

1. If you receive funding from one air district and operate the vehicle in a different air district is this still considered operation within a main trade corridor? The four main trade corridors are defined as Bay Area, Central Valley, Los Angeles/Inland Empire, and San Diego/Border Region. Any operation within these areas is considered operation within a main trade corridor.

2. How much grant money will be used for administrative fees? The Proposition 1B guidelines allow for up to 5% of the funding to be used for administrative fees.

3. Is this program only for Class 8 trucks? This program will be for heavy-duty diesel vehicles having a gross vehicle weight rating (GVWR) of greater than 26,000 pounds (cumulative axle weight rating of the vehicle). The GVWR of a vehicle can be found on the manufacture sticker located on the vehicle door jamb. These Class 7 and 8 trucks also need to move goods, and operate at least 50% of their time within one of the main trade corridors.

4. If a company domiciles in one main trade corridor, can they qualify or apply for funds from a different district? A company does not need to be domiciled within a trade corridor to qualify for funding within that corridor. Any eligible vehicle operating within one of the four trade corridors may apply for funding through the district or any other public agency offering a Proposition 1B Funding Program.

5. Can a 3-way truck transaction be done within the same company? Nothing prohibits a company from doing a 3-way truck transaction within their own company.

6. Can grant money be taxed? The District cannot answer any tax questions. Please see a tax consultant. The District does provide a Form 1099 to program participants for tax purposes.

7. Can a company apply for both Proposition 1B and Carl Moyer? No, participants can only apply for one program.

8. Can the market handle the demand of the Proposition1B program? Yes, according to industry representatives.

9. When does the Proposition1B program go into effect? The SJVAPCD is in the process of setting up the program, which includes generating documents and obtaining funding. The predicted application release is March/April.

10. Is Proposition1B on a first come, first serve basis? The SJVAPCD must follow the ARB's guidelines for program operation. Applications will be

accepted only during a request for proposal (RFP) application period. Once received all projects must be ranked. Those projects with the highest ranking will be funded first.

11. Will the truck operator be able to write off the depreciation value under the Bonus Depreciation Program (Federal program)? The District cannot answer any tax questions. Please see a tax consultant.

12. Define an owner, operator, and individual? A person who both owns a single heavy duty diesel truck and personally operates that truck to haul goods.

13. Is the leasing option open to fleets? Yes, the lease to own programs are eligible for funding provided that the program criteria are met and approval by ARB.

14. Will smaller tractors that handle more GVWR be eligible? If the cumulative axle weight rating of these vehicles is greater than 26,000 pounds they will be eligible.

15. What effect do the project guidelines have on the extended warranty programs? Say a project holder surpasses his mileage before his (5yr) contract is up, what effect does that have on the extended warranty program? How does that affect the lease? The program will only require that the operator fulfill a 500,000-mile requirement or 5 years of operation, whichever comes first. Once this requirement is met there is no further responsibility for the operator. For example, if the warranty is a 500,000 mile warranty then by mileage the program and warranty will last for the same period of time. Since the lease is separate from the funding program the lease can continue past the SJVAPCD's contract.

16. What about low mileage vehicles?

Yes, low mileage vehicles may apply, however vehicles must travel at least 5,000 miles a year.

17. Are taxes included in the grant? The maximum amount of funding is \$60,000 per vehicle for Class 8 and \$40,000 per vehicle for Class 7.

18. What types of replacement trucks are eligible? Eligible replacement trucks (new trucks replacing existing trucks) are diesel or alternative fuel trucks meeting 2007, 2007+ or 2010 model year emission levels.

19. If an applicant chooses to retrofit the vehicle, how long before the applicant would have to Repower (replace the engine) or Replace the vehicle? This will depend on the ARB's On-Road Heavy-Duty Diesel Vehicles (In Use) Regulation, which is currently only a draft. A final answer to

this question will not be available until this regulation is finalized. According to the current draft regulation retrofitting a vehicle will give the operator a compliance extension until 2013.

20. How will in-house applications be ranked for grant money? In house applications will be ranked according to Proposition 1B guidelines.

21. Would there have to be an executed contract? At this time an executed contract is needed **prior** to new truck order and purchase.

22. Would the dealer or project holder get the tax form 1099? The District sends the tax form 1099 to the project holder.

23. Will there be a limit on the number of trucks one applicant can apply for? No, but funding would be based on each individual truck and its rank. An applicant can also request less money than the maximum incentive, which could potentially move them up on the ranking list, because of improved cost effectiveness due to the decrease in funding.

24. Can a person apply for a retrofit, engine repower and a replacement (new truck) at the same time? No, applicants can apply for only one program at a time.

25. Is there a formula available to calculate NOx and weighted PM reductions? ARB has a calculator that is available on the Goods Movement website (www.arb.ca.gov/gmbond).

26. Who chooses the trade-down program? Will the district have package scenarios together in applications to apply? A complete trade scenario must to be submitted to the District by the applicant. The District will not provide matches to those individuals interested in the trade-down program, however, an application will be available.

27. How will ARB's Proposed On-Road Rule & credits from early reductions affect this program? Once the proposed regulation is adopted it will affect this program the same as any of the Districts other grant programs, the District can only fund emission reductions that are surplus to a rule or regulation.

28. To be eligible for funding 50% travel in trade corridors is required. How will the District monitor travel time within borders? An annual paper report will be necessary.

29. Will ranking priority be given to retrofit projects that reduce NOx as well as PM? No, a Level 3 PM only retrofit device will be considered the same as a retrofit device that also reduces NOx in the ranking of projects.

30. Can an applicant purchase a new truck through this program without having an existing truck to replace? No, the Proposition 1B program is a replacement program. This program is not for Fleet expansion or new purchase.

31. Where can the ARB guidelines for the Proposition 1B Program be found? Guidelines for Proposition 1B Goods Movement can be found on the California Air Resources Board website (www.arb.ca.gov/gmbond).

32. Are there calculations available to see if an applicant will qualify for the program before they apply for the program so applicants will not waste their time? All trucks meeting the eligibility requirements will qualify for the program. Funding is not determined based on calculations. All eligible projects will be ranked and funding will be granted first to the highest ranking project and will then continue down the ranking list until all funding is expended.

33. Will Proposition 1B funding come in chunks? There will be an initial disbursement after which the District will have 18 months to get applications under contract.

34. Why will the district conduct continuous inspections? The Guidelines require that the program participant allow the District to inspect the truck at any time during the life of the project to ensure the emission benefits are being achieved. The District will give program participants ample notice prior to any inspections.

35. What are possible scenarios in regards to 2003 and older model year trucks? The truck can be retrofitted, repowered or replaced through the program. If a truck is replaced with a new truck then the 2003 model year truck will be destroyed. If the truck is replaced through the three-way truck transaction component, then the 2003 model year truck will be retrofitted and will replace a 1990 model year or older truck, which will then be destroyed.

36. Will the District accept new applications or only fund existing applications? The District will be opening an application period at which time new applications for the Proposition 1B Program will be accepted. Please see the Districts web site at www.valleyair.org for details.

37. Will new trucks be required to have retrofits installed? New trucks will not be required to have retrofits installed. Trucks equipped with 2007 model year engines or newer will already have OEM retrofit devices included.

38. Has the District figured out what the criteria will be for funding? ARB guidelines specify how projects must be ranked and in what order they will

receive funding. The guidelines also specify eligibility requirements for the program. The Proposition 1B guidelines can be found at www.arb.ca.gov/gmbond.

39. Can an invoice with dealers be generated now and submitted with a Proposition 1B application once applications are accepted for the program? An applicant cannot purchase or place on order any equipment prior to an executed contract with the District.

40. Is this going to be an ongoing program? The Proposition 1B program is expected to last 4-5 years, however the exact length of the program is unknown at this time.

41. If an application for Proposition 1B funding is funded and they also have an application in the cue for the Carl Moyer program would they cancel the Carl Moyer application? An applicant cannot have more than one current application per truck with the District at a time. If an applicant has a current Carl Moyer application and wants to apply for Proposition 1B funding then the existing Carl Moyer application will have to be transferred to the Proposition 1B program or canceled prior to submitting an application to the Proposition 1B Program.

42. Can trucks funded apply for Fleet Averaging? Information from ARB states you cannot use a vehicle funded by Proposition 1B to count towards fleet averaging.

43. How is the traffic of trucks administered throughout the state? Vehicles participating in the Proposition 1B Program do not need to originate from the SJVAPD to receive funding. If a truck travels within the Central Valley Trade Corridor for at least 10% of the time they are eligible for full funding through the District.

44. Why must a truck be dismantled and destroyed within 60 days of receipt by a dismantler? Proposition 1B guidelines state that a hole must be punched in the engine and the frame rails need to be cut within 60 days.

45. Is there a distinction between dismantlers and Heavy-Duty engine dismantlers? Proposition 1B guidelines do not have a distinction between the two.

46. Is the District going to fine dismantlers for breaking guidelines? The District has not yet decided what action will be taken for those dismantlers who do not follow Proposition 1B guidelines. The District will take appropriate action to ensure the program's integrity.

47. Can dismantlers outside the District take District contracted vehicles?

Any dismantler contracted with the District can accept vehicles.

48. Who determines which dismantler gets the old truck? At this time the truck owners will decide which dismantler will get the old truck.

49. Is the only thing needing to be destroyed the engine and frame? Yes, the Proposition 1B guidelines state that a hole needs to be punched in the engine and the frame rails need to be cut

50. Can dismantlers wholesale vehicles to other dismantlers? No, the District wants to ensure the vehicles are destroyed.

51. Are these trucks going to be delivered to the dismantlers or will dismantlers have to pick them up? The dismantler and the applicant will have to decide between each other.

52. What is a typical way to dismantle an engine? Any resalable parts could be removed, a hole would need to be punched into the engine block and the frame rails would need to be cut. Once the engine block has been disabled then it could be scrapped and sent to the scrap yard for shredding.

53. Can a dismantler withdraw from the program at any time? Yes, a dismantler should be able to withdraw from the program at any time.

54. Can the parts that are taken from the truck be sold? As long as the engine is appropriately destroyed and the frame rails cut any parts can be sold.

55. Can a dismantler apply to replace a vehicle under the Proposition 1B program? Yes, as long as the vehicle is eligible and moves goods.

56. Do trucks moving scrapped truck bodies to the Bay Area qualify under Proposition 1B guidelines? As long as the truck bodies are being sold to the recipient in the Bay Area or the recipient is putting them up for sale.