

August 21, 2023

Via electronic submission: <https://www.arb.ca.gov/lispub/comm/bclist.php>

Clerks' Office  
California Air Resources Board  
1001 I Street  
Sacramento, California 95814

RE: Comments of Stericycle, Inc. on the Advanced Clean Fleets Regulation  
Second Notice of Public Availability of Modified Text and Availability of Additional Documents

Dear Board Members:

Stericycle, Inc. (Stericycle) appreciates this opportunity to submit this letter to supplement its previous comments, submitted October 17, 2022 and April 7, 2023, on the proposed Advanced Clean Fleets regulation (ACF, or proposed rule). As previously explained, Stericycle specializes in secure information destruction and in the collection, transportation, treatment and disposal of regulated wastes including medical waste. Stericycle provides essential services to hundreds of facilities across the state, including many of the largest and most critical public and private hospitals, clinics, nursing homes and laboratories.

Stericycle appreciates the time that the California Air Resources Board (CARB, or the Board) staff has devoted to meeting with us and other stakeholders during development of the ACF. Stericycle reviewed the Final Statement of Reasons (FSOR) and Appendix A thereto, as well as the draft ACF regulation proposed for resubmission to the Office of Administrative Law (OAL), dated August 4, 2023, and remains concerned that the ACF still includes provisions that have not been adequately addressed in the comment responses or the regulation language itself. Stericycle urges the Board to avail itself of this opportunity to consider the additional important points raised herein prior to resubmitting the regulatory package to OAL.

1. Initial Reporting and Compliance Deadlines Should be Postponed Given Recent Events.

With only a few months before the initial reporting and compliance deadlines for High Priority Fleets (HPF) would take effect, CARB's withdrawal of the ACF package to OAL has further complicated fleet planning and purchasing. The uncertainty created by the late withdrawal and resubmittal is compounded by recently filed litigation by the Western States Petroleum Association (WSPA) challenging the ACF,<sup>1</sup> and the recently announced agreement<sup>2</sup> with certain truck manufacturers concerning the Advanced Clean Truck (ACT) regulation. As Stericycle has previously communicated, the mandates in the ACT do not ensure that Stericycle's unique shredding vehicles and medical waste collection trucks will be among the ZEVs manufactured under the ACT, and the recent settlement does not alleviate this concern.

The short remaining time to comply with the proposed deadlines makes it difficult to conduct near- and long-term fleet planning with any certainty. We ask that CARB consider revising the regulations accordingly to push back the earliest reporting and compliance deadlines for HPFs by at least one year, so that reporting would not begin until December 2024, and the initial compliance deadlines would be in 2025.

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<sup>1</sup> *Western States Petroleum Association v. California Air Resources Board*; Steven F. Cliff, in his capacity as Executive Officer of the Air Resources Board, Fresno Superior Court Case No. 23CECG02976, filed July 24, 2023.

<sup>2</sup> See <https://ww2.arb.ca.gov/news/carb-and-truck-and-engine-manufacturers-announce-unprecedented-partnership-meet-clean-air>

2. The Configuration Examples in the ZEV Purchase Exemption Should Be Expanded.

In the March 23, 2023 rule language, CARB elaborated on the types of “configurations” that would be considered under the ZEV Purchase Exemption, as those configurations are described in Section 2015.3(e)(1)(A). Stericycle has provided CARB with information demonstrating that its shredding trucks and rear-load mobile collection trucks rely on specific vehicle configurations, not auxiliary equipment.<sup>3</sup>

CARB’s response in the FSOR was that its configuration list intended to provide examples drawn from “the most common body types” reported to CARB. But Stericycle’s trucks *are* a common body type among document shredding operations –which provide a critical service for businesses throughout California. Under the current scheme, Stericycle will be required to submit individualized requests, which may or may not be approved, or may not be approved in a timely manner. To facilitate greater certainty within the regulated community, Stericycle requests that CARB revisit this provision and include the language requested in Stericycle’s April 7, 2023 letter:

Configurations List. The list will include the following configurations: Bucket truck, boom truck, dump truck, flatbed truck, stake bed truck, front-loader refuse compactor truck, side-loader refuse compactor truck, rear-loader refuse compactor truck, refuse roll-off truck, service body truck, **rear loading box trucks utilized for paper collection, shredding trucks**, street sweeper, tank truck, tow truck, water truck, car carrier truck, concrete mixer truck, concrete pump truck, crane, drill rig, vacuum truck.

3. Advance ZEV Purchases Should Be Included.

Stericycle previously commented that fleet owners should be encouraged to contractually commit to acquiring ZE trucks ahead of compliance years by executing agreements early. Such a commitment should allow the operator to demonstrate compliance for an earlier compliance period, even if the contracted-for ZE truck will not be physically operating in the California fleet for the given compliance year. CARB’s response to this comment was to assume that operators would act in bad faith by cancelling future agreements and thus not incorporate any ZE into the fleet.<sup>4</sup> This is both an unreasonable presumption and not possible under the ACF. Under the ACF, fleet owners could not ultimately comply with either the Milestone Option or the Model Year Option by ordering ZE trucks and then cancelling them, because they would ultimately still need to incorporate ZE trucks into the fleet if they are unable to purchase ICE trucks without an applicable exemption. Stericycle requests that CARB reconsider authorizing credit for advance purchases of ZE trucks as proposed in the April 7, 2023 comment letter.<sup>5</sup>

4. Certain Points Addressed in the FSOR Should be Expressly Incorporated in the Regulation for Clarity.

a. Lease Buyouts

Stericycle appreciates CARB’s comment response<sup>6</sup> confirming that purchasing a leased vehicle that is already operating in a California fleet at the end of a lease period (a lease buyout) would not be considered a “vehicle purchase” under the proposed rule, section 2015(b). Stericycle reiterates its request, however, that clarifying language be added to the rule language itself. Otherwise, the definition of “vehicle purchase” is unclear on its face as to lease buyouts.

As previously stated, the leasing company typically holds the equitable and legal title, but both the lessor and lessee appear on the state motor vehicle registration. After Stericycle purchases a leased vehicle, the legal and equitable title passes to the company. However, in the proposed definition, a “vehicle purchase” is one of three articulated events:

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<sup>3</sup> See Stericycle’s comment letter on the ACF dated April 7, 2023, at p. 8 and Attachment A to that letter. For convenience, Stericycle’s April 7, 2023 letter is provided again here as Attachment 1.

<sup>4</sup> See FSOR, response to comment 122-15d, at p. 266.

<sup>5</sup> See Stericycle’s comment letter on the ACF dated April 7, 2023, at p. 3.

<sup>6</sup> See FSOR, response to comment 122-15d, at p. 261.



We protect what matters.

1) a fleet owner's acquisition of legal or equitable title to a vehicle; 2) a fleet owner's conversion of a vehicle to a ZEV; or 3) a fleet owner's agreement to lease a vehicle for one year or more. Without clarifying that a lease buyout is not considered a "vehicle purchase," which, based on CARB's response to comments, it is not, the plain language of the rule could be misleading and confusing for those fleet owners who typically buy leased vehicles at the end of the lease terms. Stericycle respectfully requests that CARB incorporate the changes proposed in its April 7, 2023 comment letter.

b. Extension Requests

In its April 7, 2023 comment letter, Stericycle requested that there be a time period for CARB to approve or deny extension requests, or else such request will be deemed granted. For example, given the 45-day time period for an entity to submit a request under the ZEV Infrastructure Delay Exemption (section 2015.3(c)), the proposed rule should provide some assurance that CARB will timely act on that extension request, and should also provide that in the event of requests for further information by CARB to inform the decision, there is adequate time for the entity to respond. CARB's response in the FSOR<sup>7</sup> does not address a situation where a completed application is submitted but CARB does not act within 45 days. Absent a clear pathway for entities who submit completed applications for extensions, applicants will be forced to file writs of mandate in superior court forcing CARB to act. Clarification in the regulation would avoid a potentially burdensome and unnecessary pathway for all parties.

\* \* \* \* \*

In conclusion, Stericycle appreciates CARB's continued diligence in addressing outstanding issues in the ACF regulation, and hopes that the Board will view the OAL withdrawal as an opportunity to address additional issues that warrant further consideration before the rule is finalized.

Sincerely,

*Cara Simaga*

Cara Simaga  
Sr. Director, Regulatory Affairs  
Stericycle, Inc.

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<sup>7</sup> See FSOR, response to comment 113-15d, 122-15d, at p. 297.

# Attachment 1



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April 7, 2023

Via electronic submission: <https://ww2.arb.ca.gov/applications/public-comments>

Clerk of the Board  
California Air Resources Board  
1001 I Street, Sacramento, California 95814

RE: Comments of Stericycle, Inc. on proposed Advanced Clean Fleet regulation

Dear Board Members:

Stericycle, Inc. (Stericycle) appreciates this opportunity to submit this letter to supplement its October 17, 2022 comments on the proposed Advanced Clean Fleet (ACF or proposed rule) regulation. As previously explained, Stericycle specializes in secure information destruction and in the collection, transportation, treatment and disposal of regulated medical waste. Stericycle provides essential services to hundreds of facilities across the state, including many of the largest and most critical public and private hospitals, clinics, nursing homes and laboratories. Stericycle thanks the California Air Resources Board (CARB, or the Board) staff for the time they have devoted to meeting with us and other stakeholders during development of the ACF. Stericycle recognizes that the revised rule language published March 23, 2023 reflects input from the regulated community. However, Stericycle continues to be concerned about significant aspects of the proposed ACF. Stericycle reiterates the concerns expressed in its October 17, 2022 comment letter, and respectfully request that the Board take into consideration these supplemental comments.

#### **I. The Rule Will Disparately Impact Medical Waste Collection Service Providers in California**

As an anticipated High Priority Fleet under the proposed rule, Stericycle is preparing to make the substantial investments to incorporate zero-emission vehicles (ZEVs) into its fleet where feasible, along with developing the necessary supporting infrastructure. Stericycle is not aware of any other medical waste service provider in the state that operates a "High Priority Fleet" as currently defined. This means that Stericycle's primary competitors in California will not be subject to the ACF. This will put Stericycle at a significant competitive disadvantage when considering the millions of dollars that will likely be required to invest in new ZEVs and associated infrastructure. If Stericycle is forced to raise prices or make operational adjustments to facilitate compliance with the rule, the company may lose business to competitors who will not be required to transition to ZEVs, and who will benefit from a continued ability to use and purchase non-ZEV vehicles.

Stericycle's geographic service area spans California, including rural and remote areas who might not otherwise have ready access to essential medical waste services. Stericycle could be forced to limit its service areas substantially, resulting in either a reduction of essential services, and/or a windfall opportunity to business competitors who are not subject to the ACF. (The diffuse nature of Stericycle's business poses its own unique challenges, particularly for infrastructure development and the range of ZEVs, as the company previously commented.)

In order to avoid these apparently unforeseen consequences, Stericycle proposes that uniform standards apply to medical waste haulers across the industry. Alternatively, Stericycle proposes that the applicability threshold for a High Priority Fleet be lowered to encompass entities having a total of two million in annual revenue, or entities owning, operating or directing (itself or in concert with other entities) a fleet of at least 10 vehicles.

## II. Vehicle Purchase and Leasing Circumstances Should be Clarified in the Definitions

### a. Lease Buyouts Should be Excluded from the “Vehicle Purchase” Definition

Stericycle appreciates the effort CARB staff has made in clarifying the definition of a “Vehicle Purchase.” However, the definition should consider circumstances that are anticipated to occur among fleets who lease vehicles and then ultimately purchase their leased vehicles, as opposed to simply renewing the lease. In those instances, the leasing company is typically an “ultimate purchaser” of the vehicle to whom the ACF would be applicable, subject to the assignment of the compliance obligation between lessor and lessee. The leasing company holds the equitable and legal title, but both the lessor and lessee appear on the state motor vehicle registration. Therefore, the rule should recognize that where a lessee is contractually responsible for ACF compliance, the status of the equitable or legal title of the vehicle may not always be an indication of a vehicle’s addition to the fleet. For example, it is common for fleet owners, including Stericycle, to lease vehicles for a period of time, after which they purchase that same vehicle and continue using it in their fleet. Such a lease “buyout” should not be considered a “vehicle purchase” for purposes of determining additions to the fleet, because the vehicle has been in the fleet all along. The “vehicle purchase” definition accurately reflects that the initial entering into of a lease is a “vehicle purchase,” but a lease renewal is not. The definition should clarify that, like a lease renewal, a lease buyout of an existing vehicle (likely already registered to the fleet owner but not owned by them) is not considered a “vehicle purchase” when it has already been operated in the California fleet.

Separately, the phrase “placed an order” within this definition (and elsewhere in the proposed rule) may be too narrow to accurately capture the range of mechanisms used for fleet or vehicle purchase transactions in practice. For example, fleet operators may enter into lease agreements with a leasing company that address rights and obligations of the parties involving the acquisition and use of vehicles, such as the “bundled service agreement” contemplated in the “Fleet Owner” definition, but would not accurately be considered to be “placing an order” as one might do with a manufacturer or dealer of the vehicles.

Accordingly, Stericycle recommends the following changes, in **bold underlines** for additions and ~~strikethroughs~~ for deletions (on top of CARB’s un-bolded tracked changes), as follows:

“Vehicle purchase” or “purchase” means ~~the an action wherein a~~ fleet owner has: **placed an order for contractually committed to acquire the legal or equitable title to** a vehicle ~~or powertrain conversion;~~ **to convert a vehicle to a ZEV; or to enter into a new lease agreement with a contract term of one year or more. The action taken must be** for immediate delivery or installation and **the purchaser** has already paid for or has entered into a binding agreement with ~~the an~~ authorized dealer, ~~powertrain conversion installer~~ **an entity that converts vehicles to ZEVs, a third party,** or manufacturer to pay for the vehicle or conversion. **A vehicle purchase does not include renewing a lease vehicle or exercising an option to buy a leased vehicle already in the California fleet and registered to the fleet owner. ...**

The above changes offer both clarity and consistency with Stericycle's understanding of the intent of the lease consideration in the “vehicle purchase” definition, as well as consistency with the “Fleet Owner” definition, which contemplates that the “Fleet Owner” “shall be presumed to be either the person or entity registered with the California Department of Motor Vehicles (DMV) as the owner or lessee of a vehicle...” However, as provided below, Stericycle also suggests a clarification to the definition of a “Fleet Owner.”

**b. The “Fleet Owner” Definition Could Lead to Confusion Where the Lease is Silent on ACF Compliance Responsibility but it is for a Period of Longer than One Year.**

Stericycle suggests a minor change to the “Fleet Owner” definition that would avoid ambiguity in the current definition. Subdivision (B) states in part that for purposes of assuming which entity is considered a “Fleet Owner” with compliance obligations under the ACF, the owner is presumed to be the leasing company unless the lease is for a period of one year **and** the lease agreement specifies compliance responsibility. Also, although Stericycle appreciates the effort to improve readability and use defined terms, in this instance the phrase “other equally reliable evidence” should be included back in the definition. This would address instances where there may be something less than a formal or comprehensive lease agreement that contemplated compliance with the ACF, but such responsibility could be allocated by a separate agreement, including a contract entered into by e-mail. Accordingly, Stericycle proposes the following revisions:

...the owner shall be presumed to be the rental or leasing entity for purposes of compliance, unless the rental or lease agreement for the vehicle is for a period of one year or longer ~~and or~~ the terms of the rental or lease agreement or other equally reliable evidence identifies the renting operator or lessee of the vehicle as the party responsible for compliance with state laws.

If that suggested change would pose problems with consistency for other sections of the proposed ACF, then Stericycle proposes a cleaner, simpler alternative as follows:

...the owner shall be presumed to be the rental or leasing entity for purposes of compliance, unless the rental or lease agreement for the vehicle is for a period of one year or longer ~~and the terms of the rental or lease agreement or other equally reliable evidence identifies the renting operator or lessee of the vehicle as the party responsible for compliance with state laws.~~

Either of those revisions would provide more clarity on the assumption of who is considered a fleet owner with compliance responsibility as between a leasing company and lessee.

**III. The Rule Should Recognize Advance Efforts to Acquire ZEVs**

For any number of reasons, including long-range fleet planning and manufacturing considerations, a fleet operator could, for example, contractually commit to acquiring ZEVs five years from now and execute an agreement today. Such a commitment should allow the operator to demonstrate compliance for an earlier compliance period, even if the contracted-for ZEV will not be physically operating in the California fleet for the given compliance year. This would not only encourage binding commitments to purchase ZEVs, which provides manufacturers with incentive and adequate lead times to meet the demands, but it allows fleet owners to demonstrate compliance without being as vulnerable to disruption from near-term manufacturing challenges. In several meetings, including at least one public workshop, CARB staff stated that if a vehicle order was placed in 2024, but the vehicle can't be obtained until a later date, CARB would recognize the purchase order as meeting compliance. Stericycle believes that this is what CARB intended under the rule, and offers the following suggested changes to clarify the language accordingly to the compliance section:

2015.1(a)

ZEV ~~Additions. All vehicles~~Addition. Any vehicle added to the California fleet, **including as demonstrated by a purchase order for future delivery beyond the current compliance year, must be** ~~ZEVs~~a ZEV. Renewing a vehicle lease for a VIN already in the California fleet, or exercising an option

to buy a leased vehicle already in the California fleet, shall be considered a continuation of the vehicle's ownership and shall not be considered a new addition to the California fleet.

2015.2(c)

Any ZEVs, including ZEV purchase orders for ZEVs to be delivered in the future beyond the current compliance year, count for compliance. Any ZEV from any Milestone Group may be used to count toward the fleet's ZEV ~~M~~milestone requirement. For example, a fleet with box trucks and day cab tractors can meet the ~~initial~~total ZEV ~~fleet~~ milestone with ZEV tractors instead of ZEV box trucks.

Additionally, as discussed further below, Stericycle recognizes and appreciates that the Vehicle Delivery Delay Extension in Section 2015.3(d) contemplates the circumstance where a fleet operator can use a purchase order to demonstrate compliance in a given compliance year if the vehicle has not been delivered on time. However, this narrow set of circumstances does not encompass the reality of fleet planning and ZEV manufacturing. Nor does it account for CARB's intent to encourage proactive ZEV fleet planning, early commitments to ZEV acquisition, and flexibility in allowing operators to demonstrate compliance for earlier compliance years with a binding purchase order for ZEVs that will ultimately be delivered in later compliance years. The above proposed revisions are necessary to clarify that intent.

In the spirit of recognizing ZEV fleet planning and acquisition, Stericycle recommends that CARB reconsider the criteria necessary to be a "ZEV Fleet" as contemplated by Section 2015(p) and the Compliant Fleet List. Although the proposed rule states that this recognition is available "regardless of the compliance path being used" several of the existing conditions (including that the Fleet has met its Milestones Option, and that the Fleet consists of a certain percentage of ZEVs) are in favor of Fleets that choose the Millstones Option. Fleets that select the Model Year compliance path should also be recognized as "ZEV Fleets" so long as they are in compliance with applicable provisions of the rule and have at least one ZEV.

#### IV. Some Exemptions and Extensions Warrant Further Clarification

##### a. The Vehicle Delivery Delay Extension Should Not Penalize Diligent Operators

As stated above, Stericycle appreciates the changes made in an effort to clarify the Vehicle Delivery Delay Extension. However, this extension should be available to operators when the delay is beyond their control – such as manufacturers' requirements that ZEV charging infrastructure be already in place prior to accepting an order for ZEVs, a circumstance that Stericycle has recently encountered in the course of planning for ZEV acquisition and infrastructure development.

Specifically, several ZEV manufacturers have indicated that they will require proof of sufficient charging infrastructure before even entering into a purchase agreement for ZEV trucks. This means that even if Stericycle is planning to purchase ZEVs for delivery several years in the future, while concurrently developing ZEV charging infrastructure, the company may not be able to even enter into a purchase agreement for those future trucks. Instead, these manufacturers' requirements would force Stericycle's acquisition of the ZEVs to be delayed until after the infrastructure is built, rather than allowing Stericycle to plan for concurrent ZEV infrastructure that would be ready upon delivery of longer-range purchase agreement. Under the proposed rule, CARB could deem the manufacturers' vehicles "available" for purchase, but an operator without infrastructure deemed sufficient to the manufacturer could not enter into a purchase agreement for these otherwise available vehicles. Therefore, the operator would be facing a delay despite its diligent efforts to both construct infrastructure and enter into a purchase agreement with the necessary lead time. Accordingly, extension delays should account for manufacturers' own requirements, including



those requirements (like this infrastructure requirement) outside of the narrow circumstances currently contemplated by the proposed rule.

Moreover, operators should not be penalized for any inaction on CARB's part in granting an extension if the operator timely submits its request pursuant to the specified criteria. Accordingly, the deadline for an extension should apply to the request (not CARB's granting thereof), suggest a reasonable timeline for CARB to action on such requests, and account for a wider range of circumstances for delay as follows:

2015.3(d)

Vehicle Delivery Delay Extension. Fleet owners may receive an extension to count an ICE vehicle to be replaced as a ZEV when determining compliance with the ZEV ~~milestone calculation of Milestone Calculation specified in~~ section 2015.2(b) ~~if a new ZEV is until the~~ ordered ~~one year in advance of the compliance date for the ICE vehicle being replaced and the newly purchased ZEV will not be delivered by the compliance deadline for reasons beyond the fleet owner's control. Fleet owners must meet criteria of ZEV is received, or if the owner is unable to enter into an agreement to purchase ZEVs due to manufacturer restrictions or requirements (including a requirement that certain infrastructure be in place at the time of entering into a purchase agreement), if they request and obtain an extension pursuant to the criteria specified in~~ section 2015.3(d) ~~to qualify, no later than the end of the annual reporting period specified in section 2015.4(b) in the calendar year of the next ZEV Milestone compliance date specified in section 2015.2(a). CARB must make a decision to grant or deny the extension must within 90 days of the request, or else the extension will be deemed granted. The fleet owner may transfer the extension to a vehicle in the fleet if the criteria specified in section 2015.3(d)(2) are met.~~

Conforming changes would need to be made in other references to the Vehicle Delivery Delay Extension, including 2015.1(c)(5) and 2015.2(f)(5).

Additionally, note that when acquiring vehicles through lease agreements or bundled service agreements, as Stericycle (and perhaps other national or regional companies operating in California) may do, not all the vehicles may be delivered to California. Therefore, Stericycle proposes a minor clarifying change to Section 2015.3(d)(1)(B)(2) that recognizes that the rule is primarily concerned with an exemption for purposes of its California Fleet, even if a vehicle to be acquired may initially be delivered out of state. This will allow fleet owners the flexibility needed if they are purchasing multiple vehicles, including ZEVs, but deciding independently or over a period of time where those vehicles will be deployed. Stericycle recognizes that a vehicle operating in California is considered part of the California Fleet as defined, but that should not affect other operational considerations of the Fleet Owner, such as where a particular truck is initially delivered, where it is registered or where it returns after a route.

The purchase agreement must identify ~~that the specific vehicle or agreement with a zero-emissions powertrain conversion installer was purchased,~~ ZEV that the fleet owner committed to purchase, the date of the purchase, and that the purchase is for immediate delivery to the ultimate purchaser fleet owner ~~in California;~~...

Likewise, wherever there are obligations for the regulated entity to submit an extension request, there should be a corresponding timeframe within which CARB must approve or deny the request, or else such request will be deemed granted. For example, given the 45-day time period for an entity to submit a request under 2015.3(c), the ZEV Infrastructure Delay Exemption, the proposed rule should provide some assurance that CARB will timely act on that

extension request, and should also provide that in the event of requests for further information by CARB to inform the decision, there is adequate time for the entity to respond.

**b. The Deadline for Initial Reporting and Exemptions Should be Extended**

Stericycle reiterates its concerns in its prior comment letter that the compliance deadlines, including for the ZEV Milestones Option, are aggressive and necessitate seeking an exemption almost immediately. By the time this rule is adopted and effective, there will only be a few months left in 2023 to request an exemption or take other actions, including identifying and relocating potential California Fleet vehicles, that must be sufficiently in advance of the 2024 reporting deadline (establishing the California Fleet and other fleet characteristics) or a 2025 compliance deadline.

For example, Section 2015.1(a)(1) and 2015.2(a) indicate that the characteristics of the California Fleet must be essentially established by the reporting deadline of January 1, 2024. That leaves very little time for larger fleet owners to optimize their national fleets and potentially relocate vehicles in preparation for strategic development of their California Fleet and corresponding ACF rule compliance. Stericycle requests that this initial reporting deadline be extended by at least one year, and subsequent deadlines be extended accordingly. At minimum, a provision is needed that allows for modification of the California Fleet during this first year as affected companies adjust their fleet and vehicle needs with an eye towards ZEV acquisition deadlines under the rule.

As another example, Section 2015.2(f)(5), and other provisions related to the ZEV Purchase Exemption, would require that the ZEV Purchase Exemption is sought no later than one year before the relevant compliance deadline. For a 2025 deadline, this means the exemption must be requested by December 31, 2023 (likely just a few months after the final rule is issued), and this is simply not enough time to conduct the substantial inquiries and develop the documentation needed for the exemption. Accordingly, Stericycle requests additional time be afforded for these initial deadlines for seeking an exemption. These deadlines should also be extended if there is a delay in implementing the ACF regulation for any reason, including delays by the Office of Administrative Law or as a result of litigation. To the extent that CARB has premised the ACF deadlines on the Advanced Clean Trucks (ACT) regulation, and the assumption that vehicles will be available for purchase due to implementation of that rule, ACF regulations should further be extended to account for any delays, including litigation, in implementing the ACT.

**c. Manufacturer Cancellation Requirement Should be Consistent for Regulated Entities**

Industry entities whose ZEV acquisitions are stymied by manufacturer cancellations should be afforded the same amount of time to enter into a new contract as government entities. Although Section 2015.3(d)(2) attempts to take into account time for government fleet owners to conduct the public bidding process, industry cannot necessarily enter into new contracts within the 180-day period, particularly when the vehicles may be for a limited number or niche vehicles, and thus may be a lower priority for manufacturers. That may be a disadvantage that government entities do not necessarily contend with. To ensure fairness in applicability, Stericycle proposes the following change to Section 2015.3(d)(2):

Manufacturer Cancellation. If a vehicle manufacturer cancels a purchase agreement for ZEVs used to qualify for the ~~is~~ extension ~~for reasons~~ due to circumstances beyond the control of the fleet owner, the fleet owner must secure another purchase agreement for ZEVs within ~~180 calendar days of the cancellation, except for government fleet owners who must secure another purchase agreement~~ within 1 year of the cancellation. ...

**d. Non-Repairable Vehicles**

Industry fleet owners may have their own processes for determining when a vehicle is non-repairable, and therefore should be afforded the same consideration for documentation as federal fleets, such as by attestation. There are instances where no police report would be generated, and there may also be instances where insurance companies are not involved. For example, if a vehicle suffers a catastrophic engine failure during routine operations, it may be deemed by the company to be non-repairable because the cost to repair or replace the engine outweighs the value of the vehicle. Accordingly, Stericycle proposes the following changes to Section 2015.1(c)(9):

A copy of a police report, statement from the insurance company, or signed attestation ~~from a federal fleet owner's governing board~~ indicating the vehicle is non-repairable;...

**e. The Daily Usage Exemption Warrants Clarification**

Stericycle appreciates that CARB has recognized that there may not be ZEV equivalents for certain types of vehicles with unique configurations or duty cycles. Stericycle requests some minor clarifications to this section to reflect realities that may not have been contemplated in the drafting of these sections.

**f. Demonstration of "Energy Consumption" for Stationary Activities is Unclear**

With respect to identifying the characteristics of the ICE for which there is no ZEV equivalent, Section 2015.3(b)(3) requires calculation of "energy usage." It is not clear how this could be calculated or demonstrated for a stationary vehicle. This could be shown in hours operated while stationary plus fuel usage while stationary. However, the rule seems to contemplate something beyond that, but it is not clear, and so we request clarification of the rule to the extent demonstrating fuel consumption and stationary duration would not be sufficient information.

**g. Distance from Infrastructure/Charging Time**

In order to seek a Daily Usage Exemption, Section 2015.3(b)(5) requires setting forth information that assumes circumstances that are not applicable to all fleet owners, and additionally that would be difficult or impossible to meet.

First, the provision assumes that there is a "home depot" for these vehicles for which no ZEV equivalent is available. That is not the case, and indeed part of the challenge with certain duty cycles is that a vehicle may be dispatched from point-to-point-to-point, as needed, without predictability and without returning to a specific location. Therefore, there would be no "fueling during the workday at the depot" as the provision presumes.

Second, the provision assumes that the fleet owner could identify fueling within 1 mile of the routes, or publicly available fueling. This would be nearly impossible for a business model where the vehicles are traveling unpredictable, varying routes across a wide geographic area. At present, there is no way to scout routes in advance when vehicles are dispatched to locations in real-time, and thus no way to timely meet this requirement of the exemption documentation. In the future, CARB may be the agency best positioned to serve as a central repository for information on public heavy-duty truck charging infrastructure that could be downloaded into fleet owner routing programs and incorporated into fleet route planning.

Finally, as CARB heard in public comments from others at the February 13, 2023 workshop, it is impracticable to refuel ZEV trucks during lunch or work break times, as these are generally far shorter than the multiple hours needed to fuel a heavy-duty ZEV truck. This characteristic of ZEV charging is likely uniform across the many truck types, so it would be redundant to require all entities to restate the same thing: that lunch breaks afford insufficient time to recharge a ZEV.

Ultimately, as written, this provision is potentially impossible to satisfy. It is also unclear why this exemption is limited to identifying BEVs, rather than other ZEVs. For example, there may be a hydrogen-fueled vehicle that could meet the duty cycle if there were adequate fueling infrastructure in place in the larger geographic area but there is not. Stericycle proposes a revision to make this documentation cleaner as follows:

Submit a description of the daily assignments or routes used by existing vehicle configurations with an explanation of why all ~~ZEVs~~ BEVs available to purchase of the same weight class and configuration cannot ~~meet the demands of the duty cycle, be charged or fueled during the workday at the depot, within one mile of the routes, or where ZEV fueling infrastructure is available. The explanation must include a description of why charging could not be managed during driver rest periods or breaks during the workday.~~

The revision above would allow fleet owners to identify the challenges to a ZE equivalent that may not be contemplated by the narrow circumstances described in the proposed language.

#### **h. The ZEV Infrastructure Delay Should Not Require Execution of Construction Contracts**

As other commenters have noted, ZEV infrastructure development could be delayed by any number of circumstances well before the time to enter into a construction contract is reached. Environmental pre-clearances, such as review under the California Environmental Quality Act (CEQA), or amendments to applicable planning and zoning laws could cause a delay early on in this the process, through no fault of the fleet owner. Additionally, even if the point of entering a construction contract is reached, there may be delays outside of the control of a fleet owner that prevent execution of the contract, such as conditions precedent required by the utility. Accordingly, Stericycle proposes that Section 2015.3(c)(1)(A) be revised to reflect these possibilities:

Documentation showing the ~~executed contract~~ relevant permit application(s) for the ZEV fueling infrastructure installation ~~with~~ including an estimated construction ~~project start~~ permit start date indicating the permit issuance date is at least one year prior to the next ~~immediately~~ applicable compliance ~~date for the purchased vehicle~~ deadline.

#### **i. Additional Clarity is needed for the ZEV Purchase Exemption**

Stericycle appreciates that staff has elaborated on the types of “configurations” that would be considered under the ZEV Purchase Exemption. These reflect our understanding that the unique types of configurations used by Stericycle in its operations would be among the “configurations” contemplated, because the vehicle’s purpose relies on that configuration, and not auxiliary equipment. (Please see Attachment A for brochures capturing the key features of such vehicles). Accordingly, so that there is adequate clarity, Stericycle requests further elaboration of the “configurations” in Section 2015.3(e)1)(A) as follows:

Configurations List. The list will include the following configurations: Bucket truck, boom truck, dump truck, flatbed truck, stake bed truck, front-loader refuse compactor truck, side-loader refuse compactor truck, rear-loader refuse compactor truck, refuse roll-off truck, service body truck, rear-loading box trucks utilized for paper collection, shredding trucks, street sweeper, tank truck, tow truck, water truck, car carrier truck, concrete mixer truck, concrete pump truck, crane, drill rig, vacuum truck.

## V. Reporting and Recordkeeping Clarifications

### a. Removal of Leased Vehicles from California Fleet

Section 2015.5(a)(3) requires certain documentation if a vehicle is removed from the California Fleet due to sale or transfer, but does not appear to be contemplating the return of leased California Fleet vehicles to a leasing company. If Stericycle does not renew a lease or buy out a lease, it returns leased vehicles to a leasing company. What the leasing company may do with those vehicles is unknown and is not within Stericycle's ability to control or determine. Stericycle suggests revising the provision to account for this scenario in a way that remains in harmony with provisions otherwise subjecting the leasing company itself to the ACF.

### b. Allow for Online Records Production

Section 2015.6(c) provides for a "right of entry" where records are located. Stericycle's records may not be physically in California or at a place that can physically be entered. Therefore, this provision should be revised to allow for request of online or digital records produced within a reasonable time.

Right of Entry. An agent or employee of CARB, upon presentation of proper credentials, has the right to enter any motor carrier, broker, or hiring entity facility (with any necessary safety clearances) where vehicles are located or vehicle records, including hiring and brokering records, are kept to verify compliance. **Where records are maintained solely or secondarily in digital format, CARB shall request records in digital format, which shall be produced within a reasonable period of CARB's request for them.**

Without this or a similar clarifying change, the provision could be read to impose the unintended and onerous burden of maintaining paper records in every facility that a CARB agent could physically enter. This is particularly problematic for entities like Stericycle, who are not headquartered in California and who operate from numerous small facilities spread across the state and country.

## VI. Compliance Pathways Remain Unclear

Stericycle expressed concern previously that compliance pathways are not clearly articulated by the proposed rule, and CARB has no clearly delineated administrative pathways by which to seek relief for an inability to comply with, or clarification or interpretation of a rule. Although Stericycle has endeavored to propose some clarifying language above, those are simply examples of a few of the circumstances that CARB may not have considered in developing the ACF rule. Broader questions remain and should be addressed thoroughly by CARB before the language is finalized.

For example, for any of the proposed exemptions or extensions, what are the procedures if a timely exemption or extension request is pending when a compliance deadline or obligation arises? CARB should revise the language to incorporate protections for entities who timely submit any such requests, even if CARB does not act on the request before a compliance deadline or obligation. CARB could set additional requirements for the timeliness of the submission, or the reasonableness of the time in which CARB must act on the submission.

Additionally, are there pathways for seeking relief from CARB's denial of an extension or exemption request? Are such denials appealable agency decisions? Without an administrative pathway for compliance, the Superior Court may be the only available avenue for resolution on some issues, which could be unnecessarily burdensome for the regulated community, for CARB and for the court system (and, by extension, the people of California). Will CARB establish protections for the regulated entity during the pendency of any such appeal, similar to the protection



We protect what matters.

afforded to an entity seeking a variance of a regional air pollution control district rule, where the filing of such petition for relief affords protection from enforcement of the rule for which relief is sought? For example, Section 2015.4(k) sets forth recordkeeping requirements in connection with requests for exemptions and extensions. But given the timing of the rule adoption, there may be little time before the deadline to submit requests, and there is no clarity in the rule regarding any abeyance of enforcement activity during a period of CARB review or appeal.

The real-world application of this proposed rule, and its aggressive deadlines, will create substantial uncertainties for the regulated community. Although CARB cannot anticipate every circumstance, it should provide a clear regulatory pathway to compliance, including thorough establishment of administrative processes, so that regulated entities are not subject to ad hoc enforcement decisions or regulatory interpretations that could inadvertently precipitate a slippery slope toward underground regulations.

## VII. Conclusion

Stericycle recognizes the amount of time and effort CARB staff has invested in developing this ambitious rule and appreciates the work CARB has done to better understand the challenges facing the diverse regulated entities. Indeed, Stericycle specifically acknowledges the revision at 2015.2(f)(6), providing for a “Fleet-specific ZEV Purchase Exemption,” which will allow operators with niche and unique vehicles – vehicles which presently have no ZEV equivalent because they are so low volume there’s no incentive to develop a ZEV equivalent yet (such as Stericycle’s shredding and mobile collection trucks) – to continue to purchase ICE vehicles until a true ZEV equivalent becomes available. Stericycle understands that CARB cannot learn the unique aspects of every regulated entity’s business and vehicles, but trusts that CARB will continue to be open to understanding the foreseeable and unforeseeable challenges that come with implementation of such a consequential rule. Stericycle is optimistic that the goals of this rule can be accomplished if CARB continues to implement changes in response to stakeholder comments – particularly by devising a clear pathway toward compliance when unanticipated challenges arise.

Once again, we thank CARB staff and the Board for their efforts and look forward to engaging in further dialogue so that we can work together towards achieving California’s climate goals. If you have any questions, please do not hesitate to contact me at [csimaga@stericycle.com](mailto:csimaga@stericycle.com). Thank you for your consideration of these comments.

Sincerely,

*Cara Simaga*

Cara Simaga  
Sr. Director, Regulatory Affairs  
Stericycle, Inc.

Enclosure

# ATTACHMENT A

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# Mobile Collection Unit Training

# RL-520eco



**Shredfast Inc.**  
2714 S Garfield Rd.  
Airway Heights, WA 99001

info@shredfast.com  
www.shredfast.com  
1-800-299-8437





# RL-520eco SPECIFICATIONS

## SPECIFICATIONS

	RL-520eco
Gross Vehicle Weight Rating	19,500 lbs
Legal Payload Capacity*	7,300 lbs.
Length	24'
Width	8'
Height	10'1"
Tare Weight	12,200 lbs

## FEATURES

Rear Ground Height & Dock Height Operator Control Panel
Custom FRP Construction
Remote Start
Active Floor Unloading
216 Sq. Ft. Storage Compartment
Universal Grip Tipping Assembly
LED Strobe Lights
QuikCheck Diagnostics
On-board Video Camera & Monitor
7 Position Dock Ramp
Maxxima LED Marker Lighting
2 Year Parts Warranty

## OPTIONS

Cold Weather Package
Delivery & Training
Paper Grabber
2 Rows of E-track in Storage
Spill Kit / Cones / Wheel Chocks
Backup Camera



Shredfast, Inc. states the information on the this page is rated conservatively and understates testing results through the Shredfast, Inc. manufacturing facility. Shredfast, Inc. chooses to emphasize Legal Payload as opposed to Payload Capacity.

\*The term Payload Capacity generally exceeds legal weight and could result in unlawful operation.

2 Year-Limited Warranty

# MDS-LINE

# MOBILE SHREDDING TRUCKS

## NEW Performance Upgrades

Increased Throughput



**MDS-LINE MOBILE SHREDDING TRUCKS  
AMAZING PERFORMANCE.**



# MDS-LINE

The Perfect Blend of High Performance & Payload

## ABOUT SHRED-TECH

Established in 1978 Shred-Tech® is a world leader in designing and manufacturing mobile and stationary shredding and recycling systems. Shred-Tech® has installed more than 6,000 shredding and recycling systems worldwide and is recognized globally for its commitment to engineering innovation and quality. Shred-Tech® is headquartered in Cambridge, Ontario Canada and has operations in North Carolina- USA, Bedford- England, Chonburi-Thailand as well as distributors in the UK, Australia and Japan.



## SHREDDER

The upgraded MDS-Line is equipped with new load-sensing technology to increase performance from the proven ST-15H and ST-35H shredders. The cast aluminum shredders have exceptional strength without the weight of steel. Throughput on the ST-15H can range from 5,500 lbs/hr to 8,500 lbs/hr, and up to 12,000 lbs/hr on the ST-35H. The shredders feature hub knives, high strength alloy shafts as well as two all-new patent pending innovations: cast-in cleaning fingers and a bridgeless vibrating feed hopper.

## AUGER COMPACTOR & AUTO UNLOADING

Equipped with Shred-Tech's angled compactor design and durable moving floor unloading system, these features ensure maximum payload of up to 14,000 lbs and rapid discharge of shredded material within a few minutes. This means more time on-route shredding paper and generating revenue.

## BIN TUNNEL & CONTROLS

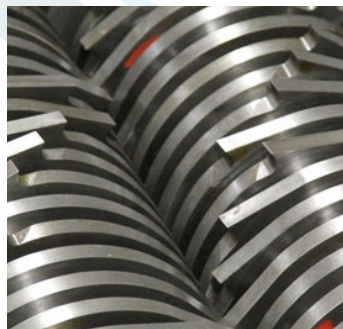
The MDS-Line is equipped with Shred-Tech's proprietary and patented Gripper Tipper®. This bin tunnel loading system allows for quick and easy loading of all industry standard containers. It ensures confidential information is protected from the elements, as it is kept secure and enclosed at all times.

The state of the art Plus+1® micro-control system with advanced intelligence is powerful enough to not only control and monitor the system but it also allows for a job timer, an automatic bin counter, advanced diagnostics and Predictive Idle to name a few of the features. The Plus+1® system offers a level of control, and range of features that are not possible with older analog control panels.

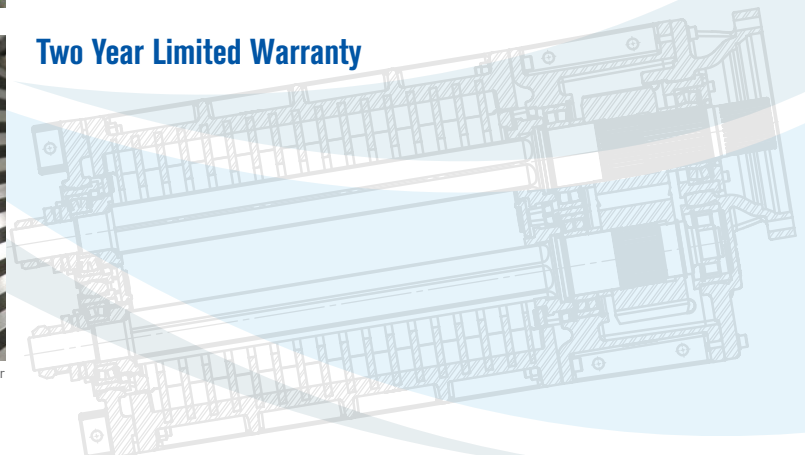
## Two Year Limited Warranty



MDS-4 Shredder & Hopper



MDS-4 Cutting Chamber



IT DOES MORE SO YOU CAN DO MORE!

	MDS-1S		MDS-2S		MDS-3S		MDS-4	
MDS-LINE SPECIFICATIONS	26	33	26	33	26	33	33	58
<b>PERFORMANCE</b>								
Throughput Up To (lbs/hr)*	5,500	5,500	7,000	7,000	8,500	8,500	12,000	12,000
Legal Payload Up To (lbs)**	9,000	14,000	8,135	14,000	8,135	14,000	11,000	16,000
<b>SHRED SIZE</b>								
NAID AAA	S	S	S	S	S	S	S	S
<b>MEASUREMENTS</b>								
Chassis GVW (lbs)	26,000	33,000	26,000	33,000	26,000	33,000	33,000	58,000
Empty Weight (lbs)	17,000	19,000	17,865	19,000	17,865	19,000	22,000	33,000
Length	27' 10"	31'	27' 10"	31'	27' 10"	31'	31'8"	39'8"
Width	8'	8'	8'	8'	8'	8'	8'	8'
Height	12' 7"	12' 9"	12' 8"	12' 9"	12' 8"	12' 9"	13'	13'
<b>PRODUCT SPECIFICATIONS</b>								
Drive	Hydraulic	Hydraulic	Hydraulic	Hydraulic	Hydraulic	Hydraulic	Hydraulic	Hydraulic
Number of Motors	1	1	1	1	1	1	2	2
Shredder Horsepower	75	75	114	114	114	114	228	228
Knife Thickness	5/8" (15.3mm)	5/8" (15.3mm)	5/8" (15.3mm)	5/8" (15.3mm)	5/8" (15.3mm)	5/8" (15.3mm)	5/8" (15.3mm)	5/8" (15.3mm)
Number of Knives	36	36	36	36	36	36	46	46
Knife Diameter	6.9"	6.9"	6.9"	6.9"	6.9"	6.9"	9.5"	9.5"
Hex Size	2 11/16"	2 11/16"	2 11/16"	2 11/16"	2 11/16"	2 11/16"	3 3/8"	3 3/8"
Distance Between Shafts	5 7/8"	5 7/8"	5 7/8"	5 7/8"	5 7/8"	5 7/8"	7 1/2"	7 1/2"
Cutting Chamber (LxW)	21"x 14"	21"x 14"	21"x 14"	21"x 14"	21"x 14"	21"x 14"	26 1/4"x 21"	26 1/4"x 21"
<b>ENGINEERING</b>								
Shred-Tech Shredder Model	ST-15H	ST-15H	ST-15H	ST-15H	ST-15H	ST-15H	ST-35H	ST-35H
Auger Compactor	S	S	S	S	S	S	S	S
Automated Infeed Hopper	S	S	S	S	S	S	S	S
Patented Retractable Bin Tunnel	S	S	S	S	S	S	S	S
Gripper Tipper Cart Lift	S	S	S	S	S	S	S	S
FRP Unibody	S	S	S	S	S	S	S	S
Aluminum Hydraulic Reservoir	S	S	S	S	S	S	S	S
Main Control Panel c/w Micro Controller	S	S	S	S	S	S	S	S
Ground Control Panel & Video Monitoring	S	S	S	S	S	S	S	S
PTO/Hydraulic Drive Configuration	S	S	S	S	S	S	S	S
Walking Floor Unloading System	S	S	S	S	S	S	S	S
Remote Start & Stop W/Parallel Chassis Ignition	S	S	S	S	S	S	S	S
Predictive Idle With Auto Shutdown	S	S	S	S	S	S	S	S
Shredding & Storage Area Cameras	S	S	S	S	S	S	S	S
Product Destruction	S	S	S	S	S	S	S	S
<b>CHASSIS</b>								
Freightliner M2 106	S	S	S	S	S	S	S	S
All Other Makes	O	O	O	O	O	O	O	O

| S | = Standard | O | = Optional

Optional Equipment

CONVENIENCE

- Biodegradable Hydraulic Oil System
- Back up Camera With S/S Guarding
- Aluminum Tool Box
- Strobe Light Package
- Wheel Chocks & Holders
- Tool Kit

PRODUCTIVITY

- HDS-5 Hard Drive Shredder
- Cart Storage Room
- 32 Gallon Cart Adapter

WEIGH SCALES

- Platform (Legal for Trade)
- Tipper Mounted (Not Legal for Trade)

COLD WEATHER OPTIONS

- Electric Hydraulic Oil Plug in Tank Heater
- AC/DC Hydraulic Oil Heater

MISCELLANEOUS

- Paint Other Than White
- Graphics

WARRANTY

- Chassis Extended Warranty
- Shred-Tech 3<sup>rd</sup> Year Parts Warranty**
- Shredder, Auger, Hopper
- Body & Bin Tunnel
- Walking Floor
- Bin Tipper

Annually, we help save over 20,000,000 Trees

# SHRED-TECH'S GREEN COMMITMENT

## ENVIRONMENTAL STEWARDSHIP

Our MDS Fleet meets the EPA's strict new low emissions standards and operates on ULSD (ultra-low sulfur diesel fuel) or B5 Biodiesel fuel. All MDS trucks are equipped with Shred-Tech's Predictive Idle with auto shutdown and remote panel start/stop. Predictive Idle senses low shredder loads and shuts off the high engine idle when the shredder is unattended and the hopper is empty. Moments later the PTO's are turned off along with the engine, reducing fuel consumption and lowering engine hours.

.....

Shred-Tech is committed to providing the most efficient and environmentally friendly shredding and collection vehicles available, and we are pleased to introduce new features and equipment that follow Shred-Tech's Environmental Stewardship.



Thinking Green  
Since Day One!

### COMPLETE INFORMATION DESTRUCTION AND RECYCLING SOLUTIONS

[www.shred-tech.com](http://www.shred-tech.com) | [shred@shred-tech.com](mailto:shred@shred-tech.com)

tf. 1.800.465.3214 | t. 519.621.3560 | f. 519.621.4288

Service Hotline: 1.877.566.2345



\*Throughput is an estimate based on actual test data and can vary depending upon many factors, including paper type, system maintenance and operator training. \*\*Legal Payload Capacity is an estimate based on chassis GVW only. Actual payload can vary depending on many factors including paper type, weather conditions, and system maintenance. Shred-Tech does not guarantee throughput or payload results. All Shred-Tech Shredders are available under US Federal Supply Contract.® All rights reserved. Shred-Tech and Shred-Tech logo are registered trademarks of Shred-Tech. Specs correct at press time, and may change without notice. 200413