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June 15, 2026

California Air Resources Board

1001 I Street
Sacramento, CA 95814

**RE: Comments on the Second 15-Day Modifications to the Advanced Clean
Fleets State and Local Government Fleets Regulation**

On behalf of the Associated General Contractors (AGC) of California, we are submitting the following comments and questions to the California Air Resources Board (CARB) in response to the Second 15-Day Modifications to the Advanced Clean Fleets (ACF) State and Local Government Fleets Regulation.

AGC of California is a member-driven organization representing more than 900 companies throughout the state. Our members include general contractors, engineering contractors, specialty contractors, construction managers, material suppliers, equipment providers, and other businesses that support California's construction industry. Many of our members work closely with state and local government agencies and routinely perform public works projects throughout California.

While AGC supports practical and achievable efforts to improve air quality and reduce emissions, we remain deeply concerned that the proposed Second 15-Day Modifications continue to create significant uncertainty regarding the applicability of the ACF regulation to private fleets that provide contracted services to state and local government agencies. Despite CARB's statements that the regulation does not apply to private fleets, the newly proposed language regarding vehicles that are "rented, leased, or contracted to operate on behalf" of a public agency raises substantial questions regarding whether contractors, material suppliers, trucking providers, and other private entities could ultimately become subject to ACF requirements as a condition of performing public work. Given the significant economic and operational impacts that such an interpretation could have on California's construction industry, we respectfully request additional clarification and Board review before the proposed amendments are finalized.

Concern Regarding the Potential Indirect Regulation of Private Fleets

While CARB has stated that "the ACF regulation, as proposed to be amended, does not apply to private fleets," AGC remains deeply concerned that the proposed language could result in private fleets being subjected to ACF requirements through what effectively becomes an indirect or "underground" regulatory mechanism.



Specifically, CARB's statement that a public agency's fleet includes vehicles it directly owns, as well as vehicles it "rents, leases, or contracts to operate on its behalf," creates significant uncertainty regarding the treatment of privately owned vehicles operated by contractors performing work for state and local government agencies. The inclusion of vehicles that are "contracted to operate on behalf" of a public agency creates substantial uncertainty regarding whether private contractors may ultimately become subject to ACF requirements. Additionally, the proposal does not clearly define the types of contracts, services, or business relationships that would cause a privately owned vehicle or fleet to be considered part of a public agency fleet. While the regulation may not directly impose requirements on private fleets, the practical effect of this language could be to require contractors to comply with ACF standards in order to continue performing publicly funded work.

For the construction industry, this concern is particularly significant. Contractors routinely perform work for cities, counties, special districts, state agencies, and other public entities throughout California. Based on the current language, it is reasonable to interpret the proposal as stating that private fleets are exempt from ACF requirements unless they are operating under contract for a public agency, at which point those vehicles may effectively be treated as part of the agency's fleet and become subject to ACF compliance requirements.

This interpretation creates substantial concern for construction contractors, subcontractors, trucking providers, material suppliers, equipment rental companies, and other businesses that support public infrastructure projects. If public agencies are expected or believe they are expected to count contractor-owned vehicles toward their fleet compliance obligations, private businesses could face significant pressure to transition fleets, alter equipment purchasing decisions, or incur substantial compliance costs simply to remain eligible for public work. This additionally will raise the costs for public works projects and will decrease the bidder pool on public works projects as smaller contractors simply do not have the capital to afford to do these vehicle upgrades. Further, contractors use their vehicles on multiple public works projects at the same time in different jurisdictions.

If this is CARB's intent, it represents a significant policy decision that should be clearly presented to stakeholders and considered by the Board. If this is not CARB's intent, then additional clarification is necessary to ensure that private fleets are not indirectly regulated through public contracting relationships.

Outstanding Stakeholder Concerns

This issue is not new. Following the release of the initial 15-Day Modifications, AGC of California joined numerous industry associations and stakeholders in signing a coalition letter requesting clarification regarding the treatment of private fleets and contracted service providers.

The coalition specifically raised concerns that the proposed language could result in private businesses being indirectly subjected to ACF requirements when providing services to public agencies. Stakeholders requested clear regulatory language confirming that private fleets would not become subject to compliance obligations solely because they perform work under a public contract.



Unfortunately, the Second 15-Day Modifications do not appear to address these concerns. As a result, significant uncertainty remains for the construction industry and the many private businesses that support public infrastructure projects throughout California.

Given the importance of this issue, stakeholders should not be left to speculate regarding the intended scope of the regulation. CARB should provide clear and direct guidance regarding whether private fleets performing work for public agencies are exempt from ACF requirements.

Request for Board Review and Clarification

AGC believes the language introduced through the Second 15-Day Modifications raises a significant policy question that warrants review and direction from the CARB Board before the regulation is finalized.

The inclusion of vehicles that are "contracted to operate on behalf" of a public agency represents a substantial expansion of the discussion surrounding fleet applicability and creates uncertainty regarding whether private contractors may ultimately become subject to ACF requirements. Given the potential impacts on thousands of businesses that perform public work throughout California, this issue deserves full Board consideration.

Accordingly, AGC respectfully requests that CARB:

1. Return the issue of contracted private fleets to the CARB Board for review and policy direction prior to adoption of the regulation.
2. Clearly establish whether privately owned fleets performing work for state and local government agencies are subject to any ACF requirements, either directly or indirectly.
3. Explicitly confirm whether construction contractors, subcontractors, trucking providers, material suppliers, equipment rental companies, and other private entities performing work for public agencies remain exempt from ACF requirements.
4. Clearly define the types of contracts that would cause a privately owned vehicle or fleet to be considered part of a public agency fleet, including whether contract duration, contract value, scope of work, or operational control are factors in determining applicability.
5. Clearly identify the services CARB intends to capture under the phrase "contracted to operate on its behalf" and provide examples of contractual arrangements that would and would not be subject to these provisions.
6. If contracted public works fleets are subject to ACF requirements, clarify how vehicles may be counted multiple times in different jurisdictions.

Without this clarification, stakeholders are left with a reasonable interpretation that private fleets are exempt from ACF requirements except when performing work for a public agency. This uncertainty is



creating significant concern throughout California's construction industry and should be resolved before the proposed amendments move forward.

AGC appreciates the opportunity to provide comments on the Second 15-Day Modifications to the Advanced Clean Fleets State and Local Government Fleets Regulation. While we support efforts to improve air quality and reduce emissions, we remain concerned that the proposed language creates significant uncertainty regarding the applicability of ACF requirements to private fleets that contract with state and local government agencies.

We respectfully request that CARB provide additional clarification regarding the treatment of private fleets, the types of contracts and services that may be impacted, and whether these proposed changes warrant further Board review and direction before adoption.

Thank you for your consideration of these comments. We look forward to continued engagement with CARB staff and the Board on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Chris O'Connor".

Chris O'Connor

AGC of California

