

# Proposition 1B Funding Program Funding Year 2007-2008

## Overview

Proposition 1B authorizes the Legislature to appropriate \$1 billion in bond funding to the Air Resources Board (ARB or Board) to quickly reduce air pollution emissions and health risk from freight movement along California's priority trade corridors.

ARB will award grants to fund projects proposed by local agencies that are involved in freight movement or air quality improvements associated with goods movement activities. Examples of local agencies include air pollution control and air quality management districts (air districts), ports, and regional transportation agencies in the trade corridors. The local agencies will then be responsible for providing financial incentives to owners of equipment to upgrade to cleaner technologies, consistent with Program Guidelines adopted by ARB. **Bond funds will flow via grants from ARB to local agencies, then to equipment owners** via contracts or other binding agreements with those local agencies.

Air Resources Board 1B staff contact information by trade corridor:

<b>For questions on ARB administered proposition 1B funding, please contact:</b>		
Goods Movement Emission Reduction Program	Program Staff	916-444-6637 Fax: 916-327-8524 gmbond@arb.ca.gov
<b>Trade Corridor Staff Liaisons:</b>		
Bay Area	Catherine Cardozo, Air Pollution Specialist	916- 322-1502 Fax: 916-327-8524 ccardozo@arb.ca.gov
Central Valley	Ajay Mangat, Air Resources Engineer	916-324-2718 Fax: 916-327-8524 amangat@arb.ca.gov
Los Angeles/ Inland Empire	Michael Ginty, Air Resources Engineer	916-324-7901 Fax: 916-327-8524 mginty@arb.ca.gov
San Diego/Border Region	Luis Woodhouse, Air Pollution Specialist	916-322-7298 Fax: 916-327-8524 lwoodhou@arb.ca.gov

# Trucks Serving Ports and Intermodal Rail Yards

## A. Equipment Project Specifications

### Trucks Serving Ports and Intermodal Rail Yards

<p><b>Eligible Equipment</b></p>	<p>Class 8 (&gt;33,000 lbs gross vehicle weight rating) heavy-duty diesel trucks used to move goods.</p> <p>Equipment owner must demonstrate:</p> <ul style="list-style-type: none"> <li>• Continuous registration (California base-plated or International Registration Plan) in California for the past 2 years.</li> <li>• At least 50 percent operation within trade corridor(s) for the past 2 years.</li> </ul>
<p><b>Ineligible Equipment</b></p>	<ul style="list-style-type: none"> <li>• Trucks subject to ARB's public and utility fleet rule.</li> <li>• Trucks subject to ARB's solid waste collection vehicle rule.</li> <li>• Trucks subject to ARB's diesel cargo handling equipment rule.</li> </ul>
<p><b>Option (1) Retrofit</b></p> <p><b>Requirements</b></p>	<p>Partial funding of up to \$5,000/truck to retrofit an eligible MY2006 or older heavy duty diesel truck with an ARB verified Level 3 diesel particulate filter that reduces diesel PM by 85 percent or more.</p> <ul style="list-style-type: none"> <li>• Program-funded diesel particulate filter shall be installed and operational at least 6 months prior to a regulatory requirement for that technology or level of emissions control.</li> </ul> <p>Equipment owner shall:</p> <ul style="list-style-type: none"> <li>• Commit to at least 4 years of 100% California-only operation and California base-plated registration. Dual plates, IRP, and any other out-of-state registrations are prohibited.</li> <li>• Commit to at least 4 years of frequent port or inter-modal rail yard service (150+ visits/year).</li> <li>• Commit to at least 50% of travel in trade corridors for duration of contract term.</li> <li>• Agree to accept an on-board electronic monitoring unit at any time during the contract term.</li> <li>• Agree to equipment inspections.</li> <li>• Comply with record-keeping, reporting, and audit requirements.</li> <li>• Sign a legally binding contract with the local agency including project milestone and completion deadlines.</li> <li>• Properly maintain filter in good operating condition and according to manufacturer's recommendations.</li> <li>• Demonstrate proof of equipment warranty on filter.</li> <li>• Demonstrate that any mid-1990s engine subject to the software upgrades for diesel trucks (i.e. chip reflash) has completed the upgrade.</li> <li>• Certify that there are no outstanding ARB equipment violations associated with the equipment project application.</li> </ul>

## Trucks Serving Ports and Intermodal Rail Yards (continued)

<p><b>Option (2) Repower</b></p>	<p>The lower of 50% or \$20,000 to repower an eligible MY2003 or older heavy duty diesel truck with a new engine that meets MY2007 emission levels or lower and ARB's requirements for engine manufacturer diagnostics.</p>
<p><b>Requirements</b></p>	<ul style="list-style-type: none"> <li>• Program-funded truck repower project shall be completed and operational at least 3 years prior to a regulatory requirement for that technology or level of emissions control. For independent owner operators, the equipment project shall be completed and operational at least 2 years prior to a regulatory requirement for that technology or level of emissions control.</li> </ul> <p>Equipment owner shall:</p> <ul style="list-style-type: none"> <li>• Commit to at least 8 years or 350,000 miles of 100% California-only operation and California base-plated registration. Dual plates, IRP, and any other out-of-state registrations are prohibited.</li> <li>• Commit to at least 4 years of frequent port or inter-modal rail yard service (150+ visits/year).</li> <li>• Commit to at least 50% of travel in trade corridors for duration of contract term.</li> <li>• Agree to accept an on-board electronic monitoring unit at any time during the contract term.</li> <li>• Agree to equipment inspections.</li> <li>• Scrap the old engine.</li> <li>• Comply with record-keeping, reporting, and audit requirements.</li> <li>• Sign a legally binding contract with the local agency including project milestone and completion deadlines.</li> <li>• Properly maintain new engine, emission controls, and diagnostics in good operating condition and according to manufacturer's recommendations.</li> <li>• Demonstrate proof of equipment warranty and comprehensive insurance on upgraded equipment.</li> <li>• Provide a copy of ARB Executive Order documenting that the new truck engine meets 2007 emission levels.</li> <li>• Certify that there are no outstanding ARB equipment violations associated with the equipment project application.</li> </ul>
<p><b>Pro-rated Alternative</b></p>	<p>Equipment owners may opt for a pro-rated alternative consisting of duplicate requirements, except that the Program will pay the lower of 25% or \$10,000 for a 4 year commitment of 100% California-only operation and California base-plated registration.</p>

### Trucks Serving Ports and Intermodal Rail Yards (continued)

<p><b>Option (3) Replacement</b></p>	<p>Partial funding of up to \$50,000/truck to replace an eligible MY2003 or older heavy duty diesel truck with a diesel or alternative fuel truck meeting MY2007 emission levels or lower.</p>
<p><b>Requirements</b></p>	<ul style="list-style-type: none"> <li>• Program-funded truck replacement project shall be completed and operational at least 3 years prior to a regulatory requirement a truck meeting MY2007 emission standards. For independent owner operators, the new truck must be operational at least 2 years prior to a regulatory requirement for a truck meeting MY2007 emission standards.</li> </ul> <p>Equipment owner shall:</p> <ul style="list-style-type: none"> <li>• Commit to at least 8 years or 350,000 miles of 100% California-only operation and California base-plated registration. Dual plates, IRP, and any other out-of-state registrations are prohibited.</li> <li>• Commit to at least 4 years of frequent port or intermodal rail yard service (150+ visits/year).</li> <li>• Commit to at least 50% of travel in trade corridors for duration of contract term.</li> <li>• Agree to accept an on-board electronic monitoring unit at any time during the contract term.</li> <li>• Agree to equipment inspections.</li> <li>• Scrap the old truck.</li> <li>• Comply with record-keeping, reporting, and audit requirements.</li> <li>• Sign a legally binding contract with the local agency including project milestone and completion deadlines. Under a lease program, the owner and lessee must sign the contract.</li> <li>• Properly maintain new truck in good operating condition and according to manufacturer's recommendations.</li> <li>• Demonstrate proof of equipment warranty and comprehensive insurance on new truck.</li> <li>• Provide copy of ARB Executive Order documenting that the new truck engine meets 2007 emission levels.</li> <li>• Certify that there are no outstanding ARB equipment violations associated with the equipment project application.</li> </ul>
<p><b>Pro-rated Alternative</b></p>	<p>Equipment owners may opt for a pro-rated alternative consisting of duplicate requirements, except that the Program will pay up to \$25,000 for a 4 year commitment of 100% California-only operation and California base-plated registration.</p>
<p><b>Project Cost Assumptions</b></p>	<p>Option (1): Total cost of a diesel particulate filter is ~\$10,000  Option (2): Total average cost of a repower is ~\$40,000  Options (3) &amp; (4): Total cost of a new MY2007 truck is ~\$100,000 (diesel) to ~\$180,000 (natural gas)</p>

## **B. Major Milestones for Equipment Project Completion**

- Equipment order.
- Equipment acquisition/installation.
- Submittal of invoice to local agency for reimbursement.
- 1<sup>st</sup> reporting milestone 6 months after equipment project completion.

## **C. Recordkeeping Requirements**

Equipment owners shall retain, at minimum, all documents, invoices, and correspondence associated with the application, award, contract, monitoring, enforcement, and reporting requirements at least two years after equipment project contact term or three years after final payment, whichever is later. Records shall be readily available and accessible to the local agency, ARB, or designee upon request for the purposes of ongoing evaluations or auditing.

## **D. Annual Reporting Requirements**

Equipment owners shall be responsible for annual reporting to the local agency that includes, but is not limited to:

- Contact information (owner name, address, phone, etc.).
- Proof of California registration.
- Annual vehicle miles of travel (including mileage/activity logs for documentation).
- Certification of California-only operation (including certification that permits were not utilized to make out-of-state trips).
- Certification and documentation of at least 50% of travel in trade corridors.
- Documentation of the number of port/rail yard visits within 12 month period.
- Summary of maintenance performed and inspections conducted.
- Certification that the bond-funded project was operated in accordance with signed contract and that all information submitted is true and accurate.
- Other information as requested by the local agency.

## **E. Ongoing Evaluations and Audits**

Equipment owners shall agree to ongoing equipment project evaluations and equipment project audits by the local agency, ARB, or authorized designees. ARB and local agency audit requirements and provisions are found in Chapter II.E.5.

**Further information can be obtained by contacting the appropriate trade corridor staff liaison listed on the first page of this section.**