)

Agency Response: Many of the CalCAP lenders are national financial institutions with offices throughout the US and are lenders that commonly finance trucks and some finance retrofits. Although the ARB On-Road Heavy-Duty Vehicle Air Quality Loan Program (CalCAP-ARB loan assistance program) is intended for small businesses that have their primary economic effect in California, CalCAP is not limited to California fleets. The regulation requires all applicants begin with a lender that participates in the CalCAP program, because these lenders are known to commonly finance trucks, they can offer conventional loans and loans through the CalCAP program for eligible applicants, have a relationship with the ARB, and they are expected to be more familiar with the Economic Hardship criteria and process than other lenders.

All owners must apply to a lender that also participates in the CalCAP program whether or not the applicant qualifies for the CalCAP program. In cases where vehicle owners do not have access to a CalCAP lender, applicants can apply to other state or federally chartered institutions and will have to provide written explanation as to why a CalCAP lender could not be used.

324. Comment: Crossroads recommends that ARB clarify lender disclosure responsibility when approving an applicant who is strictly seeking a denial and the ability to apply for economic hardship. Simultaneously, ARB should provide safeguards for lending institutions who issue legitimate finance approvals that are subsequently rejected by an applicant seeking economic hardship if the applicant receives a denial from elsewhere and moves forward requesting the economic hardship exemption. Will there be a requirement for finance companies that have approved applicants who are seeking economic hardship to report the approval and applicant information to CARB? Is it the intention of ARB to require approvals to be sent directly from the finance company once generated to prevent this activity? (CROSSR)

Agency Response: ARB will not require that loan approvals be sent directly from the lender, though lenders may choose to provide this information. However, vehicle owners must disclose on the Economic Hardship reporting form, under penalty of perjury, if they have been approved for a loan or line of credit since January 1, 2014. The lender only needs to provide information about the equipment loan application that was evaluated for the applicant. The lender is not responsible for any actions the applicant takes after being approved or denied for a loan.

325. Comment: Will economic hardship applicants be required to disclose all previous approvals for financing that were issued during the July 1 and December 31 window? (CROSSR)

Agency Response: Yes, fleets requesting the Economic Hardship Extension will need to attest under penalty of perjury that they are financially unable to bring the vehicle(s) they are requesting an extension for into compliance without a loan and that they have not been approved for financing that could be used to complete the necessary actions to comply after January 1, 2014.

- **326. Comment:** We have upgraded some of our fleet. But still have to replace 5 tractors (costing \$50,000 to \$150,000 each) and 4 bobtail trucks (costing \$30,000 to \$55,000) is a hardship we cannot endure. How can we pass on the costs to our customers? (PWATE)
- 327. Comment: Would the economic hardship applicant still be required to provide all information required under 2025(r)(16)(D) to ARB, even though a credit decision was reached using "sufficient financial documentation" that may or may not include all the items listed in 2025(r)(16)(D)? If the lender is able to make a credit decision without any or part of the information required under 2025(r)(16)(D) would the credit decision be acceptable to ARB since the lender is certifying under penalty of perjury that the applicant does not qualify for any loan offered by the lender? (CROSSR)

Agency Response: The ARB will rely on the lender's assessment of the owner's ability to qualify for financing from the lender when reviewing Economic Hardship Extension request claims. The term "sufficient financial documentation" is intended to distinguish between loans that are denied for financial reasons when a loan applicant fully participates in the lenders process as opposed to loans that are denied for administrative reasons like insufficient information or documentation from the applicant.

328. Comment: We run a very clean operation with 12 trucks currently. We have gotten rid of all the trucks and off-road tractors we possibly can to still function, but there is just no way we can spend 14k to 20k per truck to get a few more years. We have used Moyer fund and have purchased as late a model trucks as we can financially pencil out. Replacing trucks at a minimum of \$200,000 per truck is just not in financial cards either. There are a lot of unintended consequences with these regulations being so aggressive. (DKIRW)

Agency Response: Emissions reductions from existing heavy duty diesel vehicles are needed to protect public health, meet SIP obligations, and meet federal ambient air quality standards as described in response to comment 14. The economic hardship extension is not limited to small fleets (fleets with three or fewer vehicles). The extension allows owners to defer compliance with the PM filter requirements until January 1, 2017 for up to three vehicles in a fleet. Additionally, fleet owners that use the economic hardship extension may be newly eligible for incentive funding. For more information on the requirements owner must meet before they can apply for the Economic Hardship Extension, see response to comment 270.

329. Comment: Now there is a proposed option of Economic Hardship in order for us to extend the life of a perfectly good truck. We would probably qualify for a loan, our credit is good because we were responsible and paid our bills. What would not be responsible is taking on the loan for a new truck, and used compliant trucks just don't exist. (RGOOD)

Agency Response: The existing regulation already provides several flexibility options that can be met with PM filter retrofits and defers truck replacements until 2020. Truck replacements are limited to 20 year old or older trucks in fleets that have not used flexibility options. With the Phase-In Option for Heavier Trucks, fleet owners can meet PM filter requirements from 2012 to 2016 with no vehicle replacements required until January 1, 2020. Additionally, all vehicle owners had the option to install a PM filter by January 1, 2014 on any vehicle to extend the use of that vehicle until 2020 or later regardless of compliance option used for the remainder of the fleet. The amended regulation extends the use of existing vehicles until January 1, 2023 if they were retrofitted with a PM filter before January 1, 2014 as long as they remain in the fleet. With regards to the availability of compliant used trucks, staff believes there are sufficient compliant trucks to meet the demand. Staff searched the sales listings on Truckpaper.com for trucks that are 2008 or newer model year and found that as of November 5, 2014, there are almost 29,000 sales listings nationwide that match the searched criteria and over 6,800 of them were posted in the last 30 days. In reality, the number of compliant trucks for sale should be higher because Truckpaper only represents a fraction of the total truck sales.

- **330. Comment:** In the compliance extension for owners that cannot comply, the only piece that I struggle with is that the truck must be in the fleet in 1/1/2012. I can understand why CARB is selecting that date, but we have Owner Operators who were unfamiliar with CARB so when they purchased their equipment they did not consider the regulations. We have 2 individuals specifically who have tried to get into a newer truck but cannot qualify to do so because of their credit situation. I think some flexibility on the date of 1/1/2012 would be beneficial for the Owner Operators who fall past that date. (TCUREE)
- **331. Comment:** I purchased my truck in September 2012 and reported. I had to file bankruptcy in order to save my home, but I don't qualify for the Economic Hardship Exemption because my fleet was not established on January 1, 2012. This is unfair to people like me who can't afford or qualify to purchase a filter or a new truck. (CPOLA01)
- **332. Comment:** I own a 2007 truck which does not meet California Regulations. Because lack of credit issues and money, I cannot purchase another one or purchase a pm filter. Last year when we registered with the CARB department, we qualified for the "Good Faith Effort" extension until July 1, 2014. Now we're in July, and they say we don't qualify for the "Economic Hardship" extension because we had to have the fleet established since January 1, 2012 and not after. I honestly think this is unfair because I do qualify under that extension (CPOLA02)
- **333. Comment:** My comment(s) are intended for the "Economic Hardship Extension" section for small fleets that are unable to receive the necessary funding to comply. If you ask why I was rejected by the ARB team, simply due to the fact that I didn't have my 2 trucks register as of January 1st 2012. But forgive me, for

I didn't have anything registered at that point in time because I started business later on in the year (2012). As a small fleet owner trying to steady his operation, I am asking the board to please add an amendment that will allow me to continue operating but with the mutual understanding that a plan should be put in place to comply by January 1st, 2017. (VAVET)

- **334. Comment:** I am not able to qualify for the new economic hardship extension because I bought my current truck in May 2012 and I have applied for loans and can't receive any for a new truck which lands me in a stressful situation of uncertainty. Please reconsider the January 1, 2012 deadline. (JMOY)
- **335. Comment:** The part of this (economic hardship) amendment that I disagree with is its only for a truck that has been in a fleet since January 2012, my opinion is that regardless how long a truck has been in the fleet it doesn't directly affect the fact that one simply can't afford a new truck or a loan for a truck. (IMOY)
- **336. Comment:** We owned a truck but lost it in December 2011 because of dispute with the leasing company. We were able to buy a different truck in May 2012 and were in the process of building a new truck to be completed in mid-2014. We got in a major truck accident and hit economic hard time and were not able to comply with the regulation. However, we don't qualify for the Economic Hardship extension because it requires that we own the truck since January 1, 2012. This is unfair to people like us who can't afford to comply. (MTOK)

Agency Response: The Board determined that it was appropriate to limit the Economic Hardship Extension to vehicles that were operated in California and were already owned on January 1, 2012 when the first PM filter requirements in the regulation began. Owners that purchased their vehicles after January 1, 2012 should have been aware of the regulation, and made their vehicle purchases knowing that further investments would be required to comply with the regulation. The requirement also limits the potential for abuse from owners that did not previously operate in California who could take advantage of the extension to take business away from owners that had already made investments to comply.

337. Comment: Of greatest concern is the flexibility option that waives PM filter requirements until 2018 with a promise of upgrading to a 2010 truck. This exemption will allow highly emitting trucks to remain on the road while establishing an uneven playing field for those that have already installed DPFs. In order to have installed a DPF, vehicle owners will not only have incurred the expense of the filter and its installation but they will also have had to ensure that their engine is running well enough that the DPF function's properly. Our experience with vehicles not yet retrofitted is that their engines generate soot at significantly higher amounts than certified levels. If the proposed "goodwill" exemption is approved, these engines will not only lack filters that would reduce 85% of their PM, but they will generate PM at many times their certification levels further deteriorating California's PM attainment. (DONALD01)

- **338. Comment:** To receive and/or maintain the Economic Hardship extension, the truck owner must show that the engine meets CARB engine PIC requirements to ensure that basic engine maintenance is achieved:
 - No active emission engine fault codes (ECU download)
 - Opacity must be below 20%
 - Fuel and oil inspected for contamination
 - No visible oil leaks
 - Charge air cooler is clean (IRONM02)
- **339. Comment:** If a truck owner does in fact get declined for retrofit financing and CARB is able to verify this and approve the extension, Ironman further recommends that these truck owners must at least ensure that their engines are in reasonable working order. (IRONM02)

Agency Response: ARB already has programs to control excessive smoke emissions and tampering from heavy-duty diesel trucks and buses. The Heavy Duty Vehicle Inspection Program (HDVIP) requires heavy-duty trucks and buses to be inspected for excessive smoke and tampering, and engine certification label compliance. Any heavyduty vehicle traveling in California, including vehicles registered in other states and foreign countries may be tested. Tests are performed by ARB inspection teams at border crossings, CHP weigh stations, fleet facilities, and randomly selected roadside locations. The Periodic Smoke Inspection Program (PSIP) requires that diesel truck and bus fleet owners conduct annual smoke opacity inspections of their vehicles and repair those with excessive smoke emissions to ensure compliance. The ARB randomly audits fleets, maintenance and inspection records and tests a representative sample of vehicles. All vehicles that do not pass the test must be repaired and retested.

The Board determined that the Economic Hardship Extension in order to provide a compliance path to vehicle owners that were unable to meet January 1, 2014, requirements and have already exhausted all of their compliance options. For more detailed information on the Economic Hardship Extension, please see response to comment 321.

340. Comment: Section 2025(p)(10)(D) - requires applications for loans to have occurred commencing July 1, 2014. The CCTA believes this is overly restrictive since many who took advantage of the previous "Good Faith Effort" (GFE) by claiming they were denied a loan should be able to utilize that documentation they used to apply for the GFE extension. (CCTA05)

Agency Response: The economic hardship extension is intended to provide an option for all fleet owners that are unable to comply for financial reasons. Fleets have the financial means to lease or purchase a replacement truck or install a PM filter are not eligible for the extension. The criteria to demonstrate action to comply and seek a loan have changed enough that past loan applications will not meet the current requirements. Although fleets have to submit their credit report, credit score, however,

does not constitute the approval or decline of economic hardship eligibility. In addition, the financial situation for a company may have improved and the owner may have the means to comply when they didn't the year before. For example, the owner must also offer their existing vehicle (or an equivalent asset) as collateral or sell it for a down payment when they apply for a loan. If the owner is denied financing for all three options, they must also obtain a signature from the lender to substantiate the loan application met the criteria. For more information on the requirements owner must meet before they can apply for the Economic Hardship Extension, see response to comment 270. For background and detail information on the extension, see Advisory #MSC 14-13.

- **341. Comment:** I think it is great that they have to put economic hardship on their trucks! This makes people accountable! We have too little accountability in our society today, we need more. This is a good step forward. (FLFTI04)
- **342. Comment:** Your proposal to label my truck "EH" is unconstitutional. I do not know of anyone on food stamps or welfare or Medicaid that needs to tattoo their belongings. (TTROTT05)
- **343. Comment:** Should we somehow qualify for Economic Hardship distinction, then we would proudly display that sticker for all to see on the side of our truck? That isn't right. We don't do that to people anymore. People aren't required to wear signs around their neck that says poor. In what other areas of government is this kind of treatment tolerated? Check yourselves. In conclusion, we're not poor; we're just not poor enough. Come January 1, 2015, we will be. (RGOOD)
- **344. Comment:** Requires all fleet owners using the Economic Hardship Extension to label the sides of their vehicles with the letter "EH." Without a doubt, this is a form of a scarlet letter that has no place in today's society. (CCTA05)

Agency Response: ARB agrees with the commenters who expressed concerns regarding the potential stigma of the labeling requirement. As such, ARB staff has removed the labeling requirement for the economic hardship extension in the regulation as outlined in the second 15-day notice. Labeling of vehicles claiming this extension is not critical to effective enforcement of this requirement.

345. Comment: If I'm denied a loan to upgrade or retrofit my truck by a reputable finance institution, what grounds does CARB have to tell me that I can or can't afford a DPF? Since when did they become a financial institution? (RMILL)

Agency Response: ARB is not acting as a financial institution when evaluating a fleet owner's request for an economic hardship extension. The onus is on the fleet owner to demonstrate that they cannot afford to comply. The owner must take several steps and must seek financing for installing a PM filter, leasing a truck, and replacing a truck from accredited financial institutions. In seeking a loan, the truck owner must offer their existing truck or another equivalent asset as collateral or must offer to sell the truck for a

down payment on a replacement truck. If one or more lenders deny the owner for financing for each of the three compliance options, the owner must submit the documentation of their loan denials from the lenders and obtain signatures to confirm the loan denials were for loans that meet the criteria. ARB will verify the information submitted with the application is complete and meets the eligibility criteria. The owner's financial information will provide insight into their financial situation and will be used by ARB to evaluate the claim of hardship. ARB's enforcement authority allows ARB to audit fleet records to determine compliance including reviewing vehicle owner's financial means to comply when assessing penalties and determining the expeditious manner to bring a fleet into compliance.

346. Comment: My question and or comment would be if you applied for Prop 1B and for whatever reason you did not get into the program and received a letter of denial would that not be proof for your department to be applicable for the "Economic Hardship Extension" since many people needed that help to purchase a new vehicle in this case it would be for one vehicle owner. (LARTE)

Agency Response: Truck owners are denied grant funding because they do not meet the grant program's eligibility criteria. This is not necessarily an indicator of their financial inability to comply. If a truck owner is approved for funding, but is unable to secure financing to purchase the truck, the loan denial may be used as proof of being unable to purchase a truck, but the owner must still demonstrate they do not have the financial ability to comply by installing a PM filter or leasing a truck.

347. Comment: The regulation specifies that fleets must report each January when using any credit or extension and fleets reporting under this economic hardship section should not be treated differently that other fleets. Furthermore, because of an improving economy and the fact that an individual's personal credit rating may vary from year to year, it does not seem prudent to have a less robust process in 2016 than that proposed in 2015. The process should be identical from year to year. (JAREN)

Agency Response: The fleet owner must submit their annual financial information for 2012, 2013, and 2014 when reporting. Similar to fleets using other flexible provisions, fleet owners who are approved for the extension will need to provide updated information to continue the extension through 2016. This updated information will include current finances but does not include the added step of producing loan applications for 2016. The Board determined that it is not necessary to require this extra step since the fleet should already be making progress towards meeting the filter or replacement requirement by January 1, 2017. Fleets that have the financial means to comply, but do not take the appropriate steps to meet the compliance requirements are subject to enforcement action.

348. Comment: Section 2025(p)(10)(C) - requires financial data from January 1, 2012 substantiating that the owner does not have the financial means to follow through with any of the compliance options listed in 2025(p)(10)(B). In the case

of sole-proprietors and single member LLC's, does CARB have a baseline number that takes into account that a truck owner needs to also make a living wage? Or, is CARB going to consider every dollar earned beyond expenses is available to purchase, rent, or lease their way into compliance? (CCTA05)

349. Comment: The economic hardship for those owners who are not incorporated or have a dba is again unconstitutional. It is not illegal to own a business and not be unincorporated, an IIc, etc. So if you require proof of economic hardship across the board how do you differentiate between an owner's private income and business income? You can't. I know that I work over 4,000 hours a year and some years only make \$45k. I barely make minimum wage but have excellent credit. Where is the retrofit money to come from that you demand? (TTROTT05)

Agency Response: The Economic Hardship Extension was crafted to be consistent for all owners that apply for the Economic Hardship extension and is an option for those who are truly financially unable to comply. Anyone who chooses to apply for the additional time, will be evaluated in a manner consistent with legal requirements associated with the business type. The requirement for information on private income is necessary to evaluate financial ability to comply when the businesses finances are not legally separated from the individual's finances.

350. Comment: Section 2025(p)(10)(D)3 - requires that on the financing application it is to include the existing vehicle as collateral (a trade) or indicate the vehicle will be sold for a down payment. Virtually no financial institution includes this type of language in their standard application process. (CCTA05)

Agency Response: Although a financial institution may not require the existing vehicle to be traded in or put up as collateral in a standard loan application process, the potential for being approved for a loan may be higher if the owner offers either the existing vehicle or an equivalent asset as collateral or as a trade. Owners are expected to take reasonable steps to comply. The intent of the requirement is to minimize the potential for abuse from an owner that is denied because they do not fully participate in the loan application process or make good faith efforts to be approved for a loan. The requirement is for the applicant to offer their vehicle or equivalent value as collateral to increase their chances of being approved for financing. If the lender determines that having the vehicle, or an equivalent asset, offered as collateral for the loan would still not result in a loan approval, the intent of the requirement is met.

351. Comment: Section 2025(q)(16)(D)4 - describes the reporting requirements for the Economic Hardship Extension mandating a signed statement from a financial institution identifying information about quotes for the vehicle lease, installation of a PM filter retrofit, or vehicle purchase. Why CARB thinks any financial institution would be involved in assessing vehicle lease information is perplexing. Unless CARB is referring to a specific financial tool called a "finance lease," there is no reason the quotes for leasing a vehicle from another party would ever be

considered by any banking institution. The requirement that a financial institution consider anything related to a vehicle lease needs to be dropped from the final regulation. (CCTA05)

352. Comment: Section 2025(p)(10)(B) - as proposed requires a truck owner to complete three initial steps to begin the process of getting approved for this provision. Completing two out of three steps is all that CARB should mandate. The requirement for a written estimate from a leasing entity is fraught with so many vagaries that if all three steps remain mandated this third requirement will act successfully as a "poison pill" keeping many truck owners who would be otherwise qualified from being able to use this provision. (CCTA05)

Agency Response: The Board determined that leasing a vehicle is a reasonable step to comply and should be used in determining whether an owner had the financial means to comply. The Economic Hardship Extension is a last resort for fleets that were out of compliance for 2014 and have exhausted all of their compliance options. If a fleet owner qualifies for a vehicle lease, then the owner has the means to comply and should not receive an extension.

353. Comment: The Board should direct ARB staff to explain or seek comment on needed improvements that would help fleet owners obtain loans. ARB should also direct staff to hold a public hearing as part of this rulemaking and develop a record and recommendation on alternate solutions to meet these challenges. To facilitate financing, ESW would like to work on the following solution-pathways: (1) Though California Capital Access Program (CalCAP) or similar programs, ARB should provide a conditional guarantee or backstop to the retrofit loan provider wherein ARB covers 20% of the retrofit-installation in the event that the vehicle owner fails to pay the affected financial institutions.

(2) Retrofit manufacturers and dealers, including ESW, could provide matching conditional guarantees to the financial institution for an additional 10% of the total retrofit and installation costs.

(3) To protect the financial guarantors and lenders, ARB should maintains the right to rescind or block Department of Motor Vehicles (DMV) registrations for any vehicles that fail to meet their financial obligations to pay for a retrofit.
(4) Recourse for non-payment to the guarantors and lenders should include the right to place a lien on the entire truck (or similar financial assurances.) (ESWG)

Agency Response: Since its inception in 2009, the CalCAP-ARB loan assistance program has provided loan assistance for nearly 5,000 loans. The ARB contributes 20 percent of each loan into a loan loss reserve account as a loan guarantee, until the lender has reached \$5 million in loans, at which point the contribution amount decreases to 10 percent. The loan loss reserve account, managed by the California Pollution Control Financing Authority (CPCFA), grows with each loan, thereby providing protection in case of defaults. With a default rate significantly less than 10 percent, the loan loss reserve account funds for lenders. If a loan is defaulted on, the lender would take actions to recover the funding for a truck, retrofit,

or trailer, including repossession. Only after taking actions can a lender submit a claim to obtain funds from the loan loss reserve account. Most loan guarantees provided since the program's inception are for trucks, but the loan guarantee does not exclude loans for retrofits. If the loan application includes the installation cost, it is covered as well. Since trucks are much more costly than retrofits and there were more loans for trucks than retrofits, the loan loss reserve account had accumulated sufficient funds to pay claims for retrofit defaults.

Currently, lenders may require a lien on a truck. However, lenders develop and use their own underwriting standards and neither ARB nor CPCFA is involved in how lenders underwrite their loans. In the case of non-payment, most lenders had already established methods to recover their losses. Staff believes the task of recovery for non-payment should be left with the institutions. Requiring or giving the right to place a lien on a motor vehicle or DMV registration block for financial non-payment is not warranted and is beyond the authority of the ARB.

354. Comment: The proposed changes will reduce the likelihood that DPFs will be installed and will negatively impact the California air quality. Of greatest concern is the flexibility option that waived the DPF requirement to 2018 with a promise of upgrading to a 2010 truck. This exemption will allow highly emitting trucks to remain on the road while biasing the market against those that have already complied with the rules. In order to install a DPF, a vehicle owner will not only have incurred the expense of the DPF and its installation, but they also had to ensure their engine runs well enough for the DPF to perform properly. Our experience has been with the late adopters is many of these vehicles are truly high emitting vehicles. (DONALD02)

Agency Response: The amended Economic Hardship Extension may not result in fewer PM retrofits installed because the extension is only available to owners that already cannot afford a PM filter. For more information on why the Economic Hardship Extension is needed, see response to comment 269. For more information on the requirements owner must meet before they can apply for the Economic Hardship Extension, see response to comment 270.

- **355. Comment:** The year of my truck is 1990, and it does not qualify for an installation of a smog filter. I cannot afford to purchase a newer truck. I will be turning 65 in June 2014 and it will be a hardship to live only off social security. (GMART)
- **356. Comment:** Now as we try to recover you feel the need to make us incur more debt by having to buy a newer truck. We have a 91 Peterbilt which there is no filter offered and buying or leasing a truck will only cause major financial hardship to my family and will eventually get repossessed. (YSALD)
- **357. Comment:** Very simply, these CARB regulations will put me out of business. I am running only one truck and that is a 1988 Pete. I work in the construction

industry hauling any kind of equipment and building products I can. As it stands, I cannot make my truck compliant due to its age. I cannot afford to repower my truck. I cannot afford to buy a compliant truck. Unless CARB backs off the requirement for my truck to be compliant by 2015, I will be out of business. (BREAD)

Agency Response: The Economic Hardship Extension is available for vehicles with 1995 and older engines if the owner reported their good faith efforts to install a PM filter or to upgrade to a compliant vehicle by January 1, 2014, to meet the requirements of the Small Fleet Option or the PM Filter Phase-in Option. However, the extension does not apply to vehicles with 1995 and older engines for owners that have chosen to comply with the Engine Model Year Schedule for heavier vehicles because these vehicles have not had a compliance obligation prior to 2015. The regulation was structured to require PM filters on1996 and newer engines in heavier vehicles beginning on January 1, 2012. The compliance requirements for 1995 model year and older engines were deferred until after 2014 because these vehicles are at or near the end of their useful lives. These vehicles were not required to have PM filters but are required to be replaced; however, all vehicle owners had the option to install a PM filter by January 1, 2014, to extend the use of any vehicle until 2020 or later depending on the engine model year.

Fleets with older vehicles may also be able to take advantage of the Low Use Exemption or the Low-Mileage Work Truck option to defer compliance temporarily.

- **358. Comment:** The proposed regulation changes to section 2025(p)(10), indicate that the economic hardship applicant must provide annual financial data from January 1, 2012, such as annual revenue, debt, total assets, credit score and other financial information as specified in section2025(r)(16)(D). In our experience, many of the small fleet and independent owner operators we come across do not prepare an annual business financial statement that would contain information such as total debt, total assets and total net worth. Crossroads recommends that economic hardship applicants should be required to provide all relevant tax return information to ARB for the time period in question in order to supplement and/or replace data required under 2025(r)(16)(D). (CROSSR)
- **359. Comment:** If an economic hardship applicant has not filed a 2013 tax return and does not prepare an annual financial statement, will ARB allow the economic hardship applicant to instead provide the 2013 (or most recent) tax return (late filing is November 15) in order to meet the conditions of economic hardship since other documentation may not be available? (CROSSR)

Agency Response: Fleet owners may obtain their financial data from tax returns or other financial documents like bank statements. ARB is not requesting fleet owners to submit tax records along with the Economic Hardship Extension request; however, fleets must keep copies of all documentation used to support the claim of an economic hardship in the event more review is required to evaluate the request. In instances that

the owner does not have the required information, ARB will work with the fleet owner to understand the circumstance and address unique situations. In the event there is a common issue that requires interpretation, the Executive officer can issue a regulatory advisory to clarify how the requirements can be met.

4. Extend Credits

- **360.** Comment: I also agree with extending out these folks that have put filters on and let those trucks run until 2023. (FLFTI03)
- **361. Comment:** It is not a fair policy for the people that went out and did the right thing, thinking that everyone will have to obey the same rules. At least give the guys that complied with the requirements that you mandated a break by extending the expiration date for a truck with filter until they are ready to change to a new truck. (EAME)
- **362. Comment:** So I got a real education today from the truck drivers about the challenges that they're having and the people who are larger fleets that are able to afford to make the changes and be in compliance. Early adopters should be incentivized and rewarded. (RAMAP)

Agency Response: The amended regulation extends the use of credits for those who complied early and extends the useful life of a vehicle that was retrofitted before January 1, 2014. The amended regulation extends the use of downsizing credits, credits for early PM retrofits, and credits for early addition of engines with OEM PM filters until January 1, 2018. The Board also approved an amendment to extend the credit for adding alternative fueled vehicles and pilot ignition engines until January 1, 2018, and to extend the use of credits until January 1, 2020 for "Advanced Technology Vehicles" that are newly defined in amended section 2025(d)(4). These credits can be used by any fleet that complies with the PM filter phase-in option of the regulation, and can defer compliance by several years for other heavier trucks in the fleet.

- **363. Comment:** In 3 years we will pay a total of \$21,780.60, with an interest rate of 17.190%. We feel since we complied when we were required to, and you amended this regulation, it's only fair to provide us a "good faith" effort by giving us credit/or funding toward our retrofit. If we had the luxury of waiting it out as some of the business owners apparently did, we no doubt would have been in a better financial position to abide by this. (SKTRU)
- **364. Comment:** We also support the extension of retirement credits, because those are things that are -- companies have taken actions to comply. Any extensions should be limited to those who have already taken meaningful actions to comply. (JMATL02)
- **365. Comment:** I'm with the Construction Industry Air Quality Coalition asking for some relief in recognition for those who did have early compliance and that you

perhaps give them some credit similar to the PM phase in requirement for those who did take the early steps. (CIAQC02)

- **366.** Comment: Philosophically, the only amendments this board should consider are those that help carriers who have already taken the early and painful steps to become compliant. (JMATL01)
- **367. Comment:** I would like to urge the board to extend compliance deadlines and initiate more flexible phase-in programs for companies which have already taken steps to modernize their fleets. That is a very important provision. (KVSI)

Agency Response: While recognizing the amendments could have an adverse impact on fleets that had taken action to comply, the Board determined that amendments were necessary to provide a compliance path for owners that are currently unable to comply as described in the response to comment 135. However, to counterbalance this, the Board approved an extension of credits for 1 to 4 years for those who acted early or downsized their fleet as described in response to comment 362.

368. Comment: Use of existing credits for downsizing, early addition of filters and cleaner vehicles should be extended to January 1, 2020. (CBA01)

Agency Response: The Board approved an extension of credits for 1 to 4 years for those who acted early or downsized their fleet as described in response to comment 362. The credits were not extended further to minimize the impact on public health and to ensure that SIP commitments would still be met in all areas of the State.

5. Lighter Truck Compliance Options

369. Comment: These changes seem to apply to the heavier trucks only. I'm classified as a small fleet but under the GVW of 26,000 lbs. Based on the year of my trucks I am going to be required to upgrade both of my trucks to 2010 engines starting Jan1, 2015. Do any of these changes help me? For light trucks, are there extensions I can get on compliance to upgrade one truck and then the next the following year? (RFRY)

Agency Response: There are several amendments that can help lighter vehicles. By expanding the definition of work trucks to include vehicles with a gross vehicle weight rating between 14,001 and 26,000 lbs, lighter vehicles are now eligible to use the work truck phase-in option if they travel less than 20,000 miles in a compliance year and have the minimum number of PM filters in the fleet to use the extension. Lighter vehicles can also use the PM Filter Phase-in Option for NOx Exempt Areas if they operate exclusively in the designated areas. Additionally, the smoothing out amendment sets a limit of 25 percent of lighter vehicles in a fleet that would need to upgrade to a 2010 engine in a given year. However, there is a minimum of 2 trucks so this option would not benefit a fleet with only two trucks.

370. Comment: As a pre-owned truck specialist, the CARB initiatives are wreaking havoc on our business. One problem is finding used trucks that qualify without the expensive add-on expenses derived from adding particulate filters to unqualified trucks. In used truck years, we are approaching the time period 2008-2011 where new truck sales were at a low. This is all driving up prices tremendously and people are frustrated. Anything under 26,000 gross vehicle weight rating should just be exempt until 2030. (RTANK)

Agency Response: Upgrades to 2010 model year engines for lighter trucks operating in California are phased in annually over an 8-year period starting in January 2015 with pre-1995 trucks. All 1999 and older lighter trucks following the model year schedule will each have 20 years of service life before being required to upgrade to a 2010 model year engine. Starting January 1, 2020, all remaining lighter trucks and buses would need to be replaced so that they would all have 2010 model year engines or equivalent emissions by 2023. For example, a fleet owner with an older truck can purchase a cheaper used 2004 engine and operate it until January 2021. Similar to heavier trucks, lighter trucks can also take advantage of compliance flexibility provisions for vehicles that are Low-Use, Low-mileage Work Trucks, or vehicles operating exclusively in NOx exempt areas. These provisions can also provide more time to comply with the engine upgrade requirements.

371. Comment: The definition (38) for Lighter Vehicles of 14,001 to 26,000 pounds should reflect the Header or Title of Table #1 to indicate the correct GVWR. Now it stated incorrectly as 26,000 lbs. or less for Lighter Vehicles. (SLAM)

Agency Response: Both the definition and the header of Table 1 accurately describes the lighter vehicle definition and have the same meaning. By definition the requirements in Table 1 only apply to vehicles within the scope of the regulation. The scope of the regulation includes vehicles with a GVWR greater than 14,000 lbs. Therefore, the Table 1 heading in the context of the regulation applies to vehicles with a GVWR from 14,001 lbs. to 26,000 lbs. A vehicle with a gross vehicle weight rating of 26,001 lbs. or more is defined as a heavier vehicle.

6. Log Truck Option

- **372. Comment:** Put a hold on all performance requirements (for logging trucks) until July 1, 2015, to allow fleet owners the time to analyze the amendments if passed on April 24, and to make their business decisions on fleet operation accordingly. Allow (logging) fleet owners until January 31, 2015 to adjust registration of their fleet with CARB, again so as to give fleet owners the time and flexibility to adjust to new amendments if passed on April 24. (ACLOG02)
- **373. Comment:** The special Carl Moyer carve-out of up to \$3 million per year for log truck replacements has been helpful and is greatly appreciated. However, the \$60,000 top end limit to each voucher is helpful but not sufficient for many instate log truck fleet owners to replace their trucks. Fleet owners simply can't generate the net cash flow, with a 6 month operating season, to make the down

payment and the monthly payments on a new truck even with the voucher. Increasing the voucher amount to \$100,000/voucher would greatly facilitate instate fleet owners replacing older trucks and substantially reducing their emissions. (CFA)

Agency Response: The Log Truck provision was added as compliance flexibility option in the 2010 rule amendments and allowed fleet owners to opt into the provision starting in 2014. The amended regulation reopens the opt-in period allowing fleets an additional year to retroactively opt-in. This has provided sufficient time for fleet owners to determine whether opting into this provision will benefit them.

While substantial public incentive funding has been made available to reduce emissions, ARB recognizes that existing financial incentive programs are not adequate to fund all of the emission reductions necessary to meet clean air standards and reduce exposure to toxic air contaminants. ARB reserved \$3 million dollars annually for four years for log trucks through TIMBER, which is part of the Carl Moyer program. The Carl Moyer Program funds emission reductions earlier than required or in excess of what's required by local, state, and federal regulations. Furthermore, the program can only provide funding up to a cost-effectiveness limit prescribed in the Health and Safety Code Section 44283. ARB has instituted a loan program that can be used to supplement those grants and further assist applicants in cleaning up their fleets.

7. Low Use Exemption

374. Comment: I am in favor of expanding the low use exemption. (CENT)

Agency Response: The 5,000 mile threshold for the exemption for a limited time, until 2020, was determined to be appropriate in addressing concerns about the cost of upgrading back-up vehicles and concerns about increased exposure risk. The annual hours limit was also removed.

- **375. Comment:** I am an owner-operator water truck driver and have been in the business for 28 years. There should be a 500-hour limit as well as the 5,000-mile limit on water trucks. Most water trucks are retired full-size Class 8 highway trucks running large, high-horsepower engines. The majority of these trucks operate full time from 8-12 hours a day, but a few are small dust control trucks that operate intermittently. A 500-hour limit would protect those contractors that truly use their trucks intermittently for dust control. It would also enforce the intent of CARB requirements for those who run large trucks on a full-time basis. (RBAL)
- **376. Comment:** Perhaps there should be a mileage exemption for those of us (out of state owners) that drive less than 5,000 miles total in California over the course of a year. (RFLY)
- **377. Comment:** Anyone in any industry driving fewer than 10,000 miles with any gross vehicle weight rating should be exempt. (RTANK)

- **378. Comment:** I have 9 tractors and 15 trailers, a small moving and storage agent for Stevens Worldwide Van Lines. I have 2009 Carb compliant, 2007 Volvo with 400,000 miles not compliant, 2-2005 Volvos with 500,000 miles not compliant, 2004 Freightliner with 700,000 miles a 2001 with 750,000 miles 2-2000 with 750,000 miles. My agency is in the Boston Ma. Area. I would only think of sending my 2009, 2007, and 2005's tractors across the country to your state. I think if there was a mileage limit on the tractor or a larger annual mileage number in your state, my small agency would be able to do more work in the state of California. (SWVL)
- **379. Comment:** As a California tax paying resident operating a California based tax paying business I am asking to be included in these low use exceptions so that I may remain in business while being able to come home occasionally. (JTTLLC)
- **380. Comment:** I would like to raise the in California mileage exemption to 7,500 miles a year allowing non California based owner operators to continue to do business in California for the short time that they are there. (DHOLL)
- **381. Comment:** Our 15 trucks that support the oil fields run around 300,000 miles per year for the whole fleet. Half of our miles are empty miles which use less fuel. Our trucks are older but have fewer miles per year which means we burn less fuel. But we are held to the same standards as trucks running 150,000 miles a year each. I think the regulation could be a little fairer to the lower mileage fleets. (HBECI)
- **382.** Comment: This low-mileage use exemption for 1,000 miles is so low that it is or can be used up in just one or two trips into the state. (RTAY)
- **383. Comment:** I am the head mechanic for a family owned construction business in Southern California. The 5,000 mile low-use expiring on January 1, 2020 should be changed. Suggestion: I highly recommend the staff raise the low-use limit to 7,500 miles annually and remove the January 1, 2020 expiration "sunset". The small increase in miles will save our company close to \$750,000.00 in retrofits and replacement vehicles. The difference of 2,500 miles a year and the low number of vehicles that will actually use this exemption will not change the emission levels that much. It will make a significant difference in our company's decision to downsize or continue employing Californian's for years to come. (NEI01)
- **384. Comment:** Increasing the low mileage exemption from 1,000 miles to 5,000 miles is a step in the right direction, but it is still extremely limiting for an industry like the moving and storage industry that continues to see economic challenges. We are in strong support of increasing the low mileage exemption to 7,500 miles. (CMSA02)

- **385. Comment:** The CCTA believes the Low-Use Exemption should be expanded to 7,500 miles annually. We also believe that not allowing all truck owners, regardless of domicile, to fully use the expanded exemption whether its 5,000 or 7,500 annual miles are discriminatory and too much of the discussion related to this proposal has centered on "economic competiveness" issues as opposed to an equitable legal standard for all truck owners. (CCTA02)
- **386. Comment:** Our church owns a full scale 1991 MCI 102A3 touring coach with a 6V92 Detroit diesel that we use for our church ministries. Our bus travels an average of 6,000 8,000 miles per year. Sounds like they would support raising the mileage threshold for low usage. (THANS)
- **387. Comment:** I am a single truck owner operator that enjoys coming to your state a few times a year. The low use 1,000 mile exemption just isn't enough to continue doing business in California. You have a large state and it doesn't take long to travel that many miles. I would hope you will consider raising the 1000 mile to 5000 or possibly 7500 miles. I understand it could not be done for everyone but if you looked at allowing single truck operations only it would be helping lower the emissions and still let the small business owner feed his family. (MCASH)
- **388. Comment:** The low-use exemption should be raised from the proposed 5,000 miles per year to 7,500 miles annually (that is less than 30 miles per day for a 5-day work week annually). (CIAQC01)
- **389. Comment:** I'm a low use, directional drilling contractor, and my trucks barely turn 5,000 to 10,000 miles a year. My trucks show up to the job site with a drill on the back. They drill across the highway. They may be there four or five days, even three or four weeks on one job site and never move. I understand there is competition with the rates, but that doesn't apply to us not-for-hire drivers. I've got three vacuum trucks that to replace those to get them CARB compliant right now is about \$300,000 apiece, and we cannot afford to buy. We have specialized trucks for specialized jobs just like the crane people do. It's critical we keep the low use exemption in there for especially for us not-for-hire contractors and truck drivers. We need to keep this part of it in there. It needs to be 10,000 miles. (SRC)
- **390. Comment:** The low-use exemption should remain consistent with the current regulation (no expiration date) and not establish a new expiration date of January 1, 2020. (CIAQC01)
- **391. Comment:** As the expanded low use exemption will grant an extra seven years of life to trucks traveling less than 5,000 miles annually, I respectfully request a similar seven year extension be added for 2007- 2009 year model engine trucks traveling 5,000 miles or less to the January 1, 2023 date by which these trucks would otherwise have to be replaced, i.e., extend this deadline to January 1,

2030 for those 2007--2009 model year engine trucks traveling 5,000 miles or less per year. (CENT)

- **392. Comment:** Extend the exemptions for "Agriculture Low Mileage," Agriculture Limited Mileage" and "Construction Limited Mileage" indefinitely. These changes coupled with the moves above, can allow for state and federal monies to be freed up and directly applied to cleaning up the "high pollution" air districts in the South Coast Air Quality District and the San Joaquin Air District. (ACLOG02)
- **393. Comment:** I am the head mechanic for Northwest Excavating,Inc. a family owned construction business in Southern California. The 5,000 mile low-use expiring on January 1, 2020 should be changed. Suggestion: I highly recommend the staff raise the low-use limit to 7,500 miles annually and remove the January 1, 2020 expiration "sunset". The small increase in miles will save our company close to \$750,000.00 in retrofits and replacement vehicles. The difference of 2,500 miles a year and the low number of vehicles that will actually use this exemption will not change the emission levels that much. It will make a significant difference in our company's decision to downsize or continue employing Californian's for years to come. (NEI01)

Agency Response: The 5,000 mile threshold for the exemption for a limited time, until 2020, was determined to be appropriate in balancing concerns about the cost of upgrading back-up vehicles and concerns about increased exposure risk. The annual hours limit was also removed. The 5,000 mile threshold represents less than 5 percent of the annual miles travelled by heavier trucks. As such, the amendment is not expected to result in a significant impact on local PM exposure risk because the eligible vehicles are generally distributed throughout the state and the low mileage limit would indicate that they would not be a significant contributor to emissions in high traffic areas where exposure to toxic diesel PM emissions are greatest. This amendment improves the ability for fleet owners to continue operating back up vehicles and for construction fleet owners to keep specialized equipment that have very little annual use. The extra time for low use vehicles allows owners to extend the useful life of existing vehicles and shifts the priority of compliance to higher use vehicles in the fleet. Raising the mileage threshold more than 5,000 miles per year unnecessarily increases the risk of exposure to diesel PM and emissions. Extending the exemption past 2020 would fail to meet the goals of the DRRP. For more information on the goals of the DRRP, please see response to comment 44.

394. Comment: CDTi strongly believes that increasing the low mileage exemption is overly generous and will result in widespread under-reporting of annual truck mileage and tampering of odometers and engine ECM's to avoid the cost of compliance. (CDTI01)

Agency Response: The Board determined that amending the low-use exemption was appropriate as described in response to comment 393. Concerns about enforcing the mileage limits are addressed in response to comment 648.

a) Unfair to Out of State Fleets

- **395. Comment:** I'm a Georgia based auto carrier that transports vehicles to and from California once a month. When I'm in California I can easily do a thousand miles dropping my load and picking up another load to leave. So the thousand mile exemption would cut into my business drastically and the retrofit would seem unfair and costly being that it would only be required once a month. It would mean I could only travel to California once a year and the exemption would be over. Now, I'm on board with cleaner air and all that but a lot of owner operators feel it's unfair to require that trucks be retrofitted just to do business in California, for the thousand or so miles that might be traveled. (DHOLL) (DHOLL)
- **396.** Comment: I live in California but all of my miles are run out of state. The 1,000 mile exemption rule is a joke. If I was allowed 5,000 miles in the state I can live with that. (RSMIT)
- **397. Comment:** I operate a 1989 model year bus to transport college athletes from Salem OR to California. My understanding is that there is a possibility that the low use exemption will be raised from 1000 miles to 5000 miles, but for total vehicle miles, not just those traveled in California. My request is that exemption should be for miles traveled in California. It should not matter to CARB what mileage vehicles travel in other jurisdictions. (DPFEIL)
- **398. Comment:** I live in California but all of my miles are ran out of state. The 1,000 mile exemption rule is a joke. If I was allowed 5,000 miles in the state I can live with that. (RSMIT)
- **399.** Comment: On the low mileage usage, what my truck does outside of California's borders is absolutely no concern of CARB! (AGIBS)

Agency Response: The regulation applies equally to in-state and out-of-state longhaul fleets, and maintains a level playing field across competing markets. The proposed expansion of the low-use exemption for trucks that travel less than 5,000 total miles per year until 2020 is unlikely to be used by typical long-haul fleets, whether registered in California or in other states, because the mileage threshold is less than 1/20th of the typical miles travelled by these trucks in a year. The extension provides additional time for back-up vehicles that are not commonly used.

Adopting the threshold as California miles instead of total miles could result in significantly higher emissions from large out-of-state fleets which could dispatch numerous non-compliant trucks into California, each driving below 5,000 California miles using the low-use exemption. California-based motor carriers that compete directly with out-of-state motor carriers would be placed at a competitive disadvantage.

The existing 1,000 mile low use exemption and the three day pass can generally be used by out-of-state fleets that travel infrequently and are less likely to be used by in-

state or California based fleets. Large out-of-state fleets could dispatch numerous noncompliant trucks into California, each driving below 1,000 California miles without incurring any compliance costs. Similarly, the three day pass allows a vehicle to operate in California under the temporary exemption once per year, and can only be used by out-of-state fleets.

- **400. Comment:** When it's time to harvest you don't want to lose a single load because you can't get enough trucks. Let us buy some sort of temporary CARB sticker to cover the harvest. I had been averaging 3,500 miles per year in California which really doesn't justify a \$20,000 filter. (WWADE)
- **401. Comment:** Please include water trucks in Forestry & Farming as Low-Use Exempt vehicles if operated less than 5,000 miles per year. (RLANDS02)

Agency Response: The amended regulation expanded the 1,000 mile per year lowuse exemption to also include vehicles that travel less than 5,000 total miles per year. The 5,000 mile exemption will expire in 2020. The extension can be claimed each January for any vehicle regardless of body type or vocation.

402. Comment: When setting rules that we must all follow, it seems that total fleet yearly hours should be taken instead of mileage. All engine manufacturers tell you to service your engines based on hours, not mileage. I have a fleet of 15 trucks, and we only run a total mileage of around 300,000 miles per year for the whole fleet. Half of our miles are empty miles which use less fuel. Our trucks are older but have fewer miles per year which means we burn less fuel. But we are held to the same standards as trucks running 150,000 miles a year each. (HBECI)

Agency Response: Older trucks are significantly higher polluters than newer trucks that are equipped with original equipment PM filters. For example, an older, unfiltered truck that drives 10,000 miles per year will emit 300 percent more PM emissions than a truck that is equipped with a PM filter and travels 100,000 miles per year. The amount of fuel burned is not a good representation of the total PM exhaust emissions from an operating diesel engine.

403. Comment: On behalf of the membership of the California Tow Truck Association (CTTA), we are writing to express our support for staff proposed amendments to the "low-use vehicle" exemption in the Truck and Bus Regulation (Title 13, California Code of Regulations, section 2025 (d)(41)). (CITA)

Agency Response: ARB appreciates comments in support of the Truck and Bus regulation.

404. Comment: California's been declared a disaster because of the drought. It's going to be critical that we're able to use recycled water to job sites for dust control or we're not going to have any construction projects. I would like to see

what we can do to increase, perhaps in an emergency situation, extra mileage for those water trucks to get to the nearest water recycling plant. (BPLOW)

405. Comment: On January 17, 2014, Governor Brown declared a drought "State of Emergency" (see: http://gov.ca.gov/news.php?id=18368). Many of our members operating water trucks have enrolled those vehicles in the Low-Use Exemption. Water trucks are often trailered to a job site and primarily used onsite for compaction and environmental dust mitigation efforts. California's declared drought emergency has placed these truck owners in a quandary since in many instances they are now being required to travel great distances in order to fill their tanks with non-potable water instead of from a local fire hydrant. While the state has declared an emergency, water trucks necessary for virtually every type of construction project in California are not defined within the Truck and Bus rule as an eligible "Emergency Vehicle" nor "Emergency Support Vehicle" while engaged in non-government related work. CARB should grant an added mileage allowance specific to water trucks during the remainder of the declared Drought State of Emergency. (CCTA02)

Agency Response: Staff does not believe such a change is necessary. The amended regulation expanded the 1,000 mile per year low-use exemption to also include vehicles that travel less than 5,000 total miles per year and increased the annual mileage limit for the low-mileage work truck extension from 15,000 miles to 20,000 miles per year. Any vehicle that previously qualified for the extensions would now be able to operate 4,000 or 5,000 miles more per year and remain eligible for the extensions. This increase should adequately accommodate extra miles travelled during the current drought.

406. Comment: We have six tractor-trailers in Southern California. We should be granted a similar status as Agricultural Vehicles and Low-Use Vehicles. Our Teamsters Show Trucks are used for disaster relief, taking food and supplies out to union members, parades, and other humanitarian endeavors. (TEAM)

Agency Response: Vehicles use for emergency support operations may exclude the miles accrued during the emergency operation from the annual mileage limits when using a mileage based extension such as the Low-Use, the Low Mileage Work Truck, and the Low-Mileage Agricultural Vehicle extensions. Emergency events include wild fires, floods, and other natural disasters where the vehicle was dispatched by a local, state, or federal agency. Emergency use includes miles travelled to and from an emergency event and delivery of services or supplies in connection with the emergency event. The vehicle owner must report the miles the vehicle was used to support emergency events for any vehicle that exceed the annual limits.

8. NOx Exempt Area Extension

407. Comment: The area east of Hwy 89 in Placer County has been included into the NOx exempt map where communities of Squaw Valley and Alpine Meadows are not since they are west of Hwy 89 but only served by Hwy 89. The Donner Summit communities of Norden and Soda Springs have portions located in

Placer County and are only served by roads located in Nevada County. Finally, Interstate 80 crosses multiple times between Nevada and Placer Counties prior to Hwy 20. I would like to see these areas of Placer County included into the NOx exempt map. (CAVER)

- **408. Comment:** In the most recent map adjustments for the NOx exempt areas you have failed to include areas that are serviced only through currently exempt areas. i.e. Squaw Valley and Alpine Meadows communities are served by Hwy 89 yet they are not included in the exempt area. Also, the Donner Summit communities located in Placer County are serviced from Nevada County and are not included. It would make more sense that all areas East of Blue Canyon be included in the NOx exempt area as they are all in the same air region as Nevada County. This would also give access to the Northern exempt areas of the state when coming from the Nevada State line by being able to travel on Hwy 80 over the pass to Hwy 20. Please review your maps and look at the geographic region rather than roads or county lines. (BMAR)
- **409. Comment:** The Placer County NOx Exempt map needs to include the communities of Squaw Valley (aka, Olympic Valley), Alpine Meadows and the Donner Summit areas. They are presently not on the map and there is no way to reach them with a concrete mixer truck other than to drive outside the existing map. (MVINC)

Agency Response: NOx exempt area counties were selected based on their attainment status for federal ambient air quality standards. During the 15-day changes the NOx Exempt Area definition was modified to include the portion of Placer County that is East of Highway 89 or within the Lake Tahoe Air Basin. This change allows for vehicles that are using the NOx Exempt Area extension to travel between Nevada County and the Tahoe Air Basin while minimally affecting emissions and the associated health impacts.

410. Comment: Why has northern San Bernardino County been removed from the proposed NOx area exemption list? This is an area that is largely open and uninhabited. This is also an area that is subject to high winds almost weekly. While dust is not the same as particulate matter it does cause damage to the air. Not to mention all the wind helps keep the air in the area clear. (STLLC)

Agency Response: The Board considered whether to include portions of Northeastern San Bernardino County (the portion of San Bernardino County within the Mojave Desert Air Quality Management District) in the NOx exempt area definition. This region was not added to the definition because it is classified as non-attainment for ozone and has a number of cities in close proximity to interstate roadways including Victorville, Barstow and Hesperia. Trucks in San Bernardino County are required to be in compliance by January 1, 2015. (Staff Report, 2014, page 57, Appendix I-5) Vehicles in San Bernardino County will need to comply with the general requirements of the regulation or use other available compliance options by January 1, 2015.

- **411. Comment:** We are requesting that Santa Catalina Island be included in the list of NOx Exempt Areas. If Santa Catalina Island does not have a NOx Exempt Area status, the proposed regulations would require engine replacement for the buses that provide access to the public through Catalina Island. Located 26 miles offshore of Los Angeles, the NOx emissions associated with this extraordinarily small and low mileage bus fleet is not contributing negatively to ambient ozone air quality. It would be prohibitively costly to replace the engines of the bus fleet operated by Santa Catalina Island Company and replacement would provide no significant benefit to air quality over the existing engines once equipped with the particulate filters. (CIC02)
- **412. Comment:** To accommodate the unique situation on Santa Catalina Island, Santa Catalina Island Company and Catalina Island Conservancy are requesting that Santa Catalina Island be included in the list of NOx Exempt Areas. I support this amendment. If Santa Catalina Island does not have a NOx Exempt Area status, the proposed regulations would require engine replacement for the buses that provide access to the public throughout Catalina Island. Located 26 miles offshore of Los Angeles, the NOx emissions associated with this extraordinarily small and low mileage bus fleet is not contributing negatively to ambient ozone air quality. It would be prohibitively costly to replace the engines of the bus fleet operated by the Santa Catalina Island Company and the Catalina Island Conservancy and replacement would provide no significant benefit to air quality over the existing engines once equipped with the particulate filters. (BOSLA)
- **413. Comment:** To accommodate the unique situation on Santa Catalina Island, we are requesting that Santa Catalina Island be included in the list of NOx Exempt Areas. If Santa Catalina Island does not have a "NOx Exempt Area" status, the proposed regulations would require engine replacement for the buses that provide access to the public throughout Catalina Island. Located 26 miles offshore of Los Angeles, the NOx emissions associated with this extraordinarily small and low mileage bus fleet is not contributing negatively to ambient ozone air quality for the South Coast Air Basin. (CICCOM)
- **414. Comment:** While we can do the particulate filters, the reason why we need some type of amendment is the engine replacement on Catalina as required in areas -- we are in L.A. County that is a non-attainment area. The NOx standard requires engine replacement. Catalina is 26 miles off shore. We don't believe we're affecting the ozone factors with this handful of buses in the South Coast air district. We are asking for an accommodation that does not require engine replacement for these handful of buses on Catalina Island. We strongly support the amendments being proposed today with one minor amendment to accommodate the unique situation on Catalina Island. Our situation there has to do with light-duty buses. It does not have to do with trucking. (CIC01)

Agency Response: The staff disagrees with these comments. Santa Catalina Island is part of the South Coast air basin, which is not in attainment of federal air quality standards, and both NOx and PM emissions reductions are critically needed in the region.

- **415. Comment:** My main reason to be here today is to ask for the exemption for those foothill counties that do not produce pollutants to the extent the other counties do. We have not had one issue of unhealthy air in any of those counties, except for a small area in Kern County from 2002 to 2009. So I ask you again to exempt those foothill counties, Nevada, Amador, Calaveras, Mariposa, Tuolumne, Imperial Valley, Mono, Kern, and Inyo. (CSMA02)
- **416. Comment:** Meeting the nitrogen oxides (NOx) reductions is a considerable financial impact to fleets, which have a disproportionate negative economic impact in rural counties. During the promulgation of the rule and the 2010 amendments, Rural County Representatives of California (RCRC) requested ARB to consider those counties in nonattainment status, strictly due to intrastate transport of air pollution, also be exempt. We gratefully support the proposed added regions and request you reconsider those areas that were under consideration but omitted from the proposed regulation. (RCROC)
- **417. Comment:** We all need more time to comply with the new rules, not just the rural areas. If you make the new phase-in rules for all California trucks that would give all time to meet the requirements. This, I feel, would show your concern not only for the environment but also the citizens and small business owners of California trying to feed their families. Please consider expanding your proposed changes to include all areas. We are trying are best to meet your requirements. (BFLON)
- **418. Comment:** Evidence shows that most of Californians already in compliance with the EPA and NAAQS for PM2.5. Numerous air pollution control districts in California have submitted evidence to CARB that the Truck and Bus regulation is not justified in their counties. (CCRIST)
- **419. Comment:** We live about 10 miles north of the Oregon-California border and generally do not run too many miles in California. We don't expect you to change the rules for us but hope that you would create an exception or permit for those of us that operate only in Modoc, Siskiyou and Del Norte counties. These counties are all sparsely populated and they have no pollution problems. (BSNS)
- **420. Comment:** When CARB staff at the direction of the Board instituted partial measures in November 2013 to extend temporary relief, the counties of Yolo, Solano, Placer, El Dorado, southern Butte, the majority of San Bernardino, and eastern most Riverside were originally included for NOx Exempt status. Those areas are no longer included in staff proposal and the explanation given appears to be politically motivated as opposed to science-based. While CARB staff by

way of explanation for the omission of those counties only stated these regions are in non-attainment for ozone, it certainly is not from the operation of diesel fueled trucks in those counties, but because of wind-blown transmission from larger cities to the west of all these counties. Are companies that signed-up by January 31, 2014 for the NOx Extension originally proposed that included those counties now excluded from NOx Exempt status going to be in violation for the remainder of this year? Guidance needs to be issued because we are aware of many truck owners who registered for this exemption operating in those counties believing they are in compliance until the end of this year. (CCTA02)

Agency Response: In a November 2013 advisory, Staff proposed additional NOx exempt areas that were subject to change at the April 2014 Board meeting. Areas that were in the November advisory that were not included in the NOx Exempt Area expansion were: Yolo County, Solano County, El Dorado County, all of Placer County, Eastern Riverside, and portions of San Bernardino County. These regions were given a one-year delay in order to provide the Board an opportunity to consider the timeline to deploy PM filters on all trucks operated in these areas, and for staff to evaluate these regions for needed future NOx emission reductions and localized risk impacts that a delay in PM filters may have. Since these regions are classified as non-attainment for ozone and contain significant cities located in close proximity to interstate roadways including Vacaville, West Sacramento, Roseville, Placerville, Victorville, Barstow, and Hesperia, the Board did not approve to include these areas as part of the amendments to the NOx exempt area extension. Owners that are currently operating in these regions that were identified in the November 2013 advisory but not included in the NOx Exempt area expansion approved by the Board will need to comply with the general requirements of the regulation or use other available compliance options starting January 1, 2015.

- **421. Comment:** Consideration needs to be given to allow very low use specialty vehicles (10,000 miles and less) in the NOx exempt counties to operate beyond 2023. (FBRAG)
- **422. Comment:** The LCAQMD Board of Directors is concerned about the exposure of our citizenry to toxic substances, but we believe the exposure along major roadways with high truck traffic is not a significant issue in Lake County. According to the latest traffic counts by CalTrans, the highest traffic volume in Lake County is 16,100 vehicles per day at Lakeport Blvd., in Lakeport. This Location is less than 100 meters from the Lakeport monitoring station where our annual average PM 2.5 levels are lowest in the nation. These traffic counts don't take into account vehicle type. Based on general observations in the highest traffic volume areas, less than 10% of vehicles are heavy-duty trucks or buses and estimates indicate that less than 1% of vehicles during the highest traffic periods (commute hours) are heavy-duty trucks or buses with more than half traveling from nonattainment areas. The number of local trucks that are captive fleets within Lake County attainment areas are few. Providing an extension and/or exemption for Lake County captive attainment fleets would not result in

significant emissions nor health risk, but would result in significant benefit to our local community. (LCAQMD02)

Agency Response: Although areas in the state that are designated as NOx exempt meet federal air quality standards or are near attainment of federal air standards, there is still on-going exposure to localized diesel PM emissions. Diesel PM is a significant public health concern throughout the state and is the largest contributor of known ambient air toxics cancer risk in California. In August 1998, the ARB identified particulate emissions from diesel-fueled engines as toxic air contaminants. Therefore, areas that are designated as NOx exempt must still reduce PM emissions to the maximum feasible level in order to protect public health.

a) Funding Issues

423. Comment: The transportation corridor trucks operate 150,000 miles a year and update their trucks every 5-7 years, this rule has no impact on them; in-fact it created a windfall. Rural California trucks operate 20,000 to 60,000 miles per year their business models require them to keep a truck 15-20 years. They did not receive any 1B money and are being put out of business by this rule! (FBRAG)

Agency Response: The implementing legislation and Board approved guidelines for Proposition 1B and the Goods Movement Emission Reduction Program (Senate Bill 88) identify which areas of the state are eligible to receive Program funding. The Program is governed by the guidelines and does not provide funding for other regions of the State. The Program's Guidelines for Implementation state that trucks must commit to least 50 percent of future operation within the trade corridors. However, the truck owner can reside anywhere including rural areas as long as they conduct 50 percent of their business within the four trade corridors.

The Voucher Incentive Program, through the Carl Moyer Program, is available for trucks in small fleets throughout California, including rural areas. More information is available by visiting a participating truck dealer, calling the ARB Diesel Hotline at 866-6DIESEL, or by visiting the program website at

www.arb.ca.gov/msprog/moyer/voucher/voucher.htm.

The Carl Moyer Program also includes a Rural District Assistance Program (RAP). This Program provides a pooled funding resource to help rural air districts identify and fund cost-effective projects through a combined application and project selection process. Late model trucks may be eligible for retrofit funding through RAP. Interested rural applicants can contact their local air district to see if they are participating RAP. More information and application materials are available on the CAPCOA website at <u>www.capcoa.org</u>.

ARB does not have the authority to establish additional grant programs or allocate additional funds to existing programs; this authority lies with the California Legislature. However, ARB staff will continue to work with our federal, State, and local partners to

identify new potential funding opportunities that can help to increase the overall funding available to California truck owners.

Since its inception in 2009, the ARB On-Road Heavy-Duty Vehicle Air Quality Loan Program (CalCAP-ARB loan assistance program) has provided loan assistance for nearly 5,000 loans. For some truck owners who demonstrate that they are not able to obtain financing, the Economic Hardship Extension may be an option.

424. Comment: Voucher Incentive Program with grant funds up to \$45,000 toward a \$150,000+ truck makes this program unfeasible for the captive Lake County fleets. The Prop 1B funds are not available for captive fleets in Lake County, as we are outside the 'trade' corridors. Air Quality Improvement Program does not take into account the limits placed due to infrastructure issues and terrain challenges in Lake County. Loan Assistance program has very limited availability for captive Lake County fleets, as the owner/operator must have a small fleet and qualify for the loan in a challenged economy. (LCAQMD02)

Agency Response: Since its inception in 2009, the ARB On-Road Heavy-Duty Vehicle Air Quality Loan Program (aka CalCAP-ARB loan assistance program) has provided loan assistance for nearly 5,000 loans. The loan assistance program is available to small businesses with fleets of ten vehicles or less with a maximum annual revenue of \$10 million, and no more than 100 employees. For truck owners who demonstrate that they are not able to obtain financing, the Economic Hardship Extension may be an option.

- **425. Comment:** There was no funding available in my air district, even though it continues to remain a NOx exempt area, so the installation was all out pocket for my business. How about giving some of the cost of the filter back to the small fleets so we can stay in business! (TBROWN01)
- **426. Comment:** CARB is doing their dance once again and changing the truck regs. Last year in Dec. before I spent over 20K to install the DPF on my truck, I checked the online CARB site and in the questions box, someone asked if there were going to be any more extensions and, of course, CARB said "NO" that this was the final ruling. What would make me happy is to get some financial help on the DPF I installed, since I had to foot the whole bill. (TBROWN02)

Agency Response: ARB recognizes that to those fleets that have already made investments to comply, providing additional flexibility can be viewed as unfair. In considering changes, the Board carefully considered various options to find the best balance in providing additional flexibility for such fleets while minimizing the impacts to compliant fleets and retaining the air quality benefits of the regulation. For more detailed information on recognizing compliant fleets, please see response to comment 136. In response to comment #426, requirements for the first truck in the small fleet option did not change. The first truck in the small fleet option is required to have a PM filter installed as of January 1, 2014.

427. Comment: These amendments being considered are a very good starting point. Much more needs to be done for the rural counties that have the cleanest air in the nation but lack the wherewithal to pay the bill associated with these rules. (FBRAG)

Agency Response: The Carl Moyer Program provides funds to all air districts, including rural districts and districts in attainment areas. In addition, fleet owners in these areas can apply to the Voucher Incentive Program in certain participating districts outside of their areas. Certain districts in rural and NOx exempt areas currently run Carl Moyer programs such as the Fleet Modernization Program and TIMBER. Rural fleet owners can also apply for funding through the Rural District Assistance Program (RAP) which is administered by CAPCOA. The RAP program provides a pooled funding resource to help rural air districts identify and fund cost-effective projects through a combined application and project selection process. Fleet owners that do not meet the requirements of the funding programs can also apply to the state loan program.

- **428. Comment:** We are concerned about the unfair business advantage that all fleets outside of Lake County have. That advantage is access to AB2766 and AB 923 funds, as well as other grant opportunities for non-attainment areas. Being a full attainment area, for all State and Federal Air Quality Standards, Lake County is precluded from many funding sources and is assigned a low priority for most other funding sources. Why? Because the incentive funds are dedicated to areas with severe air quality problems and areas where emissions reductions are essential to reducing health risks, which is not a bad use of those funds. But when a regulation is put in place for those severe non-attainment areas that does not recognize the differences and the challenges of a full attainment Air Basin and the lack of funding opportunities the lack of available funds is a problem. Cannot implement DMV fees under AB923 to help local fleets because Lake County has always been in attainment. (LCAQMD02)
- 429. **Comment:** There are still some issues that we would like to have looked at and that primarily concerns with funding and funding or compliance dates. The issue in Lake County, as you know, we're a full attainment district. So in terms of incentive funding that every other district in the state of California can get, we're precluded by law from getting those funds. So we have no access to local funding, other than our permit fees and subvention from the state. That's our funding source. So we have no incentive funding locally that we can we assist local fleets and the small rural fleets that work in our area. Now, the key to this is we understand that anyone that goes out of our district or out of our air basin has to comply. But we think there are probably -- we're looking at tens to maybe 100 vehicles total that are captive in Lake County, never leave the district, never leave the air basin that really they don't fall into any of these categories and they don't qualify for any funding opportunities. We tried. There's the precluded funds. There's federal funding. And basically we've been told your attainment -you're the lowest priority. So you will never receive funding for any of these other

funding options available for these local fleets. So we're here to say there's still needs to be some options. There still needs to be some funding opportunities or push those time frames out for full attainment districts (LCAQMD01)

Agency Response: The extension of the timeline improves the eligibility for vehicles to obtain funding and allows for a more natural turnover of vehicles due to the lower cost of used trucks. Although Lake County does not have the ability to collect AB 923 fees other resources do remain available. The Carl Moyer Program provides funds to all air districts, including rural districts and districts in attainment areas. In addition, the VIP program was originally set up to allow fleet owners to get funding regardless of their air district. Although air districts operating VIP now have the ability to restrict funding to those applicants within their boundaries, some like Bay area have chosen to continue to implement VIP as a statewide program. Additionally, some air districts in rural and NOx exempt areas currently run Carl Moyer programs such as the Fleet Modernization Program and TIMBER (for logging trucks). Rural fleet owners can also apply for funding through the RAP which is administered by CAPCOA. The RAP program provides a pooled funding resource to help rural air districts identify and fund cost-effective projects through a combined application and project selection process. Fleet owners that do not meet the requirements of the funding programs can also apply to the state loan program.

- **430. Comment:** I think we all have to realize that all businesses aren't created equal and some need additional help. We heard a lot of comments about how the truckers won't become compliant. I don't believe it's won't. I think it's can't. In rural California, they can't become compliant. Bottom line is the people in rural California are going to have a tough time becoming compliant. And I think they need your help. (MAND)
- **431. Comment:** The CCTA recognizes the need to expand those counties listed as NOx Exempt Areas. It has always been unfair to insist that truck owners and fleets living and operating in areas of the state without air quality issues comply with the regulation. Claims of an "unfair" advantage and "lack of a level playing field" are completely inappropriate when discussing these particular truck owners. Truck owners and fleets in these areas have been specifically excluded from grant programs and yet they too must ultimately comply with the rule unless it is defeated in court. (CCTA02)

Agency Response: The Carl Moyer Program provides funds to all air districts, including rural districts and districts in attainment areas. In addition, fleet owners in these areas can apply to the Voucher Incentive Program in certain participating districts outside of their areas. Certain districts in rural and NOx exempt areas currently run Carl Moyer programs such as the Fleet Modernization Program and TIMBER. Rural fleet owners can also apply for funding through the RAP which is administered by CAPCOA. The RAP program provides a pooled funding resource to help rural air districts identify and fund cost-effective projects through a combined application and project selection process. Fleet owners that do not meet the requirements of the funding programs can

also apply to the state loan program. More information and application materials are available on the CAPCOA website at <u>www.capcoa.org</u>. Additionally, maintaining emission reductions of PM is necessary to protect the public from exposure to diesel PM even in areas that attain the federal ozone standard. For more detailed information on the need for PM emission reductions in NOx Exempt areas, please see response to comment 432.

b) Keep Staff Proposal

432. Comment: The private capital to prematurely replace or retrofit relatively new and mechanically sound trucks simply isn't there for most trucking companies, and the rural counties of Central, Northern and Eastern California are of small population and have limited impact on the air quality of the area and are more heavily air quality impacted by the urban areas of the San Francisco Bay, the Central Valley and other dense population areas. The Central Sierra Mining Association and its 70 plus industry members and supporters support that CARB exempt: Nevada, Amador, Calaveras, Tuolumne, Mariposa, Mono, Inyo and Kern, from the 2014 PM and NOx compliance requirements. We also request that CARB refrain from imposing new emission requirements for all trucks in the currently exempt and proposed exempt areas listed above. (CSMA01)

Agency Response: Maintaining emission reductions of PM is necessary to protect the public from exposure to diesel PM even in areas that attain the federal ozone standard. The amended NOx Exempt Area extension allows vehicles that are operated exclusively in the expanded NOx Exempt Area to use an extended phase-in schedule to meet the PM filter requirements, beginning in 2015. Vehicles that qualify to use the NOx Exempt Area extension do not have to meet the replacement requirements. The PM filter requirements for vehicles operated exclusively in the expanded NOx exempt areas were allowed to delay PM filter requirements for one year until January 1, 2015. There are no new requirements for vehicles that travel exclusively in these areas.

c) Not Fair to Those Who Complied

433. Comment: In regards to the hearing on exempting trucks that are non-compliant to current air quality regulations that are in rural areas that don't have air pollution issues, I can agree with this. However, as in my case, I just spent over \$120,000 for a new 2014 firewood truck which I didn't need, in order to comply with your new regulations as of Jan. 1, 2014. If my competitors are to "play in my backyard," they should play by the same rules as you've forced me to play by. I now have an added cost to re-coup the expense of this truck that they will no longer need to purchase. (FVLF)

Agency Response: Due to the slow recovery, rural fleets may have more difficulty in complying due to high compliance costs. Due to persistent adverse current economic conditions, the emission reductions forecast for the existing version of the regulation

may not be achievable. The amendments would provide flexibility to assist these fleets in achieving compliance, thereby protecting the emission reductions that can be achieved. For more information on why the amendments are needed, see response to 136.

d) Other

434. Comment: As you've heard from many speakers today, Northern California and those others NOx-exempt areas need more time for the economy to recover. One of the best things to actually talk about is to actually rid the requirement to add the DPF all together and perhaps go with just the 2010 engine compliance because of unintended consequences (DPF safety concerns). (ACAST)

Agency Response: The amended regulation extends the compliance schedule for NOx Exempt Areas over a longer period and only requires the use of a PM filter. Affected owners can meet the requirement by installing a PM filter retrofit and have the option to upgrade to newer vehicles that are originally equipped with PM filters. Upgrading to a 2010 engine in attainment areas is not necessary to meet federal ozone standards but is an allowable compliance option in NOx Exempt Areas. For more detailed information on the safety concerns with PM filters, please see response to comment 755.

435. Comment: NOx Exempt Area provision should include an option for NOx Exempt vehicles to go out of NOx exempt area several times a year. (RTOG)

Agency Response: The existing regulation allows vehicles that have reported as NOx exempt to travel outside of designated NOx exempt areas for repairs or emergency operations only. Such vehicle owners must comply with recordkeeping requirements. Air basins that are outside NOx exempt areas in California are located in ozone non-attainment areas that need significant NOx reductions. NOx is a prominent contributor to ozone formation, therefore allowing an indefinite number of trucks to operate occasionally in non-attainment areas will make it difficult for non-attainment areas to achieve attainment status for the ozone standard and would make the NOx Exempt Area Extension significantly more difficult to enforce.

436. Comment: In rural California, smoke exhaust from a proper and good running logging, dump truck, or low bed truck is very minimal. If the truck engine will pass the annual smoke test, the engine emissions have minimal to no effect. When the engine does not pass the smoke test, yes, the engine is in need of repair or replacement. We can plan for and achieve engine repair and or replacement. We cannot replace an entire clean burning truck. (ACLOG01)

Agency Response: A properly operating engine that does not have a PM filter still has substantial PM emissions that are toxic and are feasible to control with a PM filter. Smoke inspection programs are designed to quickly identify gross emitters that require repair or maintenance and are not designed to measure emissions accurately. However, unfiltered trucks with lower opacity measurements still emit toxic diesel PM.

- **437. Comment:** The keep rural trucking companies in business in California, require that NOx exempt counties must replace all mechanical engines with electric ones (83% reduction in PM) and keep them under 100k miles, run anywhere in the state and they are good forever. (ALOG01)
- **438. Comment:** ARB should provide a special rule for trucks used exclusively in NOx Exempt Areas that would allow a fleet owner to retire a mechanical fuel injection truck (pre-1996) and replace with an electronic fuel injection truck (1996-2006) with no particulate matter filter requirement. Particulate emissions are reduced by 83% and NOx by 37% with electronic fuel injection versus mechanical fuel injection. The ability to purchase used trucks, 1996-2006, would greatly facilitate the ability of in-state fleet owners to upgrade and provide significant emissions reductions without having to put on a diesel particulate filter. (CFA)
- **439. Comment:** There is a tremendous PM reduction when updating from a mechanically fuel injected engine to an electronically fuel injected engine. Consideration should be given to allowing NOx exempt counties to upgrade to this technology rather than going all the way to PM filters and 2010 engines. These trucks are readily available and relatively affordable and could minimize job losses in rural California. (FBRAG)
- **440. Comment:** If there was some way that we could come up with an upgrade to an electronic motor and that would be good for the life or, you know -- for into eternity, that might be able to get some of this rule trucking fleet to stay in business when you're putting 30-40,000 miles a year on your truck, it's extremely difficult to comply with this regulation. That's an 83 percent reduction in PM for the NOx exempt areas. The rule should allow these electronic fuel injection trucks to run indefinitely as long as they stay under 100,000 miles a year in use (ALOG02)
- **441. Comment:** Develop a rule whereby fleet owners with trucks being used exclusively in NOx exempt counties must replace all mechanical engine trucks with electronic fuel injection engine trucks, with no particulate matter filter requirement. Particulate emissions are reduced by 83% and NOx by 37% with electronic fuel injection versus mechanical fuel injection. Generally, filters are currently creating downtime and repair costs (reported at \$2000 a month) on pre-2012 trucks with the filters installed by the manufacturers, and filters have proved infamous for malfunctioning when installed on older trucks. (ACLOG02)

Agency Response: Mechanical engines were made before new engine standards set limits on PM emissions in the early 1990's. These older mechanical engines were uncontrolled and have PM emissions that are 4 times higher than a 20 year old 1994 model year engine and 30 times higher than an engine that is equipped with a PM filter. While we agree that PM emissions reductions can be achieved as suggested by the commenters, significantly greater emission benefit can be achieved by retiring high polluting mechanical engines and by upgrading to newer engines that already come with a PM filter from the engine manufacturer or to install a PM filter retrofit. The Board must implement measures that achieve the 'maximum feasible' toxic emissions reductions, as required by HSC section 39666(c) to protect public health in California. The amended regulation meets that requirement, as requirements to replace vehicles or install PM filter retrofits are also needed to meeting the goals of ARB's DRRP. For more detailed information on funding in NOx exempt areas, please see response to comment 431. For more detailed information on PM filter reliability, please see response to comment 726.

9. Small Fleet

a) Funding Programs

442. Comment: For the second and third trucks and smaller fleets, the delay is being considered to grant these guys funding. The really obvious compromise here would be to simply change the rules of the funding. The incentive funding was supposed to get early action. It's not. Even if this staff's proposal goes through today, there is still a lot of people who cannot be funded because they're ineligible for 1B and Moyer. They do too few out of state miles, travel just in the north state and the central coast where they want to retrofit rather than replace. There is no money for them. So these are the fleets that need the compliance assistance the most. They have not received any to date and will receive none. It's entirely within ARB's capacity to assist these fleets. (CTA05)

Agency Response: The level of funding available for incentives and grants are not sufficient to pay for all of the reductions provided by Regulation. ARB recognizes the demand for financial assistance outweighs the availability of the limited State funding resources. All incentive programs are designed to maximize emission reductions in a cost-effective manner. Grant programs can be combined with loan guarantees available to help finance the balance of the purchase price of the equipment. The Voucher Incentive Program, through the Carl Moyer Program, is available for trucks in small fleets throughout California, including rural areas. More information is available by visiting a participating truck dealer, calling the ARB Diesel Hotline at 866-6DIESEL, or by visiting the program website at

www.arb.ca.gov/msprog/moyer/voucher/voucher.htm.

The implementing legislation for Proposition 1B and the Goods Movement Emission Reduction Program (Senate Bill 88) establishes which areas of the State that are to receive Program funding. The Program is governed by this Legislation and unfortunately does not include providing funding for the entire State. The Program's Guidelines for Implementation state that trucks must commit to least 50 percent of future operation within the trade corridors. However, the truck owner can reside anywhere including rural areas as long as they conduct 50 percent of their business within the four trade corridors. The Goods Movement Emission Reduction Program is geared to get the dirtiest, most gross polluter off the road first, so a competitive ranking system is used for project selection. Only the most cost-effective projects receive funding to ensure that State dollars are invested to maximize emission reductions

ARB does not have the authority to establish additional grant programs or allocate additional funds to existing programs; this authority lies with the California Legislature. However, ARB staff will continue to work with our federal, State, and local partners to identify new potential funding opportunities that can help to increase the overall funding available to California truck owners.

Since its inception in 2009, the ARB On-Road Heavy-Duty Vehicle Air Quality Loan Program (CalCAP-ARB loan assistance program) has provided loan assistance for nearly 5,000 loans.

443. Comment: We downsized to three trucks a couple of years ago and we took the small fleet option. We looked into the Prop B and other grant programs. But in order to receive sufficient money to make a difference, each truck had to go more than 25,000 annual miles in California. We could not quite meet that requirement, which would only gain us a \$10,000 down payment at one of the partner sellers. We found out that they had inflated their prices to the point that a 2010 Kenworth tractor (only good until 2023) was priced at \$68,000. 2011 tractors were in excess of 90,000. Eventually we purchased a 2011 tractor in Missouri for \$69,000. This is nearly the identical price as the model year newer in California. (PHTRANS)

Agency Response: While substantial public incentive funding comes from motor vehicle fees and bond sales to reduce emissions, ARB recognizes that existing financial incentive programs are not adequate to fund all of the emission reductions necessary to meet clean air standards and reduce exposure to toxic air contaminants. As with most regulations, the majority of compliance costs are funded by the regulated industry. For more detailed information on the general eligibility requirements of various incentive programs, please see

http://www.arb.ca.gov/msprog/truckstop/azregs/fa_resources.htm.

California voters approved Proposition 1B, authorizing the Legislature to appropriate bond funding to quickly reduce air pollution emissions and health risks from freight movement along California's priority trade corridors. California receives the maximum amount of emission benefits by restricting the operation of funded-equipment to California. Solicitations for truck projects beginning in 2013 required a minimum of 75 percent operation in California for the existing vehicle, and a commitment of a minimum of 90 percent operation in California plus 50 percent in the trade corridors for the equipment to be funded. Additionally, the Program requires a minimum annual vehicle miles traveled in California; 20,000 miles for Class 8 and Class 7 trucks, or 10,000 miles for Class 6 trucks. ARB does not have the authority to restrict dealer pricing; pricing is determined by the market, supply, and demand.

All Carl Moyer Program projects must be cost-effective which is heavily dependent on California usage. Lower usage will result in lower grant amounts. The Voucher Incentive Program which is a streamlined first-come, first-served program but must meet minimum usages for the pre-determined grant amounts not only for replacements but retrofits as well. Retrofits are eligible for funding with grants up to \$10,000 per vehicle. With the recent extension in compliance deadlines funding opportunities for retrofits will increase. Additionally, the Fleet Modernization program does allow for a two-for-one option for fleet owners to combine the usage of lower mileage vehicles to get a higher grant for one replacement vehicle. By ultimately, the truck or fleet owner must make the decisions regarding which compliance and technology option is best for their circumstances.

444. Comment: If amended into the rule as drafted, CAPCOA has significant concerns regarding the proposed changes to §2025(h) - Small Fleet Compliance Option that could severely impact the eligibility pool for the incentive programs going forward. Existing trucks in small fleets using the engine model year schedule will, in most cases, be ineligible for incentive funding unless substantial administrative changes are quickly made to existing incentive program guidelines.

Small fleets that become compliant at any time during 2014 or later should remain eligible for incentive funding for their 2nd and 3rd trucks since they would still be able to provide surplus emission reductions for another 1-2 years.

While CAPCOA supports the proposed extensions for the 2nd and 3rd trucks in small fleets we believe that enforcing the July 31, 2014 opt-in period for taking advantage of the small fleet compliance would be a significant detriment to the success of future incentive programs. Further, for small fleets that secure incentive funding, CAPCOA recommends that they be required to opt-in as part of the incentive award process. (CAPCOA)

Agency Response: ARB disagrees that the changes to the small fleet compliance option in the regulation will impact the eligibility pool of potential incentive fund applicants. On the contrary, extensions to the retrofit requirements in the small fleet compliance options will allow several additional years for small fleets to access incentive funds. Although small fleets are required to report to ARB and opt-in to the small fleet compliance option, this is not a new requirement, and these amendments allowed for additional time for this reporting to occur.

ARB agrees that small fleets who complied should remain eligible, and no changes are needed to incentives programs at this time to make these trucks eligible. In addition, ARB will continue to work with CAPCOA as the guidelines for these incentives programs are updated, to ensure that incentive funding remains accessible to small fleets.

ARB staff disagrees that the changes to the small fleet compliance option in the regulation will impact the eligibility pool of potential incentive fund applicants. On the contrary, extensions to the retrofit requirements in the small fleet compliance options will allow several additional years for small fleets to access incentive funds. Although small fleets are required to report to ARB and opt-in to the small fleet compliance option, this is not a new requirement, and these amendments allowed for additional time for this reporting to occur.

It is a long-standing policy of ARB incentive programs to allow fleets that have rectified non-compliance by fully completing the terms of an enforcement settlement to be eligible for funding. The Board acknowledged CAPCOA's concern and in addition to extending the compliance deadlines, directed staff to return with modifications to the Carl Moyer program guidelines to ensure small fleets that are compliant remain eligible for funding of subsequent trucks. During the July hearing, the Board approved the reduction in the minimum surplus emission reduction period for small fleets from two years to one year.

445. Comment: Lastly, it's critical that everyone understands the historical discrimination behind the granting and distribution of public funds for new trucks and DPF's. The smallest most vulnerable business owners within the industry are relegated to the "back of the funding bus." Not even the satirical digital media organization the Onion could have possibly written such a concocted tale. (CCTA02)

Agency Response: Most of the surplus funding options through the Carl Moyer Program and the Voucher Incentive Program are available only to small fleets. In the Goods Movement Emission Reduction Program, both small and large fleets are eligible to apply for funding, and the most cost-effective projects are selected for funding; however, the current program specifically prioritizes funding for small fleets. In addition, the Board approved the staff's proposal which extends the window of opportunity for small fleets to apply for and receive funding, and directed staff to return with modifications to the Carl Moyer program to prioritize funding for small fleets. The Board subsequently approved those modifications to the Moyer program in July.

- **446. Comment:** Why can't small fleets be exempt from the DPF requirements? CARB answered by saying that small fleets cause or make over 50% of the NOx and particulates in the state, well if that were true, why wasn't the small fleets given half of the funding? Make more funding available to small fleets. (TBROWN02)
- **447. Comment:** The proposal for flexibility for those who require help with financing is needed. I may need this help if I am unable to obtain funds with BAAQMD through the Goods Movement program. I would like to see more programs that will help the small trucking company. (GLSI)

- **448. Comment:** We have almost lost everything because of you. You've got these big companies in here sitting here saying how many millions of dollars they've spent, and you gave it to them. You wouldn't give us a dime. How much more are we supposed to take? Where do you think we're going to get the funds from? (SERIB)
- **449. Comment:** Change to the written regulations should include funding for sole proprietor single truck owners ONLY. Grant monies funded the big guys and now there should be CARB mandated funding for the little guys. Please include in your changes that retrofit deadlines will be extended to those 1-3 truck owners seeking future grant funding. CARB should be mandated to seek funding avenues for those truck owners. (TTROTT02)
- **450. Comment:** The guys who have spent the money deserve tax credits. The guys who have no money need help. But not when you're giving the money to huge companies. You don't set it aside for the little guy who can't help himself, who doesn't have the money, who's barely making it and then give it away to Sierra Pacific or companies who have 150 trucks. It isn't fair. It isn't right. None of us can stay in this business. (PCRAM)
- **451. Comment:** Focus on grants and provide grants to individual owners and not to big carriers. Consider the small businesses and quit enabling those who are better off. Take care of Californians by providing across the board funding and grants. (TTROTT05)

Agency Response: ARB does not have the authority to develop any tax-based programs. Any tax-based programs would have to be developed and approved by the Legislature and Governor. While substantial public incentive funding has been made available to reduce emissions, ARB recognizes that existing financial incentive programs are not adequate to fund all of the emission reductions necessary to meet clean air standards and reduce exposure to toxic air contaminants. The Board considered all of the comments presented before and during the board hearing in April and recognized the need to leverage funding to accomplish not only emission reductions, but also serve smaller fleets. As a result, the Board approved the extension of compliance deadlines that opened up funding opportunities and further directed staff to prioritize funding to small fleets, as subsequently enacted in July. The revisions to the on-road Carl Moyer programs will open retrofit and replacement funding opportunities for small fleets that are currently compliant by prioritizing fleets with 3 or less trucks, reducing the minimum surplus emission reduction period and California usage requirements, and including light heavy-duty vehicles over 14,000 pounds. Based on the TRUCRS database, there are nearly 10,000 vehicles currently eligible for funding in small fleets that are currently compliant. Outreach efforts will target these fleets to ensure as many small fleets are funded as possible. In addition, small fleets will continue to have access to the state loan program and other programs administered by local air districts.

In addition, since its inception in 2009, the ARB On-Road Heavy-Duty Vehicle Air Quality Loan Program (CalCAP-ARB loan assistance program) has provided loan assistance for nearly 5,000 loans. The loan assistance program is available to small businesses with fleets of ten vehicles or less with a maximum annual revenue of 10 million dollars, and no more than 100 employees.

- **452. Comment:** We do believe that the associated proposed changes make sense. They provide a lower cost compliance option for small fleets with low mileage. They also provide more opportunities for fleet owners to access public incentive dollars. (BAAQMD)
- **453. Comment:** The amendments being proposed to the Carl Moyer Program Guidelines will allow small fleets to qualify for funding that was previously unavailable to them. We hope that this will lead to higher compliance rates as well as surplus emission reductions. (MECA03)
- **454. Comment:** I believe the state should give all small businesses that have 3 trucks are less financial assistance to install PM filters. I also believe the regulation is ARB's way to help the bigger trucking companies of California to get rid of the independent truck drivers. (AWAY)
- **455. Comment:** Although my husband and I understand this might be a hardship for smaller operators, in our view this can be remedied by giving them financial incentive for a limited time. Think of subsidies for solar panels or buying a new low energy appliance. (ARAUE)

Agency Response: Most of the surplus funding options through the Carl Moyer Program and the Voucher Incentive Program are available only to small fleets. In the Goods Movement Emission Reduction Program, both small and large fleets are eligible to apply for funding, and the most cost-effective projects are selected for funding, regardless of fleet size. Additionally, the current Goods Movement Emission Reduction Program funding cycle specifically prioritizes funding for small fleets.

In addition, the Board approved the staff's proposal which extends the window of opportunity for small fleets to apply for and receive funding, and directed staff to return with modifications to the Carl Moyer program to prioritize funding for small fleets. The board subsequently approved those modifications to the Moyer program in July.

b) Make More Changes

456. Comment: Small owner operators should get more time since they may not have the capital like big companies do. Since my Dad is owner operator of a small business I also want to help him to get a new truck. If by any chance you can extend the deadline to upgrade his truck and other small business that would be great. (LBELT)

- **457. Comment:** The one vehicle owner must meet PM BACT by January 1, 2014. This is the same as the old regulation. The one truck owner didn't receive any relief like the CARB Board suggested. I recommend moving the date to January 1, 2016 to help the single truck owner as per the CARB Board's suggestion at last year's meeting. (NEI01)
- **458. Comment:** A small fleet (three or less trucks) owner with one truck should be required to install a diesel particulate filter by no later than January 1, 2018. (CIAQC01)
- **459. Comment:** If a small fleet fails to report by July 31, 2014, completes their first truck upgrade requirements after this date and is then forced to go with the engine model year schedule for their 2nd and 3rd trucks, there is a strong likelihood they would be non-compliant again with the more restrictive general requirements. (CAPCOA)
- **460. Comment:** I have a small fleet of 2 dump trucks and it wasn't clear to me on the deadline to comply for the small fleet option. I have missed this deadline and the date was changed but no one knew. I find that this option is no longer available to me because it expired just a few days ago. I wish I would have known this, I never got a notification from ARB. I've been trying my best to stay in compliance and I wanted to ask if you could reconsider in giving me this option for one of my trucks. (JDOUK)
- **461. Comment:** I want to express my concern over the current regulations for small fleets; I believe that you will seriously hurt the single owner operator by forcing them out of California due to your regulations requiring PM filters. (APALK)

Agency Response: Small fleets (three or fewer trucks) contribute about 50 percent of statewide NOx and PM emissions from heavy duty diesel trucks, and represent half of the emissions benefits from the regulation. Further, many small fleet operators compete with other fleets that are currently compliant with the regulation. Allowing additional time, beyond 2014, for the first truck to have a PM filter installed would create a competitive disadvantage for owners that have already complied and would eliminate a significant fraction of emissions benefits. (Staff Report, 2014)

The amendments to the Small Fleet Option reduce compliance costs for small fleets by delaying compliance for the second and third trucks, but did not change the January 1, 2014, PM filter requirement for the first truck in small fleet. All small fleets must have already made an investment to put a PM filter on their first truck and must have met the reporting requirements to opt-in or they are not eligible to use the Small Fleet Option. Small fleets that did not meet these requirements must comply with the engine model year schedule unless they are able to use other flexibility options.

Since the development of the regulation, ARB has made many efforts to provide compliance assistance and outreach to diesel fleet owners subject to the regulation.

ARB's multi-pronged compliance assistance approach involves a call center, a dedicated website, distribution of written materials through dealers and other state and local agencies, direct mailings, training and webinars throughout the State, and more recently through a media outreach contract. Staff also participates in special campaigns involving enforcement and media activities. Staff will continue outreach to members of the affected public through public speaking engagements, the Internet, informational flyers, media interviews, association meetings, and a variety of other methods of communication.

- **462. Comment:** With the new CARB rules for small fleets, it is almost impossible to keep all my trucks on the road and keep my drivers employed due to these CARB regulations. Please consider postponing the deadline for small fleets due to our sluggish economy and radically high fuel prices. (MSTAP)
- **463. Comment:** We took the small fleet option, so our second truck is not due for replacement until the end of this year. We simply cannot afford another truck payment. Please consider for the small fleets at least: Anyone who is in compliance with one truck, grandfather in their second vehicle. (PHTRANS)

Agency Response: The Board did approve an extension for the second and third trucks in small fleets to provide additional funding opportunities and better enable small fleets to comply. This extension defers the compliance requirements for two years, such that the second truck must have a PM filter installed by January 1, 2017 and the third truck by January 1, 2018.

- **464. Comment:** Some owners used the "Good Faith Effort" option and will not be able to meet the July 1, 2014 deadline due to the manufacturers not having the proper inventory and the vehicle owners not having the clarification of the final regulation. (NEI01)
- **465. Comment:** It is not realistic to believe all small fleets will have completed their first truck requirements by July 1, 2014, nor report such action by July 31, 2014. Many small fleets will continue procuring filters and/or new trucks throughout the next year. In some cases, these fleets may still be waiting for new equipment to be delivered from manufacturers. (CAPCOA)
- **466. Comment:** While CAPCOA supports the proposed extensions for the 2nd and 3rd trucks in small fleets we believe that enforcing the July 31, 2014 opt-in period for taking advantage of the small fleet compliance would be a significant detriment to small fleets trying to comply with the regulation without the use of incentive funding. Instead, CAPCOA recommends that small fleets be allowed to opt-in to the small fleet compliance option at any time through January 1, 2018. (CAPCOA)
- **467. Comment:** Allowing additional fleets to opt-in after July 31, 2014 would provide CARB with better and clearer data for the 2nd and 3rd trucks in small fleets. If

the 2nd and 3rd trucks were instead forced to use the engine model year schedule, CARB would have no data on these fleets, nor would they have any assurance of their compliance status. (CAPCOA)

Agency Response: The amendments to the Small Fleet Option delay compliance for the second and third trucks, but did not change the January 1, 2014, PM filter requirement. It is important to maintain both opt-in and compliance deadlines for flexibility provisions because it is necessary to incentivize those who complied on time. Those who were not able to meet the compliance requirements of a flexibility provision would be subject to different requirements that are less flexible, such as the Engine Model Year Schedule.

The majority of California-based trucks have been reported to ARB. Additionally, in order to better understand compliance rates and future compliance obligations for vehicles that do not cross state lines, staff evaluated vehicle registration data from DMV and ARB compliance reporting data from TRUCRS to identify the number of trucks that are likely not in compliances. ARB will continue to use this data as an enforcement tool and a way to assess compliance.

c) Not Fair for Those Who Complied

- **468. Comment:** The proposed amendments provide significant benefits to small fleet owners and those with poor credit who cannot or will not obtain financing, and/or apply for grants to achieve compliance with the Regulation. ARB has not provided rational justification for providing this significantly deferential treatment to these selective groups. By providing extensions to small fleets and truck owners with poor credit, ARB places compliant fleet and truck owners at a significant competitive disadvantage. The ISOR fails to recognize this result, let alone provide any rational justification for it. (WJHPCA01)
- **469. Comment:** As a single heavy truck owner it's been tough going, but wanting to comply with the new regulations, I was reluctantly willing to my part. In December 2013 I had a Diesel Particulate Filter installed at a cost of over \$20000. My complaint with CARB is that you keep extending compliance deadlines and changing the regulations, and many truck owners are taking advantage of this by not putting their equipment in compliance while I have, putting me at a financial disadvantage to try to compete for business! (TBROWN01)
- **470. Comment:** Exemptions for small carriers give them an undue advantage over compliant large fleets. You are allowing small fleets to skirt the regulation for a few MORE years to the detriment of the rest of the industry. (GGT02)
- **471. Comment:** With consideration of extensions for small fleets additional pressure is being put on guys who have already extended themselves financially to comply. Now that time has run out and it is time to make decision about upgrading, they again are pleading for additional time. These same few will

again be back in the room pleading for more time, if new extensions are developed for compliance down the road. I support the California Trucking Association position opposing further extensions to the small fleet provisions. (CTA04)

- **472. Comment:** I feel that giving an extension to these small companies at this point is unfair to those who run their business by the rules and don't procrastinate. (TFT)
- **473. Comment:** We're a large California construction material transporter with the sub-hauler network of over 150 California motor carriers, most of which are small fleets primarily independently owned single truck operators. I'm here today to represent their collective voice. Our companies spent considerable time and resources educating these carriers on the truck and bus and went through the process in helping them get registered and inform them in many cases of their compliance options. These carriers have gone out and spent considerable dollars, increased their monthly overhead just to comply with the rule. Any delay is going to cause irreparable harm to these companies. And given the uneven playing field, many are concerned if they're going to be able to remain in business, let alone compete. (WCSG)
- **474. Comment:** We do not agree with extending the regulation in place in regards to the 1 to 3 truck companies. The original regulations provided these companies adequate time to comply. Compliant company's accepted the added financial burden and spent the necessary capital to comply with the understanding that the 1 to 3 truck companies would also be compelled to comply. Noncompliant companies with lower operational costs have been able keep lower freight rates. The extended time frame has created an unlevel playing field in the Industry, which has squeezed margins for companies who spend the money to become compliant with the law. There are both companies you have failed to catch and the small fleet operators you have chosen to hold to a different standard. The small operators knew that they had extended time to comply and are now trying to have the rules changed for their gain, at the expense of those companies who have put their businesses at risk to comply. (ANTRU)
- **475. Comment:** We are a single owner operator that went in debt purchasing a \$16,000.00 filter before the Jan. 1, 2014 deadline. Now we are hearing that there has been an extension and we went in debt for nothing. Just because we were able to qualify for a loan because we pay our bills doesn't mean we wanted to go into debt for something that the next guy, still running the same roads as those of us are, isn't affected by. (NFIKE)
- **476. Comment:** I own a small fleet and installed a filter in December 2013. The amendments are unfair to all of us that are being complaint in 2014 (TLOP)

- **477. Comment:** For much the same reason as the loan denial extension, we cannot support additional delays in compliance for the 2nd and 3rd trucks in small fleets. Small fleets who invested early in compliant equipment cannot afford to compete at 13-27% higher costs. (CTA02)
- **478. Comment:** Now my competitors who have not complied are getting the golden ticket. I'm getting slapped in the face because I complied and spent the money and made the investment. No one is fighting for the little guys who have complied. We have approximately 60 owner-operators of individual trucks. About half of them have gone out and either spent money on filters or bought a new truck. The other half have not. They're sitting back with shirts that say, "No, we're never -- comply? No, I'd rather die. That kind of thing and they're getting away with it now. (ARTRU03)
- **479. Comment:** Faulkner Trucking is against any modification in the current regulations for 1 to 3 truck companies. The original regulations provided for an extended time frame to allow these companies an opportunity to comply. The extended time frame has created an uneven playing field which has squeezed margins for compliant companies. Noncompliant companies with a lower cost operation have been able keep lower freight rates in place for far too long. Small operators knew that they had extended time to comply and are now trying to have the rules changed for their gain at the expense of the companies who have put their entire company's expenses on the line to comply. (FTRUC01)
- **480. Comment:** I'm opposed to the loan denial exemption. I'm opposed to the small truck exemption. There is a shortage in our industry, a pretty serious shortage, of classified truck drivers, qualified truck drivers. There is not a shortage of clean trucks. And the truckers that can't make it now, if you give them an extension, they're going to be in the same financial position 12 or 24 months out. They should come and work for companies like mine, and they would possibly be better. (RTRUCK)
- **481. Comment:** Small carriers, one to three, that sounds very harmless. And I love the small carriers, too. But the problem becomes when those small carriers in the aggregate form a large pool. They have small -- they have lower cost. They farm a large pool of low rate competition that the rest of the folks previous to me have attested to. And therein is the problem is, in the aggregate, they form that downward pressure on our rates. A lot of the small carriers work for brokers. In this day and age, our biggest competitor is the broker. And because they are hiring the small carriers and the independent owner-operators. Customers, I just had another customer last week totally ignore us. (GGT01)
- **482. Comment:** With regard to the proposed amendment, extending into 2016 or 2018 and replacing current engines to 2010 engine or newer as a way to circumvent cost is terribly unfair. If I had this option available to me a few months ago, I would have waited it out, took advantage of the proposal and sold the truck

out of state in 2016. This is what I suspect most people will do if passed anyways. For a state which prides itself on fairness and equality I find the proposed amendments anything but fair. (PWILK)

Agency Response: The Board recognizes that many individuals, companies, and fleets have made significant investments to comply with the regulation and have concerns about competition from small fleets. By lengthening compliance requirements, the amended regulation would defer some of the compliance costs for many vehicles up to five years and would improve the ability of vehicle owners to raise the capital needed to make upgrades. The additional time also provides fleet owners additional opportunities to take advantage of declining used compliant truck prices and public incentive programs. The Board determined the amended regulation achieves the appropriate balance in addressing concerns about competitive disadvantage and protecting public health while still meeting air quality obligations. For more information, please see response to comment 44.

- d) Other
- **483. Comment:** I am an owner/operator based in La Mesa, California. 85% of my business is conducted outside California. The proposed retrofitting with a particulate filter would be more than my business could sustain and has cut me off from my home base. Exceptions have been made for operators who essentially conduct all their business in California and operate their business in and out of California ports. When compared with these operators and the amount of particulates emitted within the state of California, their operation vs mine, my operation would have a far far less deleterious effect on the California environment. As a California tax paying resident operating a California based tax paying business, I am asking to be included in these exceptions so that I may remain in business while being able to come home occasionally. (JTTLLC)

Agency Response: ARB has on-road diesel regulations that address public and private in-use heavy duty trucks that operate in California. Trucks that transport marine containers in and out of California ports and intermodal rail yards are subject to ARB's Drayage Truck regulation which had earlier compliance dates than the Truck and Bus regulation. Drayage Trucks were required to have 2007 or newer model year engines by January 1, 2014.

The flexibility in the Truck and Bus regulation is available equally to all fleets that compete in the same markets operating in California. The regulation is needed to reduce emissions as described in the response to comment 14. Out of state vehicle owners that operate in California and are financially unable to comply may be eligible for the Economic Hardship Extension. For more information on the requirements to apply for the Economic Hardship Extension, see response to comment 270.

10. Work Truck Extension

- **484. Comment:** I will be discussing only road construction trucks as that is our area. First I would like to make a suggestion for an added regulation. An exemption for trucks that are pre-2007 and are not retrofitted. Make a ruling that the truck, regardless as to the Air Quality District they are based in, are only allowed to work in that area. For years I watch dump trucks leave my area to go 60+ miles to work because a company has under bid a job in the fore mentioned area. So you have 2 sets of trucks going to work in each other's districts simply based on the lowest bidder. This is more than doubling emissions. Require that contractors and brokers only use trucks from their Air District. If you want to work out of your area then you must comply with these regulations. (STLLC)
- **485. Comment:** How about requiring or giving a break to hiring local companies? I see city, county, state jobs all over our area using trucks from far away, that drive 60-100 miles in the morning before they ever start their day and then return back to their terminals at night. Local contracts would reduce total mileage thus reduce pollution. We have had to drive long distances as well because local jobs went to out of towners. Thus our total mileage is far higher than it should be and disqualifying us for WT distinction. (RGOOD)

Agency Response: ARB supports strategies that reduce vehicle miles traveled, but does not see the need to add additional restriction regarding who can be hired if the fleet otherwise complies with the regulation. The Low Mileage Work Truck Option provides a longer phase-in period for work trucks that travel less than 20,000 miles per year and indirectly may influence how often local fleets work far distances from their terminal. Vehicles that exceed the mileage limits must comply with the general requirements of the regulation.

- **486. Comment:** Starting January 1, 2020 the Work Truck owner will need to update their vehicles with a 2010 MY engine or replace the vehicle. I recommend the staff extend this to 2023 like most other extensions. When the owner installs a DPF by 2018 per table 9 they will only be able to use that filter for 2 years. That owner will never be able recover the cost of their DPF investment. (NEI01)
- **487. Comment:** The 20,000 miles per year for a Low-Mileage Work Truck should be increased. CIAQC presented a three tier option. Change the three tier to a two part option. 0 to 7,500 annual miles exempt with no expiration. 7,501 to 30,000 annual miles expires in 2020. Most work trucks accumulating 30,000 miles annually will be replaced by 2020 allowing the owner to recover their investment of the vehicle. (NEI01)
- **488. Comment:** Construction related trucks should not have to begin to replace their engines (or trucks) only two years following the completion of retrofitting these vehicles with diesel particulate filters beginning in 2020. Low-mileage work trucks should be given eight years to do so consistent with the time frame in the Engine Model Year compliance schedule currently (and proposed to continue) in

the regulation. Additionally the Low-Mileage Work Truck should apply as proposed by staff for vehicles that travel 20,000 to 30,000 miles per year. (CIAQC01)

- **489. Comment:** Please give us a break on complying. I propose for up to 30K miles on a construction truck, additional years to comply so we can rotate out the older equipment with new. (ALCDTO)
- **490. Comment:** You have a cap on the working truck category of 20,000 miles annual. That's not enough. It should be 30,000 because 20,000 is not workable. (DECARB)
- **491. Comment:** In our fleet of 23 power trucks, total mileage for 2013 was 220,510. That was for all TRUCKS in our fleet. If there was a way to extend the mileage exemption to 30,000 per year, we could keep replacing our trucks in a more cost friendly manner. (PWATE)
- **492. Comment:** One of the chief problems with CARB's original rule was to regulate all trucks as if they were utilized the same (one-size fits-all). While property-carrying long-haul fleets can easily average more than 120,000 miles annually, construction trucking operations have annual vehicle usage less than half those miles, many 30,000 miles or less. With California's virtually non-existent construction recovery, it makes sense to expand available relief to this vulnerable mostly state-based segment of the market. We suggest the following additional steps be considered and approved: Expand the annual mileage allowance from 20,000 to 30,000 miles per vehicle. (CCTA02)
- **493. Comment:** While I like the proposed amendment to the low mileage construction truck program, I would like to see the mileage increased from 20,000 per year to 30,000 as most dump trucks operate in this range. (TQI)

Agency Response: The amended regulation was carefully crafted to maintain the SIP commitments and/or the goals set forth in the DRRP. The Board considered, but did not approve, several alternatives to the amendments to the regulation, including increasing the mileage thresholds in the low use exemption and the Low Mileage Work Truck Option, since any additional extensions or exemptions would jeopardize these commitments or goals. For more detailed information on the goals of the SIP and the DRRP, please see response to comment 157. As for compliance flexibility, a fleet can choose to upgrade directly to a 2010 engine and forego installing a PM filter as part of the phase-in requirements, particularly on older trucks, to meet the regulation's compliance requirement.

494. Comment: I am concentrating on on-road construction dump trucks. The state of California's infrastructure or roads is in terrible repair in most areas. If you mandate that local construction trucks that travel more than 20,000 miles a year update or retrofit you are going to have two problems. Problem one: You will

create a dump truck shortage which we are already on the verge of now. This will in turn drive the price of trucking road base and asphalt through the roof. Not to mention the price of the materials will go through the roof. To make asphalt you need oil. Oil comes on a truck. The oil trucks increase their pricing. Then you need aggregate that is delivered on trucks. The aggregate trucks raise their prices. Problem two: forcing people to purchase new trucks or retrofit trucks will again require then to raise their cost of transportation. All of this adds up to the State of California paying higher cost to repair roads. This means less roads can be repaired which leads to a public safety issue. Twenty thousand miles is not enough to keep California's roads in good repair. Raise the amount of miles for bottom dumps, transfers, strong arms, etc. to at least 50,000 miles a year. (STLLC)

Agency Response: Because, most vehicles can be retrofitted so there is no reason to believe the existing regulation will cause a shortage of construction trucks. For detailed analysis on the cost impacts of the regulation as amended in 2010, see Chapter VII, Economic Impacts in the 2010 Initial Statement of Reasons for Proposed Rulemaking. Failure to meet air quality obligations is more likely to impact on road construction. The State of California stands to lose a substantial amount of transportation funding from the federal government if federal air quality standards are not met. The largest share of new emission reductions in the SIP is expected from trucks. For more information on why higher annual mileage limits for the Low Mileage Work Truck Option could not be approved, see response to comment 493.

495. Comment: Allow "Work Truck" fleets flexibility. In the December 2010 amendments the Board allowed construction truck fleets to apply minimum percentage to the entire fleet of heavy trucks or just the low mileage construction truck fleet. The current proposal disallows the "or" and is less flexible. (CFN01)

Agency Response: Both the original low mileage construction truck option and the amended low mileage work truck option require the fleet meet a minimum percentage based on the total number of heavier vehicles in the fleet not counting any vehicles designated as low use. Rather than reduce flexibility, the amendments give fleets more time to meet PM filter requirements.

- **496. Comment:** The one vehicle owner of a Low-Mileage Construction Truck or now defined as a Work Truck did not receive any relief like the CARB Board suggested. They still have to meet the PM BACT by January 1, 2016, which has the same implication as per the old CT regulation. The old regulation required the single CT truck owner to install a DPF at the end of the CT extension which was 2016. Now that "Work Truck" extension deadline is 2018. I recommend changing the date to January 1, 2018 to be consistent with the new regulation. (NEI01)
- **497. Comment:** Under the proposed work truck amendment, one-truck owners would still face a compliance deadline of January 1, 2016. We believe that should be

extended to January 1, 2018 to harmonize with the deadlines available in other extensions. By aligning the compliance deadline for one-truck owners using the Work Truck Extension, CARB would be effectively limiting the annual miles of these trucks as opposed to encouraging many to move to another more generous extension with unlimited annual mileage potential. Enable "Work Truck" fleets to have the flexibility that the Board directed in the December 2010 amendments that created the "Low Mileage Construction Truck" time extension. Specifically, fleets with LMCT's could comply by applying the minimum PM filter requirement to only their LMCT fleet and the remaining non-LMCT fleet could comply with either the Engine Model Year or Phase-in Schedules. The current proposal removes that flexibility and mandates that the fleet owner "... meets the compliance schedule in Table 9 for the entire fleet of heavier vehicles."

Fleet owners should have the flexibility to comply separately or combine their "Work Truck" and non-Work Truck fleets, similar to what the Board approved in December 2010. (CCTA02)

- **498. Comment:** I appreciated the work truck fleet flexibility. Several of those fleet owners have asked us to clarify the go-forward provision that you be able to opt in on January 1 of this next year. I'd like you to confirm that. (CFN02)
- **499. Comment:** The work truck category requires reporting of January 1, 2012 odometer readings but Appendix A-38 says beginning January 1, 2015. Please confirm that the 20,000 miles per year applies beginning in 2015. (CFN01)
- **500. Comment:** It is clear to us that the staff's intention is to not allow eligibility for the "for-hire" trucks or trucks moving saleable goods or commodities for a fee. However the words "with an attached bed or body" are new to this definition and would appear to exclude a tractor as a truck type. Our request is to add "tractor" to the eligible equipment types under (c) in this definition. (JAREN)
- **501.** Comment: I pull a trailer and drive no more than 15,000 miles a year. Why am I not allowed to use Work Truck option? (AVILL)

Agency Response: The expanded Low Mileage Work Truck Phase-In Option includes all trucks except for tractor-trailer combinations that were not already originally included in the Low Mileage Construction Truck Extension. The option helps fleets already in the Low Mileage Construction Truck Extension including construction trucks. The new option provides additional flexibility and time to upgrade additional vocational trucks. The PM filter phase-in period was extended by two years to end at 2018 instead of 2016. The PM filter phase-in percentages were re-adjusted accordingly as well. A one truck owner that uses the extension would need to have a PM filter by January 1, 2016. The amended option allows owners to claim the extension in January of any year provided the vehicle was in the California fleet on January 1, 2012. The amended work truck definition was expanded to include trucks with an attached bed or body because these trucks are not as ideally suited to be retrofitted as truck tractors and they have an

added expense of moving the attached bed or body to another vehicle if being replaced. The mileage threshold was increased to 20,000 miles per year for all body types. The Board determined that it was not appropriate to expand the definition to include tractor-trailers because the amendments would no longer meet air quality objectives, and would create competitive disadvantage concerns among most for-hire fleets.

- **502. Comment:** We ask that you include evidence of a CPUC household goods permit into the language of who is permitted to participate in the work truck extension. The moving and storage industry is similar to the construction industry: it has experienced economic hardships caused by the Great Recession and needs relief as we begin our recovery. (CMSA02)
- **503. Comment:** Please add 'Household Goods Movers' in the Public Utilities Commission's definition of 'Private utility vehicle" for gas, water, and electric utility service vehicles. Household Goods Movers in California, by order of the State Legislator, are a vital need to the public and such services are to be regulated by the California Public Utilities Commission. Movers are less advantaged in representation and economic impact than other PUC-regulated utilities in the Truck Bus rules. The majority of over-the-road movers are single truck sole proprietors. Movers travel far less miles and frequency compared to general freight trucking. (TTROTT01)
- **504. Comment:** The low mileage exemption is not a one size fits all. Include Household Good Movers as a Public Utility Commission entity we are. (TTROTT05)
- **505. Comment:** I'd like to thank staff for their listening sessions and for actually listening and adjusting what was previously an unfair construction only extension to more broadly encompass other vocational trucking options. And I'd ask that you look further at that to include Class 8 trucks for moving and storage industry as we, like construction, are permitted by the state of California through a licensing process and have been equally impacted by the economic conditions. We are in favor of increasing the mileage exemption and the flexibility option. (CMSA01)

Agency Response: The Public Utility Commission includes a definition for Household Good Movers for purposes of licensing and registration of vehicles, not for the purpose of reducing emissions. The regulation is intended to minimize public health exposure to diesel PM and to reduce NOx emissions which contribute to the State's ozone nonattainment status. Including vehicles identified by CPUC as Household Goods Movers is important towards that end, especially considering such vehicles typically operate in neighborhoods where immediate public health exposure is significant.

506. Comment: In 1988, I bought a 1985 Peterbilt. My truck runs less than 20,000 miles per year it gets about 8.5 miles to the gallon. My situation is similar to quite a few other construction truckers I personally know. We want to keep our trucks,

we can't afford new ones due to the economy, we can't afford the inherent problems with retrofitting older trucks the filters are not designed for us. I have the 20,000 mile const. truck exemption, what I would like CARB to consider would be an extension of the low mileage construction truck exemption on a policy that the truck stay with its original owner and may not be transferred or retitled in the state of California. Every trucking operation is different; your consideration for the construction truck exemption would be appreciated. (BVISS)

- **507. Comment:** We cannot afford to buy a new truck. I have been in the construction trade for 50 years. I have a ten-wheel dump truck. I work on site about seven months out of the year, so let us little guys alone. (JFULL02)
- **508. Comment:** I operate three dump trucks worked in the construction industry. The cost to repower and replace our small fleet might be too big of a challenge. Based on the current debt to income ratio with the rates and amount of work that's out there, compliance at this time and in the very near future doesn't look too good. Our work is seasonal, and there's no way to make payments in the rainy season or the off season. (CWORT01)
- **509. Comment:** I am a 15 year owner operator of one only one truck in the construction industry, the construction industry has still not completely rebounded from the recession, my work load is down by half, profits are down by half with the rising cost of fuel, insurance, DMV fees, and overall all expenses its hard enough just to make ends meet. There is zero profit left over at the end of the month. The added cost of a filter or even a new truck is just not in my budget right now. (RYADO)
- **510. Comment:** Construction limited mileage exemptions are good forever. (ALOG01)

Agency Response: The Work Truck Option defers compliance for work trucks in a fleet that travel less than 20,000 miles per year. If an operator owns only one truck and meets the requirements of the Low Mileage Work Truck Phase-In Option, that truck can operate as compliant until January 1, 2016, at which time it must have a PM filter installed to continue operating. To extend deadlines further or exempt vehicles from meeting the upgrade requirements would not meet the Board's air quality obligations as described in response to comment 14. Owners that do not qualify for mileage based extensions and cannot afford to comply with the 2014 PM filter requirements may be eligible to use the Economic Hardship Extension as described in response to comment 270.

511. Comment: CIAQC is concerned however that July 31, 2014 reporting deadline unnecessarily establishes a requirement that will effectively preclude many other construction trucks owners to retroactively claim the option. The regulation requires truck owners to install a minimum number of particulate filters (PM) on

certain trucks in their fleet in order to qualify for the LMWT option. There is no increased emission benefit by penalizing truck owners not aware of the July 31, 2014 reporting deadline by disallowing them to participate in the low mileage work truck option. Therefore, CIAQC recommends that CARB allow additional time for fleets to report their trucks that meet the LMWT qualifications and label their trucks appropriately. (CIAQC03)

Agency Response: Fleets that met the PM filter requirement for 33 percent of the fleet as of January 1, 2014, were allowed to opt in early (by July 31, 2014). Fleets that did not meet the minimum 33 percent requirement by July 31, 2014, or did not report in time, may report and opt in to the Work Truck Option in January of any compliance year if they meet the minimum PM filter requirements. For subsequent compliance years, every January, fleets can newly report which trucks will use the option, as long as their vehicles meet the Work Truck definition and the fleet meets the minimum compliance requirements each year.

512. Comment: Our contractors operate all across the state as you know construction faces multiple CARB rules. So one area I'd like you to really consider in this proposal are the low use, low mileage vehicle operations that would really help the construction industry. And Mike Lewis in the CIAQC letter April 17 laid that out pretty well for that particular issue (CPASC)

Agency Response: The Board considered alternatives to the amendments to the regulation including increasing the mileage thresholds in the low use exemption or the Low Mileage Work Truck Option. Since the amended regulation was carefully crafted to maintain the SIP commitments and/or the goals set forth in the DRRP, any additional extensions or exemptions would jeopardize these commitments or goals. For more detailed information on the goals of the SIP and the DRRP, please see response to comment 157. For more information on the Low Mileage Work Truck Option, please see response to comment 501.

11. PM Filter Recall - Make More Changes

- **513. Comment:** Please consider using the date that Cleaire ceased doing business 01/18/2013 as the date to use for the 5 year extension. The date of recall on the Longmile DPF was 08/17/2012. My reason is that Cleaire could have come up with a solution prior to closing its business. (CTA03)
- **514. Comment:** Clearaire customers should be compensated. (TTROTT03)
- **515. Comment:** CARB verified these [Cleaire Particulate Matter Filter] systems. CARB verification requires a five year warranty. Cleaire stated in their letter dated 11/20/12 that "In the past 12 years, Cleaire has delivered over 18,000 compliant systems, many still in operation long after the 5 year warranty period. With that said we are not satisfied with the CARB's proposal to have to replace these filters 5 years after the recall notice. This means that after six years we have a 100% replacement rate of the entire system. CARB should stand behind

the systems that they verified. If there are costs related to replace the core or the entire system CARB should pay those costs. We purchased these retrofits knowing that we would be running these trucks until 2022. We cannot purchase 120 new trucks five years early at an additional cost of over \$25,000,000.00. This cannot be done and still meet all of the other many CARB requirements that we face both on and off road. (AARMC01)

- **516. Comment:** We'd like you to take a second look at that Cleaire LongMile provision, grant those owners up to ten years from the date of the recall. That way, these long mile owners don't have to pay for compliance twice. (CTA05)
- **517. Comment:** The Cleaire LongMile was discovered to be a catastrophic failure and was recalled. Now you propose to graciously give us (5) years from the recall date or we get the privilege to pay again. This is completely unacceptable. Other companies got later compliance dates and did nothing to comply. When, and if, they did comply, they were given the benefit of more proven products. All Longmiles that were paid for with no grants or incentives should be replaced free of charge. If the Board can't find funding for this, consider that the Board is reopening opportunities for Small Fleet owners to apply for and receive Public Incentive Funding. If funding is not made available they should be afforded the same time and compliance that other retrofitted trucks are given. If retrofitted before 2014, they are compliant until 2023. (JEHO02)
- **518. Comment:** Under the current proposed extension, Cleaire LongMile owners would be required to take further action to comply by 2017. We do not believe it is appropriate to require further action from fleets who took early steps to comply when other fleets could possibly delay compliance 1/1/2018. This extension should be changed from 5 to 10 years. (CTA02)
- **519. Comment:** To wit, the regulatory changes in this latest Advisory do not take into account the investment end users have already made in deficient or recalled VDECS except to allow for an interim five year period from the recall date before a bus company must purchase another VDECS as opposed to being automatically compliant with the original VDECS purchase until 2021. Additionally, this amended language does not take into consideration the inherent deficiencies in non-OEM DPF filters being placed on buses whose duty cycles vary greatly from HD truck duty cycles. The CBA and its members would like to suggest the following options to protect individual bus company investments in VDECS in compliance with the Heavy Duty Truck and Bus Rule as amended and in consideration of actual real world experience with VDECS that have demonstrated deficiencies or have been outright recalled:

1. Place the burden of rectification on the individual emissions control device manufacturer or successor entity to reinstall a new VDECS at the expense of the manufacturer not the end user, or;

2. Set aside a few million dollars from the State of California Cap and Trade system (annually \$850 million) to reimburse bus operators who would have to pay twice for a VDECS that failed through no fault of the bus operator transporting passengers, many of whom would be traveling in single occupancy autos, or;

3. Extensions for Faulty Devices: If a PM filter has been installed and subsequently is recalled or cannot be repaired or function properly under accepted maintenance practices on a motor coach engine in a good state of repair, the bus should be allowed to operate until January 1, 2021 without incurring any further expense pursuant to its documented report of original failure. This will protect fleet owners who complied in good faith with the letter and intent of the regulation relating to early or required date of retrofit installation. This option would only apply to a very small fraction of HD diesel vehicles with no significant emissions impact. (CBA02)

- **520. Comment:** If a bus cannot pass a heat profile test or a PM filter has been installed and subsequently recalled or cannot be repaired or function properly under generally accepted maintenance practices on an engine in a good state of repair, the vehicle should be allowed to operate until Jan. 1, 2021 without incurring any more expense or paperwork pursuant to its documented report to CARB. (CBA01)
- **521. Comment:** Then came the bankruptcy of CARB's own wunderkind preferred diesel particulate filter ("DPF") manufacturer Cleaire and DPF funding schemer Cascade Sierra Solutions both now defunct. Thousands of truckers are now left with recall(s) of faulty DPF's. Where's the economic justice for them?
- **522. Comment:** We would like to see for the people that have to have these faulty devices forced upon them that they've already paid the money in good faith and now they don't work. So what we would suggest is that those people have the opportunity not to have to pay for them again and again and again, but give them a waiver so that they paid once, a lot of money, about 18,000 a piece. And then if the bus is in good order, the engine is in good order, everything else is right but the machine doesn't work, it doesn't work. I don't think they should be penalized. (ASL)

Agency Response: Manufacturers of verified PM filters must offer a comprehensive five year warranty. The Board decided those who were subject to a retrofit PM filter recall where the filter is not repaired or replaced by the manufacturer should be granted an equivalent five year period to operate the vehicle as compliant. The five year period will be set from the date of the recall as suggested in these comments, as opposed to the date that the PM filter was installed. For example, since the Cleaire LongMile was recalled on August 16, 2012, the owner of the affected vehicle would have until August 16, 2017, to upgrade the vehicle to comply with the PM filter requirements, regardless of when it was intalled. This can be accomplished by replacing the PM filter core,

installing replacement retrofit PM filter, or upgrading to a new or used vehicle that has an OEM PM filter.

The Board determined that 5 years was the appropriate balance in providing useful life consistent with the expected PM filter warranty period against concerns about higher emissions from PM filters that are not performing as designed. The Board also approved funding that could potentially offset the cost of repairing the Cleaire LongMile for some owners. For more detailed information on available funds for the truck filter substrate replacement program, please see the response to comment 602.

523. Comment: Recordkeeping requirements [(2025(s) (14) (B), p. 67]: This section requires documentation in the vehicle about recalled VDECS. Provisions 1 and 2 require a signed statement and service dates for the DPF, respectively, from a recalled VDECS manufacturer. In the recent case of the Cleaire organization there has now been over 18 months of spotty communication to the fleet owners impacted by the recall and poor documentation from Cleaire. Because recalled VDECS manufacturers have gone out of business and are hard or impossible to reach, it is not practical to demand that the fleet owner has this information in the vehicle. Since the clock is ticking for all recalled VDECS from the date of recall, then a copy of the ARB-issued recall notice should be sufficient. So we are requesting removal of the signed statement and VDECS service date. (JAREN)

Agency Response: The language is written to address a wide range of potential recall situations. In the case of the recent Cleaire recall, ARB has information about the recall and affected fleets. Owners that do not have adequate information to document that they are the owner of record, may contact ARB staff to determine the appropriate documentation needed. The owner must have documentation in the cab of the vehicle in a place known to the driver. The documentation will need to be presented to ARB field enforcement personnel upon request. In addition to the diesel hotline call center, ARB also has a Retrofit Advocate that can assist with more difficult PM filter issues.

524. Comment: In the CARB Mail-Out #MSC 13-04 the CA Air Resources Board stated that they "will be working closely with fleets, dealers, and parts suppliers to minimize the impact of the Cleaire closure." We have never heard from them since then regarding the Cleaire LongMile. (AARMC01)

Agency Response: The recall provision amendment was proposed after working closely with fleets, dealers, and parts suppliers to minimize the impact of the Cleaire closure.

525. Comment: Preserve Compliance Affected by VDECS Recalls-The identical provisions proposed should be applied to Public Agency/Utilities fleets, Solid Waste fleets and Off-road fleets affected by recalled VDECS.

Agency Response: PM filters are not required as part of the upgrade requirements in the Off-Road regulation. The compliance deadlines in the regulations that public

agencies/utilities and solid waste vehicles were subject to have already passed. The solid waste vehicles that will be subject to the compliance requirements of the Truck and Bus regulation in the future do not have PM filter requirements.

12. School Bus Requirements

526. Comment: First Student supports ARB's objectives of reducing air pollutants and protecting human health and the environment. There are many facets of the Truck and Bus Rule that advance these goals with which First Student agrees. Further, First Student supports ARB staff's proposed regulatory flexibility changes as they apply to the trucking industry. In sum, First Student merely requests that some of the proposed revisions for the trucking industry also be applied to the bus industry.

We request that the Board direct ARB staff to propose the following revisions to the Truck and Bus Rule:

(1) extend the credit for bus fleets that have downsized to January 1, 2018; and

(2) extend the credit for fuel-efficient hybrid school buses, alternative fuel school buses, electric school buses, or school buses with pilot ignition engines to January 1, 2018.

First Student requests that the Board direct ARB staff to propose revisions to the Truck and Bus Rule that would extend the compliance period in the limited situation where a school district's current multi-year contract with a bus service provider is close to expiring, making bus retrofits or the purchase of new buses impractical. As explained in more detail below, some private school bus contractors (including First Student) are locked into contracts with several school districts that were entered into before the three year compliance schedule for the Truck and Bus Rule went into effect. The terms of those contracts are based on pricing models that do not contemplate or accommodate the expense of installing filters or purchasing new buses once the contract is entered into. Moreover, the contracts are about to expire at the end of either the current school year or within the next two school years. As a result, purchasing filters or new vehicles is simply cost prohibitive, since there is no guarantee that these contracts will be renewed after they expire. First Student requests the opportunity to work with ARB staff to extend the compliance period in these limited situations.

The rationale for providing flexibility for truck fleets applies equally to bus fleets. Bus fleets will also experience significant negative economic impacts if forced to comply with the timing requirements of the current Truck and Bus Rule. For example, it is extremely expensive to retrofit a school bus with a PM filter. PM filter units for buses are similar in cost to many of the PM filters for trucks. However, installing a PM filter on a bus carrying passengers tends to be more expensive and more complicated than installation on a freight-carrying truck Finally, First Student requests that the Board direct ARB staff to propose revisions to the Truck and Bus Rule that would extend the compliance period in a limited number of situations - where a school district has already entered into a multi-year contract for bus services, the service provider is providing bus services pursuant to the contract, and the contract is about to expire soon such that retrofitting buses or purchasing new buses was not contemplated by the parties and is now cost prohibitive. (FSTU01)

527. Comment: The economic hurdles and issues that are driving your staff's recommendation to extend regulatory flexibility to the trucking industry apply equally if not more so to the private school bus industry. Here, I'm particularly referencing two staff proposals to extend credits until January 2018 for: A, fleets that have downsized from their 2006 baseline; and, B. companies that have invested in fuel efficient, alternative fuel, and electric vehicles. First Student is not asking for special treatment on these extensions, only treatment equal to what staff is proposing for the trucking industry.

Because of these different physical configurations, it took longer for the aftermarket industry to develop some compliant that were certified by the agency. By the time they were approved, we had already signed contracts. In short, we believe that the private school bus industry operates on a different type of contract model with most other trucks and buses and ask that the Board recognize and accommodate our circumstances. It really makes no sense for us to install filters on a bus when we're going to replace them in a couple of years. If we did that, we're going to keep them longer. (FSTU02)

- **528. Comment:** Please allow school buses the same low mileage use exemption that you are currently considering for trucks: from 1,000 to 5,000 miles that will sunset in 2020. This will create equality within the programs, and give some relief for some school districts in the state. (CASTO01)
- **529. Comment:** Because of these different physical configurations, it took longer for the aftermarket industry to develop some compliant that were certified by the agency. By the time they were approved, we had already signed contracts. In short, we believe that the private school bus industry operates on a different type of contract model with most other trucks and buses and ask that the Board recognize and accommodate our circumstances. It really makes no sense for us to install filters on a bus when we're going to replace them in a couple of years. If we did that, we're going to keep them longer. (FSTU02)
- **530. Comment:** The proposed amendments do not apply to school buses. We respectfully request that the Board include only one small amendment for the school bus rules that would be extremely beneficial. And that would be the low mileage exemption that you're considering for trucks as well. So from a thousand miles to 5,000 miles until the year 2020 would be extremely helpful. (CASTO02)

Agency Response: The Board placed a high priority on reducing exhaust emissions from all buses, and was particularly concerned with those that transport children. Public funds were available to offset all of the cost of retrofitting buses to comply. For these reasons, school buses are on a different compliance schedule to protect the health of young children. Allowing use of credits for school buses or increasing the low-use mileage to 5,000 miles results in increased exposure of children to toxic air contaminants.

The Truck and Bus Regulation was approved by the Board in 2008 and amended in 2010, prior to the three year compliance schedule for school buses which requires school buses with a GVWR more than 14,000 pounds to phase-in PM filters from 2012 to 2014. All school buses that can be equipped with a diesel particulate filter should already be compliant with the regulations January 1, 2014 compliance deadline. In proving the school bus provisions of the regulation, the Board previously considered the economic impact on public and private school bus providers. (See 2008/2010 ISOR's) Owners of school buses that cannot be retrofitted can apply for an extension each January until 2017. Before January 1, 2018, those school buses will have to be replaced.

As you state, filters and new vehicles are costly. Therefore, school districts are less likely to purchase their own compliant school buses rather than continue with a transportation provider.

13. Environmental Review

General Response to Comments Related to the California Environmental Quality Act in April 16, 2014 Letter from Mr. Timothy Jones Representing John R. Lawson Rock & Oil, Inc. (WJHPCA01)

531. Comment: An April 16, 2014 letter from Mr. Timothy Jones representing John R. Lawson Rock & Oil, Inc. was submitted during the 45-day comment period and includes comments regarding the proposed amendments' compliance with the California Environmental Quality Act (CEQA), as well as other comments. Staff summarizes and responds to the letter's CEQA comments here and responds to the letter's other non-CEQA related comments in other parts of the FSOR. The CEQA related comments allege generally that the March 5, 2014, Initial Statement of Reasons ("ISOR") ISOR prepared for the proposed amendments includes numerous violations of CEQA.

The comments allege these specific defects in the ISOR:

- 1. Failure to adequately disclose impacts regarding greenhouse gas emissions;
- 2. Failure to use appropriate baseline conditions for analysis of impacts;
- 3. ARB's future baseline analysis shows clear adverse impacts to air quality;

- 4. ARB assumes, without any analysis, that fleet upgrades will not be rolled back as a result of the amendment;
- 5. ARB does not address the effect the proposed amendments will have on the resale market for used trucks;
- 6. That the proposed amendments will eventually result in the same reductions as the current regulation does not obviate the need for environmental review; and,
- 7. ARB violated CEQA by its implementation of the amended regulations prior to environmental review.

Agency Response: ARB staff disagrees generally with the CEQA related comments in the April 16, 2014 letter from Mr. Timothy Jones. Responses to the specific comments follow below. The Board carried out an environmental assessment for the Truck and Bus Regulation when it was originally proposed in 2008 and then again when it was amended in 2010. The environmental analysis for the 2014 amendments builds upon those prior analyses and previous Board findings. The 2014 environmental analysis complies with all CEQA requirements applicable to ARB's certified program, as explained in more detail below.

Responses to Specific Environmental Comments

532. Comment: The commenter asserts the ISOR fails to support the conclusion that the amendments will result in no significant adverse impacts, specifically with regard to the proposed amendments' effect on greenhouse gas (GHG) emissions required to be analyzed under CEQA. (WJHPCA01)

Agency Response: Staff disagrees with the commenter's assertion that the ISOR does not sufficiently support the conclusion that the amendments will result in no environmental impacts, specifically with regard to GHG emissions. As the commenter notes, ARB conducts its CEQA review under its regulatory program certified by Secretary of Natural Resources. With certification of its program, ARB is statutorily exempt from the requirement to prepare EIRs or negative declarations (PRC 21080.5; 14 CCR 15250; 14 CCR 15251(d)). Instead, ARB prepares a substitute document as part of its staff report prepared for the proposed action, which provides an "assessment of anticipated significant long or short term adverse and beneficial impacts associated with the proposed action and a *succinct* analysis of those impacts" (14 CCR 15252 (a); 17 CCR 60005, emphasis added).

In accordance with the requirements of ARB 's certified CEQA regulations, the Staff Report prepared for the amendments (2014 ISOR) at Chapter V (pages 39-42) provides a succinct description of why the amendments will not result in any significant adverse impacts to the environment. That chapter relies upon and references other parts of the 2014 ISOR that provide more specific information to support the conclusions related to air quality and GHG emissions. Under the section entitled 'Prior Environmental

Analysis' (pg. 39), Chapter V explains that when the Truck and Bus Regulation was initially adopted in 2008, the environmental analysis in the 2008 ISOR concluded that implementation of the Truck and Bus Regulation would not result in any adverse impacts to the environment; only environmental benefits would result from a reduction in diesel particulate matter (PM) and oxides of nitrogen (NOx). The analysis and finding in the 2008 ISOR was a substitute document equivalent to a negative declaration (see 14 CCR 15252). When the Regulation was approved in 2008, the Board confirmed the conclusions of the 2008 ISOR, finding that the regulation would not result in any significant adverse impacts on the environment and would result in benefits to the environment through the reduction of diesel PM and NOx (Resolution 08-43). When the Regulation was amended in 2010 to adjust for the decline in trucking activity due to the economic recession, the 2010 ISOR examined both criteria pollutant emissions and climate change emissions resulting from the proposed modifications to the Regulation. The 2010 ISOR concluded the regulation, as modified by the proposed amendments, would continue to achieve the needed emission reductions, reduce localized risk from exposure to diesel PM, reduce impacts of diesel engine emissions on mortality and other health effects, and meet State Implementation Plan commitments necessary to meet federal air quality standards. Specifically with regard to GHG emissions, the 2010 ISOR concluded the regulation as amended would continue to achieve a cumulative statewide GHG emission reduction of 6 million and 22 million metric tons of carbon dioxide equivalents (MMTCO2-eq) for 100-year and 20-year time horizons, respectively.

Chapter V in the 2014 ISOR builds upon the prior analyses in the 2008 and 2010 ISORs. Chapter V first explains that the methods of compliance for the Regulation (upon which the analysis of potential indirect environmental impacts is based) would not change as a result of the proposed amendments, other than the compliance flexibility provisions which would affect only the projected air quality benefits discussed in more detail under the 'Air Quality Benefits' section and Chapter IV. Chapter V then explains that since the 2008 and 2010 ISORs did not identify any adverse environmental impacts to any resource area, and the methods of compliance remain the same with the proposed amendments, the proposed amendments would also not result in any adverse impacts to any other resource area.

Specifically, Chapter V explains that the proposed amendments do not impose any new requirements to retrofit or replace existing equipment beyond what is already required by the Regulation analyzed in 2008, or any other new actions that affect the physical environment. Further, the proposed amendments do not cause any changes to the existing truck and bus infrastructure in California. The amendments would not result in new development, modification to buildings, or new land use designations, and do not involve any activity that would affect aesthetics, agricultural resources, biological resources, cultural resources, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, transportation and traffic, or utility and service systems. Because the amendments do not result in any action that could affect these resources, the 2014 ISOR concluded the proposed amendments would not result in any adverse impacts to any of these resource areas. It

was appropriate for the 2014 ISOR to provide a succinct explanation of no impact to this list of resources because it was facially apparent that there was still no impact to any of these resource areas resulting from the proposed amendments. The commenter appears to agree with ARB on this point, noting case authority supporting ARB providing only a brief explanation for areas where it is "facially" apparent there is no impact. The commenter has not introduced any evidence showing any new or additional impact to any of these resource areas.

On the other hand, because some parts of the amendments, specifically the compliance flexibility provisions, could affect the emission reductions associated with the Regulation, air quality and climate change are discussed in more detail under the 'Air Quality Benefits' section. The section entitled 'Air Quality Benefits' in Chapter V (page 41) summarizes and references the more detailed quantitative air quality analysis included in Chapter IV of the 2014 ISOR. In Chapter IV, staff provided: updated information on the emissions inventory for PM, NOx and GHG emissions based on the most current information available; detailed quantified emission reductions now expected from the Regulation from 2014 through 2023; and a guantification of the change in emission reductions expected from the Regulation as modified by the proposed amendments compared to the current Regulation (as amended in 2010). The analysis of GHG emissions included an explanation of how the Truck and Bus Regulation fits within the scope of the State's overall GHG emission reductions. The climate change analysis indicates that the cumulative black carbon (BC) warming reduction for the Truck and Bus Regulation, as modified by the proposed 2014 amendments, for 2010-2025 is about 10.3 and 36.6 MMTCO2e for the 100-year and 20 year time horizons, respectively. It concluded the Truck and Bus Regulation, as modified by the proposed amendments, would continue to lower BC from existing conditions, and compared to the 2010 version of the Regulation, will not significantly impact the cumulative 2010-2025 climate benefits of the regulation. Based on the foregoing, staff disagrees that the 2014 ISOR provided an inadequate explanation of its conclusion of no impacts, failed to comply with CEQA's information disclosure requirements for any resources area, and failed to discuss changes to the GHG benefits.

Staff further notes that the environmental analysis in the 2014 ISOR should be viewed under ARB's certified program as a substitute document prepared to serve as the equivalent of an "addendum" to the analysis in the 2008 ISOR. Therefore, the "substantial evidence" standard of review applies, rather than the "fair argument" standard of review (*Benton v. Bd. of Supervisors* (1991) 226 Cal. App. 3d 1467, 1484). As explained above, the analysis in the 2008 ISOR was the functional equivalent of negative declaration. Since staff's analysis of the modifications to the previously approved regulation (as modified in 2010) found no adverse impacts resulting from the changes, none of the conditions requiring a subsequent negative declaration occurred (See 14 CCR 15162). Therefore, ARB's legal obligation under CEQA was only to provide a brief explanation of why no subsequent negative declaration or further environmental review was required (14 CCR 15164(b)). The commenter does not cite any evidence of any environmental impacts, including potential impacts to greenhouse

gas emissions that would result from the implementation of the amendments requiring any additional environmental analysis. In the alternative, even if the 2014 analysis were viewed as a subsequent negative declaration and the fair argument standard applied, the commenter's assertions are unsubstantiated because the commenter fails to cite any credible evidence in the record (rather than bald assertions and conjecture) that support a fair argument that the amendments may result in significant adverse impacts to climate change or any other resource area. Thus, the commenter's assertions regarding the adequacy of the environmental analysis in the 2014 ISOR are without merit (See *Parker Shattuck Neighbors v. Berkeley City Council* (2013) 222 Cal.App.4th 768, 785-786; *Rominger v. Cnty. of Colusa* (2014) 229 Cal. App. 4th 690, 708-711).

533. Comment: The commenter maintains that the ISOR fails to use the required present-conditions baseline in its assessment of the environmental impacts of the proposed amendments. (WJHPCA01)

Agency Response: Staff disagrees with this comment. The commenter is factually incorrect because the 2014 ISOR, in Chapter V at page 41 states (emphasis added):

The amendments only change the mid-term timing of clean-up of the truck fleet, and therefore, do not result in any increase in emissions **compared to existing environmental conditions**. Also, despite the projected nearterm delay in some emissions benefits compared to what was originally projected to be achieved by the regulation, emissions of diesel PM, NOx, and other criteria pollutants **will continue to drop from today's levels as a result of the regulation** with the proposed amendments and it will ultimately result in the same projected air quality benefits.

As explained above, the summary of air quality changes in Chapter V of the ISOR summarizes and references the more detailed quantitative analysis provided in Chapter IV. Chapter IV includes detailed quantified emission reductions for both NOx and PM expected from the regulation from 2014 through 2023 (see Table IV-2, Figures IV-3, IV-4 in the ISOR). The reductions in NOx expected from the Regulation with the proposed amendments is 52 tons per day (tpd) in 2014 (today's existing conditions) and 94 tpd by 2023. For PM, the regulation is expected to result in reductions of 5.6 tpd in 2014 (today's existing conditions) and 2.9 tpd by 2023. The figures on page 35 show the reductions projected from the Regulation with the amendments (in red) for both NOx and PM. It is clear from the downward sloping line that compared to today's emissions from these sources (2014), emissions are projected to continue to decline through 2023. This information supports the statements provided in Chapter V that "emissions in diesel PM, NOx, and other criteria pollutants will continue to drop from today's levels." Therefore, the commenter is incorrect that ARB failed to use the existing present conditions as a baseline for the CEQA analysis provided in Chapter V.

In addition to providing quantitative information about emission reductions expected from the Regulation compared to existing conditions, Chapter IV *also* provides information about the proposed amendments compared to the projected statewide emissions from these sources absent the Truck and Bus Regulation. This information is

not provided for purposes of establishing a baseline for determining the significance of impacts of the regulation under CEQA as the commenter suggests. Rather, this information is provided to meet the requirements of the Administrative Procedures Act (APA). Under the APA, the ISOR must explain the benefits of the Regulation to explain its specific purpose and rationale to carry out the requirements of ARB's statutory obligations (Government Code § 11346.2 (b)(1)). This information discloses the overall projected air quality *benefits* of the Regulation for purposes of explaining why the Regulation is necessary and to quantify reductions applicable to the California State Implementation Plan, ARB's Diesel Risk Reduction Plan, and for improving public health. ARB needs to quantify the cumulative emission reductions projected from the Regulation (as amended) compared to a situation absent any regulation on these sources for air quality planning purposes.

Chapters IV and V *also* discuss the incremental differences between the Regulation as modified by the proposed amendments and the existing Regulation (as amended in 2010). As explained more in the response to Comment 3 below, staff provided a comparison of these two future projected scenarios (a future projected baseline of emission reductions from the existing Regulation compared to the future projected emission reductions from amended Regulation), to better disclose the consequences of the proposed action to the projected emission *benefits* of the Regulation; the benefits of the Regulation are described to justify its purpose for purposes of the Administrative Procedures Act, as explained above, as well as for purposes of ARB's certified regulatory program, as explained in response to Comment 534 incorporated by reference here.

534. Comment: The commenter asserts ARB improperly found no adverse impact to air quality, which commenter asserts results from the comparison of the amended Regulation compared to the future projected benefits of the Regulation in place. (WJHPCA01)

Agency Response: Staff disagrees with this comment. Contrary to commenter's assertion, the amendments do not result in any *increases* in emissions of NOx or PM under either the existing environmental condition baseline scenario explained in more detail in response to Comment 2 above, or under the scenario comparing the amended Regulation to the existing Regulation in place (2010 version).

The summary changes to air quality benefits in Chapter V of the 2014 ISOR, written for compliance with ARB's certified CEQA regulations, summarizes and references the more detailed quantitative analysis provided in Chapter IV. In Chapter IV, ARB provided quantitative estimates of the reductions in NOx and PM in Table IV-2 for both the Regulation with the proposed amendments and the Regulation in place (as amended in 2010). As explained in the response to Comment 2, ARB properly considered the present conditions as the environmental baseline for purposes of determining the significance of any changes to air quality for purposes of CEQA in Chapter V.

The Staff Report did also provide information about the incremental changes to projected emission reductions in Table IV-2 and Figures IV-3 and IV-4 to inform the public and decision makers about the extent of changes in projected emission benefits. Contrary to the commenter's statements, the comparison to the regulation in place was not provided to compare the proposed action against a future baseline to determine the potential adverse impacts of the proposal under CEQA. Rather, as described above in response to Comment 533, this information is provided as part of the rationale for the Regulation as required by the APA (Government Code section 11340, *et seq.*). It is also provided to explain any changes in relation to obligations made under the State Implementation Plan and Diesel Risk Reduction Plan. Further, the discussion and quantification of the changes in projected emission benefits was provided because ARB's certified regulatory program requires a discussion of both the adverse and beneficial environmental impacts associated with a proposed action (17 CCR 60005(b)).

Nonetheless, even if this comparison was interpreted in the manner asserted by the commenter, the information provided reveals only a near-term change in emission benefits, which is not a "serious adverse environmental impact" as the commenter states. As stated on page 34 of the ISOR, in this comparison for NOx and PM reductions, the NOx emissions benefits will reach the equivalent levels of benefits. There is only a short term delay in some NOx benefits until 2018 and PM benefits until 2020. As explained in Chapter IV and V (page 41), although the Regulation, as modified by the proposed amendments, is expected to achieve fewer emission benefits in the near term compared to the emission benefits that may have been achieved under the current Regulation (2010 version), the Regulation is expected to achieve all the cumulative air quality benefits projected for the Regulation when it was first adopted for the State's long-term planning horizon and will meet State Implementation Plan commitments necessary to meet federal air quality standards. Contrary to the commenter's assertion, there is no actual increase in emissions of criteria pollutants caused by the change to the amendments; there is only a projected slower rate of decline in emission reductions in the first few years of implementation of the amended version of the Regulation compared to the reductions forecasted for the Regulation in 2010. Since the emission benefits of the Regulation still meet State Implementation Plan commitments necessary to meet federal air quality standards, the benefits of the Regulation are unchanged, and the Regulation has not been "relaxed" in a way to remove any environmental protections. Therefore, the amendments do not result in any adverse air quality impacts under either the current conditions comparison or under a future projected environment scenario under CEQA. The ISOR describes this change as a "foregone emissions benefit" compared to what was initially projected in 2010. This projected delay in implementation of a projected environmental benefit is not an adverse impact on the environment because there is no "damage" to the physical conditions of the environment, which is what CEQA is intended to address. (14 CCR 15002 (a)(3),15360.) The commenter cites no part of the CEQA statute, Guidelines, or any CEQA case law to support finding an adverse environmental impact under CEQA based on amendments to a regulation that lead to a projected short-term delay in the accrual of the Regulation's projected environmental benefits when the environmental benefits of the Regulation ultimately meet its statutory and planning purposes. Staff

also researched this issue and found no authority to support the commenter's proposition.

As explained in the 2014 ISOR, the amendments will protect the anticipated emission reductions from the Regulation and will continue to provide four key benefits. First, the Regulation will continue to provide NOx reductions necessary to meet State commitments associated with attaining state and federal air quality standards. Second, the goals of the Diesel Risk Reduction Plan will continue to be met by reducing localized health risks associated with exposure to diesel PM. Third, the amended Regulation preserves the reduction in premature mortality caused by exposure to ambient PM2.5. Finally, the Regulation continues to provide significant climate change benefits by reducing black carbon emissions.

The commenter also asserts ARB should have compared the changes in emission reductions to local air district thresholds of significance. Since there is no projected increase in emissions of NOx or PM compared to existing conditions, or even compared to the 2010 version of the Regulation, there is no need to compare the change in reductions to the threshold of significance for NOx cited by the commenter. Indeed, even comparing the proposed changes to the air district thresholds of significance would result in the same conclusion, since the proposed amendments would not result in any emissions increases. The cited local district thresholds are used for determining significance of *increases* in emissions of NOx caused by a project; ARB's Regulation leads to a continued decrease in emissions from the regulated sources. Therefore, staff disagrees with the commenter's statement that the amendments result in an adverse impact to air quality.

Further, staff notes that estimates provided for the existing Regulation in the ISOR are based on the expectation in 2010 that all fleets would comply as required. However, since 2010 it became apparent that there are fleets that could not afford to comply and continue to operate their vehicles. As stated on page 8 of Appendix C of 2014 ISOR, around 85 percent of the California-registered heavy trucks are in compliance. The remaining 15 percent either would not comply or could not afford to comply. The 2014 amendments were proposed to make compliance more affordable for many of these fleets. The amendments were crafted to provide a path for non-compliant fleets to comply at a pace they could manage, and with that compliance, lead to real emission benefits from these fleets, which realistically could not be expected under the current Regulation. See page 12 of the ISOR for more detail on this point.

Further, with regard to projecting emissions benefits, ARB commonly makes hypothetical future projections for emission reductions expected from its regulations. This in is the nature of what ARB does— it designs regulations to protect or enhance air quality, and it uses its expertise to make estimates about the projected benefits of the regulation now and into the future. Occasionally, in response to changed circumstances, such as the recent severe economic recession, ARB must amend its regulations to ensure the projected benefits of the regulation are achieved and to ensure that the reductions are still cost effective as required by the Administrative Procedures Act. (See Government Code, §11346.3.) For the 2014 amendments, ARB provided a new future projection that forecasts fewer emission reductions for a few years when compared to what was projected to accrue when the Regulation was amended in 2010 under a scenario of full compliance, but with ultimate achievement of the same air quality benefits.

With regard to the concerns the commenter raises about the proposed amendments' expansion of the NOx Exempt Area to rural counties and staff's assessment of the potential effects on NOx reductions, as stated on pages 11 and 12 of the ISOR, the economic recovery from the recent recession is not uniform across the State. The 2014 amendments provide additional flexibility for many impacted fleet owners that will help ensure the emissions benefits envisioned by the Regulation will be realized. The amendments will continue to meet the Board's air quality goals while providing additional economic relief to ensure vehicle owners can comply. Urban areas, such as the Bay Area and Los Angeles, are recovering more quickly than rural areas. Due to the slow recovery, rural fleets may have more difficulty complying due to high compliance costs. Under the 2010 version of the Regulation, the likelihood of getting real emission reduction from these fleets would be low. Due to persistent adverse economic conditions, the emission reductions forecast for the existing version of the Regulation was likely not achievable, as discussed in greater detail at page 12 of the ISOR. The amendments provide flexibility to assist these fleets in achieving compliance, thereby protecting the emission reductions that can actually be achieved.

535. **Comment:** ARB assumes, without any analysis, that fleet upgrades will not be rolled back as a result of the amendments. Even if ARB had considered the presently existing environmental conditions resulting from the Regulation as adopted (rather than using pre-adoption as a "current" baseline), and assuming, arguendo, that the future baseline ARB analyzed is of no consequence, there remains a defective assumption on the part of ARB that all PM filtration upgrades and 2010 equivalent replacements are permanent, and would not be rolled back by amending the regulation. ARB fails to consider whether those who have installed PM filters, and would not become exempted by the proposed amendments, would opt to remove or disable those systems. Given the substantial record of complaints regarding PM filter systems, including high maintenance costs, resulting vehicle breakdowns, and reduced performance, ARB should consider whether the proposed amendments would induce those who have already installed PM filtration systems to roll back those upgrades. If that does occur, this will result in a further adverse effect to the environment, reversing gains the Regulation has accomplished to date. (WJHPCA01)

Agency Response: Staff disagrees with this comment, which is not supported by any credible facts or evidence. Staff finds it highly improbably that fleets would first incur the expense and downtime of replacing their filter-equipped or otherwise upgraded compliant vehicles and then replace them with non-compliant vehicles that can operate only for the limited period of time provided by the short extensions in the amendments. At the end of these short term extensions, fleets must still comply and would have to

incur the same expenses to come into compliance again. There are substantial costs incurred when vehicles are bought and sold, such as taxes and fees, which make this scenario of rolling back existing upgrades highly unlikely. Further, buying and selling vehicles requires significant time and resources, which fleets are more likely to spend improving business rather than to roll back existing upgrades and then to install upgrades again later when the extensions expire. The commenter also suggests (again without evidence) that since fleets could use the amendments to delay compliance, they could opt to remove or disable their emission reduction systems. This could constitute tampering with the vehicles' emission control systems, which is prohibited by law. Also, fleets cannot alter the emission control system without express approval by the Executive Officer of ARB. Since November 2014, when ARB released Advisory MSC 13-28 that explained the forthcoming proposed amendments, staff has not seen the rollbacks suggested by the commenter. Therefore, there is no evidence that this would occur and no evidence supporting a finding of adverse environmental impact resulting from rollbacks of the upgrades fleets have already installed.

536. Comment: ARB does not address the effects of market forces resulting from the Regulation and the proposed amendments with regard to 2010 and newer engines. For example, the Regulation has reduced the resale value of pre-2010 trucks in California, given their expected forced regulatory obsolescence. This has the effect of those trucks being sold out of state, and not for use in California. In NOx exempt areas, which do not face the ultimate obsolescence of pre-2010 trucks, the dynamic is considerably different, as a 2009 model, for example, will be available at reduced prices in comparison to the less polluting 2010 and newer models. This effectively induces the use of pre-2010 trucks in NOx exempt areas. The proposed amendments greatly increase the number of NOx exempt areas, and in turn will result in more pre-2010 trucks in service in California – trucks which otherwise may likely have been sold out of state. (WJHPCA01)

Agency Response: The staff analysis addresses the economic impact of the amendments compared to the existing regulation. The effect of the original regulation on truck prices was originally discussed in the Staff Report for the 2008 and again in the 2010 amendments, which are incorporated by reference. The effect on number of retrofits installed and trucks replaced each year on a Statewide basis, including changes for NOx exempt areas, is documented in the current Staff Report in Chapter VII, is reflected in the emissions inventory and is reflected in the cost analysis regarding the amendments.

The NOx exempt area extension in the existing regulation only requires PM filters and does not require any upgrades to 2010 engines, in recognition that air quality needs are not the same in all areas of California, are different in certain areas of the State. NOx emissions reductions are not needed in NOx exempt areas, but critically needed to meet federal air quality standards in areas that are non-attainment for ozone; therefore, if fewer vehicles are replaced in these areas, there would be no significant impact on health and would have no impact on meeting air quality goals. The amended regulation expands the number of regions that are designated NOx exempt and extends the

existing PM filter phase-in schedule. As noted by the commenter, staff agrees that the added NOx exempt areas in amended regulation could allow more pe-2010 model year engines to remain in the State. To the extent that happens, the amended regulation would result in a bigger market for used trucks in California without jeopardizing air quality needs in those areas. The effect would be to lower compliance costs for owners that operate in the expanded NOx exempt areas who no longer need to upgrade to 2010 engines and expand the used truck market in California, which would result in better prices for owners in other parts of the State that must sell their trucks.

In addition, funding to replace trucks is available for fleet owners located in NOx exempt areas as well as in other parts of the state. The Carl Moyer Program provides funds through the Voucher Incentive Program and local Moyer programs run by the local air districts. The program is designed to achieve cost-effective emission reductions that are earlier and/or in excess of what is required through local, state, and federal regulations. The emission reductions must be creditable toward the SIP. Per statute, applicants must also currently be in compliance with regulations. The Rural District Assistance Program also provides a pooled funding resource to help rural air districts identify and fund cost-effective projects through a combined application and project selection process. Fleet owners that do not meet the requirements of the funding programs can also apply to the state loan program.

537. Comment: That the proposed amendments will eventually result in the same reductions as the current regulation does not obviate environmental review. (WJHPCA01)

Agency Response: Staff has conducted an appropriate level of environmental review and incorporates its responses to Comments 1 through 5 here.

ARB provided an environmental analysis in Chapter V of the ISOR that concluded that emissions from these sources will continue to decline from today's level, and with the amended Regulation, air quality will continue to improve. As indicated in response to Comment 3, the recession reduced fleets' ability to comply, especially for fleets operating in rural areas. Due to compliance costs, these rural fleets need assistance to help them comply and ensure the environmental benefits of the Regulation are achieved. Many of these fleets would likely operate in violation of the Regulation without the amendments, resulting in little emission reductions; the amendments provide a pathway for them to comply. With the amendments, emissions will decline and all air quality goals will be achieved by 2020.

538. Comment: ARB violated CEQA by implementing the amendments through Regulatory Advisory MSC 13-28, prior to any environmental review. (WJHPCA01)

Agency Response: Staff objects to this comment because it is not directed at the CEQA analysis supporting the proposed amendments or to the proposed amendments themselves and no written response is required for this comment under ARB's certified regulatory program or the Administrative Procedures Act. Regulatory Advisory MSC 13-

28 is not within the scope of the proposed project (regulatory amendments). The comment about the Advisory, although it raises a CEQA issue, is neither directed at the proposed amendments nor the environmental analysis that supports them. Without waiving this objection, staff incorporates by reference all of it responses to the commenter's other CEQA comments and responds as follows.

Staff notes that Issuance of Regulatory Advisory MSC 13-28 was not an "approval" of a "project" which would trigger CEQA, so no CEQA was required for the advisory. Further, the advisory did not implement the proposed amendments. Regardless of the advisory, the Board retains/retained full discretion to approve or reject staff's proposed amendments at their public hearing and nothing in the advisory precluded full environmental review of the amendments in the 2014 ISOR.

539. Comment: As part of its analysis, the Board should also request that ARB staff provide a more detailed accounting for all the environmental consequences of the proposed amendments and relaxations. (ESWG)

Agency Response: Staff disagrees with this comment and incorporates its General Response to CEQA Comments and its responses to Comments 1 through 6 by reference here. An environmental analysis was prepared by ARB staff and included in the 2014 ISOR at Chapter V, supported by detailed quantitative discussion of changes to emission reductions in Chapter IV. As stated in the ISOR, the amendments do not result in any adverse environmental impacts, including air quality, because emissions from these sources will continue to decline compared to today's existing environmental conditions.

As explained in the ISOR, the amendments will protect the anticipated emissions reductions from the Regulation and will continue to provide four key benefits. First, the amended Regulation will continue to provide NOx reductions necessary to meet State commitments associated with attaining state and federal air quality standards. Second, the goals of the Diesel Risk Reduction Plan will continue to be met by reducing localized health risks associated with exposure to diesel PM. Third, the amended Regulation preserves the reduction in premature mortality caused by exposure to ambient PM2.5. Finally, the amended Regulation continues to provide significant climate change benefits by reducing black carbon emissions. The change in emissions reductions associated with the amended Regulation, including a comparison of the statewide NOx and PM2.5 emissions trends without the Regulation, and a comparison with the projected emissions reductions under the current (2010) version of the Regulation, are described in detail in Chapter IV of the ISOR. The emissions analysis methodology and results are described in Appendix F of the ISOR.

540. Comment: The ISOR correctly concludes that by 2020 the ton per day contribution of diesel PM2.5 emissions under the proposal will be at the same level as predicted by the current rule. It is also correct that the overall impact on PM reductions is approximately a loss of 7 percent of the reductions under the current regulation in the early years of implementation. Looking at it in terms of

the total mass of PM emitted and then the volume of PM emitted as a result of all of the changes to this rule gives a different perspective. What sounds like a benign 7 percent loss of PM reductions equates to 1,350 tons of additional PM emissions over the first five years of the proposed regulation. (MECA01)

Agency Response: Staff disagrees with this comment and incorporates its responses to Comments 1 through 8 by reference here. As shown in Table IV-2 of ISOR, staff estimated the NOx and PM emissions benefits would be less with the amendments compared to the existing Regulation (2010 version, which was based on the expectation that all fleets comply as required). Staff's analysis shows that around 85 percent of the California-registered heavy trucks are in compliance, as stated on page 8 of Appendix C of ISOR. The remaining 15 percent of the fleets either do not comply or could not afford to comply, and continue to operate their vehicles. The proposed amendments would provide a path for non-compliant fleets to comply at a pace they could manage and would result in real emission benefits from these fleets that we would not expect with the current Regulation as explained on page 12 of the ISOR.

Comment: The lost PM emissions as a result of repeated flexibilities don't stop 541. with the direct health effects. Black carbon emissions are a major component of diesel particulate matter from diesel engines. These lost PM reductions represent a significant climate change co-impact due to the large contribution that black carbon may have on short term global warming as viewed by many leading climate experts (including Dr. Mark Jacobson of Stanford University, Dr. V. Ramanathan of the Scripps Institute at the University of San Diego, and Dr. Charles Zender of the University of California - Irvine). With a 20 year Global Warming Potential of 2,200 tons of CO2-eqivalent, black carbon is second only to carbon dioxide in its climate impact. The ISOR points out that on a 20-year time horizon, the impact of the proposed changes to the regulation is the equivalent to emitting 3 million tons of CO₂, which staff considers as insignificant and within the accuracy of the estimate. This is correct when taken in isolation; however, the cumulative impact of both the 2010 amendments and the 2014 proposed changes to the rule is equivalent to the warming potential of 10 million tons of CO₂ emitted. We believe there is a danger in losing the high level perspective when only considering the incremental impact of individual regulatory changes in the cost benefit analysis of a regulation. We encourage the Board to also review the cumulative impact of multiple changes when weighing the benefit of a regulation or the cost of any future amendments to the truck and bus regulation. In addition to the warming impact of black carbon in the atmosphere, black carbon that settles on snow or ice can decrease the reflectivity of the frozen material (a property known as the "snow or ice albedo"), leading to a faster melting rate. This has a special relevance to California because of the state's reliance on Sierra Nevada snow pack to store water during the wet season and then release it slowly during the spring and summer. Thus, black carbon that settles on the Sierra snowpack can increase the melting rate, overload reservoirs and cause flooding (Barnett T.P., Adam, J. C., and Lettenmaier, D. P., "Potential

Impacts of a Warming Climate on Water Availability in Snow-Dominated Regions,"). (MECA01)

Agency Response: Staff disagrees with this comment and incorporates its responses to Comments 1 through 9 by reference here. The ISOR explained the potential environmental effects of the proposed amendments in Chapters V and IV. As explained in response to Comments 1 through 9, the estimated decreases in PM emissions projected for the Regulation in 2010 was based on the expectation that all fleets would comply as required. But staff's analysis shows only around 85 percent of the Californiaregistered heavy trucks are in compliance. The amendments would provide a path for non-compliant fleets to comply at a pace they could manage and would result in real emission benefit from these fleets that we would not expect with the current Regulation. The ISOR provided a specific analysis of GHG emissions, including an explanation of how the Truck and Bus Regulation fits within the scope of the State's overall greenhouse emission reductions. For climate change, the analysis indicates that the cumulative black carbon (BC) warming benefit for the amended Truck and Bus Regulation for 2010-2025 is about 10.3 and 36.6 MMTCO2e for the 100-year and 20 year time horizons, respectively. The assessment concluded the Bus and Truck Regulation, as modified by the proposed amendments, would continue to lower BC compared to today, and compared to the 2010 version of the regulation, will not significantly impact the cumulative 2010-2025 climate benefits of the Regulation.

542. Comment Despite this significant progress, there are still thousands of older trucks operating in California that need to be cleaned up in order meet regional air quality standards and reduce local health risks. As such, we strongly urge the board to limit any changes to the Truck and Bus regulation in order to maintain the health benefits of the standards and ensure that existing clean truck investments by California companies are not undermined. This regulation is vitally important to cleaning up California's air and protecting public health. CARB must continue its efforts to ensure that the rule is successfully implemented and that the health benefits are achieved.

Agency Response: Responses to Comments 1 through 10 are incorporated by reference here. As explained in the ISOR, the amendments will protect the anticipated emissions reductions from the Regulation and will continue to provide the benefits needed to meet regional air quality standards and reduce local health risks. The amended Regulation will continue to provide NOx reductions necessary to meet State commitments associated with attaining state and federal air quality standards. It will also help attain the goals of the Diesel Risk Reduction Plan and preserve the reduction in premature mortality caused by exposure to ambient PM2.5. The amended Regulation also continues to provide significant climate change benefits by reducing black carbon emissions.

543. Comment: As an initial matter, the July I, 2014, Notice does not include any data or analysis concerning the potential environmental effects of the 15-Day Changes, including but not limited to, the effect of the extension of the

compliance date for the second truck of the Small Fleet Option to 2017, and the additional exemptions for certain agricultural vehicles. Thus, any finding that the proposed modifications do not warrant any further environmental review is not supported by substantial evidence. The July 1, 2014, Notice also suggests that no further environmental review is required because the "modifications are primarily administrative in nature." (See July 1, 2014, Notice at 2.) While some of the proposed modifications could be characterized as "administrative," other modifications contemplated in the 15-day changes are substantive in nature, including but not limited to the extended compliance date for the second truck of the Small Fleet Option to 2017, and the additional exemptions for certain agricultural vehicles. To the extent ARB Staff's environmental determination is based upon this statement, such statement is factually inaccurate, and not supported by substantial evidence. (WJHPCA02)

Agency Response: Staff disagrees with these comments. As stated in the July 1, 2014, 15-day notice, the revisions reflected in the modified regulatory language do not change the compliance responses to the Regulation in a way that alters the conclusions of the environmental analysis included in the ISOR released on March 5, 2014. The noticed modifications to regulatory language consist primarily of clarifications to definitions and regulatory provisions, changes to provide consistency and improved readability. It also includes the modifications directed by the Board at the public hearing on April 24-25, 2014, including revising the language regarding cattle livestock trucks in coordination with affected stakeholders and improving enforceability of the economic hardship extension. These modifications discussed at the Board hearing, and directed by the Board to be carried out by staff through the 15-day notice process required by the Administrative Procedures Act, do not alter any of the conclusions about the environmental impacts of the amendments, and therefore, no additional environmental analysis was required. There is no evidence in the record supporting a finding that the 15-day modifications would result in any adverse environmental impacts. The commenter does not cite any evidence in the record, nor provide any evidence, indicating any adverse environmental impacts result from the revisions that trigger additional environmental review.

With regard to the extended compliance date for the second truck of the Small Fleet Option from 2016 to 2017, staff's presentation at the hearing at slide 16 quantified the estimated change in emission benefits at a statewide level caused by this modification. Staff's conservative estimate is .4 tpd for PM and 5 tpd for NOx for the year 2016 only. This was a conservative estimate because, as stated at the hearing, staff expects the change in emission reductions projected for this modification would be partially offset by the newly created incentive funding opportunity.

This change in emission benefits does not affect the conclusion in Chapter V that emissions will continue to decline and air quality will continue to improve compared to the existing present condition baseline used for purposes of CEQA. Response to comment 2 is incorporated by reference here. Further, this change does not significantly alter the quantified environmental benefits of the Regulation, and the amended Regulation would continue to provide the NOx reductions necessary to meet State commitments associated with attaining state and federal air quality standards, the reductions needed to achieve the goals of the Diesel Risk Reduction Plan, and achieve reductions to reduce localized health risks associated with exposure to diesel PM. Finally, the Regulation as amended (including the extended compliance date for the second truck of the Small Fleet Option from 2016 to 2017) continues to provide significant climate change benefits by reducing black carbon emissions. To the extent that the commenter is suggesting that a slower rate of accrual of air quality benefits from the Regulation in the first few years (from 2014 to 2018) constitutes an adverse impact on the environment, please refer to response to Comments 533 and 534 for more detailed explanation about ARB's purpose for quantifying changes to emissions benefits and why that change is not a significant adverse impact on the environment under CEQA.

544. Comment: The Executive Officer is prohibited from making environmental determinations regarding the 15-Day Changes; rather, any such determination must be made by the Air Resources Board itself. Because the Board has already approved modifications to the Truck and Bus Rule, the Executive Officer may not complete the environmental review process, or make environmental determinations on the 15-Day Changes. As such an action would constitute an impermissible splitting of decision making authority under, *inter alia*, *POET v. California Air Resources Board* (2013) 218 Cal.App.4th 681 ("POET"). (WJHPCA02)

Agency Response: Staff disagrees with this comment. First, the Executive Officer has exercised his discretion to bring the Final Regulation Order for the amendments to the Truck and Bus Regulation back to the Board for final adoption since there were several changes requested at the hearing that required subsequent modified regulatory language to be issued for public comment. The Board is also being presented with the written responses to this comment letter received during the 15-day comment period, even though not legally required because the environmental analysis was not revised and recirculated for additional comment during the 15-day period. As explained above, the environmental analysis was not revised or recirculated because the modifications did not alter any of the conclusions of the environmental analysis included in the 2014 ISOR. Even though not legally required, the Board will be provided the opportunity to reaffirm its prior CEQA findings and approve these written responses to comments when it considers the Final Regulation Order for final adoption. Therefore, there is no split in any part of the process between the Board and the Executive Officer.

Nonetheless, even if the Executive Officer had taken action to adopt the finalized regulation, there would be no splitting of the CEQA process. The environmental review process was complete, and the Board made all the required CEQA determinations, when it voted to approve the amendments in April 2014. The revisions to the amendments released in the July 15-day change notice were presented to the Board at the hearing on April 24, 2014, along with staff's conclusion that these modifications

were projected to only insignificantly affect the emission benefits projected for the Regulation. The modifications did not otherwise alter any of the conclusions of the environmental analysis included in the ISOR. The Board considered the amendments, with the modifications presented at the hearing, the changes to emission benefits presented, along with the environmental analysis in the ISOR, comments on the environmental analysis, and staff's written responses to those environmental comments, when it made its finding that the amendments would not result in any adverse environmental impacts in Resolution 14-3. In the resolution, the Board directed the Executive Officer to issue the modified regulatory language presented at the hearing, which was developed after the initial 45-day proposal was published, in one or more 15day change notices as required by the Administrative Procedures Act, and then adopt the final regulation order that would reflect these modifications. If the modifications were later found to affect the conclusions of the environmental analysis relied upon by the Board for its approval, the Executive Officer would bring the item back to the Board for further consideration. That way, the Board, as the decision maker, could consider any changes to the environmental analysis. Contrary to the commenter's assertion, the Executive Officer was not authorized to make any CEQA determinations other than whether to bring the item back to the Board for further consideration. This back-stop provision directed the Executive Officer to bring the item back to the Board in the event that during the 15-day notice period staff received comments that raised new environmental issues that staff determined should be addressed and presented to the decision making Board. Otherwise, the Executive Officer could proceed to carry out the ministerial task of adopting the final regulation order that reflects the amendments approved by the Board. Contrary to the commenter's assertions, the Executive Officer was not directed to "complete the environmental review process" and there was no splitting of the CEQA process. The resolution also directed the Executive Officer to bring the item back for final adoption "if warranted" - indicating the item may be brought back to the Board for final action at the Executive Officer's discretion for reasons not related to CEQA.

The facts here are clearly distinguishable from those in the case POET v. California Air Resources Board (2013) 218 Cal.App.4th 681 ("POET"), cited by the commenter. In POET, the court found the Board's approval of the LCFS regulation occurred before the environmental review process required by ARB's certified program was complete because the Executive Officer had been delegated the duty to approve written responses to environmental issues (17 CCR 60007; Id. at p. 726). That is not the case here because, as explained above, the Board approved written responses to environmental comments, made a CEQA finding of 'no impacts,' and approved the amendments to the Truck and Bus Regulation. Unlike the facts in POET, no part of the CEQA process was delegated to the Executive Officer because the Board had already completed the entire CEQA review process for the entirety of the amendments presented to them for approval (45-day day language and modifications presented at the hearing). Unlike the facts relied upon by the court in POET, here the responsibility to complete the environmental review was not separated from the authority to approve or disapprove the project. (Id. at 731.) The completion of the environmental review process and the approval of the amendments to the Truck and Bus Regulation both

occurred at the April, 24, 2014 Board hearing. The back stop provision in the Board resolution ensured that if any changes occurred before the regulatory package was submitted to the Office of Administrative Law for review and approval that could alter the conclusions of that CEQA process completed by the Board, the Executive Officer would bring the item back to the decision making Board for further action.

545. Comment: The environmental impacts of the 15-Day Changes and the modifications considered at the April 24, 2014, hearing should be analyzed together, and considered as part of the same approval. By splitting the environmental review into separate phases, and having the Executive Officer consider the environmental impacts of the 15-Day Changes, ARB is impermissibly piecemealing environmental review. The "requirements of CEQA cannot be avoided by piecemeal review which results from chopping a large project into many little ones-each with a minimal potential impact on the environment-which cumulatively may have disastrous consequences." (Envt'l Prot. Info, Ctr. V. Calif. Dept. of Forestry & Fire Prot. (2008) 44 Cal.4th 459, 503.) (WJHPCA02)

Agency Response: Staff disagrees that the environmental review was been split into separate phases, "piecemealed," or "chopped" into different pieces. As explained above, the regulatory language for the proposed amendments published for the 45-day comment period in March 2014, and the proposed modifications to the 45-day regulatory language developed after the publication of the 45-day notice, were all presented to the Board at the hearing on April 24-25, 2014. Staff also presented their assessment of the potential for environmental impacts associated with proposed amendments as a whole (both the published 45-day language and the additional modifications presented at the hearing). The additional modifications presented at the hearing caused only a small change in the projected emission benefits. That change in emission benefits was quantified on slide 16 in the presentation provided at the hearing. Please refer to response to comment 543 for a more detailed explanation of this change to emissions benefits. None of the other modifications discussed at the hearing affected any of the conclusions about air quality described in the 2014 ISOR. The Board considered the proposed amendments (both the 45-day language and the modifications) and the air quality analysis provided in the ISOR, along with the changes to emission benefits explained on slide 16, when it made its finding (in Resolution 14-3) that the amendments would not result in any adverse environmental impacts. Therefore, the Board made all the required CEQA determinations for the proposal when it voted to approve the amendments. The Board also considered and approved written responses to environmental comments received during the public review period provided for the environmental analysis (March 7, 2014 through April 21, 2014 as published in the official notice posted on ARB's website on March 5, 2014 and broadly distributed by list serve). Therefore, the environmental review process was complete when the Board voted to approve the amendments in April 2014.

14. Funding

a) Goods Movement (Proposition 1B)

546. Comment: The concern I have is on the Prop. 1B proposal in the regulations, California has some of the most strictly enforced weight laws in the country. In 2010, adding a diesel particulate filter (DPF) and selective catalytic reduction (SCR) to the truck added a great deal of weight. We just bought 30 concrete mixers and they have nine liter engines in them. That's typical of what our competitors run. Now, under the Prop. 1B requirements, we must put a heavier eleven or twelve liter engine in there. The reason being the eleven or twelve liter engine is considered a heavy, heavy duty engine and the nine liter is considered a medium heavy-duty engine. It does the same job. It hauls the concrete there and it hauls more per load so we have to make less number of trips. And it uses less fuel, therefore creating less emissions. And it just makes no sense that we have to put a heavier engine in these vehicles and haul more loads of concrete. Please consider this Prop. 1B requirement. (AARMC02)

Agency Response: Staff consulted with industry regarding such requests asking for approval to purchase the configuration described. The approval hinged on the ability of the manufacturer to ensure that the engine fulfills operational and duty cycle requirements. It was determined that an equipment owner may replace an existing Class 8 truck manufactured with a medium heavy-duty diesel engine with a new truck manufactured with the same configuration. The existing and funded engines shall be similar in terms of engine displacement, rated horsepower, and rated torque. Additionally, the manufacturer's warranty shall not preclude the operational or duty cycle requirements of the new engine. The funding amount available for this configuration shall be up to \$35,000 for new equipment; used Class 8 trucks with medium heavy-duty diesel engines are not eligible to receive Program funds.

547. Comment: We appreciate the past effort ARB has made in securing the estimated 650 million in public funding in assisting companies to clean up their diesel trucks. And we recommend that ARB continue to find measures -- find moneys rather to help fund cost effective diesel truck replacements and retrofit technologies that will be required in the future, especially for those truckers which are financially struggling. (CFCA)

Agency Response: ARB does not have the authority to establish additional grant programs or allocate additional funds to existing programs; this authority lies with the California Legislature. However, ARB staff will continue to work with our federal, State, and local partners to identify new potential finding opportunities that can help to increase the overall funding available to California truck owners. The Board's action in this rulemaking and subsequent actions taken in July to amend the Carl Moyer program Guidelines will expand opportunities for small fleets to apply for future funding. While local air districts retain the discretion to devote Carl Moyer funds to various source categories, many have chosen to prioritize on-road truck projects. For example, see response to comment 546. In addition, ARB has reserved some of the state funds for

on-road projects such as the VIP and TIMBER programs which are also implemented through the air districts.

- **548. Comment:** We have received CARB grants for 50 trucks. When we originally purchased these trucks we believed that we could operate them 100% in California. Changes in our business mix are now forcing us to run these units up to 30% out of state (Las Vegas/Phoenix). We are asking that 25% interstate miles or 30% interstate loads be accepted on CARB grant trucks. (DTI)
- **549. Comment:** Being from out of state that does not allow me to qualify for any Grants to upgrade my truck. (SJABB)

Agency Response: California voters approved Proposition 1B, authorizing the Legislature to appropriate bond funding to quickly reduce air pollution emissions and health risks from freight movement along California's priority trade corridors. California receives the maximum amount of emission benefits by restricting the operation of funded-equipment to California. Previous solicitations for truck projects under the Goods Movement Emission Reduction Program required 100 percent California operation. To allow flexibility for trucks that accrue some mileage outside of California, solicitations for truck projects beginning in 2013 required only a minimum of 90 percent operation in California. In addition, once a solicitation period has closed, eligibility criteria cannot be changed.

The 2013 Program Guidelines for Implementation (Chapter VI. Section K) do identify remedies for equipment project non-performance, including not meeting the contractual requirements for percent California operation. These options are left to the discretion of the local air districts administering the Program, and an equipment owner may discuss the project non-performance remedies at any point with the district providing them with a contract for the Program.

550. Comment: A new heavy duty trucks costs about \$150,000, bottom line rural businesses cannot afford this, so back to Chair Mary Nichols comment "it's nothing that money can't solve". The following are some possible considerations. This is a rule all Californians benefit from, all Californians should subsidize these businesses rather than destroy them. Vouchers in the range of \$60,000 to \$100,000 are a reasonable consideration. The money generated by the purchase of Carbon Credits should fund these vouchers! (FBRAG)

Agency Response: ARB recognizes that the level of funding available for incentives and grants is not sufficient to pay for all of the reductions provided by Regulation. Staff recognizes the demand for financial assistance outweighs the availability of the limited State funding resources. All incentive programs are designed to maximize emission reductions in a cost-effective manner. Grant programs can be combined with loan guarantees available to help finance the balance of the purchase price of the equipment. ARB does not have the authority to establish additional grant programs or allocate additional funds to existing programs; this authority lies with the California Legislature. However, ARB staff will continue to work with our federal, State, and local partners to identify new potential funding opportunities that can help to increase the overall funding available to California truck owners. For more information on the Greenhouse Gas Reduction Fund (GGRF), please see response to comment 601.

- **551. Comment:** I've spoken to your staff. They are open to make the Prop. 1B funding the remainder of it -- to allocate that at the discretion of the air district to be spent on trucks. But they're leaving the door slightly open to other options should other budgetary constraints play a role in this. We need certainty. There is no way that we can make the shortfalls that these changes may bring about disappear without a significant incentive funding. The air district is willing to put a lot of our own money into this, as we already have. But I'd like you to add a statement in your adoption of Resolution that provides the discretion to the air districts in terms of the remaining Prop. 1B funding to spend it on trucks if that is a significant source for them. (FRESNOC001)
- **552. Comment:** We need incentive funds to help local truckers make important changes. Truckers need certainty to move forward and make large financial commitments. Our Board has unanimously agreed that all of the remaining Prop. 1B funds should be used for incentive funding for trucks and that the San Joaquin Valley Air Pollution Control Governing Board wants to work with ARB to look for additional funding to accomplish this very important work. I have a specific request, and that is I'm asking the ARB to include language in your resolution that allocates all remaining Prop. 1B funding for the San Joaquin Valley to be used for truck replacement assistance, and we will look forward to working with you for additional incentive funds to make sure all of our truckers are able to make this very important change, but that we help them get there. (FRESNOC002)

Agency Response: The Goods Movement Emission Reduction Program's Guidelines for Implementation instruct ARB to award grants to fund projects proposed by the implementing local air districts and ARB Program staff, and is approved by ARB Board Action. Priorities for the current and future funding cycles include: truck replacement and repower projects; locomotive replacement and upgrade projects; and zero-emission replacement, repower, and upgrade projects in the truck, ships at berth, harbor craft, and cargo handling source categories. When ARB issues a Notice of Funding Availability and requests local air districts to submit their application to implement the Program, each source category, including the district's priority of each source category, shall be reflected in their application for Board consideration.

ARB agrees that incentive funding is an important complement to the regulation and appreciates the commitment from local air districts, and other stakeholders, to work with ARB toward our common goal of maintaining effective incentive funding programs.

553. Comment: Please work on an extension or solution to the problem that drivers have with upgrading after having been approved for a 1B Grant. These drivers

now no longer have an extension but have not been given the 1B Contract yet so they can go purchase an approved truck. These drivers are left in a void and this issue should be addressed. (GGODW)

Agency Response: ARB staff issued a regulatory advisory in June 2014 that provided those small fleet owners that were approved for an equipment project contract through the Goods Movement Emission Reduction Program the ability to print a temporary certificate. The certificate will allow them to continue to operate until December 31, 2014, or per the terms of the contract.

554. Comment: As it stands now, a company must turn in its retired truck to an approved recycler to qualify and receive incentive funding for a new replacement truck. The approved recycler must cut the frame in half behind the cab and cut a hole in the engine block. Reusing the hundreds of usable parts left on the now inoperable truck, such as a switch, gauge, or mirror, can reduce pollution by leaving the inoperable retired truck with the owner if he elects to keep it. Pollution would be reduced in several ways:

1. The Dismantler doesn't have to send out a tow truck or lowbed (both of which pollute) to pick up the retired truck. Fewer pollutants in the air. WIN!

2. The company now can get good parts off of these inoperable retired trucks. This will reduce the need for a delivery truck to bring a new part out for the company. Fewer pollutants in the air. WIN!

3. If the parts supplier doesn't deliver the new part it will in turn reduce the need of a larger delivery truck from the parts warehouse to replenish the parts suppliers' inventory. Fewer pollutants in the air. WIN!

4. The warehouse now will reduce orders from parts manufacturers that deliver to them. Fewer pollutants in the air. WIN!

5. The company already has and owns the inoperable trucks. All the parts are readily, available and free for the taking. This cuts costs and now the company can invest more money in less time to purchase new clean air trucks. Instead of new parts for older trucks. This simple step will have a huge impact and with zero cost and zero effort. This step alone puts NO pollutants in the air and with new clean trucks keeps future pollutants to near zero. That's a double WIN! The last but by no means the least important impact will be that it shows trucking companies the California Air Resources Board is willing to implement real world solutions to this real world problem. This in turn will help to change the perception of the Board from one of being the biggest bully on the block, to one of a team member interested and willing to work together and solve a problem that affects us all. (JEHO01)

Agency Response: Financial incentive programs play a large role in how we demonstrate emission reductions achieved towards meeting our federally mandated air pollution goals (i.e., requirements set forth in SIPs). U.S. EPA requires these emission reductions to be quantifiable, surplus to regulatory requirements, enforceable, and permanent. If the equipment, and associated materials, are not required to be scrapped as a programmatic requirement, the equipment has the potential to operate somewhere

else, and may potentially make its way back into California. In such circumstances, the emission reductions achieved by providing funds for cleaner equipment are no longer enforceable or permanent. Currently grant programs do require that the existing truck be dismantled with the intent that no vehicle can be created and placed back in service to ensure that emission reductions are real and permanent.

However, the Goods Movement Emission Reduction Program Guidelines for Implementation allow local air districts to submit proposals for truck reuse programs that meet specific criteria (Chapter IV. Section A.14.). Such reuse programs allow existing trucks, or portions of trucks, being replaced under the Program available for limited reuse. Trucks, or portions of trucks, that are selected and used through an ARBapproved reuse program are not subject to the Program's scrappage requirements.

- **555. Comment:** We unfortunately could not afford to purchase a new truck. Sure, there was funding to help us with said purchase, but we were not in a financial position to do so. The 2nd option was to purchase a retrofit for our truck. We made many phone calls looking for funding, but no one could help us. We questioned if there was truly funding for retrofits. I have yet to hear of ANYONE getting funding. (SKTRU)
- **556. Comment:** Ironman respectfully requests CARB to reconsider offering retrofit grants to small fleets as a means of assisting many that cannot afford to comply with the regulation, whether its retrofit expense or even new truck replacement. (IRONM01)

Agency Response: Financial assistance programs cannot provide sufficient funding levels to pay for all of the emission reductions necessary to meet clean air standards and reduce exposure to toxic air contaminants. As is the case with most regulations, the majority of compliance costs are expected to be borne by the regulated industry. Grant programs can be combined with loan guarantees available to help finance the balance of the purchase price of the equipment.

Retrofits are eligible for funding through the Carl Moyer Program, including VIP, with grants up to \$10,000 per vehicle since 2010. Also, with the recent extension in compliance deadlines, funding opportunities for retrofits will increase. The Economic Hardship Extension is a new option that can provide more time for fleet owners that are financially unable to comply, see response to comment 270 for the eligibility criteria.

557. Comment: To ease the financial hardship that this regulation is bringing on truck owners, CARB has previously authorized incentive funding for truck upgrades in the form of Proposition 1B funds. Unfortunately, truck owners in Tehama County must be able to prove a minimum of 50% of their operation is within the goods movement corridor identified by Prop IB, which only extends as far north as Sacramento. The Tehama County Air Pollution Control District Board encourages CARB to either reconsider the 15 corridor north of Sacramento as an area eligible for full Prop 1B incentive funding, or to reduce the 50% mileage

requirement within the currently identified areas, in order to provide greater incentive opportunities in Tehama County. (TAPCD)

558. Comment: The last thing that our Board did ask for staff to consider, not as part of the amendments today, but in the future, relates to Prop. 1B funding. In Tehama County, to receive Prop. 1B funding, you have to operate 50 percent of your time in a Prop. 1B area. So if you're a trucker in Tehama County, that means just to be eligible to start the clock on whether you're eligible for Prop. 1B funding, you have to drive about 120 miles just to get into the Sacramento area. So that prevents many truck drivers in the north state, not just Tehama County, but counties further north than Tehama County and even a little south of Tehama County from being able to access Prop. 1B funds. So I would encourage CARB to look at ways that we can open up eligibility to north state truck drivers to be eligible for that funding. (TCAPCD)

Agency Response: The implementing legislation for Proposition 1B and the Goods Movement Emission Reduction Program (Senate Bill 88) establishes which areas of the State are to receive Program funding. The Program is governed by this legislation and unfortunately does not include funding for the entire State. The Program's Guidelines for Implementation state that trucks must commit to least 50 percent of future operation within the trade corridors where the legislation limits funding to these selected corridors. The trade corridors are any of the following areas: Los Angeles/Inland Empire region, Central Valley region, Bay Area region, and San Diego/Border region. However, the truck owner can reside anywhere including rural areas as long as they conduct 50 percent of their business within the four trade corridors.

The VIP, through the Carl Moyer Program, is available for trucks in small fleets throughout California, including rural areas. More information is available by visiting a participating truck dealer, calling the ARB Diesel Hotline at 866-6DIESEL, or by visiting the program website at www.arb.ca.gov/msprog/moyer/voucher.htm.

The Carl Moyer Program also includes a Rural District Assistance Program (RAP). This Program provides a pooled funding resource to help rural air districts identify and fund cost-effective projects through a combined application and project selection process. Late model trucks may be eligible for retrofit funding through RAP. Interested rural applicants can contact their local air district to see if they are participating RAP. More information and application materials are available on the CAPCOA website at <u>www.capcoa.org</u>.

ARB does not have the authority to establish additional grant programs or allocate additional funds to existing programs; this authority lies with the California Legislature. However, ARB staff will continue to work with our federal, State, and local partners to identify new potential funding opportunities that can help to increase the overall funding available to California truck owners. **559. Comment:** In general, CAPCOA is supportive of the changes and modifications proposed during the 15-day change period. It is our understanding that these changes will not impact eligible applicants within the current round of Proposition 1B Goods Movement Emission Reduction Program funding. (CAPCOA)

Agency Response: The proposed modifications do not impact eligible applicants that have applied for the Goods Movement Emission Reduction Program during the current funding cycle. ARB and local air districts, as a policy, utilize regulations that are in effect at the time the equipment owner's application is submitted.

b) Carl Moyer Program

- **560. Comment:** We are a California based small business and we have done everything to comply with the rules set forth by CARB. We were a couple hundred miles short of qualifying for any incentives or grants since we used to haul in Oregon and California. We were just shy of the qualifying California required mileage to qualify for retrofit or new truck purchase grants. Since 2013 we have been hauling 90% in California. (MTRANS)
- **561. Comment:** I have not been able to apply for any grant due to not having my truck registered and insured for the last 2 years. This is one of the main criteria in order to be able to apply for grant. I have owned this truck for a number of years. I had been out of the country for more than one year. For this reason I don't meet the criteria. I Got back to USA in March of 2013 and have had the truck registered and insured since then. (DMAHAL01)
- **562. Comment:** We are a one truck owner of a 2001 Peterbilt. We do not qualify for grant incentives because we haul produce from California to other states. (SMADD)
- **563. Comment:** I'm trying to compete with three competitors that have been funded and one that has not and was turned down. I'm fully compliant, as you know. I don't see how that's fair. They run all over the place, and they brought trucks with funding from you. And I was denied. (BCALD)
- **564. Comment:** Lighter weight truck owners are in just as much of a financial bind as the heavier truck owners. What are my options for extensions or help if I can't get financing? (RFRY)
- **565. Comment:** We employ 50 to 75 employees and have a fleet of 23 power trucks. There is no assistance or breaks for mid-sized companies. (PWATE)

Agency Response: While substantial public incentive funding has been made available to reduce emissions, ARB recognizes that existing financial incentive programs are not adequate to fund all of the emission reductions necessary to meet clean air standards and reduce exposure to toxic air contaminants. For a detailed description of the existing incentive programs, including the public process by which

they were established and revised, please see http://www.arb.ca.gov/msprog/truckstop/azregs/fa_resources.htm.

ARB must consider many factors in establishing eligibility for funding programs including cost-effectiveness where usage (mileage or fuel) is a fundamental component of total emissions. Projects with low mileage tend to have lower cost-effectiveness. The costeffectiveness calculation is based on the project cost divided by emissions reductions. For the Carl Moyer Program this criterion is required by statute (HSC §§ 44282) and is necessary to ensure that public funds are allocated as efficiently as possible to deliver maximum emissions reductions. Furthermore, the emission reductions funded through the Carl Moyer Program are credited in California's SIP and must be real, surplus to regulatory requirements, quantifiable, and enforceable (HSC §§ 44275 to 44299.2). Any modifications to the above criteria would require a legislative change. The Carl Moyer Program funds technologies such as retrofits and truck replacements that provide emission reductions earlier than required or in excess of what's required by local, state, and federal regulations. In addition to acting early, fleets must also currently be in compliance (HSC §§ 44281). The two-year documentation requirements for ownership, registration, usage, and insurance are necessary to ensure that the funding reduces emissions from operation in California.

In response to the public comments during this rulemaking, the Board directed staff to expand opportunities for small fleets. The revised Carl Moyer program Guidelines were taken to the Board in July 2014. The Board approved changes to the Carl Moyer program which reduced the minimum California usage requirement was reduced from 75 percent to 51 percent of the total usage, expanded eligibility to light heavy-duty vehicles with gross vehicle weight ratings greater than 14,000 pounds, reduced the minimum surplus emission reduction period to include those acting at least one year earlier than required.

Fleets that do not meet these requirements may still be eligible for the state loan program. Since its inception in 2009, the ARB On-Road Heavy-Duty Vehicle Air Quality Loan Program (aka CalCAP-ARB loan assistance program) has provided loan assistance for nearly 5,000 loans. To be eligible, fleets must have at least 51 percent of total revenues or total jobs of their business activity generated or created in California. Some fleets may also be eligible for the Economic Hardship Extension. For more information on the Economic Hardship Extension, please see response to comment 270.

566. Comment: I'm an out of state owner who runs 60 percent of my miles in California, and I have to comply and I am. I'm upset that you did not allow me to qualify for at least 60 percent grant money when you were passing out grant money, and I still have to purchase compliant trucks or make them compliant. I have to compete for the same business against those that got grants and now those that are not going to do a thing no matter what until they are caught and fined. (SWASI)

567. Comment: Being from out of state that does not allow me to qualify for any Grants to upgrade my truck. (SJABB)

Agency Response: All of the ARB incentive programs include specific guidelines that describe how each program operates. The individual program guidelines, including administrative procedures and eligibility criteria, are adopted by the Board after a public process open to all interested parties. The guidelines must be consistent with the legislation that established the program (in the case of the Carl Moyer Program) or the proposition language (in the case of the Goods Movement Emission Reduction Program funded by Proposition 1B).

All trucks that receive incentive funding through ARB's programs must meet minimum California usage requirements directly connecting the source revenue to the location of emission benefits. Incentive programs do not provide sufficient funding levels to pay for all of the emission reductions necessary to meet clean air standards and reduce exposure to toxic air contaminants. As is the case with most regulations, the majority of compliance costs are expected to be borne by the regulated industry.

568. Comment: At this point it appears the only grants available are for companies already in compliance. But companies already in 100% compliance don't need grants. It's an example of the circular, illogical practices we've run into as the Truck and Bus Rule was administrated. In sum, our experience with grant funding has been very frustrating over all. (KVSI)

Agency Response: Small fleets currently compliant with their initial truck are eligible for funding of their subsequent trucks prior to the associated compliance dates. Based on TRUCRS data, there are almost 10,000 trucks that meet this criterion. ARB recognizes that there is not enough funding available for every truck owner, but pursuant to the statutory requirements and the policy of the Board, funds will be targeted toward small California fleets that are compliant. Funding programs are designed to provide additional emission reductions before regulatory requirements apply, not to pay for compliance.

c) Loan Assistance

- **569. Comment:** I just wanted to note as well that your staff has proposed in the air quality improvement program discussion draft that was released last month to provide an additional \$10 million for the Truck loan Program next year. I just wanted to indicate that USC strongly supports continuing investment in the truck loan program to assist with cleaning up additional trucks. (UOCS)
- **570. Comment:** We absolutely support more funding for the loans, and we support a strong and fair enforcement program. (TCFCA)
- **571. Comment:** We caution the path that used trucks can provide a panacea in the loan denial amendment. Most used trucks have minimal, if any, warranty coverage at the time of their purchase. In the event they are found to be

deficient, a truck owner who uses their financial resources to purchase the used truck prematurely may not be able to afford the necessary repairs to the function of the truck or simply the emission-related components. We feel the better solution might be to provide loan assistance or seed funding to initiate a loan for a distressed trucker to allow the truck to extend through its normal useful life at expected maintenance costs while providing compliant emissions levels. (CDTI02)

Agency Response: ARB appreciates the support of the programs. Since its inception in 2009, the ARB On-Road Heavy-Duty Vehicle Air Quality Loan Program (CalCAP-ARB loan assistance program) has provided loan assistance for nearly 5,000 loans. The loan assistance program currently has strong utilization. At the June 2014 Board meeting, ARB approved the Fiscal Year 2014-15 Funding Plan for the Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments, which included a 10 million dollar allocation for the Truck Loan Assistance Program.

- **572. Comment:** Lighter weight truck owners are in just as much of a financial bind as the heavier truck owners. What are my options for extensions or help if I can't get financing? (RFRY)
- **573. Comment:** ARB should provide means to people to obtain loans. The solution to this financing problem is to work on mechanisms to facilitate such loans. (ESWG)

Agency Response: Since its inception in 2009, the ARB On-Road Heavy-Duty Vehicle Air Quality Loan Program (CalCAP-ARB loan assistance program) has provided loan assistance for nearly 5,000 loans including for trucks greater than 14,000 pounds GVWR. For truck owners who demonstrate that they are not able to obtain financing, the Economic Hardship Extension may be an option. In addition, a number of amendments provide new options for owners of lighter trucks, including the low mileage work truck extension. For more additional information, please see response to comment 369.

d) Lower Emission School Bus Program

- **574. Comment:** We also appreciate the efforts the California Air Resources Board has made to lobby for additional funds for the Lower Emission School Bus Program on a statewide basis to assist school districts with implementing the Truck and Bus Rules. We urge you to redouble your efforts so we can ensure that older buses are replaced and funding for particulate devices is available. (CASTO01)
- **575. Comment:** One other thing we'd respectfully request from the Board, and that is that you continue to aggressively pursue funds for the Lower Emission School Bus Program so we can replace the buses out there that might now are not in

compliance and are difficult for school districts to bring into compliance. (CASTO02)

Agency Response: ARB recognizes the financial constraints faced by school districts and agrees that it is important to work together with school districts and other stakeholders to identify new funding opportunities to complete the school bus clean-up. ARB staff continues to seek additional funding to assist in bringing the remaining school buses into compliance. Potential funding sources include U.S. EPA's State Diesel Emissions Reduction Act funds and Supplemental Environmental Program funds that come from enforcement actions.

- e) Other
- **576. Comment:** To add insult to injury, because of my low use in the state I was not eligible for any grant money set aside for small fleets such as mine to comply with the regulations despite my tax dollars funding such grants. The playing field seems far from level. (CENT)
- **577. Comment:** Lake County Air Quality Management District issues primarily concerns with funding and compliance dates. We understand that anyone that goes out of our district or out of our air basin has to comply, but we think there are probably tens to maybe 100 vehicles total that are captive in Lake County, never leave the district, never leave the air basin that really they don't fall into any of these categories and they don't qualify for any funding opportunities. So we're here to say there's still needs to be some options. There still needs to be some funding opportunities or push those time frames out for full attainment districts. Our biggest issue, we want the NOx reductions long term. (LCAQMD01)

Agency Response: All Carl Moyer Program projects must be SIP creditable and costeffective. Lower usage will result in lower grant amounts. The program does allow for a two-for-one option for fleet owners to combine the usage of lower mileage vehicles to get a higher grant for one replacement vehicle. Rural operators can also participate in the VIP which is a streamlined first-come, first-served program but must meet minimum usages for the pre-determined grant amounts. The RAP provides a pooled funding resource to help rural air districts identify and fund cost-effective projects through a combined application and project selection process. Funding programs are designed to provide additional emission reductions before regulatory requirements apply, not to pay for compliance. Fleet owners that do not meet the requirements of the funding programs may still be eligible for the state loan program, and for those owners who demonstrate that they are not able to obtain financing, the Economic Hardship Extension may be an option.

578. Comment: Why did we stop the VIP program to 1996 and older vehicles? Did you waste the funds on proposals? These ae the vehicles that were under attack in the first place with the wishy-washy rule. (MJOHN)

Agency Response: The VIP funding tables are based on the Truck and Bus Regulation's Small Fleet Compliance Schedule and Engine Model Year Schedule. As a part of the Carl Moyer program, VIP can only pay for emissions reductions surplus to those required by regulation. As the compliance deadlines approach, the surplus emission reduction periods decrease and certain engine model years become ineligible over time.

- **579. Comment:** It looks as though part of the reason as to why CARB has made this proposal is so that there can be more time to make grants available. To use a grant, you must qualify for a loan. People who bought filters can apply for a grant. Retrofits should not have expiration. Large corporations that got grants should contribute money to help one truck owners. Shorten extension. Give grants to retrofit a truck. (DFERR02)
- **580. Comment:** ARB should seek legislative assistance to waive sales tax on all instate on-road diesel truck replacements until Jan. 1, 2023, which would also greatly facilitate in-state fleet owners having the financial ability to replace trucks. (CFA)
- **581. Comment:** Perhaps if CARB had been able to simplify the process by working with the legislature to pass a significant tax credit or rebate for new equipment purchased for CARB compliance, similar to the federal Cash for Clunkers incentive program, some of the paperwork and confusion related to grant applications could have been avoided. As much as I appreciate the help promised by grants, much of our experience trying to find grant funding has been an exercise in futility. (KVSI)
- **582. Comment:** There is no organization sticking up and banding together for the small owner-operators for the little fleets that did comply. They need a check or they need a tax credit. (ARTRU03)
- **583. Comment:** If you're going to go through with the Economic Hardship proposal there needs to be some reimbursement tax credits, cash reimbursements for these people that have already put on a very expensive and difficult to deal with filter on the truck, or I would say you need to put that particular proposal on hold and sit down and have some serious round table discussions to discuss the facts from people that really understand the trucking industry and try to make some very strong changes or amendments to that proposal. (DFERR04)
- **584. Comment:** Those truck owners that have complied with the truck and bus rule need to receive a tax credit for the financial burden they have incurred and for the contribution they have given to the LA county air quality. (JORTE)
- **585. Comment:** CARB should seek legislation to create a tax credit to be used by those companies who have already complied, or have exceeded compliance,

with the diesel truck rule. The credit should be based on the amount paid by the company for complying with the rule. (ACLOG02)

- **586. Comment:** Those truck owners that have complied with the truck and bus rule need to receive a tax credit for the financial burden they have incurred and for the contribution they have given to the LA county air quality. (JORTE)
- **587. Comment:** Tax credit for companies that have exceeded compliance. Without a common sense approach to this rule the consequences will be catastrophic. (ALOG01)
- **588. Comment:** I think that some sort of tax credit for those of us who have complied would be in order to level the playing field against those who haven't complied and now may be [NOx] exempt in doing so. (FVLF)
- **589. Comment:** Think about us who followed the regulation, you know, to be compliant. Give us some kind of credit, you know, like tax credit or anything. (NGUY)

Agency Response: When the Board approved the amendments to extend compliance deadlines including for fleets that have taken early action, they also directed staff to expand funding opportunities especially for small fleets. Following the hearing for the amendments to the Truck and Bus Regulation, the Board approved amendments to the Carl Moyer Program that complement the regulation amendments by expanding funding opportunities for small fleets in particular. For more detailed information on the general eligibility requirements of various incentive programs, please see http://www.arb.ca.gov/msprog/truckstop/azregs/fa_resources.htm. For more information on the amendments to comply, please see response to comment 136. ARB does not have the authority to develop any tax-based programs. Any tax-based programs would have to be developed and approved by the Legislature and Governor.

- **590. Comment:** Many livestock haulers and ranchers with trucks are also not eligible for funding under the Carl Moyer Program or Proposition 1B. Many of these vehicles do not travel through the goods movement corridor as required by Proposition 1B and drive too few miles in mostly rural air districts and are not competitive for funding under the cost formula generated for the Carl Moyer Program. (ARLLC) (SMCC) (ABAT) (BHIGG) (BRAN) (LAZE) (EREDC) (SVIOL) (MEBE) (JLIVE) (GLIVE) (RRANCH)
- **591. Comment:** It is also extremely important to provide proper relief and additional incentives for those livestock haulers that had the ability to put forward the necessary capital to comply with the requirements of the Rule prior to January 1, 2014. CCA also strongly support the exploration of additional incentives, including alternatives that may require legislative action, to provide

relief for fleet owners who purchased 2010 model year or newer trucks solely in the pursuit of compliance with the Rule. (CCA02)

Agency Response: The Board approved amendments to allow cattle livestock trucks to use the existing specialty agricultural truck extension which has no requirements until January 1, 2023. The implementing legislation for Proposition 1B and the Goods Movement Emission Reduction Program (Senate Bill 88) establishes which areas of the State that are to receive Program funding. The Program is governed by this Legislation and unfortunately does not include providing funding for the entire state. The Program's Guidelines for Implementation state that trucks must commit to least 50 percent of future operation within the trade corridors. The legislation also limits funding to these corridors. The trade corridors are any of the following areas: Los Angeles/Inland Empire region, Central Valley region, Bay Area region, and San Diego/Border region. However, the truck owner can reside anywhere including rural areas as long as they conduct 50 percent of their business within the four trade corridors. Additionally, all of the financial assistance programs are designed to maximize emission reductions in a cost-effective manner. The Goods Movement Emission Reduction Program is geared to get the dirtiest, most gross polluter off the road first, so a competitive ranking system is used for project selection. Only the most cost-effective projects receive funding to ensure that State dollars are invested to maximize emission reductions. Depending on what other trucks apply during a given solicitation, trucks with lower mileage could possibly get funding.

The Carl Moyer Program may also have available funding for cattle livestock trucks. For more detailed information on the Carl Moyer Program, please see the response to Comment 565. For more detailed information on tax credits, please see response to comment 589.

- **592. Comment:** Based on the current guidelines for grant money and the mileage that we run, we're only eligible for about \$15,000 to \$20,000 per truck of grant money. Considering a truck is upwards of \$150,000, it just doesn't pan out money wise. And because we run low miles we're not generating miles or polluting the air. Therefore, we don't qualify for the grant money. Sine we don't have 1700 trucks, we don't really qualify for the types of loans that we need. (CWORT01)
- **593. Comment:** I tried going through programs which I was told there was no money available for help. I had no other choice to buy a cheap used truck in order to continue working and provide for my family. (JMOY)

Agency Response: All Carl Moyer Program projects must statutorily be cost-effective which is heavily dependent on California usage. Lower usage will result in low grant amounts. Participants in VIP, which is a streamlined first-come, first-served program must meet minimum usages for the pre-determined grant amounts not only for replacements but retrofits as well. Retrofits are eligible for funding with grants up to \$10,000 per vehicle. With the recent extension in compliance deadlines funding

opportunities for retrofits will increase. Additionally, the Fleet Modernization program does allow for a two-for-one option for fleet owners to combine the usage of lower mileage vehicles to get a higher grant for one replacement vehicle.

While there may be gaps in funding availability depending on the air districts' solicitation periods, some funding programs, such as the Carl Moyer program, receive additional funds each year. As an example, please see response to comment 591. However, while substantial public incentive funding has been made available to reduce emissions, ARB recognizes that existing financial incentive programs are not adequate to fund all of the emission reductions necessary to meet clean air standards and reduce exposure to toxic air contaminants. While substantial public incentive funding comes from motor vehicle fees and bond sales to reduce emissions, ARB recognizes that existing financial incentive programs are not adequate to fully fund all of the emission reductions necessary to meet clean air standards and reduce exposure to toxic air contaminants. As with most regulations, the majority of compliance costs are funded by the regulated industry. For more detailed information on the general eligibility requirements of various incentive programs, please see

http://www.arb.ca.gov/msprog/truckstop/azregs/fa_resources.htm.

594. Comment: It's been stated by important executives at CARB that the reason for proposing this "I can't get a loan four-year extension" is for that more grants will become available for single truck owner-operators as they are not available now and that more slightly used trucks will become available. In order to qualify for a slightly used truck or a grant, you must be able to get a loan. You cannot get a grant without getting a loan. If you're going to go through with the "I can't get a loan proposal." (DFERR04)

Agency Response: While substantial public incentive funding has been made available to reduce emissions, ARB recognizes that existing financial incentive programs are not adequate to fully fund all of the emission reductions necessary to meet clean air standards and reduce exposure to toxic air contaminants.

This proposed amendment would help ensure air quality benefits will be achieved by providing a compliance pathway for any fleet that is unable to fully comply with regulatory requirements for financial reasons. The amendment provides fleet owners more time to make the required upgrades while providing more opportunity for compliant truck prices to naturally decline. Fleet owners that comply by replacing their existing trucks with used trucks in lieu of retrofitting with a diesel PM filter will benefit from overall lower cost compliant trucks. Additionally, fleet owners that use the economic hardship extension may be newly eligible for incentive funding to upgrade to a 2010 or newer model year engine. For more information on the requirements owners must meet before they can apply for the Economic Hardship Extension, see response to comment 270.

595. Comment: Since I live in Santa Barbra county, a NOx exempt county, I am not eligible for any grants from the state. Same goes for those in other counties that

are NOx exempt but yet because we aren't eligible for these grants C.A.R.B. all to have these filters at a cost from \$14,000 to \$22,000. That is an out of pocket expense and why would I put \$22,000 into a truck that's worth only \$25,000. In my eyes it's a poor business decision for all operators in and out of state. (LSTAR)

Agency Response: Fleet owners in NOx exempt counties are eligible for and not precluded from Carl Moyer Program funding. Fleet owners in Santa Barbara County and other designated NOx exempt areas can apply to the Voucher Incentive Program through participating dealers, even if their local air district is not running the program. The Fleet Modernization Program is another option where air districts have the discretion to fund the replacement of existing trucks. Currently, San Luis Obispo County Air Pollution Control District and Butte County Air Quality Management District run that program. Depending on the compliance option selected by the fleet, retrofits may also eligible for funding. For more detailed information on the general eligibility requirements of various incentive programs including retrofit funding options, please see http://www.arb.ca.gov/msprog/truckstop/azregs/fa_resources.htm.

596. Comment: The equity in how public funding was distributed in the state - it was never means tested. UPS just got \$2.2 million from South Coast Air Quality Management District. Who believes they deserve our public tax dollars? That is the issue with how these funds have been disbursed. Some very large players who have revenues in multiples of very successful American corporations have gotten public money, in the tens of millions of dollars. (CCTA04)

Agency Response: ARB staff disagrees that larger fleets have gained unfair access to incentive funds. For example, most of the surplus funding options through the Carl Moyer Program and the VIP are available only to small fleets. In the Goods Movement Emission Reduction Program, both small and large fleets are eligible to apply for funding, and the most cost-effective projects are selected for funding, regardless of fleet size. Additionally, the current Goods Movement Emission Reduction Program's Guidelines for Implementation, prioritizes for the current and future funding cycles are determined by a public process held by both ARB and the participating local agencies, and must be approved by the ARB Board before implementing. During this process, workshops are held and the public is encouraged to participate and present their suggested changes to the Program.

597. Comment: Increase the voucher amount towards a new truck under the "TIMBER" program to \$100,000 from the current ceiling of \$60,000. Given that the cost of a new truck is generally \$150,000 or significantly more, and given that with our short six-month logging season in California the ability to earn the money to pay for these new trucks is severely limited, this new ceiling is vitally necessary to provide the relief intended by the "TIMBER" Program. Fund the increase in TIMBER voucher levels via a "carving out" of \$100 million per year of "cap and trade auction revenue" from funds which, under current legislative

direction are to be expended upon "Low Carbon Transportation," including the funding of "clean buses and trucks," under the direction of CARB. (ACLOG02)

- **598. Comment:** There's 200 million in cap and trade funds to CARB for low emission vehicles. We're recommending \$100 million of it be put into work so both you can purchase trucks and raise vouchers for those of our members who have not able to comply and certainly provide tax credits for those who have complied and have obviously indicated their burdens and difficulties in competing. (ACLOG03)
- **599.** Comment: There is a bunch of money out there on the cap and trade. Why can't we get some of that? (LALE)
- **600. Comment:** ARB should "carve out" \$100 million/year of cap-and trade auction revenue to provide \$100,000 vouchers for truck replacements for in-state fleet owners. This would remove 1,000 old trucks per year from California's highways and reap the benefit of the reduced emissions. (CFA)
- **601. Comment:** A new heavy duty trucks costs about \$150,000, bottom line rural businesses cannot afford this, so back to Chair Mary Nichols comment "it's nothing that money can't solve". The following are some possible considerations. This is a rule all Californians benefit from, all Californians should subsidize these businesses rather than destroy them. Vouchers in the range of \$60,000 to \$100,000 are a reasonable consideration. The money generated by the purchase of Carbon Credits should fund these vouchers! (FBRAG)

Agency Response: California's portion of the Greenhouse Gas Reduction Fund (GGRF) is used to facilitate the achievement of greenhouse gas (GHG) emission reductions and to further additional goals of AB 32 and the Legislature. Funding is appropriated to State Agencies by the Legislature and the Governor through the annual budget. To identify the priority investments that facilitate GHG emission reductions, the legislature directed the development of the Cap-and-Trade Auction Proceeds Investment Plan (Investment Plan).

The Investment Plan, which was released in May 2014, identifies priority programmatic investments and calls for projects that support the large-scale deployment of alternative technologies, such as zero and near zero-emission vehicles, to help achieve the State's near-term and longer-term GHG emission reduction goals. It specifically identifies hybrid and advanced technology trucks and cannot be used for conventional vehicle replacements or retrofits. In contrast, the purpose of the Truck and Bus Regulation is to significantly reduce PM and NOx emissions from existing diesel vehicles operating in California.

In June 2014, the Legislature appropriated \$200 million in Cap-and-Trade auction proceeds to ARB for implementation of a Low Carbon Transportation program. In the current fiscal year, ARB is directing over \$75 million of the \$200 million in funding for freight vehicle, equipment, and infrastructure, that reduce criteria and GHG emissions.

The Hybrid Voucher Incentive Program, one such program receiving funding, provides rebate vouchers for advanced technology vehicles, like medium heavy-duty diesel hybrid trucks that do not require charging infrastructure and have performance characteristics similar to conventional diesel trucks. More information is available at www.arb.ca.gov/aqip.

602. Comment: Those of us who retrofitted early, paid to test and eliminate inferior designed PM filters. We paid at great expense with no grants or incentive monies in 2011. Soon after, the Cleaire Longmile was discovered to be a catastrophic failure and was recalled. All Longmiles that were paid for with no grants or incentives should be replaced free of charge. If the Board can't find funding for this, consider that the Board is reopening opportunities for Small Fleet owners to apply for and receive Public Incentive Funding. (JEHO02)

Agency Response: During the July 2013 Board Hearing, the Board adopted changes to the Goods Movement Emission Reduction Program Guidelines to include a limited truck filter substrate replacement program. The truck filter substrate replacement program is intended to be a limited, one-time option to address a unique situation involving specific recalled truck particulate filters. Truck owners that meet specific eligibility requirements will be offered the opportunity for funding to replace the metal substrate in these recalled filters with a ceramic substrate. The Board allocated up to \$6.3 million for the truck filter substrate replacement program and ARB staff is in the process of developing procedures for implementation. Please refer to Board Resolution 13-34, Attachment C, for more details.

15. Other

a) Air Quality and Health

- **603. Comment:** The proposed amendments will allow poorly maintained trucks to continue polluting to the detriment of public health and the environment. (CDTI01)
- **604. Comment:** We are here to support the speedy implementation of the rule. It's time to implement the truck rule all over California. We understand that cleaning up trucks is expensive, but somebody has to pay it. Right now, we're paying with our health. That's not right. (NVAR04)
- **605. Comment:** We haven't reached the finish line yet. We're not there. And the communities who are most impacted, those by ports and rail yards, industrial areas, freeways, they continues to face elevated risks of air pollution. So we strongly support the Board continuing to implement the truck and bus regulations and ask that you minimize any changes that are going to reduce the projected health benefits of this regulation. (UOCS)
- **606. Comment:** We urge you to be cautious and limit any additional revisions. Number one, we don't want to undermine the emission benefits of the rule, and

we want to ensure again a level playing field. So we ask you to take a hard look. While your charts show this overall your revision do not reduce the overall health benefits, there are some near-term reductions in health benefits. (ALAOC)

Comment: The full impact of multiple regulatory changes on the health effects 607. of lost PM reductions are not fully appreciated when considered in isolation. Furthermore, describing lost PM emission reductions in units such as tons per day or percent relative to a baseline often understates the impact that a light, fluffy, ultrafine particle such as diesel soot has on the general population that breathes it. The staff report correctly concludes that by 2020 the ton per day contribution of diesel PM2.5 emissions under the proposal will be at the same level as predicted by the current rule. It is also correct that the overall impact on PM reductions is approximately a loss of 7 percent of the reductions under the current regulation in the early years of implementation. Looking at it in terms of the total mass of PM emitted and then the volume of PM emitted as a result of all the changes to this rule gives a different perspective. What sounds like a benign 7 percent loss of PM reductions equates to 1,350 tons of additional PM emissions over the first five years of the proposed regulation. Putting this in terms of a lost health benefit perspective, using U.S. EPA estimates of health costs avoided from reductions in directly emitted PM2.5 of \$320,000 to \$730,000 per ton (U.S. EPA Technical Support Document, Estimating the Benefit per Ton of Reducing PM2.5 Precursors from 17 Sectors, January 2013) offers a different perspective on the impact of the proposed changes. To a first approximation, the cost to health of the increased PM emissions more than offsets the \$400 million in compliance savings estimated by the proposal with a health cost to the state in the range of \$432 to \$986 million.

The above analysis looks at only the proposed changes in isolation, and gives no consideration to the changes that this regulation already underwent three years ago to provide economic relief to the same group of stakeholders. The impact of the 2010 amendments represents a loss of 3,496 tons of PM over the life of the regulation, which similarly exchanges the estimated savings of the 2010 changes with healthcare and other costs to the state and other stakeholders. In essence the regulatory changes are being subsidized by the people whose health the rule is supposed to protect. To get a visual perspective on the amount of PM that will make its way into the air as a result of relaxing the requirements of this regulation, one needs to only consider the fluffy nature of soot to realize that the cumulative volume of PM emissions due to both the 2010 and proposed 2014 amendments is enough to fill over 201, fifty-three foot tractor trailers. (MECA01)

Agency Response: The amendments better ensure emission reductions will be achieved and provides flexibility for fleets that better ensures compliance. The Board approved the extensions for those fleets most impacted by the recession. The impact of the expected delay in emission benefits is minimized by the fact that the overall emissions continue to be lower than originally expected due to the continued effects of the economic downturn. The Board believes the amended regulation is appropriate as

it provides additional flexibility to fleet owners that are still suffering from the impacts of the economic recession while preserving the overall benefits of the regulation. The regulation ensures that by 2020 nearly every truck operating in California will have a PM filter, and the regulation requirements in 2023 remain unchanged from the amendments. The amendments are also intended to safeguard emissions reductions by providing compliance pathways to smaller fleets and those that are currently unable to comply. The additional time would also give more time for the economy to improve and would allow fleet owners to upgrade to a lower priced used truck with a 2010 model year engine or later in one step. Because trucks must still meet PM filter requirements they are much more likely to meet those requirements in 2020 by purchasing a 2010 or newer truck which could provide additional emission reductions in 2020.

608. Comment: CARB gross emission rates for motor buses based on generally accepted annual Vehicle Miles Traveled (VMTs) do not take into consideration automobile VMTs removed and the resulting emission savings in the Rule inventory from reliance on the most fuel efficient mode of passenger travel - motor coaches. An American Bus Association study estimates that a loaded motor coach provides 184 passenger miles per gallon (MPG) which is double the second most fuel-efficient sector, commuter rail, at 86 passenger MPG. Therefore, increased motor coach use does have a net effect in reducing PM 2.5 emissions and especially NOx emissions from "Cars and other On-Road" vehicles. (CBA01)

Agency Response: To improve air quality and reduce diesel PM emissions, it is necessary to include motor coaches in the Truck and Bus regulation to accelerate adoption of newer engine and emission control technologies. Based on the statewide emission inventory for the 2013 calendar year, a 2006 model year motor coach without PM or NOx after-treatment controls has NOx running exhaust emissions equivalent to about 70 passenger cars and PM2.5 running exhaust emissions equivalent to about 250 passenger cars (based on comparing motor coach and average light duty automobile grams per mile emission rates). With regard to passenger-weighted emissions, the commenter cites a study that assumes fully loaded motor coaches. Real-world passenger-weighted emission comparisons will likely vary by region and change based on actual ridership levels for passenger vehicles and motor coaches.

609. Comment: I'm with the Construction Industry Air Quality Coalition. We believe there are some phantom emissions accounted for in your assumptions in this adjustment to the rule. And they only exist on paper. And it's not really fair to ask us to spend money to reduce those emissions that never existed in the first place. (CIAQC02)

Agency Response: The commenter claims that there are suspect regulatory assumptions that lead to 'phantom' emissions. However, the comment does not identify which specific assumptions or emissions might be suspect such that staff can investigate the claim.

610. Comment: You know your so called good faith is a joke! First of all your web site says the trucks cause less than 20% of pollution to your state. I am concerned about our air quality as well as you but it seems you are putting the sole responsibility on diesel powered equipment and mainly on out of state companies! Truckers make up about 1/3 of traffic in your state and there is no way possible we can be causing as much air quality issues as you say! (AGIBS)

Agency Response: In 2010, trucks subject to the regulation were the single largest statewide contributors to mobile source emissions. These vehicles represent more than 40 percent of diesel PM and 30 percent of NOx from all mobile sources including trucks traveling from out of state. Even with the implementation of the regulation, in 2014 these vehicles are a smaller but still significant contributor to emissions. In 2014, trucks and buses represent 26 percent of all diesel PM 2.5 emissions while also contributing 22 percent of total NOx emissions from all mobile sources. Out of state or long haul truck load carriers typically replace their fleet within a 7-year cycle and would continue to have no costs attributable to the regulation.

b) Science Unfounded

611. Comment: Scientific evidence shows that up to 30 percent of the PM2.5 in California originates from China, whereas only about five percent originates from diesel vehicles. It is unjust and immoral for CARB to impose diesel vehicle regulations on California businesses when it does nothing to reduce the PM2.5 originating. (CCRIST)

Agency Response: In California, among all diesel engines, trucks are the largest single source of emissions of smog forming pollutants and diesel PM, which has been identified as a toxic air contaminant.

- **612. Comment:** Please stop the insanity. You made this bogus and idiotic order which puts most independent truck drivers out of business, including us (DNS Transport, Inc.). The people you listened to were liars and one did their dissertation on the California ground squirrel. (SMITS)
- **613. Comment:** The entire Truck and Bus rule is predicated on "junk science" and it's the major reason why the CCTA is supporting federal legislation (H.R. 4012) to reign in the excesses of environmental agencies as they promulgate endless, job killing regulations, based on "Hein Tran" type peer reviewed studies and cherry-picked conclusions from academics with interminable conflicts of interests, namely their paymasters who financially support the contrived outcomes of studies used as a basis of regulation. (440) CCTA05
- **614. Comment:** I have yet seen you guys stop your Board and your people from throwing fluff up. The American Lung Association didn't tell fact. They just blew it up. This just gave you false, blowing smoke. Also I got to remind this group

and you as a Board that you guys stated this thing and started this thing on the Tran report, and you covered it up. (LHUT02)

- 615. Comment: The data that is being used to implement these new rules is the data that was allegedly written by one man who got his fake PHD by purchasing it on the internet. (killcarb.org) Hien T. Tran is the name of the man who submitted his data and findings to the board for these new regulations. Yet he has a fake PHD? Why does this man still work for CARB in any capacity? Please consider the findings on killcarb.org if you have not already & please get to the bottom of it. (MSTAP)
- **616. Comment:** Burdening trucking companies to comply with your rules that have no basis in science (since the person who wrote the rules didn't have the degrees he claimed) isn't providing for a fair and equal playing field. (KMULL)

Agency Response: U.S. EPA reviews all the scientific literature as part of the National Ambient Air Quality Standard setting process. In December 2009, U.S. EPA released its most recent health effects assessment for particulate matter, including PM2.5, which evaluated hundreds of epidemiology, toxicology, and human exposure studies. The U.S. EPA produced two drafts of the science assessment, which were released for public comment, and were peer reviewed in a public process by the Clean Air Scientific Advisory Committee (CASAC). CASAC provides independent advice to the U.S. EPA Administrator on the technical bases for EPA's National Ambient Air Quality Standards. The committee is composed of experts in the fields of atmospheric sciences, ecological and welfare effects, engineering, health sciences, medicine, public health, modeling, and risk assessment. Members are selected through a public nominating process organized by the Science Advisory Board. The science assessment includes a framework for evaluating the causal nature of air pollution-induced health or environmental effects. The framework recognizes that causality determinations are based on evaluation and synthesis of evidence from across scientific disciplines. The science assessment discusses the types of scientific evidence used in establishing causality, including epidemiological studies of humans, controlled human exposure studies, and animal exposure studies. In their review of the literature, they conclude that there is a causal relationship between long-term exposure to PM2.5 and mortality.

Moreover, the Board has taken steps to ensure the scientific credibility of ARB's work. First, the Board directed staff to withdraw the original PM health report and prepare a new methodology based on U.S. EPA's methods. It was released in August of 2010. Second, the ARB convened a special science symposium of a number of experts on the field. The discussions and presentations at the symposium provided valuable information that was used to inform ARB's estimate of PM-related health impacts in California.

617. Comment: CARB and Federal EPA cannot provide documentations to prove that exposure to PM would result in premature death. The commenter, on the other hand, has documented studies showing that there is no California ozone or

small particle air pollution correlation with hospital admissions or premature deaths. CARB should suspend all diesel regulations. (DCC)

- **618. Comment:** You've got science that is not there. We've asked you for the science. We've never gotten the science. Finally, federal EPA comes out. They don't have the science. (GCADD)
- **619. Comment:** EPA and ARB cannot produce the data that the diesel particulate rules are based on. Implementation of these regulations I believe should be frozen until the science can be publicly peer reviewed. (UNK03)
- **620. Comment:** I want to talk about the science. This thing about the American Cancer Society, why are they not releasing -- I know their basis -- their studies have been used as -- cited for the justification for all these rules and regulations. And they're not giving up that -- where is the data on that? The public taxpayers and the people who live here deserve to see this real information. (LRPOC)
- **621. Comment:** American Cancer Society Prevention Study II data that CARB used to justify the truck and bus regulations is not available for verification. EPA's was subpoena by the U.S. House Science Committee to provide the data but failed to comply. The Secret Science Reform Act, HR 4012, proposes to prohibit EPA from basing its regulations on unverifiable secret sciences. (CCRIST)

Agency Response: The Harvard Six Cities Study and the American Cancer Society Study formed the basis for the long-term PM2.5 National Ambient Air Quality Standard set by the U.S. EPA. Members or Congress, scientists and the regulated community wanted the data to be made publicly available. However, neither the U.S. EPA nor CARB owns the data. Also, the data for these studies contains confidential medical information, which prevents its release to the public. To address the privacy concerns of the study participants and the ensure the integrity of the original studies that found an increase in mortality associated with ambient PM2.5 concentrations, the Health Effects Institute (HEI) organized an independent reanalysis of both studies. The data was made available to the HEI reanalysis team. The reanalysis by the independent team of scientists confirmed the original findings in the Harvard Six Cities Study and the American Cancer Society Study.

622. Comment: California Construction Trucking Association (CCTA) is at the forefront of challenging the environmental regulation of the trucking industry based on questionable claims that exposure to diesel PM somehow represents a significant health risk – to anyone. CCTA is referring to a study "Mortality Among Members of a Truck Driver Trade Association" published by Jan Birdsey, MPH, Toni Alterman, PhD, Jia Li, MS, Martin R. Petersen, PhD, and John Sestito, JD, MS in the AAOHN Journal, Vol. 58, No. 11, 2010. This study examined the overall and cause-specific mortality ratios for a cohort with owner-operator truck drivers constituting 69% of the study population. Of the 26 major disease classifications and 92 specific causes of death examined. Leading causes of

death were ischemic heart disease and lung cancer, although risk was below that of the general population. The absence of excess disease mortality deserves careful interpretation, and may be due to both a strong healthy worker effect and a short monitoring period. (CCTA03)

- **623. Comment:** Back in 2007, NRDC did a study where we placed air monitors into the cab of trucks to look at what their exposure was like. And we found exposure levels up to four times higher for the truck drivers in those trucks versus the average urbanized levels that we were picking up of diesel soot. So we're concerned about their health, and they will not see improvements to their health until all of the fleet cleans up. (TNRDC)
- **624. Comment:** I think you need to take a look at the science. They found the drivers to be four times more susceptible because of the level of PM in the cab of the trucks. How come a lot of these truck drivers you see going up and down the road that are 60, 65 years old, and are ready to retire, are not dead? That should mean the kids if it's four times less likely, that should mean the children should live to be, what, 280 years old? So until there is proof in the science, I don't understand it. (JVARO)

Agency Response: Some commenters make the assertion that premature mortality is not associated with diesel PM exposure. The commenters also upport this assertion with the NIOSH study "Mortality among members of a truck driver trade association" by Birdsey et al (2010). The study investigated whether owner-operator truck drivers' cause-specific and overall mortality rates differ from that of the general population. It used current and former members of a trade association that supplies services for independent truck drivers. The cohort included all individuals who were members of the association at any time from September 29, 1989, through December 31st, 2004. To be included in the study cohort, a person had to be a member of the association at any time, not the entire length of the study. Less than 70 percent of the study cohort identified themselves as active owner-operator truck drivers at their last contact with the association, and 7 months after completion of the study, 46 percent of the cohort were not still members of the association. The study examined overall and cause specific mortality and found only accident-related mortality was elevated.

A study of this nature does offer insight into the mortality impacts of being an independent owner-operator, but conclusions drawn from the results of this study must be made while considering the limited scope and poorly defined sample population employed in the methodology. The results conflict with the results of similar studies which reported elevated rates of lung disease, ischemic heart disease, and lung cancer [Laden et al (2007) and Garshick et al (2008)]. One reason for these conflicting results could be that in contrast to the Birdsey et al (2010) study, the Laden and Garschick studies collected comprehensive work histories on the participants. These histories included information on exposure to vehicle exhaust, job title, diesel vehicle use, size and location of truck terminal, date of hire, last date of work, and even participant-reported smoking habits. This allowed the researchers to adjust lung cancer risk for

different jobs held throughout each worker's career. The ability to control for these confounding variables increased the reliability and validity of the cohort mortality rates as being representative of the population of U.S. workers in the trucking industry. Other limitations with the Birdsey et al (2010) study include:

- 1. Relatively short monitoring time of cohort compared to other studies (< 5 years for some participants)
- 2. "Healthy Worker Effect." Employed populations tend to be healthier than the general population
- 3. The inability of the researchers to control or account for a variety of confounding factors within the study cohort such as: occupation duration, age at which member began driving trucks, health status, and family history of disease. This calls into question the ability of the study to estimate exposure to diesel exhaust, and whether study cohort is a true homogeneous population or composed of sub-populations displaying a wide array of relative health risk, unrelated to being an owner-operator driver.
- 4. Cohort was age-matched with general population and adjustments were made for smoking, but general health status and other risk factors between cohort population and general population were assumed to be similar. It may be problematic to assume that the only distinguishing characteristic between the study cohort and the general population is occupational.

Given the limitations of this study, we cannot conclude that diesel PM does not cause adverse health effects as the commenter asserts. Moreover, the International Agency on Research Cancer, which part of the World Health Organization, recently reviewed the scientific literature on the carcinogenicity of diesel exhaust. They classified diesel engine exhaust as carcinogenic to humans, based on sufficient evidence that exposure is associated with an increased risk for lung cancer. The commenters mentioned an NRDC study. The NRDC study was not peer-reviewed. In general, ARB only considers studies appearing in the peer-reviewed literature because they are independently evaluated by scientists not involved in the study.

625. Comment: This proposal contains the following claims that Dr. Pope knew in 2006 were dishonest: "California currently has no statewide studies assessing mortality resulting from air pollution in the general population." (page 3); "California has no state-wide estimates of mortality to support policymaking and regulatory activities. Extension of the ACS study to address scientific uncertainties and to derive estimates specific to California will assist the Air Resources Board and others to assess the benefits of policy interventions." (page 4); "This study will derive the first California wide estimates of mortality associated with PM2.5 exposure and other criteria co-pollutants, thus supplying policymakers with a valuable resource for deriving benefit estimates." (page 5). Drs. Jerrett, Krewski, and Burnett also knew in 2006 that the above claims were dishonest because they became aware of my 2005 IT paper in January 2006 when Dr. Krewski granted me permission to reproduce Figure 21 of the 2000

Krewski Health Effects Institute (HEI) Reanalysis Report (http://pubs.healtheffects.org/view.php?id=6) and use it in my June 1, 2006 IT response paper (http://www.scientificintegrityinstitute.org/IT060106.pdf). (UCLA01)

- **626. Comment:** Dr. Pope and the others evaded my repeated requests to them to clarify the Jerrett Project California PM2.5 mortality risk findings, as well as prior PM2.5 findings dating back to Figure 21 in the 2000 Krewski HEI Reanalysis Report. I stated "I'm very concerned that a number of these [CARB diesel vehicle] regulations are going to move forward based on, well for instance, the Pope 2002 study when more studies are forth coming and I think that if there's an effort made by the ARB to slow down the regulatory process that would relieve a lot of my concerns." In response, Dr. Pope stated "That's something I wouldn't get involved with one way or the other. I'm interested in the science and I hope that the regulation is wise and uses the science in a reasonable way." (UCLA01)
- **627. Comment:** Please read my attached document "Scientific Misconduct in Fine Particulate Matter Epidemiology by Dr. C. Arden Pope, III, in Collaboration with Drs. Daniel Krewski, Michael Jerrett, and Richard Burnett, with the Complete Cooperation of the American Cancer Society." This detailed evidence of research misconduct by CARB Scientific Advisor C. Arden Pope, III, invalidates CARB's public health justification for the Truck and Bus Regulation. The currently proposed amendments are insufficient and temporary. The entire Truck and Bus Regulation should be suspended, unless Dr. Pope can refute my evidence of scientific misconduct. (UCLA01)

Agency Response: Accusations of Dr. Pope's dishonesty are not relevant to the regulation.

- **628. Comment:** Evidence from more than 25 doctoral level scientists shows that PM2.5 is not associated with premature death in California. Key scientific experts relied upon by CARB have deliberately misrepresented the health effects evidence published since 2000. My detailed CARB public comment describes massive scientific misconduct by Doctors Arden Pope, Michael Jared, and Daniel Crusky, as well as the American Cancer Society. (CCRIST)
- **629. Comment:** There are no associations between ozone or PM2.5 with acute deaths or asthma hospital admission in California. There is a greater increase in longevity by increasing income than reducing air pollution. Data set and many others show that decreasing PM2.5 in the U.S. West does not increase longevity. (DRSYOU)
- 630. Comment: 1) When was the last time someone died of air intoxication in California? (they haven't) 2) Is this truly about clean air or is this a propaganda strategy? 3) Are the residents of California asking for clean air or are we trying to please those foreign visitors who come with their fancy gadgets and tell us that

our Air is so dirty they don't understand how we are still alive? 4) I have visited our neighboring country of Mexico and experienced their Air Quality which we all know is extremely poor "News Flash, No one is Dying!" So what are we truly trying to accomplish? (VPARE)

Agency Response: Several commenters assert that there is no relationship between premature mortality and PM2.5 exposure. The U.S. EPA makes a determination of causality as part of the National Ambient Air Quality Standard setting process in the Integrated Science Assessment. The U.S. EPA produced two drafts of the science assessment, which were released for public comment, and were peer reviewed in a public process by the Clean Air Scientific Advisory Committee. To make the causal determination, U.S. EPA scientists consider aspects such as strength, consistency, coherence, and biological plausibility of the evidence, and develop causality determinations on the nature of the relationships.

In the 2009 U.S. EPA Integrated Science Assessment for particulate matter, the U.S. EPA concluded:

- "Together, the collective evidence from epidemiologic, controlled human exposure, and toxicological studies is sufficient to conclude that a causal relationship exists between short-term exposures to PM2.5 and cardiovascular effects."
- "Taken together, the evidence from epidemiologic and toxicological studies is sufficient to conclude that a causal relationship exists between long-term exposures to PM2.5 and cardiovascular effects."
- "The evidence for cardiovascular and respiratory morbidity due to short- and long-term exposure to PM2.5 provides biological plausibility for cardiovascularand respiratory-related mortality. Collectively, the evidence is sufficient to conclude that a causal relationship exists between long-term exposures to PM2.5 and mortality."

While ozone was not an issue for the truck rule, one commenter asserted that ozone does not cause premature deaths or asthma hospitalizations. In the 2013 U.S. EPA Integrated Science Assessment for Ozone and related Photochemical Oxidants, U.S. EPA also made causal determinations. The U.S. EPA concluded:

- "Evidence integrated across controlled human exposure, epidemiologic, and toxicological studies and across the spectrum of respiratory health endpoints continues to demonstrate that there is a causal relationship between short-term O₃ exposure and respiratory health effects."
- "Taken together, the body of evidence indicates that there is likely to be a causal relationship between short-term exposures to O₃ and total mortality."

631. Comment: I think you need to take a look at the science. They found the drivers to be four times more susceptible because of the level of PM in the cab of the trucks. How come a lot of these truck drivers you see going up and down the road that are 60, 65 years old, and are ready to retire, are not dead? That should mean the kids if it's four times less likely, that should mean the children should live to be, what, 280 years old? So until there is proof in the science, I don't understand it. (JVARO)

Agency Response: The relative risk calculated from an epidemiological study does not translate to life expectancy as the commenter suggests. The relative risk is a percent increase in mortality of an exposed population compared to an unexposed population. In a process peer-reviewed by the Clean Air Science Advisory Committee, U.S. EPA decided to use the relative risk derived from the Krewski et al (2009) study in its risk assessment prepared for the National Ambient Air Quality Standard. That study found a 13.8 percent increase above baseline in cardiopulmonary mortality for every 10 micro grams per cubic meters (μ g/m³) of ambient PM2.5.

632. Comment: The recent study in Europe by Dr. Ole Raaschou-Nielson et al; (The Lancet Oncology 14(9) (2013) pp 813-822) showed no association between lung-cancer and NOx concentration. Therefore there is no reason to treat NOx gas as if it is carcinogenic like PM. (IMET01)

Agency Response: The commenter states that NO_X is not carcinogenic. Therefore, ARB should not be regulating it. NO_X is not regulated due to concerns over the potential carcinogenicity of NO_X . It is regulated because of its role in ozone and PM2.5 formation.

633. Comment: ARB should explore the development of a particle number (PN) standard in its regulatory structure for mobile sources. PN standards, currently in use across Europe, are more protective of human health than particle mass standards. (AESI01)

Agency Response: The Board agrees that exposure ultrafine particles could potentially result in adverse health outcomes. However, the evidence for adverse health effects is inconclusive. In a process peer-reviewed by the Clean Air Science Advisory Committee, the U.S. EPA in their 2009 Integrated Science Assessment for particulate matter concluded that the evidence for short-term respiratory and cardiovascular effects is suggestive, and evidence for short-term and long-term mortality is inadequate. ARB will continue to monitor the scientific studies related to ultrafine particle exposure as they develop.

c) **Enforcement**

634. Comment: We also feel that it is essential to continue an ideally increased enforcement action to ensure the air quality objectives are made and flagrant disregard for this rule is not rewarded. (CDTI02)

- **635. Comment:** Enforcement is where the focus should be. How will you enforce this? (FLFTI01)
- **636. Comment:** The lack of enforcement is negligent and counterproductive to the overall program. If we go through all of this time and effort to make changes to this rule and have no enforcement, what good is any of this? (FLFTI02)
- **637. Comment:** I feel like other fleets are playing compliance games. I see noncompliant trucks in the ports when I picked up my TWIC card. I've heard of people asking dealers to deny them loans so that they could get the good faith extensions. I've heard of 12 truck fleets becoming 4-3 truck fleets to get around the ruling. I've had carriers tell me they will keep running until they get caught and then do the upgrades. (BTCI)
- **638. Comment:** Owner operators are saying they don't have to comply because of financing, low miles, or just that they feel this in never going to be enforced so why spend any money. CARB needs to act now to clarify the rules and enforce them. (DEELLC)
- **639. Comment:** I would like to shift the focus onto enforcement. Most of the complaints that I receive from stakeholders are that city and county entities continue to hire non-compliant contractors. I really think this needs to change. These people are spending a lot of money on being compliant. And to lose contracts to someone that is not compliant obviously is not right. (BCC)
- **640. Comment:** But also enforcing the rule is extremely important for making sure there is a level playing field. I encourage the Board to continue their efforts on the enforcement side of the regulation. (UOCS)
- **641. Comment:** It isn't really even being enforced, certainly not at any scales or port of entry. Drivers could've just kept their older tractors and have no problem getting in to CA. (TPAST)
- **642. Comment:** JM supports Board efforts to bolster its retrofit enforcement program to ensure a level playing field for compliant fleet owners. (JMATTHEY01)
- **643. Comment:** Enforcement is very important. We need to ensure that those people who are out there who aren't intending to comply are caught and that they be forced to comply in some manner (APCOSAC)
- **644. Comment:** We would like to see a continued commitment and more vigorous enforcement and outreach to truck owners. (TNRDC)
- 645. Comment: I live near truck routes and my siblings have asthma, just learning from this I learned how big of an impact they make. I can't wait for the day when

we have clean air. I think it's time to make change for the future and for the better of future children. Please support implementation of the CA. Diesel truck and bus regulation. Diesel pollution is particularly toxic and contributes to greenhouse gas emissions. The truck industry has had enough time and now it is time-finally-to have clean, (NVAR03)

- **646. Comment:** Like others have said, our industry is ripe with scofflaws. I would encourage you to have strong enforcement of any regulations that you move forward with to protect the legal and licensed operators within the state of California. (CMSA01)
- **647. Comment:** We absolutely support more funding for the loans, and we support a strong and fair enforcement program. (CFCA) (TCFCA)
- **648. Comment:** Can CARB single out gross polluters by focusing on individual roadside enforcement? Those are not the points of your proposed rule change. It is for you to bring all truck owners into legal status. All of us from an operational standpoint this rule is less about air quality and more about staying in business. (TTROTT03)

Agency Response: Staff agrees that adequate enforcement of the Truck and Bus regulation is extremely important. ARB has devoted and continues to devote substantial resources and effort to enforcing the regulation. Enforcement activities continue to occur statewide and include inspections at border crossings, ports and rail yards, California Highway Patrol (CHP) weigh stations, fleet facilities, randomly selected roadside locations, and audits of records, including enforcement of the requirements in the regulation for motor carriers, brokers, dispatchers, or any person that directs the operation of vehicles that are subject the requirements of the regulation. In addition, complaints from the public trigger inspections or further enforcement action. Penalties for non-compliance are substantial and can include DMV vehicle registration holds, and other actions. ARB is constantly seeking to improve its enforcement efforts in this area. The number of entities that must comply with the regulation, among other factors, pose enforcement challenges but ARB does not believe these challenges are insurmountable.

- **649. Comment:** Please link the registration into the truck and bus rule with the DMV. Very easy to do. We have a 2290 we have to submit from the federal government every year that has our VIN numbers of our trucks on it. The same thing is involved with the truck and bus rule. You have to put the VIN numbers on the truck and bus rule. Takes no time for the DMV to look at one paper, look at the other, and you get your license. If you don't have a licensed truck, the highway patrol is going to catch you and shut you down. (FLFTI03)
- **650. Comment:** To protect the financial guarantors and lenders, ARB should maintain the right to rescind or block DMV registrations for any vehicles that fail to meet their financial obligations to pay for a retrofit. (ESWG)

- **651. Comment:** I feel we are lacking in a mechanism to help enforcement. I have been told that involving the DMV is unattainable. I find this hard to believe. I have to provide my 2290 (heavy use tax) that is paid to the federal government in order to license my trucks. On that form are the vehicle ID numbers of each one of my trucks. There is a form that we fill out when registering our trucks in the truck and bus rule each year. That form recognizes our trucks by their vehicle ID numbers also. Would it be that difficult to match up the numbers on the 2290 and the print out from the registration into the Truck and Bus rule? (FLFTI02)
- **652. Comment:** I beg you to tie compliance to DMV registration. There will be no one that can escape the radar if they can't register their truck without registering with the Air Resources Board. The VIN number database is there. Please, I beg of you, that's an easy solution. (ARTRU03)

Agency Response: ARB has authority to request that the Department of Motor Vehicles block the registration, or renewal or transfer of ownership of a commercial motor vehicle if it has been cited for a violation of an ARB regulation (Vehicle Code 4755). ARB does not have the authority to compel DMV or CHP to change vehicle registration requirements; however, the ARB is supportive of methods to improve compliance with existing regulations. To expand ARB's authority to include compelling DMV to change vehicle registration requirements based on compliance with the Truck and Bus regulation would require legislation.

653. Comment: I see nothing in these modifications that deal any further with enforcement. I, as many I align with, feel that enforcement is critical and lacking. On any day, I can drive down the freeway and notice multiple non filtered trucks. (FLFTI02)

Agency Response: The regulation provides many flexibility options that extend compliance requirements for many fleets. Because of this, it is not possible to determine the compliance status of an individual truck in a fleet based on observing it driven on the road. Please see the response to comment 648 that explains ARB's various enforcement efforts.

654. Comment: The low mileage exemptions will be difficult to enforce. I would venture that some of the more unscrupulous trucking companies will attempt to manipulate this loophole to claim they are in compliance when in fact they are not. (RTRU)

Agency Response: In order to claim any of the low-use provisions in the regulation, the fleet owner is required to report odometer readings in TRUCRS, which are verified during vehicle inspections. The fleet owner is also required to maintain records of mileage, and to provide those records to ARB upon request to confirm that the miles traveled by that vehicle remain below the threshold required by the regulation.

655. Comment: Also your 80 percent compliant ain't true. I'm a trucker. I used to go up the Grapevine at 16 miles an hour. There was black smoke blowing out of the stacks. There was a problem back then. Today, we don't have the problem. But it's like there is not 80 percent. Those truckers in this room, they drive up and down the roads. We know there is not 80 percent trucks compliant. There's not. There are people in this room right now that are scared to death that you might find out their name because they haven't turned themselves in in 2012. (BEACH)

Agency Response: Through evaluation of vehicle registration data from the Department of Motor Vehicles and ARB compliance reporting data in TRUCRS, ARB staff estimates that at least 85 percent of all California-registered heavy trucks meet 2014 compliance obligations. These rates are consistent with compliance rates encountered through field enforcement activities.

656. Comment: Non-compliant motor coach fleets undercut the charter market and should be brought into compliance on an individual basis no matter the size of the fleet. Therefore, if a non-compliant fleet owner self-discloses to CARB enforcement, prior to being cited by CARB, then CARB should develop an individualized plan to accelerate compliance including credit reduction of fleet since 2006, if applicable. (CBA01)

Agency Response: ARB has included guidance for self-disclosures in its Enforcement Penalty Policy and takes into consideration all relevant circumstances when resolving cases. ARB enforcement staff regularly work with fleets to draft individualized compliance plans as part of the settlement process, including a review of any evidence demonstrating a fleet's qualification for any applicable options, credits, or provisions that may be available under the regulation.

d) Multirule Impacts

657. Comment: While staff proposed amendments never addressed this issue, the CCTA would encourage the Board to consider all the proposed amendments from the standpoint of many truck owners having to comply not with just one CARB diesel related regulation, but multiple regulations and the cumulative financial burden they impose. Many CCTA members also own and operate offroad equipment as well as stationary engines and portable diesel powered equipment. The compounded compliance costs of conforming with multiple regulations is staggering for many businesses regardless of size. CARB should consider further amendments that factor any fleets requirement to comply with multiple regulations. (CCTA02)

Agency Response: The Truck and Bus Regulation has been adopted and amended to consider fleets impacted by multiple regulations. The amendments will not increase the cost of compliance; only give fleets more time to meet compliance requirements. When the regulation was amended in 2010, staff specifically looked at the impacts of both the On-Road and Off-Road Vehicle Regulations, and included the ability for fleets to apply credit, for off road equipment retrofitted with PM filters, toward on road compliance.

e) **Outreach**

- **658. Comment:** In order to minimize the emissions impact of these changes, however, we would strongly encourage your staff to place continued emphasis on incentive programs as well as on the outreach, as your staff mentioned. We believe the outreach needs to be very targeted to the trucking community and be given a high priority, specifically given the fact that lighter trucks may not be familiar with this regulations. They're going to need to come into compliance in 2015. (BAAQMD)
- **659. Comment:** We ask you to continue your commitment to implementing this very important rule. This is really a pillar of public health for all of California. We have seen a lot of improvements in air quality over the last decade, thanks to this agency's rulemakings, but we have a long way to go. We need to stay on track to eliminate diesel pollution as quickly as possible. We would like to see a continued commitment and more vigorous enforcement and outreach to truck owners. (TNRDC)
- **660. Comment:** CARB should redouble its outreach efforts to the many thousands of truck owners in California with information about the new amendments and compliance options in the regulation and provide additional time for fleets to report. (CIAQC03)
- **661. Comment:** ARB should reaffirm that any extensions or credits under the regulation require timely and annual reporting and that informing the tens of thousands of affected fleets are a top priority. (CFN01)
- **662. Comment:** Seems like one of the key things here is that we need to have some workshops to educate people about why you're doing this work. (RAMAP)

Agency Response: Continued outreach is important and ARB has committed significant resources for outreach and education to assist fleets in understanding their compliance options and the financial incentives programs that are available. ARB will continue outreach to members of the affected public through public speaking engagements, the Internet, informational flyers, media interviews, association meetings, and a variety of other methods of communication. We plan to continue to work with industry representatives and trade associations to inform their members about the regulation and to develop additional methods to educate stakeholders. We will continue to improve outreach materials. All informational fact sheets are now available in multiple languages, and the website has been made more user friendly.

663. Comment: We also urge you to ensure a ramped-up compliance, outreach, and enforcement efforts. (ALAOC)

Agency Response: See response to comment 662 about continued outreach activities. See response to comment 648 about enforcement activities.

f) Other

664. Comment: Why isn't my truck allowed on a Port? It makes no sense that my truck is compliant for the entire State, but not in a Port. Will this change? (SJABB)

Agency Response: Several years ago, the Board identified an immediate critical need to reduce exhaust emission exposure in communities where port and intermodal rail drayage activity occurs. Therefore, the Board chose to address drayage trucks (covered under the Drayage Truck Regulation) separately from the rest of California's truck population (covered under the Truck and Bus Regulation). The Board determined that the emission reductions achieved through implementation of Drayage Truck Regulation, which requires drayage trucks to operate with model year 2007 or newer engines, are needed to maximize air quality benefits and reduce health risk exposure for communities near California's ports and rail yards and are already fully implemented. For the above reasons, ARB has no plans to make changes to the Drayage Truck Regulation.

665. Comment: There isn't enough work to justify the payment and the down time that many of these new trucks are experiencing. Everyone would love to drive a new truck. That combined with the fact that our dealerships have long sold their allotments of new trucks for the year, with a waiting list well into 2015 now for a newer truck. (RGOOD)

Agency Response: The regulation requires fleet upgrades to provide emission reductions which can be expensive but are cost effective. Installation of PM filters can also be a viable option for 1996 to 2006 model year engines rather than purchasing a new truck. For information on how the amended regulation substantially lowers the costs for affected fleets, please see the response to comment 44.

- **666. Comment:** With regard to common sense for common owners, we know it's patently wrong to take a 30-truck fleet and divide it into three fleets for the purpose of getting more time under the regulation but there seems to be a barrier on pooling clean trucks for multiple business entities. I ask you to look at that. (CFN02)
- **667. Comment:** Give "common ownership" fleets the flexibility to count all their compliant trucks. If the board does not intend the owner of 30 trucks to create ten "three-truck" fleets to slow the rule down, then that owner should not be prohibited from counting all the compliant trucks regardless of which business unit holds title to the truck or bus. (CFN01)

Agency Response: The regulation allows a fleet to report and comply separately for the sub-fleets within the company such as subsidiaries, or divisions, but this flexibility is only available if the fleet is complying with the engine model year schedule and phase-in option of the regulation. The regulation does not allow the fleet to break up the fleet

to claim the small fleet option. The fleet owner also cannot legitimately claim to have three or fewer vehicles under common ownership and control.

If some of the vehicles within the fleet are under the control of different responsible officials because they are part of different subsidiaries, divisions, or other organization structures of a company or agency, the fleet owner may elect to have the vehicles that are under the control of different responsible officials to report and comply independently of other vehicles in the fleet owner's general fleet if choosing to comply with the requirements of the model year schedule in section 2025(g) or the phase-in option of section 2025(i) for the segment of the fleet under the control of the different responsible officials.

- **668. Comment:** I understand clean air and I am for clean air but in the diesel regs enforced is hurting all industries. I want to you to remember that 97% of the trucks on the road are owned and operated by companies that are 100 trucks or less and that's considered by most as a small business. Problem I have is that C.A.R.B wants to come after diesel trucks but yet in the smog areas at hand like Los Angeles, San Francisco and the central valley there is mass transit but yet everyone drives their car they put out more emissions than trucks do. (LSTAR)
- **669. Comment:** Even before this studies have proven diesel exhaust is less of a pollutant than gasoline but the standards for cars are less than diesel trucks so go ahead and regulate the trucking industry out of existence (MBROWN)

Agency Response: Staff agrees that major metropolitan areas have the highest concentration of traffic and have high exposure risk from pollution. However, cars have been regulated for more than three decades, leading to highly efficient and effective emissions control equipment that has led to drastic emissions reductions from cars over the past two decades. Truck exhaust emissions, on the other hand, have not been controlled to the same extent as car emissions and trucks have a much longer lifetime than cars. The health risk from cars is lower than trucks because most cars are gasoline fueled while most trucks are diesel fueled and emit toxic diesel PM. Achieving additional emissions from heavy duty trucks and buses is a critical part of the State's strategy to meet SIP obligations and to meet federal air quality standards.

670. Comment: Air Resources Board was uncertain and this is a work in progress they should not have imposed a law and told brokers specifically and directly that we would be responsible for compliance or to face stiff penalties. It's too late to take that back. Responsible brokers have worked very hard to get small truck owners to comply with the law based on the information given. These small fleet or single truck owners have put out every effort, leveraging their future based on demands by ARB that it was a requirement, to meet the prior schedule. Brokers such as our firm were given the task to spread the word on behalf of ARB and require compliance, or else we would face stiff penalties. We were told this not just once or twice but many, many times over a long period. When single truck owners would say "I heard there will be an extension" We checked with ARB.

ARB assured us that this would not be the case. The proposed new changes look so watered down that I don't see how compliance is even possible. (DFERR01)

671. Comment: If you implement the new proposed changes to the rule, what broker will be able to determine if a trucker is compliant or not and why should we have to be the ones figuring it out? Please put compliance and fines squarely on the shoulders of the individual trucker or trucking company and take it off the Broker's list of stuff we have to track. (ARTRU02)

Agency Response: The method to check a fleet's compliance status has not changed. Owners that report to ARB to use flexible compliance options must report information about all of the heavier vehicles in their fleet that operate in California during the year and can print a certificate that confirms they have reported to the ARB. Fleet owners that comply by using the engine model year schedule are not required to report but have the option to report company and vehicle information and to print a certificate that states they are complying with the engine model year schedule. Either certificate can be used by a motor carrier, broker or other entity as evidence the hired fleet has reported compliance with the regulation. Motor carriers/brokers or other entities must obtain copies of the certificate or other proof of compliance annually. ARB also posts the names and motor carrier numbers of the fleets that have reported compliance at http://www.arb.ca.gov/msprog/onrdiesel/tblookup.php.

- **672. Comment:** We would like to make sure we have our emissions numbers correct. We don't think that the estimates represent the factual basis what the emissions actually are. And we would like staff to tell us what they are, because we don't know. And if we are below the emissions levels that were projected or estimated, then I think that as compliant contractors, we should be entitled to a dividend or a credit or something going forward for keeping the emissions from the millions of dollars we've spent and bringing our fleets into compliance. (UCA)
- **673. Comment:** CARB should seek legislation to waive the sales tax for all in-State truck replacements, until January 1, 2023. It has been counterproductive to promote the purchase of new trucks with vouchers only to have the buyers of those trucks hit with the costly sales tax that is attendant to such purchases. (ACLOG02)
- **674. Comment:** A lot of us that borrowed and have gone deep into debt to be compliant with the current laws aren't interested in credits or extensions. But give me a tax break, a no interest loan, or an economic rebate for the good job we've done to clean up the air so that you can consider these changes and amendments. (VAF02)

Agency Response: For more information on why the amendments are needed, please see response to comment 136. ARB does not have the authority to develop any tax-

based programs. Any tax-based programs would have to be developed and approved by the Legislature and Governor.

675. Comment: My suggestion toward better implementation would be that this Board could help sell the program more effectively by putting the supply chain on notice that clean trucks must be used. And what I mean by that is you have a how-to verify policy - and it's on the Board website. Within the body of the regulation itself, you might want to tell folks like Caltrans who issue multi-billion dollar contracts that they're required - public agencies, developers - to pick up that language and put it directly into the regulation. I think that could help sell the program. (CFN02) (CFN01)

Agency Response: The regulation already contains language that any in-state or outof-state motor carrier, California broker, or any California resident who operates or directs the operation of any vehicle subject to the Truck and Bus regulation must verify that each hired or dispatched vehicle is in compliance with the regulation and must comply with the record keeping requirements. The requirement applies to public fleets.

676. Comment: I own one truck. It is a ten wheel dump truck, and has a mechanical motor. They do not make a filter for this truck. There is not enough money to buy a new truck. So, we drive the old truck. Just let me work for five more years. Let the guys with one truck work. We will start saving to buy a new one down the road, and we have cash to pay. I am in the Construction Truck program. Works fine for me. (JFULL01) (JFULL03)

Agency Response: ARB added the low-mileage construction truck extension in the 2010 amendments to allow a one truck owner with a dump truck to operate less than 20,000 miles per year until January 1, 2016, before needing to make an upgrade. Owners with more than one construction truck were required to have the first PM filter by January 1, 2014. As part of the recent amendments, the option was renamed the Low-Mileage Work Truck Option and the definition has been expanded to include other trucks. The requirement for a single truck owner has not changed, and if a PM filter is installed by January 1, 2016, the vehicle can operate until January 1, 2020 or later depending on the engine model year. If there is not a suitable PM filter available by 2016, the engine will need to be replaced unless the owner can operate below 5,000 miles per year and meet the requirements of the low-use vehicle extension.

677. Comment: Seven years ago, the cart got way before the horse. You didn't have your numbers. You didn't have the information. Today, I listen to these numbers that are absurd, absolutely absurd. Where the heck they come from is beyond me. 270,000 trucks in California? Give me a break, 670,000 trucks from out of California? 250 trucks a day run up and down I-5 past the Cottonwood scales, and you're going to tell me there's only 670,000 out of state trucks in this state. Where do you guys get these numbers? The gentleman before said we got my numbers from the DMV. We know 25 percent of trucks are 2010 and are

compliant. He doesn't know that. There is nothing at the DMV that tells you whether that truck is complying with anything. (PCRAM)

Agency Response: Data on truck populations are detailed in the emissions inventory and are from a variety of sources including vehicle registration information from the California Department of Motor Vehicles (DMV) and International Registration Plan (IRP) submittals. The data and analysis used for amending the Truck and Bus regulation and in estimating compliance rates are detailed in Appendix C of the March 2014 Staff Report: Initial Statement of Reasons for Proposed Rulemaking.

678. Comment: CARB should only require fleets that use special provision to report and alleviate reporting responsibility for fleets that comply using the Model Year schedule. (BSHEP02)

Agency Response: There are no reporting requirements for owners that comply with the Engine Model Year Schedules, and this has not changed.

679. Comment: If you are now making reporting of all vehicles a requirement to get the extension to 2023, I believe this is really penalizing those that did the right thing under BACT before 1/1/14 to have them now be required to report. I suggest that no reporting necessary if the PM filter is installed before 1/1/14 and they want to keep the original 1/1/2020 deadline. Reporting of their entire fleet would only be required if they wanted the extra 3 years. The regulation needs to stick to the original concept of no reporting if the BACT path is utilized. (BSHEP01)

Agency Response: The amended regulation modified the credit that previously required all vehicles in the fleet to have PM filters before the vehicle replacement date could be deferred to 2023 for the entire fleet. To claim the credit, owners were required to report the entire fleet of heavier vehicles by January 31, 2014. The amended regulation rewards fleet owners that complied on time and installed PM filter retrofits on any single vehicle before January 1, 2014, provided the fleet is in compliance. This change extends the time that the vehicle complies beyond what is allowed in the engine model year schedule before it need to be upgraded to a 2010 model year engine as long as the retrofitted vehicle remains in the fleet. For owners to claim the credit they must identify the vehicles in their fleet that were retrofitted before January 1, 2014, and must demonstrate compliance for the fleet. For these reasons, reporting of all the vehicles in the fleet is necessary and was not changed. Owners that continue to comply with the engine model year schedules and do not wish to claim credits still do not need to report.

680. Comment: Reporting requirements [(2025(r)(16)(D), p. 60]: It appears there is a typographical error in lines four and five of this paragraph, which indicate "items 2025(2)." There is no such section in the proposed language. Additionally, it appears that "(D)(1)" has a typo that reads "sections 2025(4)(5)" and there is no such section in the regulation. In our view, this section should be redrafted to

reflect that all the items that were required to be submitted for the January 31, 2015 deadline should also be required for the January 31, 2016 reporting deadline. (JAREN)

Agency Response: Staff corrected the typographical errors and redrafted sections as required.

681. Comment: Less than ten percent of the fleet is 2010 or newer. That means that 90 percent of the fleet has to turn over in the next nine years. We don't believe that there is the economic or the manufacturing capacity to replace that many trucks in that period of time. (CIAQC02)

Agency Response: Staff estimates that in 2012, more than 300,000 used class 7 and class 8 trucks were sold in the United States; in that year about 30 percent of those used trucks had 2007 model year or later engines and met PM regulatory requirements (ACT, 2012). This percentage will increase every year. Depending on demand, more of these trucks should be available for sale in California. Additionally, there are also a sufficient number of compliant new trucks available for sale in California. For more detailed information on the availability of trucks with newer engines, please see the response to comment 370.

682. Comment: By the time the Administrative Law review is complete, it will be June or July 2014 before the "changed" amendments can go into effect. On-Road Diesel fleet owners should be given a performance grace period until July 1, 2015 and given until January 31, 2015 to make further adjustments in the way they have their fleet registered with ARB. (CFA)

Agency Response: Staff plans to complete the administrative process to make the amendments effective by January 1, 2015. The amendments already allow for reporting until January 31, 2015 for fleet owners to take advantage of any new provisions. Therefore, there is no need to move the compliance date or the reporting deadline. Additionally, any proposed delay in the regulation would also not be effective until the administrative process was completed so there would be no benefit in proposing such a change.

683. Comment: This regulation was designed to reduce a wide variety of air pollutants and toxic diesel emissions to improve air quality state-wide. We understand it is a critical piece of the attainment strategy in many areas of the state, but not in Butte County. Toward that end, we appreciate the staff proposal to provide new compliance options and exemptions for owner/operators in our area. We request that the particulate filter requirement be suspended until CARB's current study is complete and your Board can consider the ramifications. If you do not suspend the filter mandate, we urge you to approve the extended compliance schedules your staff are proposing, including the provisions for agricultural vehicles and work trucks. We also support the proposed new NOx exempt areas, including Butte County. We understand with the new compliance

schedules there will be more trucks eligible for grant funding, which we support. (BCAQMD01)

Agency Response: ARB will continue to investigate claims of issues with verified PM filters; however, the overwhelming majority of verified PM filters operate as designed. Butte County was included in the amendment expanding areas designated as NOx exempt. Although vehicles operating exclusively in NOx exempt areas are exempt from the vehicle replacement requirements of the regulation, these vehicles are still required to have PM filters installed to reduce emissions of diesel PM; albeit on a longer timeline as provided in the amended regulation. For more detailed information on the approved amendments see the response to comment 136. For more detailed information on the reliability of PM filters, please see the response to comment 731.

684. Comment: The On Road CARB calculator needs to be updated as soon as possible to match the proposed changes. This tool helps us to keep our fleet compliant. (NEI01)

Agency Response: The fleet calculator is a tool for fleet owners to use for planning to meet future requirements while using flexibility options in the regulation, and updates that reflect the amended regulation will be made available as soon as possible.

g) Out-of-State Concerns

- **685. Comment:** We live about 10 miles north of the Oregon-California border and generally do not run too many miles in California. We don't expect you to change the rules for us but hope that you would create an exception or permit for those of us that operate only in Modoc, Siskiyou and Del Norte counties. These counties are all sparsely populated and they have no pollution problems. We do not operate in California enough to justify installing a PM filter and certainly not enough to justify buying a newer truck. (BSNS)
- **686. Comment:** As a trucking company, my trucks will not be going to California again and I am talking with any trucking company that will hear me to do the same. Interstate Commerce is supposed to be an even playing field across the board. (KMULL)
- **687. Comment:** I'm an out of state owner who runs 60 percent of my miles in your state, and I have to comply and I am. I have to compete for the same business against those that got grants and now those that are not going to do a thing until they are caught and fined. Fair trucking rates are not going to go up to meet the cost of running the newer trucks until the playing field is leveled and everyone understands the excessive cost of running the newer trucks. (SWASI)
- **688. Comment:** Your web site says the trucks (out-of-state) cause less than 20% of pollution to your state...why are you pushing so hard for us to change instead of enforcing public transit for city dwellers? (AGIBS)

- **689. Comment:** I can't afford a new truck and I would be forced to stop hauling in California. We generally haul Hay to your dairies and bring various commodities back. I know of at least 10 owner operators that are directly affected by this new law. Please consider something for the owner operator allowing the people from other states to continue to haul into and out of CA. We do not house our truck in CA and should not be held to CA laws. (APALK)
- **690. Comment:** I live in California, but all of my miles are ran out of state. The 1,000 mile low-use exemption rule is a joke. If I was allowed 5,000 miles in the state, I can live with that. Will ARB require dirty foreign ships coming into the ports daily to get an upgrade, too? I'm all for clean air, but I can't see how 5,000 miles or less versus 1,000 mile is going to clean up America's air. (RSMIT)

Agency Response: Reducing diesel PM emissions is a high priority for California in order to meet federal and state air quality standards, and to reduce the public's exposure risk to toxic diesel PM. The 5,000 mile threshold represents less than 5 percent of the annual miles travelled by heavier trucks. Raising the mileage threshold any more than 5,000 miles per year unnecessarily increases the risk of exposure to diesel PM and emissions. For more detailed information about expanding low use mileage, please response to comment 699.

For fleets traveling exclusively in cleaner (NOx Exempt) areas of the state, the regulation provides a flexibility option that allows fleets to phase in PM filters under a later compliance schedule between 2015 and 2020. For one-truck fleets that operate exclusively in such areas, they do not have any PM filter requirements until January 1, 2017, but must report to use the extension. Please see response to comment 432 for more detailed information on NOx exempt area option, which is also available to out of state fleets that operate exclusively in the designated clean air regions/counties.

16. PM Filter Issues

a) Costs to Own Are High

- **691. Comment:** We have encountered many problems with PM Filters on a retrofit Purifilter installed on our 2002 Kenworth. Once a month we have to have it taken down and do the bake. It's not free. Our 2010 Kenworth has to be taken down about every other month. We purchased a 2014 truck in September 2013. We have been in business since 1963 and we do not want to close because of the regulations. (FROCHE)
- **692. Comment:** As an owner/operator our profit margins are not extremely high. The cost to retrofit or purchase a newer truck just doesn't make good business sense. (MCASH)
- **693. Comment:** We own one 18-wheeler, 2007 with a 2006 engine. How can this rule be passed to make a truck owner be required to spend \$20,000 for a PM filter or else risk a fine? (CALV)

- **694. Comment:** I was planning to install a filter, but recently I found out that it will cost \$25K. The truck is too old to spend that much money. (ORIN)
- **695. Comment:** I for one have spent \$7,000.00 this March 2014 on engine repairs to bring my equipment into operating parameters of installing a filter. The DPF will be detrimental if your turbo, cam, cooling system etc. is not good. That point is conveniently overlooked when the cost of a filter is calculated. (TTROTT04)
- **696. Comment:** The cost for Diesel Particular Filter (DPF) is so expensive and out reaching of these cost. We have also seen a rising cost of operation of the truck due to these DPF units. From the time spent in the shop for repairs to the cost of the fuel because the fuel consumption has gone up and Miles per Gallon has gone down. (LHUT01)
- **697. Comment:** I'm also a producer and a livestock hauler. We are all interested in clean air, clean water, [and] pristine environments. We all want it. And what you're asking us to do is financially impossible. I haven't heard anybody that said that the particulate filter is the best thing that ever happened to them. Nobody. They work great on the ranch, but they don't work on the trucks. They're making these particulate filters to fit a certain area, but they don't have the motor to fit the particulate filter. The cost that you're asking us to take on is huge. (UNK02)
- **698. Comment:** Hearing a lot about (diesel particulate filter retrofit) cost as well. It is a big cost, 95 percent of the retrofits that we put on range from about \$9,500 up to about \$13,500. That's 95 percent of what we put on is in that price range for the filter and the installation. I hear \$20,000, \$30,000, [and] \$40,000. That's not an average by any means. There are filters that can get up that high for specialty cases. But in most cases, the costs are lower, which is still a huge cost. (MAIR)
- **699. Comment:** The costs associated with retrofitting a school bus are at least as great if not greater than trucks for numerous reasons, including but not limited to the following two quick examples. First, large rear engine buses require a dual remote system with one in the back of the bus for maintenance and the other in the driver compartment. Second, the smaller A and B type buses that are commonly used to transport special education students have less lateral space and vertical ground clearance under the bus to accommodate the filter. (FSTU02)
- **700. Comment:** Anyway, my biggest complaint, as you know, is your filters. I think I'm living proof that they are not dependable. They're unsafe, they're dangerous, and they're very expensive. (BCALD)
- **701. Comment:** Do you not know that you are asking for all of a single truck owner operator's profit when you ask him to upgrade his equipment? (VPARE)

702. Comment: I own and operate a 2005 Freightliner. I spent \$16,900 to comply and I was forced to charge this expense to several credit cards, which means that I will incur several thousand dollars of interest charges in addition to the cost of the retrofit itself and annual expense of at least \$400 to remove and clean the DPF. (TJONES)

Agency Response: The amended regulation would reduce compliance costs for many fleet owners by deferring certain compliance requirements and thereby distributing the costs incurred over a longer period. This will provide fleet owners more time to make the required upgrades while providing more opportunity for compliant truck prices to naturally decline. Fleet owners that comply by replacing their existing trucks with used trucks in lieu of retrofitting with a diesel PM filter will benefit from overall lower cost compliant trucks.

PM filters are a mature technology and have been installed in millions of vehicles across the United States and in many parts of the world to comply with emissions standards for new and existing vehicles. For more detailed information on PM filter technology, please see the response to comment 731.

- **703. Comment:** My truck gets 8.2 MPG avgerage. It is Kenworth 2006. If I put an after treatment on it, it will kill my stellar mpg and kill performance. Fuel economy is paramount to me since I pay for my own fuel. This truck burns very clean, no soot out of the stacks no matter how I push on the throttle. I will not put an after treatment on my truck, period. (DHOHEN)
- **704. Comment:** We retrofitted 10 trucks early to get an additional 10 trucks in compliance. The cost was \$150,000 for the retrofits. These retrofits reduce fuel mileage. The reduced fuel mileage amounted to \$11,000 per vehicle. (FTRUC01)
- **705. Comment:** The cost for Diesel Particular Filter (DPF) is so expensive and out reaching of these cost. We have also seen a rising cost of operation of the truck due to these DPF units. From the time spent in the shop for repairs to the cost of the fuel because the fuel consumption has gone up and Miles per Gallon has gone down. (LHUT01)
- 706. Comment: I own and operate a 2005 Freightliner. Since the retrofit, my fuel economy has decreased .448 miles per gallon. If this decrease holds or worsens, I will incur approximately \$4,000 in additional fuel expenses per year based on today's fuel prices and last year's total of 110,633 miles driven. I fail to see how forcibly requiring me to spend an exorbitant amount of money just to end up consuming more diesel fuel can possibly improve California's air quality. (TJONES)

Agency Response: ARB recognizes there is a small fuel economy penalty of up to 2 percent from the use of retrofit PM filters. ARB considered the impact on fuel economy

in the economic and emission impact analyses in the 2010 ISOR. Even after considering this, staff's emission impact analysis showed a significant benefit in NOx, PM, and GHG emission from the amended regulation, including a 90 percent reduction in toxic diesel PM emissions.

707. **Comment:** Buses tend to have very different "duty cycles" than trucks. Most buses tend to operate shorter distances, with frequent stops (due to picking up and dropping off passengers) and primarily travelling at slower speeds than trucks. In First Student's experience, this is problematic from the standpoint of increased maintenance intervals for PM cleaning on some (but not all) buses. This makes for higher maintenance costs due to different buses running different routes, requiring different levels of maintenance. Conversely, trucks have a higher likelihood of operating at higher speeds (on highways) for longer time periods. allowing their PM filters to burn exhaust gases more efficiently. Also, truck engines are frequently hauling much greater cargo weights, forcing them to work harder at higher temperatures -creates greater efficiencies for their PM filters. Based in part on the above, First Student has found that bus PM filters can require more maintenance than similar filters used on trucks. In sum, it has been First Student's experience that the buses that have the better PM filter operation and maintenance records tend to be the ones where the PM filter was installed by the original equipment manufacturer ("OEM") for the entire bus, as it was designed and tested in conjunction with the engine and exhaust component manufacturers. (FSTU01)

Agency Response: School bus owners may choose to replace buses instead of installing retrofit PM filters and were not prohibited from replacing their oldest and most polluting school buses prior to 2014. Typically, school buses with 1987 and newer model year engines can be successfully retrofitted or will be originally equipped with PM filters, while 1986 and older model year engines cannot be equipped with PM filters and will ultimately need to be replaced by a newer model year engine that can be equipped with a PM filter. Retrofit PM filters have proven to be a cost-effective option for school buses. Thousands of filters have already been installed on school buses throughout the State, with less than one percent exhibiting issues. When issues have arisen, PM filter manufacturers have worked with fleets to resolve them. Retrofit PM filters are a cost effective strategy to reduce emissions, as approximately seven school buses can be retrofitted for the same cost as a replacement school bus. A PM filter costs less than a new bus, even when considering the added cost of infrastructure and electricity. Finally, fleets will incur maintenance regardless of whether an aftermarket filter or an original engine manufacturer filter is installed in the school bus.

708. Comment: The amount of money it takes to retrofit a truck just to do business in your state or to buy a newer truck doesn't justify the cost. (JBURL)

Agency Response: Staff recognizes that the purchase of a PM filter or replacement with an OEM PM filter represents an additional cost to a business owner. However, business owners must take these operation costs into consideration when deciding

whether or not they will operate in California and plan accordingly. The regulation was initially adopted in 2008, which has provided fleets significant time to strategize how to incorporate these operating costs into their budget. The cost of compliance is more than offset by the air quality and health benefits the regulation provides.

b) Durability Concerns

- **709. Comment:** I would like to specifically address the issue of filter durability. I think this has been raised on many occasions. Through our own experience, we learned that, one, pre-assessing and fixing engine problems prior to installing filters and following required maintenance schedules have been the key to drastically reducing filter failures. The problems that we see are most likely as a result of bad injectors, leaky turbo chargers, and valve problems that existed before the filters were installed. The problems became amplified by the increased exhaust restriction that occurs when filters become loaded with soot and increased back pressure. This condition remains a byproduct and not a root cause. This is why Johnson Matthey's policy is for its distributors is to not install filters on a truck that does not pass an pre-assessment test that has not remedied the engine issues identified. (JMATTHEY02)
- **710. Comment:** My recommendation is more time than what is even being proposed. This will get the filter manufactures more time to continue to debug their products, and truck owners to more time to integrate their fleets financially. (DKIRW)
- **711. Comment:** My recommendation is more time than what is even being proposed. This will get the filter manufactures more time to continue to debug their products, and truck owners to more time to integrate their fleets financially. The current generation of filters are not reliable and our burning more fuel as well as reducing engine power. The down time and shop time is crazy. The manufactures are not ready no matter what they say. (DKIRW)
- **712. Comment:** The Construction Industry Air Quality Coalition believes that filter reliability is a critical component of this regulation. The issue of filter performance, both retrofit and OEM, is significant as you heard from others. (CIAQC02)
- **713. Comment:** The filters you got, they're a piece of junk. They cause all kinds of problems to the motors. They have to take them in and have them worked on. You can get them so hot and drive them so far then you have to shut them down. You have cement mixers up in Redding that had to shut down. They had a heck of a problem because they had to shut it down. It was all the filter. (GCADD)
- **714. Comment:** Regarding 2007-2009 trucks with manufacturer-installed particulate matter filters, one fleet owner with 11 of the 2007-2009 model year trucks has experienced average costs of about \$2,000/month/truck in downtime and repairs. The filters have been the cause of melting 43 turbochargers over the past 6

years along with a multitude of other problems. Hence, newer trucks with factory installed filters are not free! The newest trucks, 2012 and newer, appear so far to be only experiencing normally expected maintenance. (CFA)

- **715. Comment:** The last thing we wanted to do was comply. We did though. \$319,000 I've spent to comply. One of the trucks -- my very first truck I complied with has been nothing but trouble. 2008, first year they came out with the particulate filter on it from the factory, I spent another \$27,000 to keep it on the road. (VAND)
- **716. Comment:** These new trucks are unreliable, dangerous to life and property and have poor fuel mileage. Burning more fuel per mile is what your policies have created. (KMULL)
- **717. Comment:** I bought two 2012's two years ago. I have a -- in the last year, in 2013, and this year. Both of my new trucks were in the shop numerous times, and I paid Kenworth \$32,000 for services. The DP's do not work, and the dealership does not know the problem. I had to go directly to PACCAR to get it fixed. (LASI)
- **718. Comment:** With all the maintenance problems of the newer trucks it would just be a matter of time before I lost the truck. (SGEE)
- **719. Comment:** I bought 2010 and newer trucks. The problem is this emission system does not work. I can't pay to have a particulate filter boiled out and lose two days of profit. I was in Stockton. The engine light came on. They wanted \$300 just to plug in the computer. They cleaned the doser valve. It was plugged up. It was \$890 bill to get that one truck out for this. And I've paid the money get these newer trucks. And now I can't afford to run them because of the cost of the failure of these filters. (RVAUG)
- **720. Comment:** And these newer tractors, 2008-2011 not only do the drivers have a monthly payment for them, but they are having monthly or maybe even weekly repairs on them due to the filters installed not working properly. It appears that not all of the problems that the installed PM filters are causing were worked out before the tractors started being sold. Is there any compensation to these drivers? (TPAST)
- **721. Comment:** If you talk to any heavy duty towing company they'll tell you that these new engines aren't very reliable. The shop foreman say's the new engines have "issues" but they're "headed in the right direction" because warranty claims are down 40%. (WWADE)
- **722. Comment:** Well I don't agree with this new rule with forcing any trucking company to install these retrofitted engines in their trucks. These new engines from 2008 thru 2010 or so on are giving the trucking companies a lot of problems

with down time poor fuel mileage. These engines don't allow for production. (EJONES)

- **723. Comment:** Salesmen of all makes have told me a single truck operator will go broke not because anything they do wrong, it's the 2007-2014 trucks that are unreliable. The downtime will bankrupt them. (PFITZ)
- **724. Comment:** On the new trucks I see at least 20 or more, 2010 to 2014, all makes of trucks sitting alongside the Highways every trip to CA. Either waiting for a service truck or tow truck it is all from the new emission's on the trucks. I have taken the time and asked the people who work on all the trucks. They all say the same thing-- it is not working. The cost is 30 percent higher to own and they do not last. Engine failure anywhere from 240,000 to as low as 123,000 miles. (PFITZ)
- **725. Comment:** We own 5 trucks and employ 14 people. We had to replace our entire fleet with newer trucks, without getting any trade-in credit. Also, we are plated by our contractee, in IN, so we were not eligible for financial assistance to make the changeover. In addition, the speed at which the transition was required did not give truck [filter] manufacturers time to develop quality products. My trucks are in the shop for emissions related problems monthly. My repair costs have almost tripled. Your regulations... will probably put us out of business in the very near future. This business is (was) our retirement, but these regulations just robbed us of \$500,000. We are all for clean air, and are very concerned about climate change, but this program is a total disaster when it comes to implementation. (DJACK)
- **726. Comment:** This new compliant equipment is less reliable and has cost us tens of thousands in additional repair costs and is much less reliable. Our old non-compliant equipment was much more durable and reliable with significantly less repair costs. (ANTRU)

Agency Response: There are millions of trucks on the road today, in California and across the United States, which are equipped with diesel particulate filters and are operating properly. Staff recognizes that some fleets have indicated problems with their PM filters, resulting in vehicle downtime. Staff's analysis indicates that in the vast majority of these cases the PM filter is actually operating properly, and that the vehicle is experiencing an underlying engine issue. These issues, including turbocharger or exhaust gas recirculation system failures, lead the engine to generate excess PM emissions which can plug the filter leading to more frequent regeneration and the need for more frequent cleaning, damage the filter immediately, and/or lead to eventual filter damage caused by excessive regeneration and plugging. If the engine issue is not resolved quickly, the truck owner is more likely to experience engine/vehicle downtime.

Staff's experience has been that fleets with extensive preventive maintenance programs generally do not have the frequency of problems with engines that fleets that do not

have preventive maintenance programs experience. To address this, staff is working with retrofit installers, vehicle dealers, industry associations, community college training programs, and trucking associations to identify the most cost-effective preventive maintenance practices, to quantify the benefits of these practices, and to distribute this information to fleets. Our expectation is that by distributing this information and indicating the benefits of these practices that fleets will adopt these practices and as a result better protect their vehicles and the environment.

c) Unproven Technology

- **727. Comment:** My biggest complaint, as you know, is your filters. I think I'm living proof that they are not dependable. They're unsafe. They're dangerous. And they're very expensive. (BCALD)
- **728. Comment:** I am writing in to support the California Bus Association comments regarding the defective filters and recalled filters under the CARB Bus and Truck Rule regarding vehicle emissions. (CBA04)
- **729. Comment:** The rule changes and extensions have put my family and business in financial ruins. There is no option but to take a risk in investing in unproven equipment. (MJOHN)
- **730. Comment:** I have 15 trucks. I'm compliant today. I have ten trucks that have filters on them. And for the people down here in front that had a Committee that went around and checked on these filters, let me tell you what. They don't work. They don't work. Come to my fleet and look at the money that I put into these filters. (BEACH)
- **731. Comment:** The Governing Board of the Butte County Air Quality Management District (Board) continues to be concerned with the economic impacts of the regulation and the particulate filter mandate continuing in rural areas, while there are still reports of performance issues. We request that the particulate filter requirement be suspended until CARB's current study is complete and your Board can consider the ramifications. (BCAQMD01)

Agency Response: PM filters are a mature technology and have been installed in millions of vehicles across the United States and in many parts of the world to comply with emissions standards for new and existing vehicles. PM filters can also be retrofit to in-use vehicles, and the use of verified PM retrofits in California has been proven effective. Properly functioning diesel particulate filters reduce diesel PM emissions by 98 percent or more. ARB verification program ensures that emission reductions achieved by diesel retrofits are both real and durable and that the retrofits are achieving emission reductions which are consistent with their verification. The verification program also requires a minimum warranty be provided by the manufacturer. For more information on ARB staff's evaluation of PM filters, please see response to comment 726.

ARB also has an active program for certifying new diesel engines to strict emissions standards. All on-road diesel engines have been equipped with PM filters since 2007. To sell new engines in California, engine manufacturers must first certify their engines through ARB. This requires that the manufacturers conduct durability and emissions testing, provide warranty coverage, submit warranty reports to ARB, and conduct in-use testing.

d) Retrofits and Engine Problems

- **732. Comment:** I have been an Owner/Operator for over 25 years and have lived most of my life in California. I own a 2001 Freightliner FLD with a C-12 Caterpillar motor. Every tech I have contacted has cautioned me against installing the particulate filter on my motor. The general consensus is that C-12 Caterpillar motors do not operate well with the filter. I have about 3 years left before retirement and have no plans to retrofit or replace current equipment. (JMCDON)
- **733. Comment:** While there seems to be some success with the retrofit filters on trucks that travel on the highway for an extended period of time there have been multiple problems with trucks that have retrofitted and work in a small radius as dump trucks do. Working in a small radius does not allow the engine to build enough heat to keep the filter clean. This causes multiple problems. One is that the truck can have a malfunction causing costly repairs and a lower supply of trucks. Next if a driver realizes that the filter is getting plugged they have been told by filter installers to get on the freeway and drive approximately 60 miles in one direction and back to clean out the filter. That extra 120 miles per week that trucks are having to drive that is putting pm into the air not to mention wasting fuel. (STLLC)
- **734. Comment:** We have had nothing but problems in our 2007 Volvo. It has been in shop several times and right now it has been shop for more than 3 weeks. Due to the DPF filter they are not sure if the engine it not accepting the filter. We have a Volvo dealer and Holt of California doing all sorts of diagnostic tests and no answer yet. Two years ago we put on a new engine and ever since we put on the filter this has been going on. This has really been a hardship for our company and drivers. (AGUIT)
- **735. Comment:** We retrofitted 10 trucks early to get an additional 10 trucks in compliance. The cost was \$150,000 for the retrofits. These retrofits damaged several motors and required extra maintenance. The required extra maintenance caused the trucks additional time which decreased the annual truck revenue by \$10,000 per year. The 3 damaged motors caused by sub-par engineering of the retrofits Cost \$15,000 per motor. (FTRUC01)
- **736. Comment:** Our maintenance costs have skyrocketed as the DPF filters have proven to be troublesome from the day they were installed. (RTRU)

- **737. Comment:** PM filters cause extreme stress on a high mileage engine. Our truck has high mileage and our engine would have to be rebuilt before installing a PM filter. We cannot afford to do this. (MRICH)
- **738. Comment:** One of my friends started to have problems with the truck after he installed the (PM Filter Retrofit) system which made me change my mind and want to order a new truck. (ORIN)
- **739. Comment:** Trucks like mine aren't designed for the aftermarket filters as they cause more back pressure to the motor and then the truck loses fuel mileage. I ask you to go to any truck dealer and look at the trucks in the shops they are 2008-2012 trucks. These trucks have many issues with EGR valves and particulate filters. This causes downtime that can take from 3 days to 2 weeks and this is revenue that isn't covered by warranties and is lost that can't be recuperated. (LSTAR)
- **740. Comment:** There must be a heightened awareness of the safety consequences of retrofitting older motor coaches with DPF devices never intended by the bus or engine manufacturers to be attached inside a motor coach. From an overall operating and basic vehicle configuration perspective there are significant differences between most heavy duty trucks and private motor coaches when non-OEM Diesel Particulate Filters are attached or fastened on to the emission tailpipe of a bus, which includes: the engine duty cycle, overall components inside a bus, bus configuration, exhaust gas recycle (EGR) engines, and engine RPMs. Because DPF retrofits are not OEM approved, significant operation issues arise such as no engine shut down features. The big danger is the potential for fire caused by a failed turbo plugging the DPF. (CBA01)
- **741. Comment:** The requirement to either purchase new equipment or add the extremely expensive and unreliable filter has decimated the small trucking companies in California. (PHTRANS)
- **742. Comment:** My Board still continues to be concerned about the particular filter mandate that's continuing in the rural areas while there are still reports of performance issues. So we request the Board really look at the study that's being started. And we understand it's still ongoing and consider maybe just suspending that PM requirement until the study is done and the Board can consider the ramifications. (BCAQMD02)

Agency Response: Ensuring retrofit PM filters work properly in California has been one of the Board's highest priorities over the past decade. Every retrofit PM filter that is installed on a vehicle has gone through ARB's rigorous verification program that requires manufacturers to demonstrate that their equipment works effectively, both in the laboratory and over the road. The process is designed to be as comprehensive as possible to minimize problems once PM filter retrofits enter the marketplace. In addition to the verification process, manufacturers of verified PM filters must also offer comprehensive warranty coverage for their products that includes any engine damage caused by the retrofit. For heavy heavy-duty engines, the minimum warranty period is 5 years or 150,000 miles. ARB did identify cases where fleets were having problems and in these cases ARB generally found that the filter was working as designed but the engine had experienced a component malfunction. Some engine component malfunction can generate excess PM emissions that impact PM filter performance, therefore engine maintenance is critical.

We recognize that periodic failures occur, but they are mostly not related to the PM filter. In most cases, these failures are covered under warranty, and in some cases, design changes have been made to correct issues. If there is an emissions related problem ARB can issue a recall. Considering all of this, ARB does not agree that a delay in the PM filter requirements is warranted. For more information on ARB staff evaluation of PM filters and preventive maintenance, please see response to comment 726.

743. Comment: In rural parts of the state, we still have a lot of mechanical engines. You can't put a filter on these things that will work. We're putting low mileage. (ALOG02)

Agency Response: Fleet owners need to identify which PM filters are most appropriate for their application. Passive systems require the exhaust temperature to be in a suitable range and no interaction by the driver is needed; however, for applications where the exhaust temperature is not high enough (cold duty cycle) an active device may be required. For more information on the availability of PM filters, please see response to comment 757.

e) Safety Concerns

- **744. Comment:** Another piece of retrofit misinformation that has been shared at workshops and public hearings in California has to do with the tendency of DPFs to cause vehicle fires. As a point of reference, from 2004-2006, the U.S. Fire Administration reported approximately 258,500 roadside vehicle fires per year, including over 15,000 truck fires and over 2,500 bus fires, none of which involved a DPF. Subsequent reports showed that from 2007 to 2012, as the fraction of filter equipped trucks in the U.S. truck population increased, the annual average number of truck and vehicle fires didn't increase but rather dropped by 33 percent to 172,500 in 2012. Over 75 percent of these fires were caused by electrical or mechanical malfunction. (MECA01)
- **745. Comment:** I never applied for a loan for a filter that gets over 1,200 degrees and sits right beside my fuel tank for obvious reasons. (CSDT)
- **746. Comment:** The DPF has been plagued with so many problems and has speculation of several truck fires. (LHUT01)

- **747. Comment:** The bus configuration is not set up for the DPF filters, the add-on aftermarkets. The engine compartment is very small, very congested with turbans and all the other parts in there that go in there. And so what happens is they stuff these things in that don't fit. And then they generate so much heat, they create a fire danger. As we saw a couple weeks ago what a bus and a fire will do, it's very dangerous. We're carrying people, not tomatoes. (ASL)
- **748. Comment:** I've listened how many times today to people say that these filters are safe. Where I live within a seven-mile span of highway, we had three of them burn up in November. You just had a tour bus burn up on I-80 down here by Fairfield. We don't know yet if that FedEx truck and that bus was the cause of a filter fire. (SMILLI)
- **749. Comment:** The filters are unsafe. They're unreliable. These filters, have they been okayed from DOT? Have they gone through the review of safety and the transportation, the federal Highway Transportation Department? Have they been okayed, the placement of these filters, the heating? (TLUIZ)
- **750. Comment:** We're in a lot of dry fields where we have a lot of high fire danger with these filters mounted under our trucks that can cause a lot of problems. (CBAK)
- **751. Comment:** My biggest complaint, as you know, is your filters. I think I'm living proof that they are not dependable. They're unsafe. They're dangerous. And they're very expensive. (BCALD)
- **752. Comment:** The filters you got, they're a piece of junk. They catch on fire. (GCADD)
- **753. Comment:** Filters run from 1200 to 1400 degrees Fahrenheit. You may experience a grass fire, your driver might get burned, you burn up your engine, or you burn up your turbo. The stress of all this, and trying to determine whether or not you get to the nearest maintenance station before your truck shuts down, are all very difficult for drivers to deal with. You might have heard about the molten metal from the rooftop, one that came through the cab on top of the driver. It's very dangerous. We're going to have lawsuits. Please protect us also when we go to court for convictions for starting fires and creating hazardous conditions for our employees. (ACAST)
- **754. Comment:** I am in agreement with the proposed modification of Section 2025 as proposed by the California Bus Association. I prepaid the units deemed appropriate for my buses and found at installation time that they would not fit and no approved unit will fit my coaches. I am currently awaiting a decision on my request for an extension until a unit can be manufactured to fit my coaches. We have spent \$27,000.00 and still do not have a suitable filter. We cannot risk a unit that will catch fire or endanger lives if it does catch fire. (CBA03)

755. Comment: I hope you've noticed the increase in class 8 fires. DPF filters are burning people's belongings and livelihood up in smoke. Making it so that older trucks have to be retrofitted is going to cause death and destruction and it's really not going to improve your air quality. (KMULL)

Agency Response: Through the Retrofit Advocate Program, staff has conducted 61 investigations of retrofit issues in on-road and off-road applications. As of August 1, 2014, 57 of these 61 investigations have been resolved with four pending. The vast majority of these investigations were resolved by ensuring engines were in proper repair, and retrofit PM filter maintenance schedules were followed. About 45 percent of the investigations were resolved through repairs made under the warranty with no direct cost to the consumer. When engines are properly maintained, and retrofit PM filters are properly installed and maintained, problems are minimized.

Staff also evaluated potential issues that may affect the in-use application of PM filters. For example, claims have been made that PM filters are the source of highway vehicle fires. Data from the U.S. Fire Administration supports the fact that PM filter technology is safe and does not support a the claim that the introduction of PM filters has increased the incidents of vehicle fires. Nationwide, before the widespread adoption of the PM filter between 2004 and 2006, heavy-duty trucks accounted for 6.3 percent (16,300 incidents) of all vehicle fires. Between 2008 and 2010, when heavy-duty trucks typically were originally equipped with PM filters, the rate of vehicle fires was lower at 13,200 incidents annually. The decrease in nationwide heavy-duty truck fires between 2004 and 2010 indicates that PM filters, do not appear to be positively correlated or a causal factor for heavy-duty vehicle fires. The regulation does include a provision to delay compliance if the fleet owner can demonstrate that all available PM filters are not compatible or cannot be safely installed on vehicles. For more information, see response to comment 757.

- f) Other
- **756. Comment:** I have a 2005 truck that is equipped with an MXS engine that is not eligible for this PM filter adjustment so my only other option is to buy a new truck, which I cannot afford. I was turned down by Paccar and Rush Peterbilt for financing because I have no down payment. I feel that if forced to buy a truck for California regulations I would be putting myself in a position for business failure. Possibly if they gave me until 2017 I might be in a better position. (DPASK)
- **757. Comment:** Need more time, since the economy has not recovered and cannot buy a newer truck and there is no filter for my truck. [We] will be forced to move to other state, to continue with my perfect running truck. (JRAM)

Agency Response: There are several PM filter retrofits that are verified for most engines and retrofitting the truck should be a viable option for most fleets. If all available PM filters are not compatible or cannot be safely installed on vehicles that

have 1996 model year or newer engines, the owner can apply for an annual extension from the PM filter requirements. To apply the owner must submit documentation to ARB from one or more authorized installers to document that none of the available PM filters are compatible. A PM filter extension can be renewed each year if no other PM filters become available for the engine; however, by January 1, 2018 any engine that has not been retrofitted will need to be replaced. Owners that cannot afford to comply may be able to qualify for the Economic Hardship Extension. For more information on the requirements of the Economic Hardship Extension, please see response to comment 270.

758. Comment: Can you please provide the emissions readings during the regeneration process on all on road diesel trucks with DPF. It has been brought to our attention that the emission readings during the regeneration process on all on-road diesel trucks with a DPF might be high, in all areas. (DWIL)

Agency Response: Manufacturers must account for emissions from an OEM PM filter regeneration in two ways:

- 1) They request for an approved AECD (Auxiliary Emission Control Device) during the regeneration process. This allows an engine to operate outside of its normal behavior for a limited time due to certain circumstances. PM filter regeneration falls under this category. During certification, manufacturers declare this as an AECD and ARB approves this as a part of the certification.
- 2) During certification manufacturers account for the anticipated excess emission with RAFs (Regeneration Adjustment Factors) that gets added to their exhaust emission values. Therefore, the numbers that ARB uses to determine if a manufacture is meeting the emission standard does include these excess emissions from PM filter regeneration.

For retrofit PM filters, high emissions are not expected unless the filter is malfunctioning. Emissions are calculated during the verification process and are based on the frequency of regeneration and durability of the filter, and emissions during regeneration are considered. The PM filter is not verified until these calculations have been completed. For more information on regeneration emissions, please refer to the following study: Dwyer, H., Yoon, S., Quiros, D., Burnitzki, M. et al., "Ambient Emission Measurements from Parked Regenerations of 2007 and 2010 Diesel Particulate Filters," SAE Technical Paper 2014-01-2353, 2014, doi:10.4271/2014-01-2353.

759. Comment: We had previously given testimony and sent letters advising CARB that the technology to retrofit concrete trucks that do not create sustained exhaust was not available. Almost every DPF requires 260 degrees Celsius 25% - 40% of the time. The Cleaire Longmile only requires temperatures of 260 degrees Celsius 7% of the time. These retrofits worked well for us. I have heard countless number of horror stories from others in our industry about problems that they had with other brands of DPFs. (AARMC01)

- **760. Comment:** It should be noted that the speed limit on the entirety of Catalina Island is 25MPH, which makes the functionality of particulate filters especially challenging and costly. (CIC02)
- **761. Comment:** Catalina Island has light-duty buses that provide inner-island transport and visitation to the wild places of Catalina Island that exceed the 1,000 mile or less a year low-use requirement. We have an especially difficult challenge on Catalina Island in that the speed limit on the entire island is 25 miles an hour. I understand the technology related to particulate filters requires a lot of manual work related to those, and we're committed to doing that. And hopefully we can show some leadership in the state and how we apply that on Catalina Island. Our vehicles don't go in excess of 25 miles an hour, which does present some additional challenges for particulate filters. (CIC01)

Agency Response: Fleet owners need to identify which PM filters are most appropriate for their application. Passive systems require the exhaust temperature to be in a suitable range (as identified in the PM filter's governing Executive Order) and no interaction by the driver is needed; however, for applications where the exhaust temperature is not high enough (cold duty cycle) an active device can be used. In the unlikely event that no verified device is suitable for a specific engine, the regulation does not require fleets to use retrofit PM filter technology. PM filters are only required to be installed when they are proven to work for a specific engine family and can be safely installed. In the event that a VDECS is unavailable for a particular engine class, the regulation allows for annual extensions from the PM filter requirement until January 1, 2018, as specified in (section 2025 (p)(9)). For more information on PM filter availability, please see response to comment 757.

762. **Comment:** In order to realize the emission reductions expected by this regulation, MECA urges the Board to work with the legislature to establish requirements for a robust, heavy-duty diesel I/M program. A heavy-duty diesel I/M program might offer the state a mechanism to receive SIP credits for the delivered emission reductions in much the same way that I/M affords for California's Smog Check program on light-duty vehicles. A heavy-duty diesel I/M program could further justify the development of a diesel aftermarket regulation that would create a competitive market for heavy-duty diesel aftermarket parts. Aftermarket emission control parts would offer a cost effective alternative to original equipment replacement parts and allow end users to maintain the emission control systems on their used 2007 and newer filter equipped trucks. The fact is, diesel particulate filters are utilized by tens of millions of vehicles and universally recognized as a reliable, effective and best available vehicle particulate control technology by industry and regulators around the world. Our MECA member survey concluded that filter-related issues for both active and passive filters are a small fraction of total claims and occur on less than 1 percent of devices in the field. They are most often related to early filter plugging due to increased engine-out PM for a number of possible reasons such as: a significant change in the duty cycle from that used in the retrofit pre-assessment of the

vehicle, worn injectors, leaky turbocharger seals, EGR valve failure or charge air cooler leaks, among others. Operators have sometimes claimed that it was the VDECS that caused these engine problems. In most cases, following up the necessary repairs by instituting a manufacturer recommended maintenance schedule on the engine has prevented a reoccurrence of the problems with the filter or the engine. (MECA01)

- **763. Comment:** We certainly welcome the proposal by staff on investigating the importance of maintenance, and we think that we will certainly be working together with them to develop a stronger robust maintenance program, inspection and maintenance program that goes along with enforcement and other requirements. (MECA02)
- **764. Comment:** We believe that a robust heavy-duty inspection and maintenance program is an essential element of any clean air policy to insure that engines and emission controls installed on heavy-duty trucks deliver the pollution reductions that they were designed for. This approach has been demonstrated for light-duty vehicles through state-wide Smog Check programs and can be just as effective on heavy-duty diesel vehicles. (MECA03)
- **765. Comment:** The Board would be wise to disregard the unfounded and inaccurate charges about the reliability and performance of retrofit devices. Instead, the Board should focus on ways to improve maintenance and the marketing and eliminate the marketing of sub-standard unapproved devices. (AESI02)
- **766. Comment:** The conclusion of ARB's filter reliability investigation supports many of the other studies that have been done on filter reliability and performance done on thousands of vehicles operated for millions of miles that showed that the underlying issue is really is that to get reliable performance out of your filter, you need to maintain your engine and maintain your filter. (MECA02)
- **767. Comment:** Emission control technologies work. The evidence is in operation right now on every highway in the country and every major construction site in the country. The retrofit devices that are required by the truck and bus rule are no different than the devices that have been sold on new diesel engines since 2007. The devices work. And failures, when they happen, are most often caused by poor engines maintenance. (AJW)
- **768. Comment:** CDTI contends that further relaxing the Truck and Bus Rule in favor of more purchases of used 2010 and newer model-year trucks is not a solution in the absence of an effective state Heavy Duty Inspection and Maintenance (I/M) Program. (CDTI01)
- **769. Comment:** We encourage the Board to direct staff to leverage our industry, our distributors, our service entities by complimenting an effective heavy-duty inspection and maintenance program with a fair and competitive heavy-duty

aftermarket parts program for emission control components for heavy-duty diesel trucks. (CDTI02)

- **770. Comment:** Because our current, highly-efficient emission controls continue to operate and eliminate emissions even for poorly-maintained engines without an increase in visible exhaust an inspection and maintenance program is needed to ensure that vehicles are properly maintained and emission levels do not exceed standards. Rapid advances in engine combustion now allow more than 50% of off-road engines to meet Tier 4 standards without a filter. Filters are a more durable strategy for controlling PM emissions from off-road engines that are often not well maintained. A number of aftermarket emissions control devices sold in California fail to meet performance standards. ARB should act quickly to remove these devices from the market until they pass appropriate performance tests. (AESI01)
- **771. Comment:** We believe that ARB should develop a statewide mandatory annual inspection program for heavy-duty trucks, like the Smog Check program for light-duty vehicles, to insure that vehicles and control technologies are being properly maintained and continue functioning. One example of a proactive inspection program has recently been adopted by the Swiss government for filter equipped construction equipment. It consists of a bi-annual self-inspection by fleets using portable test equipment for all DPF retrofits installed on construction equipment. (MECA03)
- 772. **Comment:** Underlying the debate on whether the Program should undergo changes to address these fleet owners' concerns, there were allegations that the retrofit emission control systems are not effective and come at an improperly high cost. The experience gained from the Program's operation to date - as well as more than 300,000 installed worldwide - clearly demonstrates that both claims are meritless. In an overwhelming majority of the circumstances where there are DPF system failures, it is due to system issues upstream of the DPF. This data is consistent with the ARB Staff's review of warranty reports. As such, it is crucial that fleet owners have certified technicians to properly install the emission control systems, and routinely engage in preventative maintenance and bring trucks in for maintenance when their OBD systems signal that there is a system malfunction. Additionally, there are 25 manufacturers with systems verified by the Board and currently out in the market. This figure significantly trumps the amount of those manufacturers that sell in the original equipment marketplace. This robust competition places significant downward pressure on price to the benefit of fleet owners. (JMATTHEY01)
- 773. Comment: CDTi recommends the following actions:

1) Reduce the state Opacity Limit immediately to 2% for all 2007 or later modelyear trucks

2) Require HD truck inspection when selling a used truck or importing a used truck into California

3) Mandate MHD and HHD truck inspections every two years for vehicles older than five years

4) Create an HD Aftermarket Parts Program to enable the competitive supply of aftermarket replacement emission control components (CDTI01)

Agency Response: While the comments are not responsive to the amended regulation, ARB agrees that a program is needed to identify preventive maintenance practices that reduce the incidence of engine issues and impacts to diesel particulate filters. ARB staff will work with stakeholders to identify the most cost-effective preventive maintenance procedures to help diagnose engine issues as early as possible. Inspecting for oil in fuel, metals in oil, or high engine out PM opacity are three examples of relatively inexpensive tests that may be used to help diagnose and repair problems before they occur. Staff intends to incorporate such best practices into training programs, and work with stakeholders including truck dealers, retrofit installers, and others, through our compliance outreach and assistance process, to help ensure fleets understand the operational benefits these procedures could provide. ARB staff will also continue to work with fleets and retrofit installers, as we have in the past, to help resolve these problems. ARB staff will also evaluate potential improvements to programs that could help resolve these issues over the longer term. For example, certification and in-use compliance programs could potentially be strengthened. although in some cases statutory changes, or changes at a national level may be required. Inspection and maintenance programs can be an effective way to both help ensure fleets are conducting preventive maintenance and emissions controls are functioning properly. ARB staff is proposing to continue the investigation and prepare a report of its findings and recommendations.

774. Comment: Staff economic report did not look at negative economic impact to DPF manufacturers. Will result in loss of jobs and funds. Need to implement cost benefit analysis to show adverse effects on DPF industry and public health. (ESWG)

Agency Response: The Board recognizes that the amendments will reduce the overall number of retrofit PM filters required for fleets and economically impact the retrofit manufacturers. However, this impact must be balanced against the rest of the affected fleets that have been impacted by the slow recovery of the economy. The amended regulation lowers costs substantially, delays vehicle replacements and continues to rely on PM filters to achieve substantial PM emissions reductions. Filters are still required for many options, but spreads out this requirement over a longer period. See the response to comment 36 that explains why the regulation has been amended to substantially lower the compliance costs of affected fleets.

775. Comment: Emission control retrofit devices enable older engines to operate nearly as cleanly as new engines with the latest technology. This allows owners of older engines to keep them in use longer – while still protecting Californians from harmful diesel emissions. Despite this success, many fleet operators want to be let out of requirements to either retrofit their old engines, or purchase new

ones. They argue – falsely – that diesel retrofits are prone to failure. In truth, diesel emission control devices are reliable, safe, and highly cost-effective (AESI01)

- **776. Comment:** I'm an owner of Maxx Air or a DPF retrofit distributor. Here to tell you that they do work. They work well when the trucks and the pics are done. The retrofits work. (MAIR)
- **777. Comment:** We have 21 company trucks about ten independent owneroperators, about 40 employees. We have financed four retrofits, long mile, which are not operational anymore, the rest all new equipment. In our experience, the new equipment has performed very well. We had a few censor problems. But other than that, our reliability is outstanding and fuel economy is better. (RTRUCK)
- **778. Comment:** Now, I can sympathize with the particulate trap manufacturers and the installers. And in certain applications, they work great. But you better have a standard duty cycle. But if you have an irregular duty cycle, you have a host of maintenance problems if you can even keep your vehicle running. (HRAN)

Agency Response: Experience to date has demonstrated that PM filters are reliable and durable for most engines in a wide range of uses and industries. ARB appreciates your comments that support PM filter usage. For more detailed information on the reliability of PM filters, please see the response to comment 731.

779. Comment: This amendment alone does not provide enough protection to truck owners that experience repeated VDECS malfunctions outside of a product recall. In some instances truck owners are experiencing system malfunctions associated with PM filters that can result in trucks being removed from operation in a fleet for repair for days and sometime weeks at a time. CIAQC has been informed that some have experienced this pattern multiple times with a single truck-filter combination. The regulation compels truck owners to install or purchase trucks with PM filters, yet does not provide a process for truck owners to appeal a faulty or deficient application installed in good faith. CIAQC recommends that CARB establish a more rigorous performance monitoring program to advise consumers about the appropriate applications for this filter equipment. In addition a truck owner should be allowed to remove a filter after a certain number of failures or engine shutdowns. (CIAQC03)

Agency Response: ARB recommends fleets contact the DECS manufacturer or an authorized installer prior to making any purchasing decisions. ARB does not recommend specific devices or installers. However, in May 2007, ARB issued an advisory (Mail-Out #MSC 07-15) to assist buyers on the proper selection of ARB verified DECS.

The existing regulation in section 2025(q)(2) outlines a process both within the warranty period and outside the warranty period in the event of damage or failure to a PM filter. If a PM filter fails or is damaged outside its warranty period and cannot be repaired, the owner must replace the device with the same level or higher lever device for the vehicle within 90 days of the failure. In addition, ARB staff works closely with fleets to resolve any issues with non-responsive manufacturers and installers to ensure they receive adequate warranty coverage. See response to comment 742 for more information on the minimum warranty period (5 years or 150,000 miles) for heavy-duty engines.

- **780. Comment:** Regulatory uncertainty puts significant strain on those market participants that provide the emission control systems (e.g., emission control manufacturers, distributors and installers). Over the last several months, we have heard of an inordinate amount of order cancellations by fleet owners. We are attributing this development to fleet owners who are not yet compliant deciding to delay installations until a Board determination is finalized in this proceeding. Order fluctuations wreak havoc on our manufacturing planning activities and puts considerable strain on our ability to adequately stock distributors to enable them to meet last minute customer demand. A sharp decline in demand would likely cause these manufacturers and installers to cease operations. This could ultimately impact the ability of owners of many of the 30,000 retrofits to access parts and service, which is necessary for the devices to continue to provide emission benefits. (JMATTHEY01)
- **781. Comment:** Given the large number of recent cancellations of pending retrofit orders, the Board should direct staff to scrutinize cancelled or postponed orders to assess whether they violate the regulations or ARB's policies. (ESWG)
- **782. Comment:** We are an installer of DPF systems and have been doing so for over 7 years. We assisted many owner operators getting their Good faith Extension by making deposits and committing to installing a DPF with us. Now that ARB appears to be "Back Peddling" everyone wants their deposit back, cancelling their order and not showing up for scheduled installs. We have over \$500,000 filters in stock and more on order. Owner operators are saying they don't have to comply because of financing, low miles, or just that they feel this in never going to be enforced so why spend any money. CARB needs to act now to clarify the rules and enforce them. (DEELLC)

Agency Response: ARB has been coordinating with installers, and incorporating steps in its enforcement efforts to ensure that those who have not completed actions to comply face appropriate penalties. Furthermore, installers are not required to return deposits.

783. Comment: I would like to put this CARB approved device on my 2000 12.7 liter diesel engine powered class 8 truck, to meet the California emissions requirement. These devices are about \$9,000 (not installed), and manufactured in Washington state. They can be installed at a "Certified" location in Livermore,

Ca. for additional costs. This device is proven to greatly reduce emissions while improving fuel mileage in class 8 trucks. I'm sure CARB is aware of the statistics of this product. I would like to know if CARB will force me to install any other device (i.e. emissions convertor, emissions muffler etc.), for the additional cost of \$15,000 to 19,000. Which, by the way has an added cost associated with it in yearly (if not sooner) device issues. The Plasma Generator does not have any similar issues associated with its functioning. (LBROWN)

Agency Response: Any emissions control system can go through ARB's verification process of demonstrating that emission reductions are real, the device is durable and warranty requirements are met before a device can be used to comply with the Truck and Bus regulation. The Plasma Generator device has not been verified to achieve any of these requirements; therefore, it cannot be used to comply.

784. Comment: We would like to see for the people that have to have these faulty devices forced upon them that they've already paid the money in good faith and now they don't work. So what we would suggest is that those people have the opportunity not to have to pay for them again and again and again, but give them a waiver so that they paid once, a lot of money, about 18,000 a piece. And then if the bus is in good order, the engine is in good order, everything else is right but the machine doesn't work, it doesn't work. I don't think they should be penalized. (ASL)

Agency Response: Please see the response to comment 522 for more detailed information on how the amended regulation addresses PM filter recalls.

17. Support Amendments

- **785. Comment:** I am writing in total support of you giving those small fleet contractors longer phase-in time to comply with the compliance regulations. Additionally, most diesel trucks operating in these areas are small fleets and coming off of a 3 year drought, our economy is severely suffering and we simply cannot afford these crushing compliance dates. The current compliance dates along with the upcoming Off-Road Diesel regulation (DOORS) compliance dates could put many of us rural area/low population contractors and other businesses out of business. (JHANS)
- **786. Comment:** When we met with staff, we said, you're going to cause financial extreme hardship. You're going to blow us out. We're rural. We're small, we're construction, [and] we hardly drive. Thank you for the construction truck rule, thank you, it helps immensely. (ARTRU03)
- **787. Comment:** We obviously are in favor of this. It exempts our county, Inyo County, to be a NOx Exempt area. We have no NOx. (BOSMC)

- **788. Comment:** I am writing in total support of you amending the regulation to expand the number of NOx exempt regions to include Inyo and Mono counties. There are few diesel trucks based here and allowing us more time to re-tool and operate only in these two counties would make a lot of sense. (JHANS)
- **789. Comment:** Thank you very much for making so many provisions to offer the credits for those that have complied to be able to offer extensions for exempt areas, and also to offer that one-year extension for the NOx exempt areas for the construction and crane industry and separating some of those trucks due to those different functions that they do. The one-year extensions are extremely helpful. Very helpful. (ACAST)
- **790. Comment:** As a small fleet owner with two trucks the new rules will still allow me to provide for my family and save up to do the retrofit and to be able to provide uninterrupted service to my customers. I have a California based business whose fleet travels out of the state. I do not qualify for any grants for the retrofit nor can I afford to purchase another truck in order to stay in compliance with the current rule. So please here me when I say that this new proposed rule [amendment] will allow all small fleet business to keep up with the new carb rule while still trying to provide for their families. The retro fit is not cheap, nor is financing a new truck, but adding an extra year to phase in will allow room for savings for the retro and /or a new truck. (BJORD)
- **791. Comment:** MECA believes that the flexibilities that are being proposed to provide additional time for small fleets to comply are a positive step towards cleaning-up vehicles owned by small fleets and owner operators. (MECA03)
- **792. Comment:** Thank you for this new proposed rule that gives Small fleet a chance at survival. I have a small fleet of 3 trucks. I did replace 1 truck last year to stay in compliance, but with the slow economy I can't figure how I can afford to take on a second new truck payment by years end and still stay somewhat profitable in business. Down-sizing would put my contract in jeopardy by not being able to fulfill my customers demand as well as put one of my drivers out of a job. I am a California based carrier but predominately run freight out of CA to the Midwest and back. That being said there are no programs that I am qualified for to receive any grants for truck replacement or retrofits. This proposed rule change alleviates a lot of pressure and gives me (a small business guy) a chance to stay compliant, in business, and not jump in debt over my head to fast. Clean air is in mines and hopefully everyone's best interest. Please keep in mind while the decision is made to enforce the new proposed rule small businesses are a driving force of the economy and in order to compete with large fleets, we need added help keeping up with compliance of the new carb rule. (CSCOT)
- **793. Comment:** Butte County certainly supports the additional NOx-exempt areas, particularly including Butte County in that category. We like and support the extended compliance schedules that are being proposed, particularly for the

agricultural vehicles and work trucks. And we recognize that this will also result in additional grant opportunities, which we certainly also support. (BCAQMD02)

- **794. Comment:** Just wondering how many small companies like mine are going to go out of business trying to comply. My 2001 truck, which has passed all my biannual inspections at the terminal (BIT), is scale legal, and was checked by air pollution control representatives at the scales, cannot be run. That's the thanks for being in business for 35 years. So yes, I think we need more time to comply. It's a matter of dollars and cents for us small guys. (AFORS)
- **795. Comment:** The proposed amendments would afford our members of the Crane Owners Association additional time to achieve compliance, and as a result, we are in support of the proposed rule changes regarding heavy cranes and work trucks. (COA)
- **796. Comment:** We know that it's a difficult issue trying to balance the air quality, the business needs, and fairness as we've heard a lot about today. We do support the rule, but with the following comments. We again note how close we are in attainment in the Sacramento region. Very important to us that there not be any other extensions and that we stay to course as to where we are with this rule. (APCOSAC)
- **797. Comment:** I urge the board to adopt the Proposed Regulatory Changes to the Truck and Bus Regulation. As a very small business located in an area of diminishing economic opportunity (Plumas County) this added time will allow us to comply with the law, stay in business and allow our employees to keep their jobs and benefits. (FLCI)
- **798. Comment:** If you do not suspend the filter mandate, we urge you to approve the extended compliance schedules your staff are proposing, including the provisions for agricultural vehicles and work trucks. We also support the proposed new NOx exempt areas, including Butte County. We understand with the new compliance schedules there will be more trucks eligible for grant funding, which we support. (BCAQMD01)
- **799. Comment:** I'm here because of the huge impact the truck rule is having on local citizens and the huge potential impact it will cause to our economy in the Central Valley. The people it's hitting the hardest are the small owner-operators. These are the people that are really, really worried about this rule that just can't get to the next phase. Our Board and the San Joaquin Valley Air Pollution Control District sent a comprehensive list of recommendations that were important adjustments to the truck rule. We want to thank you for incorporating many of those suggestions into your rule that you're considering today. (FRESNOC002)

- **800. Comment:** We'd like to voice our strong support for several of the proposed changes, including the extension, the early action, and fleet size reduction credits. (CTA05)
- **801. Comment:** I support the proposed amendment to the regulation to reduce emissions for diesel trucks and buses in Nevada County. Nevada County is rural and lightly populated in the Sierra Nevada foothills that have not recovered economically from the recession. I operate a private Christian school in Nevada County and we operate four bus routes which travel an average of ten thousand miles per school year to pick up students. Because of the recession, our enrollment has dropped from 730 students to 420 students. Due to the age of our bus fleet, they do not qualify for the allowed retrofits to our engines. Because of the economic hardships we are experiencing, it would be impossible for us to upgrade our buses under the present regulations. Therefore, I urge the support of this amendment. (WSCH)
- **802. Comment:** I'm here on behalf of the California Tow Truck Association. While it wouldn't provide complete relief, the proposed changes to the low use vehicle exemption, which would essentially increase from 1,000 to 5,000 miles per year to operate as well as to eliminate the hours threshold would provide some relief for these heavy-duty tow trucks. As such, we are in support of the proposed changes to the low use vehicles exemption and urge you to adopt those provisions. (CTTA)
- **803. Comment:** We support a cost effective effort to require that older diesel trucks be either replaced with newer models or retrofitted with particulate filters because this will cause significant reductions to top priority air pollutants like PM2.5 and many carcinogens. We would like to emphasize that reducing diesel emissions is not only important because of their associated harmful particulate matter and carcinogenic pollutants, but also because of the sizable population who were adversely effected by inhaling such contaminants. The estimated percentages of -- the estimate percentage of those in the US who have asthma, non-allergic rhinitis and/or chronic obstructive pulmonary diseases is around 20 percent. This extrapolates to approximately 7.5 million people in California. Also, if diesel emissions are not properly controlled, many truckers who do not have such respiratory disorders now may in time due to the inhaling of diesel fumes acquire or be affected by any of these three incurable medical conditions or lung cancer itself. (CFCA)
- **804. Comment:** I'm here today to speak in support of the recommendations the amend the on-road truck and bus rule. While we're concerned about the amendments in the sense they provide a delay in terms of emission reductions between 2015 and 2020, we do believe that the associated proposed changes make sense. Our experience is one in which while we are in support of these changes, we would ask that the CARB send a very strong message that these changes are, indeed, it. And that there would not be further changes (BAAQMD)

- **805. Comment:** In August, last year, our Air Pollution Control District Board sent a letter with several concerns about the upcoming compliance deadlines for the truck and bus rule. In that letter, we asked for CARB staff to consider several options to provide relief for small owners and operators in Tehama County and elsewhere in the north state, including reopening up the agricultural vehicle provisions, the low-use vehicle provisions, looking at the NOx-exempt areas. And our Air Pollution Control Board was happy to see that this current version with the amendments has addressed all the concerns that we listed in our August letter. (TCAPCD)
- **806. Comment:** CTA supports several changes which are proposed in the ISOR, including the extension of PM Filter compliance dates for filters installed prior to 2014, the extension of early action and fleet downsizing credits, and the deletion of the PTO limit for low use vehicles. (CTA02)
- **807. Comment:** These proposed amendments look good; I do hope they get approved. One-truck owners, in the dirt hauling industry, are cutting their rates down to 1980 prices, so it is impossible for small fleets to stay in business with PM filter requirements or upgrading to newer equipment. (JADI01)
- **808. Comment:** I'm here today on behalf of California mobile crane owners groups in support of the proposed amendments, which we believe will provide real relief to our economically battered construction industry. Specifically the work truck provisions will provide relief in the short-term and the heavy crane provisions will provide crane-specific relief from 2018 onwards. (UNK01)
- **809. Comment:** Cleaning up truck pollution is important because it causes health issues. But clean-up doesn't have to be immediate because some people can't afford it right now. (NVAR06)
- **810. Comment:** I don't own a truck. I don't operate a truck. I do however use goods delivered by trucks. I'm a retired senior. I cannot afford any more increases in rates and costs for the goods and services that we get. Because being from northern California, we have many, many families up here that have trucks that are busting their fannies to keep food on their table. They're not rogue. They don't have the money to do it. So this extension is a God send. (SMILLI)
- **811. Comment:** As a single owner operator with a 2006 engine from Vancouver BC, I am very happy to read about the new regulations. I am 100% behind cleaner air. (SJABB)
- **812. Comment:** While we prefer no modifications at this time, Johnson Matthey supports ARB staff's recommendations amendments because we feel they strike a reasonable balance between injecting some regulatory flexibility without undermining the program's overlying objective moving forward. (JMATTHEY02)

- **813. Comment:** MECA supports the proposed changes and we thank the ARB staff for including recommendations made by MECA and other stakeholders as part of this 15-day proposal. MECA and our members have had the opportunity to review the proposed 15-day changes and we believe that the modifications are consistent with the direction given by the Board during the hearing. (MECA03)
- **814. Comment:** I'm here today on behalf of my entire Board to support the staff recommendation, including the 15-day changes they have proposed, which we think are key to making this proposal work. (FRESNOCO01)
- **815. Comment:** I'm here to speak in favor of the amendment. You've all heard so many statistics today about small lungs, about trucks and buses being the major component of the problem that we see. You all heard about what can be done and how L.A. freeways are basically cancer alleys. And the truck drivers themselves are more susceptible to disease than the average population. Tons of sulfur is produced. Major chemicals are involved. And when we talk about ozone, very simple, emissions, sunlight gives us ozone. And if we look at the map of the United States starting at 20, here's how the ozone figures out throughout the United States. Look at California. We're way above. (DRDELI)
- **816. Comment:** Your reconsideration will be a positive step closer to helping us in the construction industry through these very difficult times. (MCONC)
- **817. Comment:** On behalf of the citizens and heavy- duty truck owners in our county, the Board of Directors for the San Luis Obispo County Air Pollution Control District appreciates the opportunity to comment on your agency's proposed amendments to the In-use Truck and Bus Regulation (Amendments). We sincerely appreciate the significant and collaborative effort of your staff in developing these amendments and bringing them forward to your Board for consideration, and we urge your Board to approve the proposed regulatory changes. (SLOCAPCD)
- **818. Comment:** We'd like to commend staff for the effort that they've made, number one, in making the distinction between long haul trucking and construction trucks. The work truck provisions that are being proposed are very agreeable to us, and we thank you for making that distinction because they are different. (UCA)
- **819. Comment:** I'm here in support today of the changes that you're amending for this rule for the trucking industry. I encourage you to make recommendation changes that will improve and help this trucking industry. You guys have done a great job about listening to all the other amendments and changes that have come about. (SJVAD)
- **820. Comment:** I would just like to say that I appreciate what is being done. I'm in favor of everything that you're proposing, and there have been some very good

things brought up today about the funding, the enforcement, et cetera, et cetera. I just want you to know I'm in favor of your proposals. (FARIS)

- **821. Comment:** All of the amendments to the Truck and Bus Rule need to be passed to insure the financial wellbeing of the California trucking industry. The poor economy has stricken many of these businesses, and any relief will help those who have not already gone out of business or moved from this State. (MTHOM)
- **822. Comment:** This association represents union roofing contractors in 14 Metropolitan San Francisco Bay Area Counties. We are writing today to express our support for the proposed amendments to the Truck and Bus regulation. (ARCONT)
- **823. Comment:** The one issue that we've taken away from this is a truck isn't a truck isn't a truck. When you're talking about a construction truck in a specific vocation as opposed to a for-hire commodity over-the-road type of guy, economics are different. I think staff has done a good job in differentiating between the two in the latest amendments. (CFS)
- **824. Comment:** We do recognize the difficult balancing act that your Board has before it today. Meeting federal clean air standards by mandated deadlines in California requires achieving the assisting truck rule emissions reduction targets must more by no later than 2020, just six years from now. At the same time, we further recognize the need for some mid-course corrections to the truck regulations to provide additional opportunities for assistance to some truck owners, especially small businesses. We want to thank staff for proposing amendments and maintain the emission reductions needed in 2020 time frame. (SCAQMD)
- 825. Comment: I'm for the amendments. (TLUIZ)

Agency Response: ARB appreciates comments in support of the amended Truck and Bus regulation.

- IV. SUMMARY OF PUBLIC COMMENTS RECEIVED ON MODIFICATIONS TO THE ORIGINALLY PROPOSED REGULATORY AMENDMENTS (SECOND 15-DAY COMMENT PERIOD)
 - 1. Support for an Economic Hardship Extension
- **826. Comment:** The burden that has been put on a one-truck owner that's from another state is a heavy burden. Putting on a \$20,000 muffler on a \$12,000 truck that just had an \$8,000 engine put in less than two years ago is just a business killer for me. I'm just now coming close to being out of a bankruptcy due to the auto industry collapsing. I don't qualify for California's help to buy a new truck. Every dealership has advised me that my truck is just not set up for the

particulate filter. Another one or at least a 2010 unit year extension would really help so I can save up enough to get a new truck. (BCAR)

- **827. Comment:** I agree with the new regulations of the state of California but what I do not agree with is that they leave us out of circulation without receiving any help (with exception of the first extension that was given). It would be nice if they provide us with information on where we could install a filter where they offer payment plans, because in my case, it is impossible for me to be in compliance for lack of money. I have applied for loans with different banks to buy a truck but unfortunately none of those loans have been approved. Hope you can help in any way because in my case I am the support on my family and this is how I make a living. (GGAR)
- **828. Comment:** I own a single truck which has worked more than 11 million miles. My financial condition is not very good. I have to rebuild my truck engine and turbo. The filter for my truck is \$18,000 to \$24,000 which is too much expensive. I have many other bills and payments also including apartment rent, medical bills, insurance and many more. If there will be no extension, we have to move the state which is so hard to resettle again in a new state. I am only working in my family. So I request you to give the extension to our trucks. (JSIN)

Agency Response: The Board recognized that a number of fleets are financially unable to come into compliance and approved the Economic Hardship Extension to provide a compliance pathway for these fleets. For a more detailed response, please response to comment 288.

829. Comment: I have an old ten wheeler dump truck. I work 5 months out of the year. To buy a new truck is too much money for what I do. I am 71years old; a little late to start over. I have one truck. My engine has no computer so I can't make it work to your standards. There are a lot of one truck owners like me. (JFULL03)

Agency Response: The amended regulation has mileage based extensions that delay compliance for lower use vehicles. See response to comment 501 for more information about the amendments to the Low-Mileage Work Truck Option and comment 393 for additional information about the Low-Use Exemption.

2. Other Economic Hardship Extension Comments

830. Comment: I'm on the verge of taking my hard earned business to another state. I love California. I grew up here having a dream to become a business owner but my dream is fading away, sad to say. With all of the high price in diesel and regulations for trucks, it's a very stressful situation. I own a 2007 truck which does not meet California Regulations and lack of credit issues and money I cannot purchase another one or purchase a pm filter. Last year when we register with the CARB department we qualified for the "Good Faith Effort"

extension until July 1, 2014 but now we're in July and they say we don't qualify for the "Economic Hardship" extension because we had to have the fleet established since January 1, 2012 and not after I only have 1 truck not more than one so it doesn't count as a fleet it would be a one owner operator of one single truck. Unfortunately, I did not now that, and I purchased my truck in September 2012 which that un-qualify us. I honestly think this is unfair because I do qualify under that extension but unfortunately I did not start my business in January 2012 but after that. My wife and I are under a lot of stress due to this matter. Because of this situation I'm not left with other choices but to rent my home which my wife and I work so hard on, to provide a nice living for our children and relocate my entire family and move to another state which it will bring emotional distress to my children and ourselves. We would have to move into a much smaller place and adjust to another state that is not where we had our lives planned. I hope that whomever read this helps me and the rest of fellow truck drivers we are not trying to pollute the air we are trying to comply but unfortunately some of us can't comply due to an Economic HARDSHIP if I was able to comply I would at the end of the day we live and wish to stay here in California. Other than that why don't you guys consider giving the people like me and others that were discriminated by one silly rule of the specific date the fleet had to established of January 1, 2012 and give us relocation money so our trucks stop polluting the state. Reconsider what all these laws are doing to ourselves and our families and give us more time. (CPOLA03)

Agency Response: The Board determined that it was appropriate to limit the Economic Hardship Extension to vehicles that were operated in California and were already owned as of January 1, 2012 when the first PM filter requirements in the regulation began. For more detailed information on the Economic Hardship Extension, please see response to comment 269.

Economic Hardship – Other (Economic hardship extension for large fleets)

831. **Comment:** We are not considered a small fleet (5 trucks) but we've made our best effort to comply since 2012 making changes one truck at a time unfortunately we can't afford to do more because we're at the Otay Mesa border competing with other local trucking companies low prices, high diesel price and of course compliance year truck parts are more expensive plus monthly payments on each truck. We're currently working in California Ports so we have to comply with the Truck and Bus Regulation AND the Drayage Regulation at the same time, both having the ARB as the main authority. Each year I've made my best effort to change an old truck for a compliance truck and of course adding more debts to the business and less income each year. As of today, I have 3 out of 5 compliance trucks. Small fleets are the only ones benefiting from the numerous changes made so far to the ruling since it started enforcing. At some point as long as the truck was still in compliance we did not have to report it on the ARB reporting system, suddenly in 2014 if you missed the deadline, now you are not in compliance and you have a new problem to add to the daily fight to

continue working even if back then we were in full compliance. At this point with 5 trucks, not been considered a small fleet or a large fleet I can't seem to find anything that helps us comply with both Truck and Bus Regulation/Drayage Regulation even though we've made out best effort to comply and at the same time not to file for bankruptcy and fill one of our main customer requirements to have at least 5 trucks and we are facing a state regulation that worries more air quality that of course helps our environment but doesn't care at all if you have enough money to feed your family at the end of the day. For the records, I was a driver until a medical diagnose made me stop driving making our problem even worse but not enough to give up so far. (ZBAR)

Agency Response: Owners that are financially unable to comply may be eligible to use the Economic Hardship Extension for up to 3 trucks regardless of fleet size. For more information on the Economic Hardship Extension, please see response to comment 288.

PM Filter Issues – OEM Filters Don't Work

832. Comment: I purchased a 2009 truck with a filter. It has financially burdened me with breakdowns about every other month since I purchased it back in January. (EJIM)

Agency Response: ARB has an active program for certifying new diesel engines to strict emissions standards. For more information on trucks with original equipment filters, please see response to comment 725.

General – Oppose Original Rule

- **833. Comment:** It is absurd that my old truck had to be removed and replaced from my fleet "because of particulate matter". Most of the pollutants come from the FOOD (read cows). According to the UNITED NATIONS, "cattle-rearing generates more global warming greenhouse gases, as measured in CO2 equivalent, than transportation." So why does our great state of broke California keep pushing for these regulations? We already have one of the SLOWEST economies in the country, (thanks to our democratic/liberal agenda of caring for everyone and paying for it as well) and with this drought that seems to have no end in the near future it is only going to get worse. Our legislature already royally "messed" up our trucking industry as it is, give the ones who haven't taken the plunge a break. And let small businesses grow by allowing older models to get a bigger fleet. I hope someone reads this, as I have made excellent points and given what I think are great suggestions. (EJIM)
- **834. Comment:** We are already long past what would be a reasonable standard to be imposed to promote the environment and a thriving economy. These new regulations should be advisory and scheduled to be imposed at least 5 years from now. It is unreasonable to set new targets every time the previous

standards are close to or being met. Placing the matter in perpetual catch up is dishonest! Set a goal meet it and that is the END! Please keep the public's interest in sight, not the excessive bureaucracy, the Air Board that seems intent on growing itself! (WMCC)

Agency Response: The amended regulation provides more time and lowers compliance costs, for more information on the amended regulation see response to comment 44. The regulation is needed to improve air quality and reduce health impacts of air pollution caused by existing diesel engines as described in response to comment 157.

PM Filters – Costs to Own Are High

835. Comment: Auto transport trucks with head racks installed above the cabs must operate as a matched set of tractor & trailer. Due to height limitations, and the envelope available for engines and DPF retrofits, it is impractical and costly to bring such trucks into compliance with CARB regulations. The cost of a new matched tractor/trailer unit exceeds \$250,000. Since autos are carried on both the tractor and trailer, auto transporters are unable to hand trailers off to compliant trucks at the California border, as is the practice of many general freight haulers today. Replacing or leasing a tractor isn't viable either because of \$20,000 cost of refitting a head rack from one tractor to a newer one with a 2010 engine. Our Arizona-based fleet is comprised of all Caterpillar engines from 2004-2006 with miles ranging from 700,000 to 1,000,000. Even if we were able to raise the funds to cover an \$18,000 retrofit, none of our regular certified Caterpillar truck engine shops here in Arizona are certified by CARB, nor willing to install a retrofit, and in fact, have warned us of the consequences to reliability of doing so. Please add a waiver to the CARB Truck & Bus regulations for specialty equipment. (KBAU)

Agency Response: PM filters are a mature technology and have been installed in millions of vehicles including auto transport trucks, across the United States. Verified retrofit PM filters must be matched appropriately to the engine and use of a given vehicle; therefore, they must be installed by authorized installers. For more detailed information on PM filter technology, please see the response to comment 731.

V. PEER REVIEW

Health and Safety Code Section 57004 sets forth requirements for peer review of identified portions of rulemakings proposed by entities within the California Environmental Protection Agency, including ARB. Specifically, the scientific basis or scientific portion of a proposed rule may be subject to this peer review process. Here, ARB determined that the rulemaking at issue does not contain a scientific basis or scientific portion subject to peer review, and thus no peer review as set forth in Section 57004 was or needed to be performed.

APPENDIX A

Lists of Acronyms

LIST OF ACRONYMS

AQI ARB BACT CaICAP CAPCOA CDTI CEQA CTTA DMV DPF DPM DRRP EGR EPA GVWR FSOR HSC HVIP IFTA IRP LESBP MAR MECA MOVES NAAQS NAPSA NOX OEHHA OEM PLACE PM PM2.5 RAP SIP TAC	Air Quality Index Air Resources Board Best Available Control Technology California Capital Access Program California Capital Access Program California Capital Access Program California Capital Access Program California Environmental Quality Act California Environmental Quality Act California Tow Truck Association Department of Motor Vehicles Diesel Particulate Filter Diesel Particulate Matter Diesel Particulate Matter Diesel Risk Reduction Plan Exhaust Gas Recirculation Environmental Protection Agency Gross Vehicle Weight Rating Final Statement of Reasons Health and Safety Code Hybrid Voucher Incentive Program International Fuel Tax Agreement International Registration Plan Low Emission School Bus Program Mileage Accrual Rates Manufacturers of Emission Controls Association Motor Vehicle Emission Simulator National Ambient Air Quality Standard North American Power Sweeping Association Oxides of Nitrogen Office of Environmental Health Hazard Assessment Original Equipment Manufacturer Providing Loan Assistance for California Equipment Particulate Matter Particulate Matter Particles up to 2.5 microns in diameter Rural District Assistance Program State Implementation Plan Toxic Air Contaminant
TAC TIMBER	Toxic Air Contaminant Truck Improvement/Modernization Benefitting Emission Reductions Program
TRAC TRUCRS	Truck Regulations Advisory Committee Truck Regulation Upload and Compliance Reporting System
U.S. EPA VDECS VIP	United States Environmental Protection Agency Verified Diesel Emission Control Strategy Voucher Incentive Program

APPENDIX B

Lists of Commenters Assigned to Groups

Table B-1

Signers of Letter Supporting Cattle Livestock Amendment

Signer	Affiliation	
Azevedo, Louise		
Batteate, Albert	Flyin' ~A~ Ranches	
Brennan, Bob	Brennan Ranch	
Doiron, Pamela	El Rancho Espanol de Cuyama/The Spanish Ranch	
Eberhardt, Monte	Eberhardt Livestock	
Filipponi, Douglas	Santa Margarita Cattle Company	
Gamer, Vicki	Gamer Livestock	
Higgins, Benjamin L.	Hearst Ranches	
Jewett, Sara	Jewett Livestock	
Phipps, Leslie	Ancile Ranch LLC	
Ritts, Gayle	Ritts Ranch	
Ritts, Willie	Ritts Ranch	
Violini, Scott		

Table B-2

List of Student Names Submitted by the New Voices Are Rising Representative

Name	Affiliation
Ratner, Jill	New Voices Are Rising
Mixon, Kaelin	Fremont High School
Moyd, Charlene	Fremont High School
Chappell, Patricia	Fremont High School
McAlroy, Malcolm	Street Academy, Oakland
Willis, Robert	Street Academy, Oakland
Greene, Emmanuel	Street Academy, Oakland
Mendoza, Miguel	Street Academy, Oakland
Reyes, Ahiezer	Street Academy, Oakland
Shields, Zion	Fremont high School
Tapia, Pamela	West Oakland