

## **TITLE 13. CALIFORNIA AIR RESOURCES BOARD**

### **NOTICE OF PUBLIC HEARING TO CONSIDER PROPOSED AMENDMENTS TO CALIFORNIA EMISSION CONTROL SYSTEM WARRANTY REGULATIONS AND MAINTENANCE PROVISIONS FOR 2022 AND SUBSEQUENT MODEL YEAR ON-ROAD HEAVY-DUTY DIESEL VEHICLES WITH GROSS VEHICLE WEIGHT RATINGS GREATER THAN 14,000 POUNDS AND HEAVY-DUTY DIESEL ENGINES IN SUCH VEHICLES**

The California Air Resources Board (CARB or Board) will conduct a public hearing at the time and place noted below to consider approving for adoption the proposed amendments to the California emission control system warranty regulations and maintenance provisions for on-road heavy-duty diesel vehicles with gross vehicle weight ratings (GVWR) greater than 14,000 pounds (lbs) and heavy-duty diesel engines in such vehicles.

DATE: June 28, 2018

TIME: 9:00 A.M.

LOCATION: California Environmental Protection Agency  
California Air Resources Board  
Coastal Hearing Room  
1001 I Street  
Sacramento, California 95814

This item will be considered at a meeting of the Board, which will commence at 9:00 a.m., June 28, 2018, and may continue at 8:30 a.m., on June 29, 2018. Please consult the agenda for the hearing, which will be available at least ten days before June 28, 2018, to determine the day on which this item will be considered.

### **WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS**

Interested members of the public may present comments orally or in writing at the hearing and may provide comments by postal mail or by electronic submittal before the hearing. The public comment period for this regulatory action will begin on May 11, 2018. Written comments not physically submitted at the hearing must be submitted on or after May 11, 2018 and received **no later than 5:00 p.m. on June 25, 2018**. CARB requests that when possible, written and email statements be filed at least 10 days before the hearing to give CARB staff and Board members additional time to consider each comment. The Board also encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action. Comments submitted in advance of the hearing must be addressed to one of the following:

Postal mail: Clerk of the Board, California Air Resources Board  
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

Additionally, the Board requests but does not require that persons who submit written comments to the Board reference the title of the proposal in their comments to facilitate review.

### **AUTHORITY AND REFERENCE**

This regulatory action is proposed under the authority granted in California Health and Safety Code, sections 38501, 38505, 38510, 38560, 38580, 39500, 39600, 39601, 40000, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43107, 43205.5, and 43806; and Section 28114, Vehicle Code. This action is proposed to implement, interpret, and make specific sections 38501, 38505, 38510, 38560, 38580, 39002, 39003, 39017, 39033, 39500, 39600, 39601, 39610, 39650, 39657, 39667, 39701, 40000, 43000, 43000.5, 43009, 43009.5, 43013, 43106, 43017, 43018, 43018.5, 43100, 43101, 43101.5, 43102, 43013, 43104, 43105, 43106, 43107, 43202, 43204, 43205, 43205.5, 43206, 43210, 43211, 43212, 43213, 43806, 44004, 44010, 44011, 44012, 44015, and 44017 Health and Safety Code; and Section 28114, Vehicle Code.

### **INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW (GOV. CODE, § 11346.5, subd. (a)(3))**

**Sections Affected:** Proposed amendments to California Code of Regulations (CCR), title 13, sections 1956.8, 2035, 2036, and 2040.

**Documents Incorporated by Reference (Cal. Code Regs., tit. 1, § 20, subd. (c)(3)):**  
The following documents would be incorporated in the regulation by reference as specified by section 1956.8(b):

- "California Exhaust Emission Standards and Test Procedures for 2004 and Subsequent Model Heavy-Duty Diesel Engines and Vehicles," adopted December 12, 2002, as last amended on [insert date of last amendment]:

### **Background and Effect of the Proposed Regulatory Action:**

Heavy-duty trucks with a GVWR over 14,000 pounds are one of the largest sources of air pollution in California. They contribute approximately 45 percent of total statewide mobile source oxides of nitrogen (NOx) emissions and 19 percent of total particulate matter (PM 2.5) emissions.<sup>1</sup> Most of the NOx emissions from heavy-duty trucks come from diesel-cycle engines, especially in the higher weight classes.

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<sup>1</sup> CEPAM: 2016 SIP – Standard Emission Tool, BY2012, Oxides of Nitrogen, and PM2.5, Annual Average, Year: 2016, grown and controlled, All Sources except Natural, Stationary, and Area Wide, <https://www.arb.ca.gov/app/emsinv/fcemssumcat/fcemssumcat2016.php>

A key measure in CARB's Mobile Source Strategy is the "Lower In-Use Emission Performance Level" measure, which seeks to ensure that in-use heavy-duty vehicles continue to operate at their cleanest possible level (CARB, 2016b). The focus of this proposal is one element of that measure, amending the current warranty provisions and associated maintenance provisions for heavy-duty diesel trucks. The Lower In-Use Emission Performance Level measure is critical for attaining federal health-based air quality standards for ozone in 2023 and 2031 in the South Coast and San Joaquin Valley air basins, and fine particulate matter standards in the next decade.

California is the only state with the authority to initially adopt and enforce emission standards and test procedures for new motor vehicles and new motor vehicle engines that differ from federal emission standards and test procedures (Federal Clean Air Act, 209(b)(1) [42 U.S.C. § 7543(b)(1)]). In 1978, CARB initially adopted emission warranty regulations, which require manufacturers to cover repairs needed to correct defects in materials or workmanship that would cause an engine or vehicle not to meet its applicable emission standards. Throughout the 1980's CARB adopted several regulations, such as the vehicle in-use recall program and the Emission Warranty Information Reporting program, which work in conjunction with the warranty regulations to identify malfunctioning emission control components and encourage repair. In 1982 and 1984, the United States Environmental Protection Agency (U.S. EPA) promulgated heavy-duty vehicle "useful life"<sup>2</sup> and emissions warranty requirements identical to those adopted in California (FR, 1982; FR, 1984). Both CARB and U.S. EPA require that heavy-duty vehicles meet emission standards throughout their useful life periods.

Although CARB has adopted regulations that require certified engines to meet applicable emissions standards throughout their useful lives (13 CCR §§ 1956.8, 1971, 1976), the normal engine aging and wear over time contributes to an increase in the engine-out emissions. Manufacturers must take into account this deterioration in emission performance in the initial design of the engine and aftertreatment technology/strategy.

Since the 2007 model year, all on-road heavy-duty diesel vehicles and heavy-duty diesel engines have been subject to stringent PM and NOx emission standards (13 CCR § 1956.8). Manufacturers have met these standards by equipping new heavy-duty diesel engines with diesel particulate filters (DPF) for control of PM, and beginning with the 2010 model year have also included systems for controlling NOx using exhaust gas recirculation (EGR) and selective catalytic reduction systems. These emission control systems can reduce NOx emissions by more than 95 percent and PM emissions by more than 99 percent (MECA, 2007). Therefore, if they fail, an individual engine's and vehicle's emissions can dramatically increase. It is therefore crucial that these emission control systems continue to function as designed throughout a vehicle's life to ensure emissions remain low. The California State Implementation Plan (SIP) is relying on the emission benefits from the 2007/10 on-road heavy-duty engine and vehicle standards to attain the federal ambient air quality standards in California.

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<sup>2</sup> During the emission certification process, "useful life" means the period during which the engine is required to demonstrate compliance with applicable emission standards.

On-road heavy-duty diesel vehicles are currently required to be covered by only a 5 year, 100,000 mile, or 3,000 hour emissions warranty period, whichever first occurs. This requirement has not changed substantially in California in almost 40 years. Emissions warranties are intended to provide a level of assurance to the vehicle owner that the engine and its associated emission control systems are unlikely to experience defects in materials and workmanship that could result in the engine not performing as required. If such defects do occur during the warranty period, the manufacturer is liable for fixing them.

Staff is proposing to amend the California on-road heavy-duty vehicle and heavy-duty engine warranty regulations to lengthen existing warranty periods and maintenance provisions to better reflect the longevity and usage of modern vehicles. This would help ensure adequate durability and proper maintenance of the engine and emission controls. Evidence supporting the need for longer minimum warranties comes from manufacturers' warranty claim data for heavy-duty vehicles, as well as from recent CARB testing of in-use heavy-duty vehicles. Specifically, CARB's test programs have identified numerous heavy-duty vehicles with mileages within their applicable regulatory useful life periods, but beyond their warranty period, that have NOx emission levels significantly above their applicable certification standards.

CARB may also consider other changes to the sections affected, as listed on page 2 of this notice, during the course of this rulemaking process.

**Objectives and Benefits of the Proposed Regulatory Action:**

CARB staff proposes to amend the emission control system warranty regulations and maintenance provisions for California on-road heavy-duty diesel vehicles and heavy-duty diesel engines in 13 CCR, sections 1956.8, 2035, 2036, and 2040 in the following ways:

- Lengthen the existing emissions warranty periods to better match the longer service lives of modern heavy-duty vehicles and engines. This would protect vehicle owners from excessive repair costs, incentivize better vehicle maintenance and more timely repairs by the vehicle owners, while also encouraging manufacturers to make more durable parts, and reduce NOx and PM emissions.
- Update the minimum maintenance intervals so that they do not inadvertently negate the proposed lengthened warranty periods.
- Explicitly link the heavy-duty On-Board Diagnostic (HD OBD) system to the definition of warranted parts, as has been the case for light- and medium-duty vehicles since the 1990 model year. This would help take full advantage of all of the tools available for ensuring the control of in-use emissions and be consistent with the long established link existing for light- and medium-duty vehicles.
- Restrict the allowable scheduled repair or replacement for turbochargers and EGR systems because of their relative high price and severe emission impacts under failure. Catalyst beds and diesel particulate filters are already restricted from scheduled replacement in the maintenance provisions during an engine's

useful life unless the manufacturer pays for it. Turbochargers and EGR systems should be similarly restricted as well.

- Revise existing regulatory language that unintentionally truncates warranty periods, and other clarifications.

Additionally, lengthened warranty periods are needed in the near-term to protect heavy-duty vehicle owners from potentially high future repair costs under the requirements of CARB's planned future amendments to the Periodic Smoke Inspection Program (PSIP) and Heavy-Duty Vehicle Inspection Program (HDVIP) and any potential future California heavy-duty vehicle inspection and maintenance (HD I/M) program. Amendments to PSIP and HDVIP are scheduled for Board consideration in May 2018. The PSIP and HDVIP amendments include much stricter opacity limits, which will spur more vehicle owners to make timely engine repairs and replace DPFs, beginning in 2019 (CARB, 2018g).

Lengthened warranty periods may also reduce incidences of tampering and mal-maintenance. For example, there would be little incentive for a vehicle owner to tamper with the vehicle's emission control system, such as by coring out a DPF or bypassing a catalyst, when the manufacturer is obligated to pay for any defect-related repairs. Further, vehicle owners would also have more of an incentive to timely perform scheduled maintenance so as not to void their lengthened warranty.

The applicability of staff's proposal is limited to new diesel vehicles and new heavy-duty diesel engines only. Further, there are no proposed modifications to the warranty periods specific to greenhouse gas components (CARB, 2017j). In addition to not being applicable to heavy-duty vehicles powered by spark-ignition engines, staff's proposal does not include heavy-duty vehicles powered by battery electric systems, fuel cells, hybrid-electric systems, or any other hybrid systems. Staff's proposal would apply to California-certified and registered (13 CCR § 2035(b)) vehicles and engines only. Federally certified heavy-duty vehicles operating in California would not be subject to the new warranty period requirements.

The benefits from staff's proposal to the environment and public health and safety comes from the air quality benefits of a 0.75 tons per day reduction in NOx and 0.008 tons per day reduction in PM2.5 emissions statewide in 2030. Lowering NOx emissions helps in lowering the levels of ozone, thereby reducing the premature aging of lungs and instances of chronic respiratory illnesses (CARB, 2017f). Furthermore, lowering NOx emissions also results in lower PM2.5 levels, which helps to prevent cases of bronchitis, asthma, emergency room visits, respiratory symptoms, and restricted activity days, as well as premature deaths. In addition, there are no benefits to worker safety anticipated as a result of this rulemaking.

#### **Comparable Federal Regulations:**

Staff is proposing to adopt lengthened warranty period requirements for Class 4-8 California certified heavy-duty vehicles and the new heavy-duty diesel engines in such vehicles that would significantly differ from existing federal requirements codified in Title



40 Code of Federal Regulations (CFR) 86.004-2. The differences between the proposed California requirements and existing federal requirements (see Table 1 below) are intended to help ensure that heavy-duty engines certified and sold in California will remain compliant with applicable emission standards throughout their useful lives, which currently is not happening.

**Table 1. Existing Federal/California Warranty vs. California Proposed Warranty**

VEHICLE/ENGINE CATEGORY	FEDERAL/CALIFORNIA CURRENT WARRANTY (miles)	CALIFORNIA PROPOSED WARRANTY (miles)
	DIESEL	DIESEL
<b>Class 8 Heavy Heavy</b> GVWR > 33,000 lbs	100,000 5 years / 3,000 hours <sup>1</sup>	350,000 5 years
<b>Class 6-7 Medium Heavy</b> 19,500 lbs. < GVWR ≤ 33,000 lbs	100,000 5 years / 3,000 hours <sup>1</sup>	150,000 5 years
<b>Class 4-5 Light Heavy</b> 14,000 lbs. < GVWR ≤ 19,500 lbs	100,000 5 years / 3,000 hours <sup>1</sup>	110,000 5 years

<sup>1</sup> The current warranty period for heavy-duty diesel vehicles in California includes a 3,000 hour of operation limit in addition to mileage and yearly limits. U.S. EPA does not limit warranty on the basis of hours of operation, and staff is proposing to eliminate the 3,000 hour warranty limit as part of its proposed amended warranty requirements.

**An Evaluation of Inconsistency or Incompatibility with Existing State Regulations (Gov. Code, § 11346.5, subd. (a)(3)(D)):**

During the process of developing the proposed regulatory action, CARB conducted a search of any similar regulations on this topic and concluded these regulations are neither inconsistent nor incompatible with existing state regulations.

**DISCLOSURE REGARDING THE PROPOSED REGULATION**

**Fiscal Impact/Local Mandate Determination Regarding the Proposed Action (Gov. Code, § 11346.5, subds. (a)(5)&(6)):**

The determinations of the Board's Executive Officer concerning the costs or savings incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulatory action are presented below.

Under Government Code sections 11346.5, subdivision (a)(5) and 11346.5, subdivision (a)(6), the Executive Officer must determine whether the proposed regulatory action would create costs or savings to any State agency or in federal funding to the State, create costs or mandates to any local agency or school district, whether or not reimbursable by the State under Government Code, title 2, division 4, part 7 (commencing with section 17500), or create other nondiscretionary cost or savings to State or local agencies. Accordingly, the Executive Officer's determination is as follows:

*Cost to any Local Agency or School District Requiring Reimbursement under section 17500 et seq.:*

The proposed regulatory action would not impose a mandate on any local agency or school district, whether or not the mandate is reimbursable, but the amendments would create costs to local agencies and school districts that would not be reimbursable by the State under Government Code, title 2, division 4, part 7 (commencing with section 17500). The direct costs from the proposed warranty amendments on regulated manufacturers would be passed on to the heavy-duty fleets who purchase California certified heavy-duty vehicles greater than 14,000 lbs. GVWR through increased vehicle prices. Thus, there would be cost impacts on local government fleets that purchase those vehicles.

The cost to local government in the current (2018/2019) fiscal year and two subsequent fiscal years is zero because the proposed amendments will not be implemented until year 2022. However, there will be costs and cost savings to local agencies who purchase heavy-duty vehicles greater than 14,000 pounds GVWR in future years. Local government agencies would be expected to pay a higher purchase price for new heavy-duty vehicles with engines covered by the proposed lengthened warranties and would also obtain the benefit of repair cost savings. Staff estimates the local government heavy-duty vehicle population to be about 8.1 percent of the State total, per CARB's EMFAC model, thus local government would bear 8.1 percent of the net cost of the proposed amendments. The cumulative regulatory cost to local government is estimated to be between \$2,804,000 to \$7,458,000 over 2022 through 2040, or approximately \$148,000 to \$393,000 per year on average.

*Cost or Savings for State Agencies:*

(A) State Government Fleets

The cost to State government fleets in the current (2018/2019) fiscal year and two subsequent fiscal years is zero because the proposed amendments will not be implemented until year 2022. However, there will be costs and cost-savings to State agencies who purchase heavy-duty vehicles greater than 14,000 pounds GVWR in future years. State government agencies would be expected to pay a higher purchase price for new heavy-duty vehicles with engines covered by the proposed lengthened warranties, and would also obtain the benefit of repair cost-savings. Staff estimates the State government heavy-duty vehicle population to be about 3.1 percent of the total, per CARB's EMFAC model, thus State government would bear 3.1 percent of the net cost of the proposed amendments. The cumulative regulatory cost to State government fleets is estimated to be between \$1,073,000 to \$2,854,000 over 2022 through 2040, or approximately \$56,000 to \$150,000 per year on average.

(B) CARB

There would be some additional state costs to implement and enforce the proposed amendments. The longer warranty periods would require additional CARB resources for reviewing warranty reports and approving corrective action plans. The proposed regulatory action is anticipated to require the addition of two CARB positions for the proposed amendments to be implemented and enforced.

*Other Non-Discretionary Costs or Savings on Local Agencies:*

No additional costs or savings to local agencies beyond those addressed above are expected.

*Cost or Savings in Federal Funding to the State:*

No costs or savings in federal funding is anticipated.

**Housing Costs (Gov. Code, § 11346.5, subd. (a)(12)):**

The Executive Officer has also made the initial determination that the proposed regulatory action will not have a significant effect on housing costs.

**Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete (Gov. Code, §§ 11346.3, subd. (a), 11346.5, subd. (a)(7), 11346.5, subd. (a)(8)):**

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons. The proposed warranty amendments would not affect the ability of California businesses to compete with businesses in other states, as explained further below:

- Heavy-duty vehicles used for local and regional business operations (which typically are Class 4-7 vehicles) typically compete only with other California businesses or out-of-state businesses who purchase vehicles within California because their operations are limited to within the State. All California businesses would be subject to the proposed amendments, and so there would be no impact on competitiveness.
- Heavy-duty vehicles used for interstate commerce (which typically are Class 8 vehicles) typically travel many miles and are likely to already be purchased with extended warranties regardless of whether the vehicle is California certified or federally certified. Thus, the cost would be the same for a Class 8 truck purchased in California (which would have a longer warranty, as required by the proposed amendments, paid for as part of the vehicle purchase price) or outside California (which would have an extended warranty paid for as an add-on cost).

Even in the rare instance where a California business is competing with an out-of-state business with a truck purchased outside California with a shorter warranty, any impact



on competitiveness would likely be insignificant because the overall cost of the proposed amendments is small when the repair savings are taken into account.

**Results of The Economic Impact Analysis/Assessment (Gov. Code, § 11346.5, subd. (a)(10)):**

**NON-MAJOR REGULATION: Statement of the Results of the Economic Impact Assessment (EIA):**

**(A) The creation or elimination of jobs within the State of California.**

The proposed lengthening of the heavy-duty vehicle and engine warranty periods may provide some increased emission-related repair business to heavy-duty vehicle and engine repair facilities from vehicle owners who otherwise may not bring their vehicles and engines in for repair without the lengthened warranty. Also, there may be a slight shift in income from independent to dealership-owned repair facilities. However, the Executive Officer has determined that the proposed regulatory action would not significantly affect the increase or decrease of jobs created in California.

**(B) The creation of new business or the elimination of existing businesses within the State of California.**

Minimal impacts to the creation or elimination of businesses within California are expected. For California heavy-duty vehicle fleets, the incremental costs would be small when the savings resulting from additional repair costs being covered through the lengthened warranties are included. It is anticipated that any additional costs can be absorbed without changing the number of employees or forcing any heavy-duty vehicle businesses to cease operations. For example, trucking companies who purchase heavy-duty vehicles with the proposed lengthened warranties will have to pay an increased cost for the longer warranties through the higher purchase price of heavy-duty vehicles. However, the benefits from reduced emission-related repair costs would mostly offset the increased capital cost.

**(C) The expansion of businesses currently doing business within the State of California.**

No significant impacts to the expansion of businesses due to the proposed amendments are anticipated. Nearly all affected engine and vehicle manufacturers are located outside of California and the impacts to California heavy-duty vehicle fleets are small.

**(D) The benefits of the regulation to the health and welfare of California residents, worker safety, and the state's environment.**

The proposed amendments would lengthen the emission warranties for 2022 and subsequent model year on-road heavy-duty vehicles with gross vehicle weight ratings (GVWR) greater than 14,000 pounds (lbs) and the heavy-duty engines in such vehicles.

This would lead to a benefit for the state's environment with reductions in NOx and PM2.5 emissions shown in Table 2. In 2030, the proposed amendments would provide emission reductions of approximately 0.75 tons per day NOx emissions and 0.008 tons per day PM2.5 emissions.

**Table 2. NOx and PM Statewide Emission Inventories of Diesel Heavy-Duty Vehicles and Statewide Emission Benefits from Proposed Warranty Amendments (tons per day)\***

Calendar Year	NOx		PM2.5	
	Baseline Inventory	Emission Benefit	Baseline Inventory	Emission Benefit
2023	157.3	0.06	1.39	0.001
2030	163.2	0.75	1.47	0.008
2040	173.9	1.49	1.57	0.016

\* 2022 Implementation

Health benefits for California's residents due to proposed regulatory action were calculated using the health effects analysis model (CARB, 2010a) projected for the years 2022 - 2040. The projected reductions in diesel PM and NOx emissions resulting from the proposal would benefit public health in California. Specifically, there would be 40 estimated fewer premature mortalities, 17 fewer emergency room visits, and six fewer hospitalizations due to the proposed amendments.

**Effect on Jobs/Businesses:**

The Executive Officer has determined that the proposed regulatory action would have minimal impact on the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the Economic Impact Analysis in the Initial Statement of Reasons (ISOR). However, as stated above, the effect on jobs and businesses is expected to be small.

**Benefits of the Proposed Regulation:**

The objective of the proposed regulatory action is to lengthen the warranty period to ensure that the warranties are matched to the longer service life of modern heavy-duty engines. With the lengthened coverage, heavy-duty vehicle owners would be protected from paying out-of-pocket expenses to replace emissions-related components that are supposed to remain durable throughout the useful life of the engine.

A summary of these benefits is provided, please refer to "Objectives and Benefits", under the Informative Digest of Proposed Action and Policy Statement Overview Pursuant to Government Code 11346.5(a)(3) discussion on page 4.

**Cost Impacts on Representative Private Persons or Businesses (Gov. Code, § 11346.5, subd. (a)(9)):**

In developing this regulatory proposal, the potential economic impacts on representative private persons or businesses were evaluated. The proposed amendments would impose additional costs on the regulated engine and vehicle manufacturers of heavy-duty vehicles greater than 14,000 lbs. GVWR that are subject to the lengthened warranty requirements. These increased costs would be passed on to the California heavy-duty vehicle fleets that purchase these California certified heavy-duty vehicles. Cost impacts on a representative business were estimated based on increased costs per California heavy-duty vehicle fleet. The average annual costs for an impacted representative business range from \$876 to \$1,270 per year over an average loan period of 5 years at 6 percent interest. These costs would be offset by the repair cost savings from the lengthened warranties.

There would be no direct cost impacts to individuals in California. Though individuals may be indirectly impacted if California fleets pass on slightly increased trucking costs, the cost is so small that this impact is expected to be negligible.

**Effect on Small Business (Cal. Code Regs., tit. 1, § 4, subds. (a) and (b)):**

The Executive Officer has also determined under CCR, title 1, section 4, that the proposed regulatory action would affect small businesses. The cost impacts on small businesses, which are small California heavy-duty fleets, would be proportionately the same as the estimated cost impacts on a representative business as described above. However, smaller fleets that tend to purchase used heavy-duty vehicles compared to larger fleets that have more capital to invest in new vehicles would experience a smaller impact due to the proposed amendments because they would likely only pay for the residual value of the remaining warranty on the vehicle, if any.

For those small fleets that choose to buy new heavy-duty vehicles, the average annual costs for an impacted small business range from \$71 to \$102 over an average loan period of 5 years at 6 percent interest. In addition, for those small businesses that do purchase new heavy-duty vehicles with lengthened warranties, there would be repair cost savings that would offset the majority of the costs of a lengthened warranty.

**Alternatives Statement (Gov. Code, § 11346.5, subd. (a)(13)):**

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to

affected private persons and equally effective in implementing the statutory policy or other provisions of law. Alternatives to the proposed rulemaking that were considered are described in the ISOR.

### **STATE IMPLEMENTATION PLAN REVISION**

If adopted by CARB, CARB plans to submit the proposed regulatory action to the U.S. EPA for approval as a revision to California's SIP required by the federal Clean Air Act (CAA). The adopted regulatory action would be submitted as a SIP revision because it amends regulations intended to reduce emissions of air pollutants in order to attain and maintain the National Ambient Air Quality Standards promulgated by U.S. EPA pursuant to the CAA.

### **ENVIRONMENTAL ANALYSIS**

CARB, as the lead agency for the proposed regulatory amendments, has concluded that this action is exempt from CEQA, as described in CEQA Guidelines §15061, because the action is both an Action Taken by Regulatory Agencies for Protection of the Environment (as described in CEQA Guidelines §15308 for "class 8" exemptions); and it is also exempt as described in CEQA Guidelines §15061(b)(3) ("common sense" exemption) because it can be seen with certainty that there is no possibility that the proposed action may result in a significant adverse impact on the environment. A brief explanation of the basis for reaching this conclusion is included in Chapter VII (the CEQA Chapter) of the ISOR.

### **SPECIAL ACCOMMODATION REQUEST**

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language; and
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing.

TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alternativo u otro idioma; y
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

### **AGENCY CONTACT PERSONS**

Inquiries concerning the substance of the proposed regulatory action may be directed to the agency representative Jeff Lowry, Staff Air Pollution Specialist, Off-Road Control Section, at (626) 575-6841 or (designated back-up contact) Ronald Haste, Manager of the Off-Road Control Section, at (626) 575-6676.

### **AVAILABILITY OF DOCUMENTS**

CARB staff has prepared a Staff Report: ISOR for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The report is entitled: Public Hearing to Consider Proposed Amendments to California Emission Control System Warranty Regulations and Maintenance Provisions for 2022 and Subsequent Model Year On-Road Heavy-Duty Diesel Vehicles and Heavy-Duty Engines with Gross Vehicle Weight Ratings Greater Than 14,000 Pounds and Heavy-Duty Diesel Engines in Such Vehicles.

Copies of the ISOR and the full text of the proposed regulatory language, in underline and strikeout format to allow for comparison with the existing regulations may be accessed on CARB's website listed below, or may be obtained from the Public Information Office, California Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, on May 8, 2018.

Further, the agency representative to whom nonsubstantive inquiries concerning the proposed administrative action may be directed is Chris Hopkins, Regulations Coordinator, (916) 445-9564. The Board staff has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

### **HEARING PROCEDURES**

The public hearing will be conducted in accordance with the California Administrative Procedure Act, Government Code, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340).

Following the public hearing, the Board may take action to approve for adoption the regulatory language as originally proposed, or with non-substantial or grammatical modifications. The Board may also approve for adoption the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice and that the regulatory language as modified could result from the proposed regulatory action. If this occurs, the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comment, at least 15 days before final adoption.

The public may request a copy of the modified regulatory text from CARB's Public Information Office, California Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814.

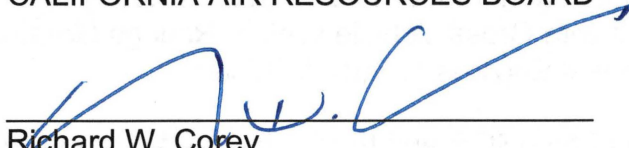
**FINAL STATEMENT OF REASONS AVAILABILITY**

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on CARB's website listed below.

**INTERNET ACCESS**

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on CARB's website for this rulemaking at <http://www.arb.ca.gov/regact/2018/hdwarranty18/hdwarranty18.htm>

CALIFORNIA AIR RESOURCES BOARD

  
\_\_\_\_\_  
Richard W. Corey  
Executive Officer

Date: April 24, 2018

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website at [www.arb.ca.gov](http://www.arb.ca.gov).*