

October 31, 2025

Lauren Sanchez, Chairwoman
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Concern with Financial Impacts of Proposed Heavy-Duty Engine and Vehicle Omnibus Amendments on Public Transit Agencies

Chair Sanchez and Board Members:

On behalf of the California Transit Association, I write to you today to voice concerns with the proposed Heavy-Duty Engine and Vehicle Omnibus Amendments' (Omnibus Amendments) elimination of the Transit Agency Diesel-Fueled Bus and Engine Exemption (Transit Agency Exemption).

As you may recall, in 2021, the California Air Resources Board (CARB) established the Transit Agency Exemption in response to concerns raised by the Association in June 2020, as the original Heavy-Duty Engine and Vehicle Omnibus Regulation and Associated Amendments (Omnibus Regulation) was considered. The concerns we presented at the time were narrow and related to certain unintended consequences of the Omnibus Regulation, which would have made it impossible for transit agencies to legally procure diesel engines and diesel buses in California, starting in 2024, and which, thus, would have functionally undermined the zero-emission bus transition timeline and the flexibility options we negotiated with CARB in the Innovative Clean Transit (ICT) regulation. The Transit Agency Exemption, as finalized, reflected productive collaboration and an agreeable compromise between CARB and the Association and secured universal support from our membership.

We understand that, today, CARB is advancing the proposed Heavy-Duty Engine and Vehicle Omnibus Amendments (Omnibus Amendments) to harmonize with the U.S. Environmental Protection Agency's (EPA) regulatory language that further reduces NOx emissions starting in 2027. This harmonization would align CARB's and EPA's regulatory language for engine manufacturers, eliminating the Transit Agency Exemption from an engine's point of view. As such, the proposed Omnibus Amendments would sunset the Transit Agency Exemption starting in 2027.

However, in conversation with our membership, we have learned that the CARB proposed Omnibus Amendments do not appear to harmonize with the EPA regulatory approach for heavy duty (HD) hybrid systems mated to HD diesel engines in transit

buses. Specifically, EPA requires only a traditional HD engine certification for HD diesel transit buses but allows an optional hybrid powertrain certification path, which a manufacturer can elect to pursue. In the traditional engine certification path for EPA, hybrid components are not included in emissions testing and thus not considered emissions related components that carry emissions warranty terms. Should a manufacturer elect to pursue the optional powertrain certification path or seek emissions credits for the emissions benefits of the hybrid system, then the hybrid components would be included in the emissions testing and EPA would consider hybrid components to be emissions related components with emissions warranty. In contrast, the CARB Omnibus Amendments language appears to consider hybrid systems emissions related components (1956.8.2 (a)(4)) that carry emission warranty terms regardless of the certification path or if credits are pursued. Some sections in the CARB Omnibus Amendments also delete the word “optional” for the powertrain certification path (e.g. CCR 2035 (b)(1)(E)) implying that powertrain certification would be required.

If the current Transit Agency Exemption were to sunset in 2027 as the Omnibus Amendments propose, diesel hybrid transit buses will be subject to CARB certifications, CARB certification fees, and emissions warranty beyond the EPA requirement. And, if hybrid powertrain certification is a requirement as implied by some portions of the CARB Omnibus Amendments, engine and hybrid manufacturers will be forced to invent a method for powertrain certification. This invention would be difficult due to inadequate lead time for MY27 as no transit HD hybrids have been powertrain certified to date under EPA or CARB.

Therefore, in consideration of these potential harmonization issues with EPA and the short timeline for any compliance, the Association and its members propose CARB retain the diesel transit exemption for HD hybrid systems.

In Appendix D “Costs and Economic Impacts Assessment for the Proposed Amendments” CARB calculates the expected cost impact of removing the Transit Agency Exemption. While this analysis assessed impacts for non-hybrid diesel vehicle, the analysis did not assess the impacts to hybrid diesel vehicles including:

1. Additional warranty costs for the hybrid system;
2. Additional certification fees for each hybrid configuration that uses the engine;
3. Additional costs for diesel engine/hybrid powertrain emissions testing invention, execution, and certification; and
4. Additional direct and indirect costs (as defined in Appendix D) for the hybrid system.

These costs resulting from the proposed Omnibus Amendments would disadvantage hybrid transit buses when compared to non-hybrid diesel transit buses. This would place additional undue burden on transit agencies that, today, continue to procure mixed fleets of zero-emission and conventionally fueled transit buses in full compliance

with the ICT regulation. Many of these agencies are procuring, or intend to procure hybrid transit buses, to ensure that their conventionally fueled transit buses further reduce emissions. We believe that retaining the Transit Agency Exemption would allow public transit agencies to continue having the flexibility to purchase hybrids and meet service and capacity needs as they transition to zero emission fleets under their individual ICT transition plans.

In these extraordinary times of significant budget shortfalls, sunseting the Transit Agency Exemption would unnecessarily increase the procurement costs of diesel hybrid transit buses. The timeframe between when the proposed Omnibus Amendments would take effect in 2027 and 2029, the date when ICT would eliminate new sales of diesel engines in transit buses, is a short, but critical, timeframe for transit agencies working towards the ICT regulation's goal of improving public health and the environment while servicing their constituents needs. **The Association, therefore, strongly urges the Board to retain the Transit Agency Exemption in its consideration of the proposed Heavy-Duty Omnibus Engine and Vehicle Amendments.**

We greatly value our partnership with CARB in reducing emissions for the transportation sector, and we look forward to engaging directly with CARB branch and division staff to discuss further our concerns with the proposed Omnibus Amendments. Thank you for your consideration.

Please feel free to contact me at 916-446-4656 x1034, if you have any questions.

Sincerely,



Michael Pimentel
Executive Director

cc: Steven Cliff, Executive Officer, California Air Resources Board
Christopher Grundler, Deputy Executive Officer
Michelle Buffington, Chief, Mobile Source Control Division
Kim Heroy-Rogalski, Chief, Mobile Source Regulatory Development Branch
Annmarie Rodgers, Chief, Compliance Assistance & Outreach Branch
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