1575 S. Valley Vista Dr.
Diamond Bar, CA 91765-3914

909-610-2030

E-mail: sema@sema.org
Website: www.sema.org

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https://ww2.arb.ca.gov/lispub/comm/bclist.php

California Air Resources Board
Clerk of the Board
1001 I Street
Sacramento, CA 95814

Re: Public Comment on Proposed Amendments to the Advanced Clean Fleets Regulation (Notice of Public Hearing dated July 15, 2025; Initial Statement of Reasons released August 1, 2025)

Dear Chair Randolph and Members of the Board:

The Specialty Equipment Market Association (SEMA) appreciates the opportunity to submit comments regarding the California Air Resources Board's (CARB) proposed amendments to the Advanced Clean Fleets (ACF) regulation. SEMA is a national trade association representing more than 7,000 companies engaged in the design, manufacture, distribution, and installation of automotive aftermarket parts and equipment. The specialty aftermarket industry contributes over $337 billion annually to the U.S. economy and employs more than 1.3 million Americans. SEMA members own, operate, and hire fleets that would have been directly subject to the ACF regulation, and many more supply essential equipment to those fleets.

The High-Priority and Drayage fleet provisions of the ACF regulation, as adopted in 2023, present serious deficiencies that make them unenforceable and unworkable. On October 8, 2024, SEMA and the National Truck Equipment Association (NTEA) filed suit in federal court to challenge those provisions, and on May 14, 2025, CARB agreed in a court-approved stipulation to propose the repeal of these provisions and not to enforce the part of the ACF regulation requiring 100% zero-emission-vehicle sales in the medium- and heavy-duty categories beginning with model year 2036 (Cal. Code Regs., tit. 13, § 2016), until CARB obtains a Clean Air Act (CAA) preemption waiver from EPA for that regulatory requirement. The Notice of Public Hearing and the Initial Statement of Reasons (ISOR) confirm CARB's

intent to fulfill its repeal obligation. For the reasons outlined below, CARB's enforcement of the ACF requirements would be unlawful and SEMA strongly supports the repeal of these provisions.

Federal Preemption

The ACF provisions directly conflict with CAA, Section 209 (42 U.S.C. § 7543), which expressly preempts states from adopting new motor vehicle emission standards absent an EPA waiver. CARB has not received a waiver for the ACF requirements, yet it purportedly adopted mandates that would prohibit fleets from purchasing or operating internal combustion engine (ICE) vehicles after certain dates. Such purchase restrictions are "standards" for purposes of the CAA, and therefore cannot be imposed without EPA authorization.

For SEMA members, this legal defect carries profound consequences. Members faced the untenable position of having to invest in compliance with rules that might later be deemed invalid, diverting resources from developing cleaner aftermarket technologies. Companies that manufacture ICE-based parts were confronted with the prospect that their products would be barred from California markets, despite otherwise meeting applicable standards and despite that California had not secured a federal waiver.

The ACF also violates the Federal Aviation Administration Authorization Act of 1994, which prohibits state laws relating to a motor carrier's prices, routes, or services. By dictating the type of vehicles carriers must purchase, the ACF inevitably raised operating costs, restricted available routes due to limited charging infrastructure, and reduced services. Many SEMA companies sell parts and equipment to carriers that provide interstate freight and logistics services. By restricting market access and increasing costs, ACF reduces demand for these aftermarket products and disrupts longstanding commercial relationships. SEMA members could lose access to the nation's largest trucking market altogether.

Constitutional Violations

ACF's structure imposes disproportionate burdens on out-of-state fleets in violation of the Dormant Commerce Clause of the U.S. Constitution. For example, a local fleet consisting of 49 in-state vehicles is not subject to the ACF Regulations, but a multi-state fleet with 49 vehicles in Nevada and just one vehicle operating in California would be subject to ACF, even though its footprint in the State is obviously much smaller. This arbitrary distinction had the practical effect of advantaging local fleets over national operators, in violation of the Dormant Commerce Clause. Moreover, the rules restricted the flow of interstate goods by limiting which vehicles could operate within California, even if those vehicles were registered, purchased, and compliant in other jurisdictions. These distortions harm SEMA

members' ability to serve customers nationwide and undermine investment in alternative clean technologies that could otherwise compete in interstate commerce.

The ACF provisions also suffer from pervasive vagueness. Multiple overlapping compliance obligations make it impossible for regulated parties to determine their responsibilities with certainty. For example, requirements for "hiring entities" effectively deputized private companies to police compliance by others, while exemptions for vehicle availability, daily usage, or infrastructure delays depended on the Executive Officer's exercise of "good engineering and business judgment," with no clear standards. Such provisions fail to give regulated parties fair notice of what conduct was required or prohibited.

For SEMA members, this vagueness creates extraordinary compliance risks. Members operating fleets cannot plan their purchasing cycles with confidence, while companies selling aftermarket products are unable to provide reliable information to customers about compliance options. This uncertainty chills investment and stifles innovation, as businesses face the prospect that their good-faith compliance strategies might later be invalidated by discretionary decisions.

State Law Prohibition

California Health and Safety Code, section 43018.5 expressly prohibits CARB from enacting a regulation that bans the sale of entire categories of vehicles. Yet ACF attempted to do precisely that by eliminating the ability to purchase or operate ICE vehicles and requiring that all new heavy-duty vehicles sold in California after 2035 be zero-emission. By mandating a wholesale shift in vehicle technology, ACF exceeds the authority delegated by the Legislature and contravenes state law.

ACF harms SEMA members whose businesses depend on the continued sale and lawful use of ICE vehicles and related aftermarket products. By effectively banning entire categories of vehicles, ACF threatened to make obsolete not only existing fleets but also the aftermarket products designed to make those vehicles cleaner and more efficient. The regulation thus undermined decades of investment by SEMA members in technologies that extend the life of vehicles while reducing emissions.

Conclusion

The High-Priority and Drayage fleet provisions of the ACF regulation are unlawful, unworkable, and harmful to the businesses that form the backbone of the specialty equipment and aftermarket industries. Their repeal is both legally necessary and economically prudent. The Board's repeal will bring regulatory certainty, preserve lawful avenues for innovation, and ensure that CARB can redirect its efforts toward measures that are feasible, enforceable, and consistent with state and federal law.

SEMA and its members remain committed to advancing cleaner vehicle technologies and to collaborating with CARB to achieve California's air quality and climate goals in ways that are technologically feasible, legally sound, and economically sustainable. We respectfully urge the Board to adopt the staff proposal to repeal the High-Priority and Drayage fleet provisions of the ACF regulation.

Sincerely,

Specialty Equipment Market Association