



December 15, 2010

Mary Nichols, Chairman
California Air Resources Board
1001 I Street
Sacramento, CA 95812

RE: Proposed Amendments to the Regulations to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen and Other Criteria Pollutants from In-Use On-Road Diesel Fueled Vehicles, Off-Road Diesel Fueled Fleets, and LSI 2010

Dear Chairman Nichols:

NAFA Fleet Management Association (NAFA) is the world's premier fleet professional organization, representing members from all facets of the fleet industry including public and private fleets. The 2100 vehicle fleets managed by NAFA's 3,000 members collectively total more than 3.5 million vehicles, of which more than 1.1 million are trucks, and of those over 350,000 are medium and heavy-duty trucks. The NAFA CARB Advisory Council has reviewed the proposed regulatory actions and respectfully submits the following public comment.

NAFA's Council recommends increasing all vehicle and equipment minimum usage exemption parameters (mileage and hours of operation). This will provide a small measure of relief to public and private fleets which have been incredibly impacted by the current economic situation. It is no secret that this state has been especially hard hit by the recession and that current diesel vehicle operation and usage is far below projections due to the economic environment. Additionally, there is a general lack of retrofit devices available for larger equipment such as construction and heavy GVW forklifts; especially older equipment. Increasing minimum usage parameters would allow fleets to make better use of existing units for which no suitable retrofit device exists and therefore greatly aid fleets struggling just to remain in business with minimal impact to overall projected diesel emissions.

NAFA's Council recommends that in order to provide equity if implementation is delayed, CARB should identify and provide preferential incentives to fleets that have already made efforts to comply with CARB regulations. Fleets that committed to early or as scheduled compliance made significant financial investments in vehicles and other capital assets. These fleets will be at a severe competitive disadvantage against other similar businesses with fleets that did not take any compliance actions. Some possible options include establishing a preferential priority for grant funding for these fleets, establishing tax credits or incentives for these fleets, or providing additional equipment "grandfathering" opportunities for those fleets that may take advantage of them. NAFA looks forward to working with CARB staff to develop a plan to ensure equity for those fleets that made good faith efforts to comply with CARB regulations.



NAFA's Council also recommends that CARB consider allowing use of up to B20 biodiesel blends as a means of compliance or partial compliance, especially with off-road equipment. There is a severe lack of available retrofits for much of the older and larger off-road equipment. Those retrofit devices that are available are unproven and costly. While there have been concerns expressed in the past regarding NOx emissions when using biodiesel, NOx emissions are for all practical purposes neutral with B20 biodiesel. DOE's National Renewable Energy Laboratory confirms the positive impact of B20 on emissions of HC, CO, and PM and states that "the data are insufficient for users to conclude anything about the average effect of B20 on NOx, other than that it is likely very close to zero" in their "*Biodiesel Handling and Use Guide, Fourth Edition*". Allowing B20 biodiesel use as a compliance measure is a low cost solution to immediately lower PM emissions and generally increase the usage of lower carbon content and renewable biodiesel in California.

NAFA's Council also recommends that CARB consider waiving certification requirements for manufacturers willing to build alternative fuel off-road and construction equipment. There are fleets willing to consider alternative fuel off-road equipment options; however the equipment is not currently available. Part of the problem is that the low volume of sales cannot justify the expense of undergoing CARB certification. In order to jumpstart innovation and expansion in the area of alternative fuel off-road and construction equipment, NAFA recommends CARB survey the manufacturers of this equipment for sale in California to determine if waiving CARB certification of this equipment would stimulate development in this area.

In closing, NAFA supports CARB's efforts to reduce vehicle emissions and appreciates CARB's commitment to amend existing rules in acknowledgement of the current economic situation and corresponding change to projected vehicle and equipment emissions that the rules were originally based upon. NAFA greatly appreciates the opportunity to comment on the proposed rulemaking and we look forward to continue working together with CARB staff in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. E. Battersby", is written over a light blue circular stamp.

Richard E. Battersby
Chairman, NAFA CARB Advisory Council