



Air Resources Board



Linda S. Adams
Secretary for
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Arnold Schwarzenegger
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MAIL-OUT MSO # 2008-04

May 14, 2008

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: Reporting California Vehicle and Engine Production Numbers for Assessing Annual Certification Fees for Fiscal-Year 2007-2008 (FY07/08)

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. Under Title 13, California Code of Regulations, (13 CCR) sections 1990-1994, manufacturers producing new vehicles and engines for sale into California (hereinafter, California vehicles and engines) and laboratories licensed for the California certification of used direct import vehicles (hereinafter, California UDI vehicles) are required to pay their annual certification fees as determined by the Executive Officer. In this Mail-out, manufacturers and laboratories are requested to report the numbers of their California vehicles and engines or, as applicable, California UDI vehicles, so that the Executive Officer can determine the total number of vehicles and engines subject to the FY07/08 certification fees, the per-unit fee, and the assessed fees of each manufacturer and laboratory.

The annual certification fees are normally based on the numbers of California vehicles and engines produced during the previous calendar year (CY) that typically involves production in Quarters 5 through 8 of the previous model-year and Quarters 1 through 4 of the current model-year (MY). For the FY07/08 certification fees, the numbers of MY2006 and MY2007 vehicles and engines produced during January 1-December 31, 2006 are normally used and manufacturers need to keep track of the production numbers for each quarter for two model-years, MY2006 and MY2007. Due to marketing variations (e.g., dealer trades, changes in dealer distribution in response to local markets), such quarterly production numbers are typically adjusted before reported to ARB for purposes of the certification fees, passenger car and light-duty truck NMOG fleet average standard compliance, medium-duty vehicle VEC fleet average standard compliance, heavy-duty ABT compliance, and motorcycle HC or HC+NOx corporate average standard compliance. At the request of manufacturers to reduce the reporting burdens involving two model years, and in acknowledgement of the high level of accuracy of the model-year-based production numbers for the various fleet average compliance programs, the ARB will allow manufacturers the option to have their FY07/08 certification fees assessed based on the higher number between their

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>.

California Environmental Protection Agency

complete MY2006 production numbers and their CY2006 production numbers. In subsequent years, manufacturers will have their certification fees assessed based only on their model-year production numbers, for example, MY2007 production numbers in lieu of the CY2007 production numbers for the FY08/09 certification fees, and so on.

In this mail-out:

- (a) All manufacturers are requested to fill in Tables 1A, 2A, and 3A to report their production numbers for the MY2006 and MY2007 vehicles and engines that are produced from January 1 through December 31, 2006.
- (b) Manufacturers wishing to have their certification fees assessed based on their model-year production numbers are requested to also fill in Tables 1B, 2B, and 3B to report their complete MY2006 production numbers. The certification fees for these opt-in manufacturers will be based on the higher between the MY2006 and CY2006 production numbers.
- (c) Laboratories are requested to fill in Table 4 to report the number of UDI vehicles tested and certified by the laboratories during January 1 through December 31, 2006.
- (d) The total production number subject to the FY07/08 certification fees is determined from those reported according to paragraphs (a) or (b), and (c) above.
- (e) Please note that the production numbers for heavy-duty engines and vehicles, and diesel and incomplete medium-duty vehicles with 8501-14000 pounds gross vehicle weight ratings that were certified under separate Executive Orders are to be reported separately for their respective certification engine family in the column "Engine (E) or Vehicle (V) Certification" in Tables 2A and 2B.
- (f) Manufacturers are also requested to modify the tables by adding any California-certified MY2006 or MY2007 engine families that are missing from the tables and provide their California production numbers.
- (g) Zero vehicle/engine production or zero UDI vehicle certification must also be reported (i.e., please do not leave it blank).
- (h) For ease and accuracy of calculating the total production number, the per-unit fee, and each manufacturer's or laboratory's fees, staff requests that manufacturers and laboratories download and use the Excel Tables 1A, 1B, 2A, 2B, 3A, 3B, and 4 that are attached to this Mail-out. The Mail-out and its

attached tables are posted on the ARB web site at http://www.arb.ca.gov/msprog/mailouts/mouts_08.htm.

- (i) Staff also requests that manufacturers save and submit the completed tables on compact disc.
- (j) In addition to a compact disc containing the filled-in Excel tables for the production numbers of 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 FY07/08 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.
- (k) The compact discs should be sent to:

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

- (l) 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 MY2006 or MY2007 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. **Manufacturers are requested to provide their production numbers by May 21, 2008.**

Upon the finalization of the production numbers of the California vehicles and engines and California UDI vehicles, and the calculation of the per-unit fee, the FY07/08 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 FY07/08 all depend on the reported total number of California vehicles and engines, and California UDI vehicles, revisions to a manufacturer's or laboratory's reported numbers will not be permitted. 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 MY2006 and MY2007 engine families or laboratory's CY2006 UDI vehicles subject to the FY07/08 certification fee should be directed to the assigned ONRCA section staff. For all other questions concerning this Mail-out, please contact Mr. Steven Hada, Air Resources Engineer, On-Road Certification/Audit Section, at (626) 575-6641 or at shada@arb.ca.gov.

Sincerely,

/s/

Annette Hebert, Chief
Mobile Source Operations Division

Attachments:

- Table 1A: January 1-December 31, 2006 Production Numbers for MY2006 and MY2007 PC, LDT, and MDV Test Groups
- Table 1B: Complete MY2006 Production Numbers for MY2006 PC, LDT, and MDV Test Groups
- Table 2A: January 1-December 31, 2006 Production Numbers for MY2006 and MY2007 HD Engine and Vehicle Families, Including 8501-14000 #GVWR Diesel and Incomplete MDV
- Table 2B: Complete MY2006 Production Numbers for MY2006 for HD Engine and Vehicle Families, Including 8501 - 14000 #GVWR Diesel and Incomplete MDV
- Table 3A: January 1-December 31, 2006 Production Numbers for MY2006 and MY2007 ONMC Families
- Table 3B: Complete MY2006 Production Numbers for MY2006 ONMC Families
- Table 4: Licensed Used Direct Import Vehicle Emissions Laboratories
- Table 5: FY07/08 Certification Fee Invoice Mailing and Contact Information
- Table 6: On-Road Certification/Audit Section Manufacturers Assignments