

## TO: MANUFACTURERS OF TRAILERS SUBJECT TO CALIFORNIA'S PHASE 2 GHG TRAILER REQUIREMENTS

# ENFORCEMENT OF CALIFORNIA PHASE 2 GHG TRAILER REQUIREMENTS

### Background

On October 25, 2016, the U.S. EPA (EPA) and the National Highway Traffic Safety Administration (NHTSA) finalized a regulation that established federal greenhouse gas (GHG) emissions standards and fuel economy standards from medium-and heavy-duty engines and vehicles. U.S. EPA's and NHTSA's regulations are collectively referred to as the federal Phase 2 GHG regulation. CARB staff collaborated with EPA and NHTSA staff in developing the federal GHG emission standards in order to ensure that the federal standards and subsequently adopted California standards would allow affected manufacturers to build a single set of engines and vehicles to serve the entire nation.

### Federal GHG Emission Requirements for New Trailers

The federal Phase 2 GHG regulation established federal GHG emission standards and fuel economy requirements for new box-type trailers and certain non-box trailers hauled by heavy-duty tractors on the nation's highways. Those requirements include performance standards for box-type trailers, which manufacturers can meet by equipping such trailers with aerodynamic features that reduce aerodynamic drag, low rolling-resistance (LRR) tires, tire pressure monitoring systems, and weight reduction measures. The requirements specify design standards for non-box trailers that only require those trailers to be equipped with LRR tires and tire pressure monitoring systems.

### California GHG Emission Requirements for New Trailers

On September 27, 2018, CARB approved for adoption the California Phase 2 GHG regulation. That regulation largely aligns California's GHG emission standards and test procedures with the federal Phase 2 GHG emission standards and test procedures, and, as previously discussed, provides nationwide consistency for engine and vehicle manufacturers. The California Phase 2 GHG regulation establishes requirements for 2020 and later model year new trailers sold in California that are largely identical to the federal GHG emission standards for trailers. California Code of Regulations (Cal. Code Regs., title 17, §§ 95663(c) and (d).

## Litigation Challenging Federal GHG Trailer Requirements

Subsequent to the adoption of the federal Phase 2 GHG regulation, an association representing trailer manufacturers, the Truck Trailer Manufacturers Association (TTMA), filed a petition for review with the U.S. Court of Appeals for the District of Columbia Circuit challenging the federal Phase 2 GHG regulation on the grounds that, inter alia, it is in excess of the agencies' statutory authority. On October 27, 2017, the court granted TTMA a stay of EPA's trailer standards. Consequently, EPA is currently precluded from enforcing the federal Phase 2 GHG regulation's requirements applicable to trailers. The court also put the case in abeyance, pending EPA and NHTSA's reconsideration of their respective trailer standards. Neither agency has initiated a reconsideration proceeding at this time. One of the main issues in the case is whether trailers are "new motor vehicles" that EPA may regulate under the Clean Air Act.

### Advisory

In light of the uncertainty presented by the aforementioned circumstances, including the stay of the federal standards, the current abeyance in the D.C. Circuit litigation, the delay in reconsideration by the federal agencies, the uncertainty concerning the characterization of trailers as new motor vehicles under the Clean Air Act, and the imminence of the January 1, 2020 effective date of the California trailer standards, CARB is notifying affected entities that it will suspend its enforcement of the California GHG trailer standards (Cal. Code Regs, tit. 17 §§ 95663(c) and (d)) for a period of at least two years (calendar years 2020 and 2021). This suspension of enforcement will, at a minimum, be in effect for model year 2020 and 2021 trailers manufactured before January 1, 2022. CARB will provide regulated entities at least six (6) months written notice before it commences enforcing the GHG trailer standards.

### CARB Will Continue to Process and Approve Applications to Certify 2020 and Subsequent Model Year Trailers

CARB will continue to administer the California GHG trailer regulation on a voluntary basis, including processing and approving applications to certify 2020 and subsequent model year trailers, which will assist both trailer and equipment manufacturers seeking to comply with the trailer requirements in future model years and entities seeking to purchase new 2020 and subsequent model year California certified trailers. CARB will not, however, enforce the standards for model year 2020 and 2021 trailers manufactured before January 1, 2022.

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