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Air Resources Board

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Arnold Schwarzenegger
Governor

June 27, 2006

MAIL-OUT MSO # 2006-02

TO: - All Passenger Car (PC), Light-Duty Truck (LDT), and Medium-Duty Vehicle (MDV) Manufacturers
 - All Heavy-Duty Engine and Vehicle (HDE/V) Manufacturers
 - All On-Road Motorcycle (ONMC) Manufacturers
 - All Licensed Used-Direct-Import (UDI) Vehicle Emission Test Laboratories

SUBJECT: Calendar-Year (CY) 2005 California Production Numbers for Assessing Annual Certification Fee for Fiscal-Year 2006-2007 (FY06/07)

Health and Safety Code section 43019 authorizes the Air Resources Board (ARB) to collect annual fees to cover the costs of the certification of on-road motor vehicles and engines for sale into California (hereinafter, California vehicles and engines). Under Title 13, California Code of Regulations, (13 CCR) sections 1990-1994, manufacturers and modifiers of California vehicles and engines are required to pay their annual certification fees as determined by the Executive Officer. In this Mail-out, manufacturers and modifiers subject to the FY06/07 certification fees are requested to report their California vehicle and engine production numbers for CY2005 (i.e., during January 1 – December 31, 2005). Based on the reported CY2005 California production numbers, the Executive Officer will determine the total number of vehicles and engines subject to the FY06/07 certification fees, the per-unit fee, and the assessed fee of each manufacturer and modifier.

For FY06/07, the ARB will determine a per-unit fee that will be applied equally to (i) all 2005 and 2006 model-year (MY) California vehicles and engines produced during CY2005 (i.e., produced in quarters 5 through 8 for MY2005, and quarters 1 through 4 for MY2006) (hereinafter, CY2005 California vehicles and engines), and (ii) all UDI vehicles tested and certified for use and registration in California by licensed laboratories during CY2005 (hereinafter, CY2005 California UDI vehicles). The FY06/07 per-unit fee will be determined based on the total number of the CY2005 California vehicles and engines, and the CY2005 California UDI vehicles reported by manufacturers and laboratories. The FY06/07 fee assessed for each manufacturer or laboratory will be determined as the product of the calculated FY06/07 per-unit fee and its reported number of CY2005 California vehicles and engines, or California UDI vehicles.

Under 13 CCR section 1993 (f)(2), manufacturers and laboratories are required to provide the ARB with the production numbers of their California vehicles and engines, or California UDI vehicles that are subject to the annual certification fee. **Tables 1, 2 and 3** (attached) provide a listing of all California-certified MY2005 and MY2006 test groups and engine families (hereinafter, engine families). Staff requests manufacturers to provide their CY2005 California production numbers by test group or engine family in the column 'CA Production in CY2005' in Tables 1 through 3. Please note that the production numbers for heavy-duty engines and vehicles, and diesel and incomplete

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California Environmental Protection Agency

medium-duty vehicles of 8501-14000 pounds gross vehicle weight ratings that were certified under separate Executive Orders are to be reported for their respective certification engine family in the column "Engine (E) or Vehicle (V) Certification" in Table 2. Manufacturers are also requested to modify the tables by adding any California-certified MY2005 or MY2006 engine families that are missing from the tables and provide their CY2005 California production numbers. **Table 4** (attached) is a list of laboratories receiving ARB licensing in 2004 and 2005 (a license is good for one year after issuance); each laboratory is requested to provide its number of CY2005 California UDI vehicles in the column 'Vehicles Certified in CY2005'.

Production numbers for CY2005 California vehicles and engines, and California UDI vehicles must be provided to the ARB no later than **August 15, 2006**. Zero vehicle production or zero UDI vehicle certification must also be reported (i.e., please do not leave it blank). For ease and accuracy of calculating the per-unit fee and each manufacturer's or laboratory's fee, staff requests that manufacturers and laboratories download and use the Excel Tables 1-4 that are attached to this Mail-out. Staff also requests that manufacturers save and submit the completed tables on compact disc. The Mail-out and its attached tables are posted on the ARB web site at http://www.arb.ca.gov/msprog/mailouts/mouts_06.htm.

In addition to a compact disc containing the filled-in Excel tables for the production numbers of CY2005 California vehicles and engines or California UDI vehicles, staff requests that the manufacturers and laboratories provide their mailing addresses and contact information, which the ARB will use to prepare the FY06/07 certification fee invoices. **Table 5** (attached) is an Excel table with a suggested format for providing the requested mailing and contact information for invoice purposes. The compact discs should be sent to:

Allen Lyons, Chief
Mobile Source Operations Division
Air Resources Board
9480 Telstar Avenue, Suite 4
El Monte, CA 91731
ATTN: On-Road Certification/Audit (ONRCA) Section

In lieu of mailing the compact disc, manufacturers and laboratories may attach their filled-in Excel tables to an e-mail sent to the manufacturer's or laboratory's assigned ONRCA section staff. For reference, **Table 6** (attached) is the current list of ONRCA section staff and their assigned manufacturers and laboratories.

For manufacturers that submitted applications for certification for their MY2005 or MY2006 engine families through consultants or contract services, this Mail-out will be sent to both the manufacturer's last indicated contact and the consultant or contract service indicated in the applications for certification. Staff requests that the consultants and contract services also forward this Mail-out to their manufacturer clients and/or ensure that the required information for each of their manufacturers be provided to the ARB in the time provided.

Upon the finalization of the production numbers of the CY2005 California vehicles and engines and California UDI vehicles, and the calculation of the per-unit fee, the FY06/07 fee assessment notices will be mailed to each manufacturer and laboratory according to the mailing and contact information provided in Table 5. Payment is required within thirty (30) days after receipt of the notice, unless arrangements are made with ARB's Administrative Services Division for quarterly payments.

Because the per-unit fee and manufacturers' certification fees for FY06/07 all depend on the reported total number of CY2005 California vehicles and engines, and California UDI vehicles, revisions to a manufacturer's or laboratory's reported numbers will not be permitted after August 31, 2006. Under 13 CCR section 1993(f)(2) and 1994(c), failure to comply with the annual certification fee requirements to report California production numbers and/or pay the assessed fees may result in a suspension of the processing of a manufacturer's applications for certification.

Any questions concerning a manufacturer's MY2005 and MY2006 engine families or laboratory's CY2005 UDI vehicles subject to the FY06/07 certification fee should be directed to the assigned ONRCA section staff. For all other questions concerning this Mail-out, please contact Mr. Satya Devesh, Air Resources Engineer, On-Road Certification/Audit Section, at (626) 575-6704 or at sdevesh@arb.ca.gov.

Sincerely,

/s/

Allen Lyons, Chief
Mobile Source Operations Division

Attachments:

- Table 1: 2005 and 2006 Model Year Test Groups for PC, LDT and MDV
- Table 2: 2005 and 2006 Model Year Engine Families for HD Engines and Vehicles, Including Diesel and Incomplete MDV 8501 - 14000 #GVWR
- Table 3: 2005 and 2006 Model Year Engine Families for ONMC
- Table 4: Licensed Used Direct Import Vehicle Emissions Laboratories
- Table 5: FY06/07 Certification Fee Invoice Mailing and Contact Information
- Table 6: On-Road Certification/Audit Section Manufacturers Assignments