



**Linda S. Adams**  
Secretary for  
Environmental Protection

# Air Resources Board

**Mary D. Nichols, Chairman**  
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**Arnold Schwarzenegger**  
Governor

November 16, 2010

Mail-Out #MSC 10-50

TO: All Interested Parties

SUBJECT: PUBLIC MEETING TO CONSIDER CHANGES TO THE ON-ROAD  
VOUCHER INCENTIVE PROGRAM GUIDELINES AND THE CARL  
MOYER PROGRAM GUIDELINES

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The California Air Resources Board (ARB) invites you to participate in a public meeting to consider proposed changes to the on-road Voucher Incentive Program (VIP) Guidelines and the Carl Moyer Program Guidelines (Guidelines). The proposed changes, detailed below, include expanded applicant eligibility, higher mileage allowance for used replacement trucks, higher funding amounts for the cleanest engines, and a longer timeline for retrofit funding. The meeting will be held at the following time and place:

DATE: Wednesday, December 8, 2010  
TIME: 2:00 – 3:00 p.m.  
PLACE: California Environmental Protection Agency  
Air Resources Board  
7<sup>th</sup> Floor, Room 720  
1001 I Street  
Sacramento, California 95814

This meeting will also include a teleconference call-in number for members of the public who wish to participate by telephone. The call-in number, available only at the time of the meeting, is 866-917-4579 and the passcode is 7167787.

**Background:** Since 1998, the Carl Moyer Program has filled a critical niche in California's strategy to achieve clean air. The Carl Moyer Program provides grant funding for the incremental cost of cleaner-than-required engines, equipment, and emission reduction technologies. The Carl Moyer Program plays a complementary role to California's regulatory program by funding emission reductions that are surplus, i.e., early and/or in excess of what is required by regulation.

Fleet Modernization and VIP are part of the Carl Moyer Program. Fleet Modernization is an on-road heavy-duty diesel vehicle replacement program that provides grant funding to replace older heavy-duty vehicles with newer, lower-emission replacement

*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: <http://www.arb.ca.gov>.*

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vehicles. VIP is a streamlined funding option for heavy-duty diesel vehicle replacements and retrofits.

State law (Health & Safety Code Section 44287) authorizes ARB to revise the Guidelines when necessary to improve the ability of the program to achieve its goals. When considering proposed revisions to the Guidelines, this section also instructs ARB to work with the implementing air districts and hold at least one public meeting to consider public comments.

ARB is in the process of a broader retooling effort for the entire Guidelines, with proposed retooling changes expected to be presented to the Board for consideration in the spring of 2011. However, from time-to-time, additional minor changes to the Guidelines are needed, which may be approved and implemented by the Executive Officer or designee after a public meeting and consideration of public comments. The purpose of the public meeting in this notice is to explain such proposed minor changes and receive public comments for consideration. The public comment period for these revisions will be 45 days from the date of this notice. If approved, the changes will be implemented through the issuance of a Mobile Source Mailout posted on the following ARB website: <http://www.arb.ca.gov/msprog/mailouts/mailouts.htm>

Proposed Revisions: The following sections highlight the proposed revisions to on-road funding programs. All of the proposed changes are intended to further reduce emissions by expanding eligibility and/or encouraging participation.

UNLESS OTHERWISE NOTED, THE FOLLOWING PROPOSED CHANGES APPLY TO BOTH THE ON-ROAD VOUCHER INCENTIVE PROGRAM GUIDELINES AND THE CARL MOYER PROGRAM GUIDELINES:

*1. Raise the maximum allowed mileage for used on-road trucks*

ARB is proposing to raise the maximum allowed mileage for used replacement trucks from the current 200,000 mile maximum for all trucks, as follows:

- 500,000 miles for vehicles with heavy heavy-duty engines (33,001 or greater gross vehicle weight rating (GVWR)); and
- 250,000 miles for vehicles with medium heavy-duty engines (19,501 through 33,000 GVWR).

Staff anticipates that this change should increase the availability of less expensive trucks while ensuring that replacement trucks have a reasonable remaining useful life.

*2. Reduce the required California registration period for baseline trucks*

Currently, all baseline trucks that would be replaced through Fleet Modernization or VIP must have been registered in California for the past two years at the time of application submittal. ARB is proposing to reduce the registration period to the past eight consecutive months, when supplemented by alternate documentation showing California operation for the past 24 months. This change provides flexibility for potential applicants that can not provide evidence of registration for 2 years, while ensuring that only trucks operating in California receive funding.

*3. Reduce the emission reduction surplus period for on-road small fleet retrofit projects*

Most on-road projects are subject to a minimum three year emission reduction surplus period. In December 2008, the Board approved a two year surplus period for fleet modernization projects with small fleets. ARB is proposing to expand the two year minimum surplus period to all eligible on-road retrofit projects, including those funded through VIP. This change would extend the window of time to fund cost-effective retrofit projects in fleets with the greatest need.

*4. Extend eligibility to trucks that previously operated as drayage trucks*

Most trucks that are subject to the Drayage Truck Regulation and previously accessed a regulated port or railyard are not eligible for funding. ARB is proposing to extend funding eligibility to baseline trucks that operated as a drayage truck, as long as the replacement or retrofitted truck does not engage in drayage activities during the voucher or contract term. This change would expand funding eligibility while ensuring that emission reductions remain surplus to regulatory requirements.

*5. Increase VIP grant amount for on-road trucks equipped with cleanest engines*

Currently, the grant funding amounts in VIP are based on the cost-effectiveness of replacement trucks that meet the 2007 oxides of nitrogen (NO<sub>x</sub>) emission standard of 1.20 grams per brake horsepower hour (g/bhp-hr). In 2010, the new 0.20 g/bhp-hr NO<sub>x</sub> emission standard became effective. ARB is proposing to maintain funding for new and used trucks with engines that meet the 1.20 g/bhp-hr NO<sub>x</sub> emission standard, and add new funding levels for trucks that are certified to the 0.20 g/bhp-hr NO<sub>x</sub> emission standard. This change is proposed only for VIP, because other Carl Moyer Program funding options, such as Fleet Modernization, are based on a project-specific cost-effectiveness calculation that already provides this option.

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Submittal of Comments and Agency Contact Person: Interested members of the public may present comments either in person at the meeting, via telephone, or in writing. All comments on this matter must be received no later than December 30, 2010 (45 days after the date of this Mail-Out).

Postal address: Peter Christensen  
California Air Resources Board  
Mobile Source Control Division, 7<sup>th</sup> Floor  
1001 I Street  
Sacramento California 95814

Electronic mail: [pchrste@arb.ca.gov](mailto:pchrste@arb.ca.gov)  
Telephone: (916) 322-1520

Please note that under the California Public Records Act (Government Code section 6250 et seq.), written and oral comments, attachments, and associated contact information (e.g., address, phone, email, etc.) become part of the public record and can be released to the public upon request. Additionally, this information may become available via Google, Yahoo, and any other search engines.

Special Accommodations: If you have a disability-related accommodation need, please go to <http://www.arb.ca.gov/html/ada/ada.htm> for assistance, or contact the ADA Coordinator at (916) 323-4916. If you need assistance in a language other than English, please contact the Bilingual Coordinator at (916) 324-5049.

Sincerely,

/s/

Robert H. Cross, Chief  
Mobile Source Control Division

cc: Peter Christensen  
Air Pollution Specialist  
Mobile Source Control Division