Frequently Asked Questions

Regulation for In-Use Off-Road Diesel-Fueled Fleets

(Off-Road Regulation)

Private Fleet Size Determination and Reporting Requirements FAQ
Revised October 2012

Q – Why is fleet size important in the Off-Road Regulation?

A – Compliance requirements for ARB’s Off-Road Regulation vary for each fleet and are determined based on the total off-road horsepower contained in the fleet. In the Off-Road Regulation, there are three “fleet size categories”: small, medium, and large; a fleet will have different reporting and compliance requirements depending upon their fleet category classification.

To determine the fleet size category, the horsepower of all mobile off-road vehicles under common ownership or control must be summed. Low-use vehicles, dedicated snow-removal vehicles, and vehicles used solely for emergency operations should not be included in this sum when determining the fleet size category.

Q – What do you mean by common ownership or control?

A – If vehicles are under common ownership, this means they are owned by the same person, corporation, partnership, or association. In addition, vehicles managed day to day by the same directors, officers, or managers, or by corporations controlled by the same majority stockholders are considered to be under common control even if their title is held by different business entities.

Q – How do private fleets determine their fleet size?

A – Private companies determine their fleet size by adding up all the horsepower of the vehicles owned in their fleet. If a company has multiple fleet portions, then the total fleet size is the sum of all horsepower for all fleet portions that are under common ownership or control.

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Q – If a company has separate locations in California, can they comply and report fleets separately at different locations, or must the company report/comply as a whole?

A – If a company has separate fleet portions under the control of different responsible officials (fleet managers) because they are part of different subsidiaries, divisions, or other type of organizational structure, each fleet portion can report and comply separately with the regulation. However, the total horsepower of the company must be determined by adding up the total horsepower under common ownership or control in order to determine the total fleet size. Fleet size will determine the first compliance date for the fleet. Fleets that have the same majority stockholders (over 50 percent) are considered to be under common control. For example, if one parent company is comprised of three 2,000 hp fleets (at different locations), the sum of the fleet’s horsepower for purposes of determining fleet size is 6,000 hp, and the combined fleet will be considered a large fleet (greater than 5,000 hp). However, each location is considered a fleet portion under the regulation and can report/comply separately, but must comply with the large fleet targets. For additional information on fleet portions, please see the Fleet Portions FAQ, which is available under “Regulation FAQ’s” in the Off-Road Zone at www.arb.ca.gov/offroadzone.

Please see also the further examples below.

Example 1 – Parent/Child Company

XYZ Corporation (in California) forms a new corporation, South Coast Paving and Grading (in California), which XYZ Corporation continues to wholly own, and secures a different federal tax identification number for the new company. While the fleets of XYZ Corporation and South Coast Paving and Grading can report and comply separately with the Off-Road Regulation (since they are considered to be fleet portions), because they are under common ownership, the total horsepower of both must be summed in order to determine the total fleet size, and subsequently, the first compliance date for both corporations’ fleets.

Example 2 – Common Ownership

ABC Company and 123 Company are wholly-owned subsidiaries of Alphabet Group Incorporated. They were acquired by Alphabet Group Incorporated in 1950 and 1970, respectively. Alphabet Group Incorporated is located in Nevada, however ABC Company and 123 Company are both located in

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meet the BACT requirements, low-use vehicles should not be included in the total horsepower, and should also not be “turned over” or retrofitted to meet the BACT requirements. For additional information on low-use vehicles, please see the “Low-Use Vehicles” FAQ, which is available under “Regulation FAQ’s” in the Off-Road Zone at www.arb.ca.gov/offroadzone.

Q – My fleet’s total horsepower is less than 500 hp. Do I still have to meet the small fleet requirements?

A – No. As an option, you can choose to phase out all of your fleet’s Tier 0 and Tier 1 vehicles and replace them with Tier 2 or greater vehicles according to the phase-out schedule specified in section 2449(e), and shown below.

Optional Compliance Schedule for Fleets with 500 HP or Less

<table>
<thead>
<tr>
<th>Compliance Date: January 1 of Year</th>
<th>Percent of Fleet (by horsepower) Which Must Have a Tier 2 or Higher Engine</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>25</td>
</tr>
<tr>
<td>2022</td>
<td>50</td>
</tr>
<tr>
<td>2026</td>
<td>75</td>
</tr>
<tr>
<td>2029</td>
<td>100</td>
</tr>
</tbody>
</table>

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