

Appendix D

Proposed Amendments to the Truck and Bus Regulation

PROPOSED AMENDMENTS TO THE TRUCK AND BUS REGULATION

On December 12, 2008, the California Air Resources Board (ARB) approved a new regulation to significantly reduce emissions from existing on-road diesel vehicles operating in California. On December 9, 2009, staff provided the Board with an analysis of the impact of the recession on emissions from heavy-duty diesel powered vehicles. This analysis also showed that vehicle activity and emissions are both below the levels estimated when the regulation was developed. The analysis also showed that the 2014 emissions goals could now be met with fewer emission reductions from heavy-duty vehicles and the Board directed staff to develop regulatory provisions to provide economic relief to affected fleets. Finally, based on feedback and comments from affected fleets and other stakeholders, as well as analysis by staff, a number of other provisions of the regulation that require clarification or modification have been identified. Staff believes these clarifications and modifications are appropriate for the successful implementation of the regulation.

A. Existing Regulation

The current regulation requires owners to upgrade their fleets to meet specified best available control technology (BACT) standards for PM and NO_x. The BACT standard for PM, phased in from 2011 to 2014, is an engine retrofit with the highest level VDECS (PM filter) or an engine originally equipped with a PM filter by the engine manufacturer. The BACT standard for NO_x, phased in from 2013 to 2023, is an engine newly manufactured in 2010 or later or a 2010 emissions equivalent engine.

Fleets may meet the annual requirements by retrofitting vehicles with a PM filter that will achieve PM or NO_x reductions, or both, replacing vehicles with newer cleaner ones, or repowering vehicles with newer, cleaner engines. Fleets may also retire older vehicles or operate higher emitting vehicles less often by designating them as low-use vehicles.

During the first four years of the regulation, starting January 1, 2011, fleets are required to install PM filters for certain engine model years so that by 2014 nearly all engines will have a PM filter. The regulation then requires owners to reduce NO_x emissions from the fleet by accelerating engine or vehicle replacement or by retrofitting engines starting January 1, 2013. By January 1, 2023, all vehicles would be upgraded to vehicles with 2010 model year engines or equivalent.

Each year, fleets must demonstrate compliance with any of the regulation's three compliance options, and may change compliance options from one year to the next and may use a different option for PM than for NO_x. The options are:

- (a) A BACT schedule that prescribes which vehicles must be equipped with a PM filter or replaced based on engine model year; or
- (b) A BACT percentage limit option that sets the minimum number of PM filters to be installed and the minimum number of vehicles to meet NO_x BACT each year; or

- (c) A fleet averaging option that allows a fleet to reduce fleet emissions by meeting a fleet average emissions target for PM and one for NOx. The fleet emission targets decline over time so that by 2014, nearly all engines will meet PM BACT and by 2023, all engines will meet NOx BACT.

The regulation never requires the purchase of new vehicles and is structured so that the requirements can be met through the purchase of used vehicles.

The existing BACT compliance schedule allows fleets to comply by installing PM filters and upgrading to 2010 model year equivalent engines according to the schedule shown in Table 1.

Table 1: Best Available Control Technology Compliance Schedule

<i>Compliance Deadline, as of January 1</i>	<i>Engine Model Years</i>	<i>BACT Requirements</i>
2011	Pre-1994	PM BACT
2012	2003 – 2004	PM BACT
2013	2005 – 2006	PM BACT
	1994 – 1999	NOx and PM BACT
2014	2000 – 2002	NOx and PM BACT
	2007 and later that do not meet PM BACT	NOx and PM BACT
2015	Pre-1994	NOx and PM BACT
2016	2003 – 2004	NOx and PM BACT
	2005 – 2006	NOx and PM BACT
2017	1994 – 1999	NOx and PM BACT
2018	All pre-2007	NOx and PM BACT
2019	All pre-2007	NOx and PM BACT
2020	All pre-2007	NOx and PM BACT
2021	2007 or equivalent	NOx and PM BACT
2022	2008	NOx and PM BACT
2023	2009	NOx and PM BACT

The specific requirements of the BACT Percentage Limit Option are shown in Table 2.

Table 2: Percent of Fleet That Must Comply with PM and NOx BACT Standard

Compliance Deadline As of January 1	Percent of Total Fleet Complying with BACT	
	PM BACT	NOx BACT
2011	25%	N/A
2012	50%	N/A
2013	75%	25%
2014	100%	50%
2015	100%	50%
2016	100%	60%
2017	100%	80%
2018	100%	80%
2019	100%	80%
2020	100%	90%
2021	100%	90%
2022	100%	90%
2023	100%	100%

Small fleets with three or fewer vehicles have an alternative compliance option that delays the first compliance date until January 1, 2014, as described below:

- A one truck owner electing this option is required to have a 2004 model year or newer engine equipped with a PM filter by January 1, 2014.
- A fleet with two trucks is required to have one 2010 model year engine and one truck equipped with a PM filter, or both trucks having a 2004 model year or newer engine and equipped with a PM filter by January 1, 2014.
- A fleet with three trucks can elect to comply by having all vehicles equipped with 2004 model year engines or newer with PM filters by January 1, 2014, or choose to delay the PM filter requirement for one truck until January 1, 2016 if another truck is equipped with a 2010 model year engine by 2014.

All small fleets would need to meet the same BACT schedule as other fleets starting January 1, 2019.

School buses are exempt from any NOx reduction requirements but must meet PM BACT requirements. School buses would have three compliance options to meet PM BACT starting January 1, 2011 so that all school buses would have PM filters by January 1, 2014.

The regulation also includes a number of special provisions that delay some or all of the requirements for certain fleets and vehicle uses. These provisions are available for:

- Low-use vehicles
- Agricultural vehicles
- Vehicles operating exclusively in designated NOx exempt areas

- Motorcoaches
- Unique vehicles

The regulation also provides credits for:

- Vehicle retirements that have occurred since 2008
- Adding fuel efficient hybrid vehicles
- Alternative fueled vehicles
- Early PM retrofit installations

B. Proposed Regulatory Amendments

The proposed amendments would simplify the regulation by eliminating the fleet averaging and percent limit options, by modifying the BACT compliance schedule and proposing a new phase-in option. It would also delay the initial compliance requirements and delay the phase in of 2010 engines. These delays eliminate the need for the NOx exemptions in the current regulation which were based on phasing in the NOx requirements at a later date.

About 150,000 lighter trucks (trucks with a GVWR of 14,001 to 26,000 pounds) would be exempt from the PM BACT requirements and replacement requirements would be delayed for all vehicles until 2015. The proposed amendments would treat heavier trucks (trucks with a GVWR greater than 26,000 pounds) differently than lighter weight trucks.

Other amendments are proposed to reduce or delay compliance requirements for various types of vehicles or uses. Generally, the proposed amendments substantially simplify the regulation while retaining flexibility for fleets to determine which vehicles to retrofit or replace. A more detailed discussion of all the amendments staff is proposing is provided below.

1. Compliance Schedule for Lighter Trucks

Staff is proposing a new requirement for lighter trucks that would exempt them from the PM BACT requirements. Upgrading these vehicles would not be required until the engines are at least 20 years old. Starting January 1, 2015, and continuing each year thereafter until 2020, engines with model years that are 20 years old or older would need to be replaced with a 2010 model year engine or equivalent. Then, from 2020 to 2023, all remaining pre-2010 model year engines would be required to be 2010 model year engine equivalent according to the following schedule.

- 2003 and older engine model years by January 1, 2020
- 2006 and older engine model years by January 1, 2021
- 2009 and older engine model years by January 1, 2022

By January 1, 2023 all vehicles in the fleet must be 2010 model year emissions equivalent. Any vehicle brought into the fleet must be in compliance with the previous year's requirements.

Any vehicle that is equipped with a PM filter by 2014 would be exempt from the replacement requirements until 2020 and would have to be reported.

2. Compliance Schedule for Heavier Trucks

Staff is proposing to amend the existing BACT compliance schedule to phase in the requirement to install diesel particulate filters from 2012 through 2014. Beginning 2015 through 2023, staff is proposing to phase in the requirement to upgrade to 2010 or newer model year vehicles. The proposed amendments would require heavier trucks with 1998 to 2006 model year engines, to meet PM BACT between January 1, 2012 and January 1, 2014. The proposed compliance schedule is shown in Table 3 below.

Table 3: Proposed BACT Schedule for Heavier Trucks

Engine Model	Compliance Dates	
	Install PM Filter By	2010 Engine By
Pre 1994	N/A	January 1, 2015
1994-1995	N/A	January 1, 2016
1996-1997	N/A	January 1, 2017
1998-2000	January 1, 2012	January 1, 2020
2001-2004	January 1, 2013	January 1, 2021
2005-2006	January 1, 2014	January 1, 2022
2007-2009	January 1, 2014 if not originally equipped with a PM filter	January 1, 2023

Any vehicle that is equipped with a PM filter by 2014 would be exempt from the replacement requirements until 2020 and would have to be reported.

3. Phase-in Option for Small Fleets

Staff is proposing to replace the existing optional small fleet provision for fleets with one to three vehicles with a new optional phase-in for vehicles with a GVWR greater than 26,000 pounds that would simplify and ease the requirements. The proposed option is applicable only to heavier trucks. A small fleet would be allowed to delay meeting PM BACT for heavier vehicles until January 1, 2014 and be exempt from meeting the 2010 model year emissions equivalent requirement until January 1, 2020. The simplified requirements for PM filters would follow the schedule shown in Table 4 below.

Table 4: Small Fleet PM Phase-In Option Schedule for Heavier Vehicles

Compliance Date	Vehicles Meeting PM BACT
January 1, 2014	1 vehicle
January 1, 2015	2 vehicles
January 1, 2016	3 vehicles

Beginning January 1, 2020, all vehicles in the fleet would need to comply with the 2010 model year emissions equivalent requirements of the BACT schedule shown in Table 5.

Table 5: Compliance Dates for Heavier Vehicles that Must be Modernized

Engine Model Year	2010 Engine By
2000 and older	January 1, 2020
2001 – 2004	January 1, 2021
2005 – 2006	January 1, 2022
All Vehicles	January 1, 2023

Fleets using this provision are subject to the reporting requirements which have been amended as specified in the revised reporting requirements at the end of this appendix.

4. Phase-in Option for Large Fleets

Staff is proposing a new phase-in option for vehicles with a GVWR greater than 26,000 pounds to provide additional compliance flexibility. The fleets utilizing this provision must report information for all heavier vehicles in the fleet starting January 31, 2012. This option would allow fleets to decide the order in which vehicles would be retrofit and replaced, regardless of their age. This would provide additional flexibility to fleets so they may be able to keep older, more expensive or specialized vehicles in their fleet longer than would be allowed under the BACT schedule. It would also provide flexibility to fleets that have most or all of the vehicles in one or two of the model year ranges in the BACT schedule. The heavier vehicles in the fleet would need to comply with PM BACT according to Table 6.

Table 6: Phase-In Option Schedule

Compliance Date	Vehicles Meeting PM BACT
January 1, 2012	30%
January 1, 2013	60%
January 1, 2014	90%
January 1, 2015	90%
January 1, 2016	All Must Comply with BACT Schedule

Any vehicle brought into the fleet must be compliant with the previous year's requirements. Staff is also proposing to allow fleets with both drayage and non-drayage trucks to include all their vehicles in the phase-in option. Fleets using this provision are subject to the reporting requirements which have been amended as specified in the revised reporting requirements at the end of this appendix.

5. Relief for Fleets that have Reduced their Fleet Size

This amendment would provide expanded credits until 2016 for fleets that have fewer trucks than they had in 2006, and is intended to reduce the annual requirements for fleets most affected by the recession. Until January 1, 2016, and in conjunction with the optional Phase-in schedule for heavier trucks, a fleet would be able to reduce its requirement for a compliance year by the same percentage that the fleet has downsized from its 2006 baseline fleet. Table 7 shows how the fleet size reduction credit would reduce the compliance requirements for a business that has 25 percent fewer vehicles than it did in 2006. Because the fleet is 25 percent smaller, the fleet would subtract 25 percent from the annual phase-in option requirement each year until 2016. The second column in the table shows the phase-in option requirements without credits and the far right column shows the requirements adjusted for a fleet with a 25 percent smaller fleet. If the fleet size changes from year to year the credit would adjust.

Table 7: Example of Relief for Fleet Downsized 25 Percent

Compliance Date	Vehicles Meeting PM BACT (No Credits)	Fleet Size Compared to 2006 Baseline	PM BACT Required for Reduced Fleet
January 1, 2012	30%	-25%	5%
January 1, 2013	60%	-25%	35%
January 1, 2014	90%	-25%	65%
January 1, 2015	90%	-25%	65%
January 1, 2016	All Must Comply with BACT Schedule		

The proposed changes would provide fleets with additional credits by extending the baseline year back from 2008 (the baseline year for determining credits in the current regulation) to 2006. This would provide more credit since nearly all fleets had more vehicles in 2006 than 2008. The proposed amendments would also increase the credit by allowing non-operational vehicles to be counted as retired (that is, excluded from the calculation of fleet size). The credit would also continue until January 1, 2016 rather than expiring January 1, 2014 as provided in the current regulation. To take advantage of these credits, fleets would be required to report information about all trucks over 26,000 pounds GVWR in the fleet and comply with the optional phase-in compliance schedule starting in January 2012.

6. Credits

a) Credits for Early PM Retrofits

Fleets that have already installed a PM filter or install them prior to July 2011 would be able to treat another vehicle as compliant until 2017. This credit would encourage early action and get early emissions reductions, would reward fleets who have already installed PM retrofits, and would spread out retrofit purchases and installations. The vehicle that was retrofitted early would also be compliant until 2020. The proposed amendments would also extend the expiration date of the credit in the existing regulation from 2014 to 2017. However, credits towards another vehicle would not be available for action taken to comply with other regulations or for PM retrofits partially paid for by public funding according to the funding contract terms.

This credit could be used by fleets in a number of ways, for fleets using the optional phase-in compliance schedule, the retrofitted vehicle and the credit would each count towards compliance. For example, a fleet with two early retrofits would be treated as having four PM filters until 2017. Alternatively, a fleet that complies with the BACT requirements and doesn't report could claim the credit by reporting information about the truck equipped with the PM retrofit and the truck that would be treated as compliant using the provided credit. Additionally, a fleet that retrofits a lighter vehicle prior to July 1, 2011, could treat a heavier vehicle as compliant until January 1, 2017.

Overall, the amendment would increase the value of the existing early retrofit credit provision by providing a one for one credit that is good until January 1, 2017, rather than providing a credit like the existing regulation that declines each year until it expires January 1, 2014.

In addition, any lighter or heavier vehicle that has a PM retrofit installed prior to 2014 would be compliant until 2020. Fleets can use this option to keep older trucks until 2020 even if the BACT compliance schedule would require the vehicle to be replaced between 2015 and 2020. Credit towards another vehicle would not be given for partially state funded vehicle retrofits according to the funding program guidelines.

b) Fuel Efficient Hybrids, Alternative Fueled Vehicles, and Heavy-Duty Pilot Ignition Engines

Fleets that purchase fuel efficient hybrid vehicles, alternative fueled vehicles, or vehicles equipped with pilot ignition engines any time prior to 2017 would be able to treat another vehicle as compliant until 2017. This credit could be used with the optional phase-in compliance schedule where the credit for another vehicle would count towards compliance. In addition, a fleet that complies with the BACT requirements and doesn't need to report the entire fleet could claim the credit by reporting information solely about the hybrid vehicle and the vehicle that would be treated as compliant using this credit. Like the early PM retrofit credit, this amendment would increase the value of the credits by providing a one for one credit rather than the credit value in the existing regulation that declines each year. A fleet could receive credit for action taken on a lighter vehicle prior to July 1, 2011 and apply the credit for a heavier vehicle as compliant until January

1, 2017. Credit towards another vehicle would not be given for partially state funded vehicle replacements according to the funding program guidelines.

7. School Bus Provision

Staff is proposing amendments to the school bus provision, which are designed to provide relief while still protecting the children in our state. These amendments will exempt the lighter school buses (buses with a GVWR of 14,001 to 26,000 pounds) from the regulatory provisions and provide a one year delay in the implementation of PM filters for the heavier school buses (buses with a GVWR greater than 26,000 pounds).

The other proposed changes are similar to the relief proposed for other vehicles subject to the regulation. The BACT Percentage Limits option and the Fleet Averaging option would be eliminated and the existing BACT compliance schedule would be replaced with the phase-in compliance schedule shown in Table 8 below.

Table 8: BACT Compliance Schedule for Heavier School Buses

<i>Compliance Deadline, as of January 1</i>	<i>Minimum Percent of Total Fleet Complying with PM BACT</i>
2012	33%
2013	66%
2014	100%

The proposed amendments also include credits for installation of a PM filter, such that a heavier school bus would be considered compliant for each lighter school bus that has an OEM filter or a retrofit installed, provided that the funding of those buses allows the use of these credits. The proposed amendments also include credit for one heavier school bus to be considered compliant for each hybrid, heavy-duty pilot ignition, and alternative-fueled school bus over 14,000 pounds GVWR in the fleet, provided that the funding of those buses allows credits. For each school bus that earns any of the credits described above, the fleet could treat another school bus as compliant because of the credit until January 1, 2014. The fleet would be required to keep records on the school buses receiving credit and the school buses to be treated as compliant.

Similar to the proposal for other vehicle categories, staff is proposing a provision that offers economic relief to school bus fleets that have reduced their fleet size relative to their fleet size on October 1, 2006 – the new baseline year proposed in the amended regulation. Until January 1, 2014, a fleet would be able to reduce its requirement in a compliance year by the same percentage that the fleet has downsized from the 2006 baseline fleet. The fleet may include all school buses over 14,000 pounds GVWR when determining this credit. Except for fleets needing a compliance extension based on unavailability of PM filters, staff proposes to require no reporting for school bus fleets – only recordkeeping.

Staff is not proposing to change some of the original components of the regulation including:

- (1) The school bus exemption from NOx BACT,
- (2) The provision for school buses that cannot be retrofitted with a PM filter, to have until January 1, 2018, to meet PM BACT, and
- (3) The requirement for school buses greater than 14,000 lbs GVWR that were manufactured before April 1, 1977, to be retired by January 1, 2012.

8. Agricultural Vehicle Provisions

a) *Use of Small Fleet Provisions and other Credits, Exemptions, and Extensions*

Staff is proposing to make several changes the agricultural vehicle provision to streamline the language to make the provision easier to understand. The proposed changes would delete the concepts of low and limited mileage vehicles and place the mileage restrictions associated with those vehicles directly into the language of the provisions. Staff is also proposing to redefine the agricultural fleet to include only the vehicles using the agricultural vehicle provisions and not the vehicles that do not qualify for the provision as the regulation is currently written. In addition, Staff is proposing to extend the deadline for reporting agricultural vehicles until March 31, 2011 to allow another opportunity for eligible fleets to apply. Staff is also proposing to amend the definition of an agricultural vehicle to clarify the definitions. The definitions would clarify that any truck transporting a load of unprocessed crops between the farm and the first point of processing would be eligible and would still be eligible if making interim movements between the farm and the processor and would include yard trucks.

Staff is proposing to make a number of smaller changes to the regulation which would separate the vehicles that qualify for the agricultural vehicle provision from the vehicles would not qualify and would need to comply with the general requirements of the regulation. As a result of this change, the vehicles that do not qualify for the agricultural provision would be able to use any of the exemptions, extensions, or credits provided to the fleets that comply with the general requirements of the regulation.

Staff is also proposing to change the definition of specialty agricultural vehicles to remove the restriction that feed trucks or mixer-feed trucks be used exclusively at cattle or calf feedlots. In addition, staff is proposing to amend the language to clarify that when replacing an agricultural vehicle the vehicle being removed from the agricultural vehicle provision may be shifted to the non-agricultural vehicle fleet as long as it complies with the general requirements of the regulation.

Staff is also proposing to extend the deadline for reporting agricultural vehicles until March 31, 2011. The current regulation requires all vehicles that will utilize the agricultural vehicle provisions to report information regarding the business and the vehicles in the fleet by March 31, 2010. The early reporting was necessary because the number of specialty agricultural vehicles in state was capped at 2200 and 1100 in the San Joaquin Valley. However, after analysis of all the vehicles reported it was determined that less than 2200 and 1100 vehicles had requested to be classified as

specialty vehicles. If the number of specialty vehicles reaches the caps, priority will be given to those who reported during 2010. Fleets using this provision are subject to the reporting requirements which have been amended as specified in the revised reporting requirements at the end of this appendix.

b) Provision for Log Trucks

Staff is proposing to add a new provision under the agricultural vehicle section for log trucks and a definition of log trucks in the definitions section. As shown in Table 9, the provision would exempt log trucks from the requirement of installing PM filters, but instead require the log truck fleet to accelerate NOx BACT (replacement to 2010 model year emissions equivalent engines). Instead of phasing in PM filters beginning in 2012, as required by the BACT compliance schedule in the general requirements, log truck fleets would be required to meet NOx BACT at a rate of 10 percent per year from 2014 to 2023. Unlike other agricultural vehicles, log trucks would have no mileage restrictions.

Table 9: Percentage of Log Trucks that must have 2010 Model Year Emissions Equivalent

Compliance Deadline as of January 1	Percent of Total Fleet Complying with BACT
2011	0%
2012	0%
2013	0%
2014	10%
2015	20%
2016	30%
2017	40%
2018	50%
2019	60%
2020	70%
2021	80%
2022	90%
2023	100%

9. Inclusion of Drayage Trucks

Staff is proposing to amend the regulation to allow fleets with drayage trucks to include these trucks along with their other trucks when complying with the Truck and Bus regulation. Drayage trucks must still comply with the Drayage Truck regulation, but fleets would now be able to count cleaner drayage trucks toward the compliance with the Truck and Bus regulation. Staff is also proposing to amend the date by which drayage trucks would be subject to the Truck and Bus regulation from January 1, 2021 to January 1, 2017.

Staff is proposing to amend the Drayage Truck regulation to delay the phase 2 requirements that require drayage trucks to meet or exceed the 2007 engine standards by January 1, 2014. The existing regulation requires all drayage trucks to meet PM BACT by January 1, 2014, so the delay will allow drayage trucks meeting PM BACT to operate at ports and intermodal rail yards until required to upgrade to 2010 model year emissions equivalent engine as required by the Truck and Bus regulation. Staff is proposing that the Drayage Truck regulation sunset on January 1, 2016.

10. Provision for Two-Engine Street Sweepers

Staff is proposing to amend the two-engine sweeper provision to clarify that the auxiliary engine is required to meet PM BACT whenever the drive engine is required to either meet PM BACT or be upgraded to a 2010 model year emissions equivalent. However, street sweepers would need to follow the requirements of the regulation based on the GVWR of the sweeper. Sweepers with a GVWR of 14,001 to 26,000 pounds would follow the requirements for vehicles of that weight class and sweepers with a GVWR greater than 26,000 pounds would follow the requirement for vehicles of that weight class. The operating restrictions for two-engine sweepers greater than 14,000 pounds GVWR with Tier 0 auxiliary engines would remain the same. Fleets using this provision are subject to the reporting requirements which have been amended as specified in the revised reporting requirements at the end of this appendix.

11. Low-Use Vehicle Definition

Staff is proposing to amend the definition of a low-use vehicle to delete the requirement that these vehicles drive less than 1,000 miles and 100 hours in the 12 month period preceding the compliance year. The proposal would change the time period in which the mileage restriction applies from the previous compliance year to the current compliance year. Therefore, if a fleet designates a vehicle on January 1, 2012, as low use, the vehicle cannot operate more than 1,000 miles between January 1 and December 31, 2012. Fleets must report vehicle information annually and the provision expires January 1, 2023.

Staff is also proposing language that would require low-use vehicles operate less than 1,000 miles per year and 100 hours if the vehicle is equipped with power take off that is designed to operate while stationary, such as drill rigs or cranes. Vehicles that have PTO that are operated only to load and unload products such as lift gates would not be subject the 100 hour limitation. Fleets using this provision are subject to the reporting requirements which have been amended as specified in the revised reporting requirements at the end of this appendix.

12. NOx Exempt Area Provisions

Staff is proposing to amend the NOx exempt area provision to allow vehicles that operate exclusively in the NOx exempt area to continue the same exemption as the current regulation but would clarify how the exemption aligns with the proposed changes to general requirements.

Staff is proposing to modify the NOx exempt area provision to show that the proposed change to the general requirements only impact 1997 and older vehicles with a GVWR greater than 26,000 pounds operating in the NOx exempt areas. The narrow impact is a result of the extended deadlines of the general requirements. A separate compliance schedule is being proposed and would identify which model year engines would need to meet PM BACT by which specific calendar year deadlines.

Staff is also proposing to add an optional labeling requirement for fleet owners with 1997 and older vehicles that meet PM BACT rather than requiring reporting.

13. Unique Vehicle Extension

Staff is proposing to add a provision that would replace the unique vehicle provision. The new provision would streamline and clarify that a fleet owner may apply for a one year exemption from replacing the vehicle or engine if:

- A used vehicle or suitable cab and chassis that performs a similar function with a 2010 equivalent emissions engine is not available, and
- A suitable PM filter was not available to be installed by 2014.

14. Deleted Provisions

a) BACT Percent Limits

Staff is proposing to delete the BACT percent limits option which allowed fleets to meet PM and NOx BACT with vehicles of their choice provided they meet the annual percentage set forth in percent limits table and has replaced it with the phase-in option.

b) Fleet Averaging Option

Staff is proposing to delete the fleet averaging option because it is no longer needed.

c) Cab-Over-Engine Trucks with 57' Trailers

Staff is proposing to delete this section because the proposed BACT compliance schedule and phase-in option eliminates the need for this provision. Because the last model year that a cab-over-engine truck was built was 2006, these vehicles can never be replaced with a vehicle that meets the 2010 model year emission equivalent.

d) NOx Mileage Exempt Vehicles

Staff is proposing to delete the provision that provided an exemption from meeting the requirement to upgrade to a 2010 model year emissions equivalent engine for vehicles that traveled less than 7,500 miles per year. This provision is no longer necessary since the proposed amendments allow vehicles that meet PM BACT by 2014, to operate until January 1, 2020, regardless of the annual mileage.

e) *Motorcoaches*

Staff is proposing to delete this section because the compliance requirements are now reduced under the proposed amendments. The proposed BACT compliance schedule allows an additional two years before requiring fleet to begin to upgrade to 2010 model year engines and provides additional flexibility by allowing the fleets to keep older motor coaches longer. Staff estimates that less than 50% of the vehicles in most motorcoach fleets are 1997 or older, so the proposed BACT compliance schedule would be easier to comply with than the existing motorcoach provision. For this reason staff is proposing to delete the motorcoach provision.

15. Revised Reporting Requirements

a) *Reporting Dates for Fleets Claiming Credits*

Staff is proposing that fleets only be required to submit information for vehicles that qualify for the agricultural provisions rather than reporting information about all vehicles in the fleet. In addition, staff is proposing to extend the deadline for claiming the agricultural vehicle provisions to March 31, 2011.

Staff is also proposing to amend the reporting requirements for sweepers. The early reporting deadline of March 31, 2010, for fleets with two engine street sweepers remains unchanged; however, staff is proposing that fleets be only required to report information about the two engine street sweepers with Tier 0 engines rather than all two engine sweepers in the fleet.

16. Clarifications and Minor Modifications

Staff is also proposing to modify and make minor modifications to other sections to clarify existing requirements and improve enforceability of the regulation and streamlining reporting and recordkeeping.

a) *General Reporting and Record Keeping Requirement Changes*

The reporting requirements have been amended to do the following:

- Add the requirements for reporting under the proposed phase-in, credits, and exemption and extension provisions
- Identify new initial reporting dates and new reporting dates for subsequent compliance years
- Identify new information required to demonstrate compliance with proposed new credits
- Modify existing reporting requirements to improve enforceability
- Delete reporting requirements no longer needed for provisions deleted from the regulation

The following record keeping requirements have been amended to improve enforceability:

- Specific that owners who keep records outside of California are subject to the requirements for audits
- Add record keeping and audit requirements for the proposed new compliance options
- Specify that records be kept to verify PM filter's failure and replacement
- Specify that records be kept by owners claiming the emergency support vehicle exemption

