State of California
AIR RESOURCES BOARD

EXECUTIVE ORDER G-12-032

April 2012

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorizes the Air Resources Board (ARB or Board) to adopt standards, rules, and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, section 39003 of the Health and Safety Code charges the Board with coordinating efforts to attain and maintain ambient air quality standards, to conduct research into the causes of and solution to air pollution, and to systematically attack the serious problem caused by motor vehicles, which is the major source of air pollution in many areas of the State;

WHEREAS, chapter 3.2 commencing with section 39625 of the Health and Safety Code established the Proposition 1B: Goods Movement Emission Reduction Program (Program) to implement the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, also known as Proposition 1B, which authorizes one billion dollars ($1,000,000,000) in bond-funded incentives for ARB to reduce emissions associated with the movement of freight along California's trade corridors;

WHEREAS, on February 28, 2008, the Board adopted ARB Resolution 08-12 approving the Proposition 1B Goods Movement Emission Reduction Program: Guidelines for Implementation;

WHEREAS, on March 25, 2010, in Resolution 10-18, the Board adopted updated Program Guidelines;

WHEREAS, in Resolutions 09-40 and 10-18, the Board affirmed the existing authority of ARB staff to interpret or clarify the Program Guidelines and delegated to the Executive Officer, or his or her designee, the authority to adopt changes to the Program Guidelines that he or she deems necessary to enable effective implementation of the Program, provided that such changes are consistent with statute and the goals established by the Board. The Board also directed staff to identify those changes when the Board considers the next comprehensive update to the Program Guidelines;

WHEREAS, the Program Guidelines includes procedures for pre- and post-inspection for truck projects, which includes verifying that the old truck identified on the application is operational until it is turned in for dismantling and scrappage;

WHEREAS, truck projects can take over a year from the time of application to the time when the equipment owner takes possession of the replacement truck;

WHEREAS, Program Guidelines need to be modified to permit the owners of trucks that become inoperable, destroyed, or stolen prior to replacement to maintain their eligibility, if certain requirements are met, consistent with the objectives of the Program;

WHEREAS, to clarify and implement the Program, the staff may provide procedures and further guidance regarding the options for owners of trucks that become inoperable, destroyed, or stolen prior to replacement of the old truck. Attachment A outlines the options and procedures, which may be subsequently modified by staff if needed, consistent with the policies described herein;

WHEREAS, the owners of trucks that have become inoperable, destroyed or stolen before the replacement truck has been delivered may request to substitute another truck to maintain eligibility for Program funding. This substitute truck must meet the conditions for eligible trucks stated in the Program Guidelines, as confirmed by a local agency pre-inspection. The applicant may choose to drive the substitute truck until the replacement truck is delivered or scrap it immediately;

WHEREAS, the local agencies shall notify ARB of requests by applicants to substitute trucks that have become inoperable, destroyed, or stolen prior to replacement. The local agency shall provide ARB with all relevant information and shall consult with ARB prior to a decision.

WHEREAS, if the projects meets the criteria and provides a substitute truck as described above, the project remains eligible and retains its position on the ranked list to receive funding for the replacement truck.

NOW, THEREFORE, BE IT ORDERED that pursuant to the delegation of authority by the Board in Resolutions 09-40 and 10-18, the Executive Officer hereby adopts the modifications to the Program Guidelines that allow for the staff to provide a procedure to permit owners of certain trucks that become inoperable, destroyed, or stolen prior to funding to maintain their eligibility, subject to the conditions specified in Attachment A or its subsequent updates.

Executed at Sacramento, California this 20 day of April 2012.

James N. Goldstene
Executive Office

ATTACHMENT A
Proposition 1B: Goods Movement Emission Reduction Program

Trucks that Become Inoperable, Destroyed, or Stolen Prior to Replacement

The intent of the Proposition 1B Program is to achieve emission reductions from eligible diesel trucks that are operating at least 75% of the time in California and travel at least 5,000 miles per year. Each application for a grant to upgrade a truck is competitively ranked based on the emissions characteristics and miles traveled for the existing truck to determine which projects receive funding. The Program does not target trucks that are inoperable for extended periods of time, because the greatest emission reductions are achieved by upgrading equipment that is operating and polluting in California.

Districts/Local Agencies (Districts) have requested clarification on the continued eligibility of equipment that becomes inoperable prior to replacement, due to mechanical problems, accidents, or crimes (like theft or arson). The following outlines the conditions under which the truck project may retain eligibility for Program funding based on action by the truck owner and the District.

Timing	**Type of Inoperable Equipment**
Case 1: Owner has submitted application, but District has **not** closed solicitation period.	**Inoperable, Destroyed, or Stolen Truck** • Owner repairs the truck and/or engine at the owner's expense; or • Owner withdraws the original application and submits a new application for a different truck.
Case 2: Solicitation period has closed, but District has **not** posted ranked list on website.	**Inoperable Truck** Owner repairs the truck and/or engine at the owner's expense. **Destroyed Truck** • District verifies that the VIN of the destroyed truck matches Prop. 1B grant application. • Owner provides District with documentation that truck was operational up until the event of destruction. • Owner replaces destroyed truck with a substitute truck that meets Program Guidelines, as confirmed by District inspection. • District updates application information with substitute truck data and uses updated project data for ranking. • The project follows typical Program procedures. **Stolen Truck** The equipment project is no longer eligible for Prop. 1B funding.

Timing	Type of Inoperable Equipment
Case 3: District has posted ranked list on website but has **not** completed pre-inspection.	**Inoperable Truck** Owner repairs the truck and/or engine at the owner's expense. **Destroyed Truck- Alternative Pre-Inspection** • District verifies that the VIN of the destroyed truck is legible and matches Prop. 1B grant application. • Owner provides District with documentation that truck was operational up until the event of destruction. • Owner replaces the destroyed truck with a substitute truck that meets Program Guidelines, as confirmed by District inspection. This substitute truck is scrapped prior to taking possession of the grant-funded replacement truck. • The original truck cannot be brought back into service and the equipment owner provides the District with DMV documentation of dismantling or non-repairable status (DMV REG 42 "Notice to Dismantler" or REG 488C "Non-Repairable Vehicle Certificate"). **Stolen Truck** The equipment project is no longer eligible for Prop. 1B funding.
Case 4: District has posted ranked list on website and completed pre-inspection.	**Inoperable Truck** • Owner repairs the truck and/or engine at the owner's expense or replaces the inoperable truck with a substitute truck that meets Program Guidelines, as confirmed by District inspection. This substitute truck is scrapped prior to taking possession of the grant-funded replacement truck. • The original truck cannot be brought back into service and the equipment owner must provide the District with DMV documentation of dismantling or non-repairable status (REG 42 or 488C). **Destroyed Truck** • Owner replaces the destroyed truck with a substitute truck that meets Program Guidelines, as confirmed by District inspection. This substitute truck is to be scrapped prior to taking possession of the grant-funded replacement truck. • The original truck cannot be brought back into service and the equipment owner must provide the District with DMV documentation of dismantling or non-repairable status (REG 42 or 488C).

Timing	Type of Inoperable Equipment
	Stolen Truck • District verifies independent documentation of theft (e.g., police report, insurance claim), and that the documented VIN of the stolen truck matches Prop. 1B grant application. • Owner replaces the stolen truck with a substitute truck that meets Program Guidelines, as confirmed by District inspection. The substitute truck is to be scrapped prior to taking possession of the grant-funded replacement truck.
Case 5: District has posted ranked list on website, completed pre-inspection, and has scheduled but not completed post-inspection.	**Inoperable, Destroyed, or Stolen Truck** • Owner provides District with documentation that the truck was in operation up to the time that post-inspection was scheduled. • District verifies independent documentation of incident and that the documented VIN of the truck matches Prop. 1B grant application • The inoperable or destroyed truck is scrapped prior to taking possession of the grant-funded replacement truck.