



**SAN FRANCISCO MUNICIPAL RAILWAY**

1145 Market Street, 3rd FLOOR, SAN FRANCISCO, CA 94103-1547  
Phone: (415) 934-3953 FAX: (415) 934-3930



January 18, 2002

Mr. David Burch  
Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, CA 94109

Dear Mr. Burch,

The San Francisco Municipal Railway (Muni) wishes to comment on the proposed revisions to the policies that govern the distribution of the Transportation Fund for Clean Air (TFCA). Muni's comments seek to clarify that the installation of particulate matter filters and exhaust recirculation kits are eligible projects for TFCA funding under the terms of AB 434 as codified in HSC §44241, and as amended by AB 3048, SB 367, and SB 826. Muni proposes to include CNG infrastructure as a project that would be eligible for funding from the TFCA Regional Fund.

State legislation mandates that motor vehicle registration fees be used for the purpose of reducing motor vehicle emissions. California's Health and Safety Code authorizes vehicle registration fees to be used for the implementation of low-emission vehicle programs in the Bay District under HSC §44241(b)(6). Programs that would reduce the emission of particulate matter and oxides of nitrogen to .01 g/bhp-hr and 2.0 g/bhp-hr, respectively, should qualify for funding under this provision. Therefore, Muni proposes the following clarification to ¶13 of the *Draft TFCA Policies for FY 02/03*:

Muni's additions indicated by underline; deletions by ~~strikethrough~~.

**13. Clean Air Vehicles and Aftertreatment Devices:**

Clean Air Vehicles

All chassis certified vehicles (light and most medium duty vehicles) certified by the California Air Resources Board (CARB) as meeting established ultra low emission vehicle (ULEV), super low emission vehicle (SULEV), or zero emission vehicle (ZEV) standards are eligible for TFCA funding. Hybrid electric vehicles (HEVs) that meet the ULEV, SULEV or ZEV standards are eligible for TFCA funding.

To be eligible for TFCA funding all engine certified vehicles (some medium duty and all heavy duty vehicles) must be certified to CARB's optional low-NO<sub>x</sub> standards, or deemed by CARB as eligible under the

Carl Moyer Program. All engine certified hybrid electric vehicles (HEVs) must demonstrate NO<sub>x</sub> emissions of no more than 2.0 grams per brake horsepower hour to be eligible for TFCA funding, regardless of fuel used in the hybrid electric configuration.

#### Eligible Vehicles

Hybrid electric vehicles noted above will be eligible for funding. Vehicles with the ability to run on gasoline or diesel fuel as their primary fuel will also be eligible for funding, provided that they run on ultra-low sulfur diesel (ULSD), which is defined by CARB to be fuel with a maximum sulfur content of 15 parts per million by weight.

#### Aftertreatment Devices

Devices that are shown to reduce emissions on each coach on which the device is installed will be eligible for TFCA Regional and Program Manager Funds. Eligible devices include those that reduce NO<sub>x</sub> emissions to no more than 2.0 grams per brake horsepower hour and PM emissions to no more than .01 grams per brake horsepower hour will be eligible for funding, provided they meet the criteria listed below:

#### For PM-reducing devices:

- 1) The purpose of the aftertreatment device is to reduce PM emissions to .01 g/bhp-hr or lower, and
- 2) The vehicles onto which they will be installed run on ULSD, and
- 3) The aftertreatment device is certified by CARB.

#### For NO<sub>x</sub>-reducing devices:

- 1) The purpose of the aftertreatment device is to reduce the emissions of NO<sub>x</sub> to 2.0 g/bhp-hr or lower, and
- 2) The vehicles onto which they will be installed run on ULSD.

With the exception of hybrid electric vehicles and vehicles that are fueled by ULSD noted above, no vehicles with the ability to run on gasoline or diesel fuel as their primary fuel will be funded.

Muni strongly believes that PM filters and exhaust recirculation kits should be eligible for TFCA funding. At least one air district in the state has a program that successfully implemented a PM retrofit program using vehicle registration fees. The Mobile Source Air Pollution Reduction Review Committee (MSRC), in the South Coast Air Quality Management District, funds the installation of PM filters through its car registration fee fund. The law that governs the MSRC's use of car registration fees is very similar to the law that governs the Bay Area's use of car registration fees.

**Use of District Fees to Implement the California Clean Air Act**

	<b>South Coast</b>	<b>Bay Area</b>
<b>Code Reference</b>	HSC 44243-44244	HSC 44241
<b>Purpose</b>	To fund projects to reduce air pollution from motor vehicles. Projects must be authorized by, or necessary to implement, the State air quality plan or State or Federal law.	To implement mobile source and transportation control projects and programs that are included in State or Federal air quality plans
<b>Eligible Projects include:</b>	<ul style="list-style-type: none"> <li>• Transportation control measures</li> <li>• Transportation demand management programs</li> <li>• Clean fuel and clean vehicle programs</li> </ul>	<ul style="list-style-type: none"> <li>• Ridesharing programs</li> <li>• Local arterial traffic management</li> <li>• Purchase of clean fuel buses and implementation of low-emission vehicle programs</li> </ul>

Muni also requests that the Air District allow CNG infrastructure to be funded by both the TFCA Regional Fund and the TFCA Program Manager Fund. Currently, CNG infrastructure is only funded from the TFCA Program Manager Funds. Muni proposes the following change to ¶16 of the *Draft TFCA Policies for FY 02/03*:

Muni's additions indicated by underline; deletions by ~~strikethrough~~.

**16. Clean Air Vehicle Infrastructure:** The TFCA Regional Fund will fund the clean air vehicle infrastructure development associated only with electric vehicle projects and compressed natural gas vehicles, and only under Electric vehicle projects are subject to the following conditions: a) the maximum level of funding is limited to the amount necessary to satisfy the recharging demand created by the project; and b) after satisfying the project needs, the recharging infrastructure must be accessible, to the extent feasible, to other public agencies, private fleets, and the general public. CNG projects must be accessible, to the extent feasible, to other public agencies, private fleets, and the general public.

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The TFCA Program Manager Funds may be used for both electric recharging and natural gas fueling infrastructure. The electric recharging and natural gas fueling infrastructure must be accessible, to the extent feasible, to other public agencies, private fleets, and the general public.

Thank you for reviewing the enclosed copy of the MSRC's Diesel Particulate Trap Retrofit Program as well as Muni's comments to the proposed changes to the *Draft TFCA Policies for FY 02/03*. Please feel free to contact my office if you have any questions.

Sincerely,



Walter C. Streeter  
Deputy General Manager  
Capital Planning and Legislative Affairs

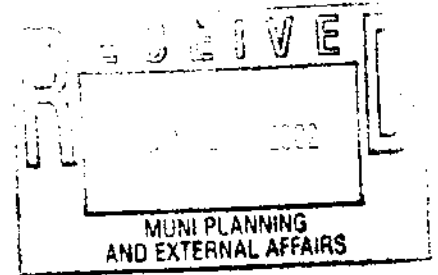
cc: Michael T. Burns, Muni  
José Luis Moscovich, SFCTA  
David Chan, SFCTA



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

March 18, 2002

Walter C. Streeter  
Deputy General Manager  
Capital Planning and Legislative Affairs  
San Francisco Municipal Railway  
1145 Market Street, 3<sup>rd</sup> Floor  
San Francisco, CA 94103-1547



Dear Mr. Streeter:

Thank you for your January 18 comments on the proposed revisions to the Transportation Fund for Clean Air (TFCA) policies. District staff considered your comments carefully. However, staff recommended to our Board of Directors' Mobile Source Committee to retain TFCA Policy 13 and Policy 16 as is. The Mobile Source Committee accepted the staff recommendations at their February 21 meeting, and the Board of Directors approved the policies on March 6, 2002.

The Air District's TFCA authority is limited to funding projects and programs that reduce NOx and ROG emissions. Health and Safety Code Section 44241(b) specifies that TFCA funds be used for mobile source and transportation control projects and programs that are included in the plans adopted pursuant to Sections 40233, 40717, and 40919. These sections refer to the Bay Area Clean Air Plan (CAP) and Bay Area Attainment Plan (AP). The Bay Area CAP and AP are ozone attainment plans that include control measures to reduce NOx and ROG. Consequently, TFCA funds must be used to reduce NOx and ROG emissions.

Your January 18 letter also noted that the MSRC in the SCAQMD provides TFCA-type funding for particulate filters. Due to differences in attainment status, attainment plans, and enabling legislation requirements between SCAQMD and BAAQMD, there are differences in the types of projects that can be funded. Furthermore, the MSRC is ending the Diesel Particulate Trap Retrofit Program on September 30, 2002, in part because PM filters will then become mandatory for transit operators. Consequently, the Air District is unable to allow TFCA funding for PM filters.

In addition, the Air District decided not to expand TFCA eligibility to vehicles that are fueled by ultra-low sulfur diesel (ULSD). Given that ultra low sulfur diesel fuel use primarily affects particulate emissions and is becoming mandatory for transit operators, the District is maintaining the current TFCA policy which prohibits funding for diesel (or gasoline) vehicles.

Regarding Muni's comment that NOx-reducing after treatment devices should be eligible for TFCA funds, the Air District believes that it is premature to change TFCA policy at this time because the Air Resources Board (ARB) has not yet verified any such devices. When ARB has verified aftertreatment devices that achieve NOx emission reductions above and beyond regulatory requirements, we can revisit the issue at that time.

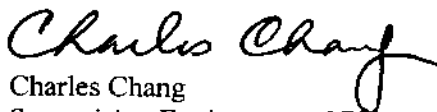
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The District is also maintaining the current TFCA policy on funding natural gas infrastructure through the Program Managers funds only. Given the attractive pricing being offered by firms providing turnkey fueling infrastructure development, and the availability of Program Manager funds, we found no compelling reason to alter this policy.

Thank you very much for your comments on TFCA policies. We look forward to working with Muni in the future as air quality regulation, low emission vehicle technology and TFCA policy continue to evolve.

Please feel free to contact me with any questions or comments.

Sincerely,



Charles Chang  
Supervising Environmental Planner,  
Transportation Fund for Clean Air

Cc: Michael T. Burns, Muni  
José Luis Moscovich, SFCTA  
David Chan, SFCTA

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