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**PROPOSED AMENDED RULE 1610. OLD-VEHICLE SCRAPPING**

(a) Purpose

The purpose of this rule is to reduce motor vehicle volatile organic compounds (VOC), nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO), and particulate matter (PM) exhaust emissions by issuing mobile source emission reduction credits (MSERCs) in exchange for the scrapping of old, high emitting vehicles. Procurement of old vehicles could be accomplished by persons voluntarily giving up their vehicle for scrapping upon receiving an incentive payment. This rule provides a mechanism through which stationary source emissions and mobile source emissions can be brought into compliance with District regulations through mobile source emission reductions. Mobile source emission reduction credits (MSERCs) generated may only be applied towards compliance with designated rules with future compliance dates within District Regulation XI, Source Specific Standards; Regulation XXII, On-Road Motor Vehicle Mitigation; Regulation XIII, New Source Review; Regulation XX, Regional Clean Air Incentives Market (RECLAIM); or any other District regulations that allow the use of credits. MSERCs may not be applied towards compliance with federal requirements that do not authorize compliance through emissions trading including those promulgated by U.S. EPA as authorized under Title 42, U.S. Code Sections 7411, 7412(d), and those subsections of 7511(b) of the U.S. Code that do not authorize compliance through emissions trading. The value of these credits is based on old vehicles having, on average, at least three remaining years of useful life prior to scrapping as determined pursuant to paragraph (b)(17).

(b) Definitions

For purposes of this rule, the following definitions shall apply:

- (1) CARB VAVR REGULATIONS means the most recent version of the Voluntary Accelerated Vehicle Retirement Regulations codified by the

California Air Resources Board (CARB) as Title 13, California Code of Regulations, Chapter 13, Article 1, Sections 2601-2610.

- (2) CARBON MONOXIDE (CO) means carbon monoxide, as emitted in vehicle exhaust.
- (3) DAY means any week or weekend day including all holidays.
- (4) DISMANTLE means to punch, crush, stamp, hammer, shred, or otherwise render permanently and irreversibly incapable of functioning as originally intended, any vehicle or vehicle part.
- (5) DISMANTLER means the person or business, defined and licensed according to the requirements of the California Vehicle code and the regulations of the Department of Motor Vehicles, who dismantles or otherwise removes from service through compliance with subdivision (e) those vehicles obtained as part of a vehicle Scrapping Program.
- (6) DRIVE TRAIN PARTS are all parts associated with the drive train such as engine, drive mechanism, transmission, differential, axles and brakes.
- (7) EMISSIONS-RELATED PART means any vehicle part, which affects any regulated emissions from a motor vehicle that is subject to California or federal emissions standards. This includes, but is not limited to, those parts specified in the "Emissions-Related Parts List," adopted by the California Air Resources Board on November 4, 1977, as last amended June 1, 1990.
- (8) INSPECTION SITE means a location where a vehicle to be scrapped is inspected for compliance with functional and eligibility requirements.
- (9) MOBILE SOURCE EMISSION REDUCTION CREDIT (MSERC) means credit for real, quantified emission reductions, approved by the Executive Officer, as authorized by this rule, and surplus to emission reductions required by CARB, District, and U.S. EPA regulations and the most recent District or U.S. EPA approved Air Quality Management Plan, whichever is more stringent.
- (10) NITROGEN OXIDES (NO<sub>x</sub>) means nitrogen oxide and nitrogen dioxide, measured as nitrogen dioxide, emitted in vehicle exhaust.
- (11) OLD VEHICLE means a passenger car or a light-duty truck, which includes a pick-up truck, sports utility vehicle (SUV), van, or similar vehicle, not exceeding 8,500 pounds gross vehicular weight rating.
- (12) OLD-VEHICLE SCRAPPING PROGRAM means a voluntary program whereby cash payments or other incentives are offered to a vehicle owner

to scrap their older, more polluting vehicle that is operational and still has a useful life.

- (13) PARTICULATE MATTER (PM) means particulate matter as emitted in vehicle exhaust.
  - (14) SMOG CHECK means the motor vehicle inspection and maintenance program established by California Health and Safety Code §44000, et seq.
  - (15) SCAQMD CERTIFIED SCRAPPER (SCRAPPER) means the enterprise operator certified by the Executive Officer who conducts a vehicle scrapping program according to this rule, purchases vehicles, arranges for a vehicle's permanent removal from operation, and receives any MSERCs generated.
  - (16) SCRAPPING means the process by which a motor vehicle is permanently removed from service for the purpose of generating MSERCs.
  - (17) USEFUL LIFE means the physical condition of a vehicle proposed for retirement such that the vehicle passes the functional and equipment eligibility inspection, as defined in subdivision (g) of this regulation, and has passed the last scheduled Smog Check.
  - (18) VOLATILE ORGANIC COMPOUND (VOC) means any volatile compound of carbon, excluding: methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and exempt compounds as defined in District Rule 102.
- (c) SCAQMD Scrapper (Scrapper) Certification Requirements
- (1) Scrapers shall have vehicles dismantled only by auto dismantlers that are licensed by the California Department of Motor Vehicles (DMV), and shall include the following in the scrapping plan:
    - (A) The name and address of the California Department of Motor Vehicles licensed auto dismantler (hereafter referred to as dismantler); and
    - (B) A written statement from the dismantler under penalty of perjury certifying compliance with:
      - (i) Local water conservation regulations;
      - (ii) State, county, and city energy and hazardous materials response regulations; and
      - (iii) Local water agency soil, surface, and ground water contamination regulations.

- (2) Entities intending to be certified as a Scrapper shall submit a scrapping plan to the Executive Officer at least 90 days prior to planned initiation of Rule 1610 vehicle scrapping operations. An existing scrapping plan shall remain in effect until the Executive Officer approves or disapproves a revised scrapping plan. The scrapping plan shall be submitted on forms specified by the Executive Officer, and contain specific information including, but not limited to:
  - (A) Information demonstrating the ability to comply with all provisions of this rule relating to vehicle selection, inspection, storage, destruction, disposal, and recordkeeping requirements;
  - (B) Anticipated initiation date for scrapping program. (Entities certified as Scrappers prior to December 6, 2002 shall be exempt from this requirement.);
  - (C) Description of the procedure to permanently destroy vehicle components listed in paragraph (e)(1); and
  - (D) Other information required by the Executive Officer to ensure the enforceability of the provisions of this rule.
- (3) Certification as a Scrapper shall occur with written approval of the scrapping plan by the Executive Officer. Approval of the scrapping plan shall be based on information denoted in paragraph (c)(1) and paragraph (c)(2). The Executive Officer shall have 90 days to approve or disapprove the scrapping plan and shall disapprove the scrapping plan unless it complies with paragraph (c)(1) and paragraph (c)(2). The Executive Officer shall also disapprove the scrapping plan if the additional air pollutant emissions, caused by scrapping vehicles in connection with this rule, exceed District significance thresholds.
- (4) Scrapper shall be prohibited from modifying Rule 1610 vehicle scrapping operations in a manner that is inconsistent with any information provided in the most recently submitted scrapping plan, unless the Scrapper has provided a revised scrapping plan to the District and obtained written approval from the Executive Officer prior to implementing these modifications. The Executive Officer may revoke the scrapping plan if the Scrapper fails to comply with this requirement.

(d) Notice Requirements for Scrappers

- (1) Scrappers shall submit written notice to the Executive Officer at least 14 days prior to accepting vehicles for inspection, indicating date, location, and estimated number of vehicles to be inspected. The purpose of this notice is to notify the District of acceptance dates of the vehicles at the inspection site.
- (2) Scrapper shall make reservations to accept a minimum of 15 vehicles for inspection at a specific site on a single day unless a written waiver is obtained from the District to allow fewer reservations. This waiver may be issued if the Scrapper provides written documentation to the District indicating that fewer than 15 vehicles are required to complete an existing vehicle scrapping contract. At the District's request, the Scrapper shall provide the names of vehicle owners making reservations and corresponding vehicle license plate numbers at least one week prior to accepting the vehicles for inspection.
- (3) Scrapper shall allow a minimum period of 10 days between the day the Scrapper provides a description of a vehicle, as specified under subparagraph (d)(3)(A), to the District and the day a DMV Registration 42 form (Report of Vehicle to be Dismantled and Notice of Acquisition) is transmitted to the DMV for the vehicle. During this period, if any person contacts the Scrapper and indicates an interest in purchasing the vehicle, the Scrapper shall hold the vehicle for an additional 7 days. During this extended waiting period, the Scrapper shall provide an opportunity for the interested party to examine the vehicle and, if appropriate, negotiate the sale of the vehicle or the sale of any parts. Notwithstanding the foregoing, nothing in this section places the Scrapper under any obligation to hold the vehicle for an interested party beyond the waiting period or two or more missed appointments to examine any vehicle, or to sell the vehicle or any of its parts if a mutually acceptable price cannot be negotiated.
  - (A) The Scrapper shall submit to the District a description of the vehicle including, at a minimum, the vehicle make, model year, and first eight characters of the VIN. The District will, in turn, make this information available to an appropriate segment of the public. The intent is to allow interested third parties, including car collector enthusiasts and those interested in affordable transportation, an opportunity to examine the vehicle and to negotiate with the

Scrapper the purchase of the vehicle or any of its parts pursuant to subdivision (e).

- (B) Entire vehicles and/or parts may be sold prior to entry into the program; however, no MSERCs shall be granted for any vehicle resold to the public in this manner except as authorized pursuant to subdivision (e).

(e) Parts Recycling and Resale

(1) Parts recycling shall be at the sole discretion of the Scrapper subject to the limitations included herein. If the Scrapper recovers parts from a vehicle retired for the purpose of generating MSERCs, then parts recycling and resale is limited to non-emission-related and non-drive train parts. Emission-related and drive-train parts as identified in Appendix A to this regulation shall be permanently destroyed in order to qualify for MSERC generation.

- (A) After the 10 day waiting period (and additional 7 days if an appointment for inspection is made) and prior to offering non-emission and non-drive train parts for resale; the engine, emission-related parts, transmission, and drive-train parts must be removed from a vehicle used for MSERCs and destroyed by the Scrapper, or the Scrapper's duly contracted dismantler.
- (B) For the purpose of this rule, permanent destruction is the infliction of physical damage to the vehicle components to the extent that the damaged components are not rebuildable or reusable except to provide raw material (e.g., scrap metal) for recycling.
- (C) The Scrapper may elect to resell parts, provided a Quality Control Checklist such as Appendix C to Article 1 of the CARB VAVR Regulations or an equivalent checklist approved by the Executive Office containing a list of emission-related and drive train parts shall be used for recording the status of parts.
  - (i) After all emission-related and drive train parts are removed and destroyed, the Scrapper or quality control inspector shall perform an inspection of the non-emission related and non-drive train parts as well as the vehicle body.
  - (ii) Upon verification that no emission-related or drive train parts have been exchanged with the non-emission-related,

- and non-drive train parts, the Scrapper or quality control inspector shall sign the checklist.
- (iii) After the Scrapper or quality control inspector signs the checklist, the Scrapper may place the remaining non-emission parts, non-drive train parts and vehicle body in yard to be available for sale to the public.
- (2) The Scrapper shall dismantle the entire vehicle within 90 days of acquisition provided the Scrapper does not recover parts from the vehicle.
    - (A) No parts shall be removed, for sale or reuse, from any dismantled retired vehicle for the purpose of generating MSERCs. The only allowable use for any dismantled retired vehicle is as a source of scrap metal and other scrap material.
    - (B) A Scrapper may separate ferrous and non-ferrous metals from a dismantled retired vehicle to sell as scrap metal only.
    - (C) A Scrapper may sell tires and batteries from a dismantled retired vehicle to an intermediary tire/battery recycler only.
      - (i) All facilities generating or receiving waste tires shall use the services of tire hauler/recycler.
      - (ii) Battery recyclers shall be registered and licensed to handle batteries.
  - (3) No MSERCs or other compensation with public funds shall be granted for any vehicle from which emissions-related or drive train parts have been sold or reused.
  - (4) All activities associated with scrapping vehicles, including but not limited to the disposal of vehicle fluids and vehicle components, shall comply with:
    - (A) Local water conservation regulations;
    - (B) State, county, and city energy and hazardous materials response regulations; and
    - (C) Local water agency soil, surface, and ground water contamination regulations.
  - (5) Vehicles shall be stored in a separate holding area as described in paragraph (m)(1) until emission and drive train related parts listed in Appendix A have been removed for the purpose of permanent destruction.
  - (6) The scrapper may recover parts from a vehicle which is intended for resale provided the scrapper recovers and permanently destroys the emission and

drive train related parts listed in Appendix A no later than 90 days subsequent to possession of the vehicle by the Scrapper or Dismantler.

(f) **Vehicle Eligibility**

Scrapper shall ensure that old vehicles meet all of the following requirements to qualify for the generation of MSERCs:

- (1) The vehicle shall be voluntarily sold to the Scrapper for a price mutually agreed between the vehicle seller and the Scrapper.
- (2) The vehicle shall be currently registered with the DMV as an operable vehicle and shall have been so registered for at least 24 months (730 days), prior to the final sale to the Scrapper, to an address or addresses within the District.
  - (A) Smog Checks must have been performed as required by the DMV in order for the vehicle to be considered registered.
  - (B) Vehicles may also be eligible if the vehicle was placed in planned non-operational status per Vehicle Code Section 4604, et seq., for less than 60 days during the continuous 24 months registration period, provided that the vehicle is registered in full operational status and all appropriate registration fees and late penalties have been paid to the DMV, for at least 90 days immediately prior to its date of sale to the Scrapper
  - (C) Vehicles may also be eligible if the registration has lapsed for less than 181 days during the continuous 24 months, pursuant to Health and Safety Code §44094, and all appropriate registration fees and late penalties have been paid to the DMV, provided that the vehicle is registered for at least 90 days immediately prior to its date of sale to the Scrapper.
  - (D) Scrapper shall determine an individual vehicle's registration history, which shall be based on:
    - (i) Registration data for that vehicle obtained from DMV records.
    - (ii) Copies of Vehicle registration certificates may be used if clause (f)(2)(D)(i) provides inconclusive results for an individual vehicle.
  - (E) Vehicles shall not be operating under a Smog Check repair cost waiver or economic hardship extension.

- (F) A vehicle volunteered for retirement is within 60 days of its next required Smog Check inspection, shall pass the Smog Check inspection without receiving a repair cost waiver or economic hardship extension prior to acceptance by a Scrapper.
  - (G) Owners of vehicles requiring a Smog Check inspection pursuant to paragraph (f)(2)(F) shall be required to submit documentation issued by a Bureau of Automotive Repair (BAR) licensed Smog Check technician demonstrating compliance with paragraph (f)(2)(F) to the person performing the functional and equipment eligibility inspection.
  - (H) Vehicles volunteered for scrapping within the timeframe of 61 to 90 days prior to their next required Smog Check inspection, that have failed the Smog Check inspection in this timeframe, shall not be accepted by the Scrapper unless it passes the Smog Check inspection prior to being transferred to the Scrapper. The Scrapper shall verify compliance with this requirement based upon the data made available by the California Bureau of Automotive Repair to the Scrapper at least 7 days prior to the date the vehicle is sold to the Scrapper.
    - (i) With each application for the issuance of MSERCs pursuant to subdivision (k), the Scrapper shall include a list of all vehicles accepted for scrapping that are within 61 to 90 days of their next required Smog Check inspection for the purpose of compliance with paragraph (f)(2)(H). The scrapper shall provide information for each vehicle including, but not limited to, vehicle identification number (VIN); vehicle license plate number; and vehicle make, model and model year.
  - (I) Vehicles that are tampered with, pursuant to Section 3340.41.5 of Title 16, Division 33, Article 5.5 of the California Code of Regulations, shall not be eligible for acceptance into a scrapping program.
- (g) Vehicle Inspection
- In order to be eligible for MSERCs, each vehicle shall pass a functional and equipment eligibility inspection performed by the Scrapper, which is conducted at

the inspection site prior to delivery to the dismantler. Scrapper shall verify compliance with vehicle inspection requirements specified in this subdivision. Prior to conducting this inspection, the Scrapper shall verify that the person(s) delivering the vehicle to inspection site are the legal owner(s), or an authorized representative of the legal owner(s) properly empowered to perform the transaction, and that the vehicle does not have any liens. The following elements shall be included in the inspection:

- (1) Vehicle must have been driven under its own power to the inspection site. If the Scrapper and/or District personnel has knowledge prior to the inspection of a vehicle that the vehicle was towed or pushed for any portion of the trip to the inspection site, then the Scrapper shall not accept the vehicle.
- (2) Scrapper shall inspect the vehicle to ensure it meets the following equipment eligibility requirements and shall reject the vehicle for MSERC generation if the vehicle fails any of these requirements:
  - (A) All doors shall be present and in place.
  - (B) The hood shall be present and in place.
  - (C) The dashboard shall be in place.
  - (D) The windshield shall be present and in place.
  - (E) The driver's seat shall be present and in place.
  - (F) Interior pedals (flat surface attached to a lever(s) controlling the brake, clutch, and accelerator) shall be operational.
  - (G) One bumper and all side and/or quarter panels shall be present and in place.
  - (H) Vehicle drivability shall not be affected by any body, steering or suspension damage.
  - (I) Exhaust system shall be present and in place.
  - (J) One headlight, one taillight and one brake light shall be present and in place.
  - (K) One side window glass shall be present and in place.
  - (L) The vehicle shall comply with Smog Check requirements pursuant to paragraph (f)(2).
- (3) Scrapper or other person(s) designated by the Scrapper shall complete the following functional inspection requirements, and shall reject the vehicle for MSERC generation if the vehicle fails any of these requirements. Prior to implementing the functional inspection:

- (A) Turn vehicle engine off;
  - (B) Insert key, vehicle engine shall start using keyed ignition system. In addition to the keyed ignition switch, ignition or fuel kill switches may be activated if required to start engine. The vehicle must start readily through ordinary means without the use of starting fluids or external booster batteries;
  - (C) Drive the vehicle forward for a minimum of 25 feet under its own power; and
  - (D) Drive the vehicle in reverse for a minimum of 25 feet under its own power.
- (4) Scrappers shall inspect all vehicles to ensure that the functional and equipment eligibility requirements pursuant to paragraphs (g)(1) through (g)(3) are met. Scrappers shall complete and retain a certificate of functional and equipment eligibility provided in Appendix A of the CARB VAVR Regulations or an equivalent inspection checklist approved by the Executive Officer.
- (5) Vehicles failing the requirements pursuant to paragraph (g)(2) may be repaired to correct all deficiencies identified and subsequently retested by the inspector for compliance with these requirements and issued a certificate of equipment eligibility at any time.
- (6) Vehicles failing the requirements pursuant to paragraphs (g)(1) and (g)(3) may be re-tested by the inspector for compliance with these requirements and issued a Certificate of Functional Eligibility provided:
- (A) Inoperable vehicle odometers are fixed prior to conducting this test;
  - (B) Vehicles have traveled a minimum of 50 miles subsequent to the failure determination; and
  - (C) Vehicles pass the functional eligibility inspection.
- (h) Mobile Source Emission Reduction Credits (MSERCs) Per Scrapped Vehicle
- (1) Scrappers may generate MSERCs that can be sold on the open market.
  - (2) Scrappers may not make MSERCs available for purchase until they are approved and issued by the District.
  - (3) MSERCs shall not be issued unless a Scrapper demonstrates compliance with all applicable provisions in this rule.
  - (4) MSERCs will be issued based on data supplied by each Scrapper pursuant to subdivision (j).

- (5) MSERCs shall not be issued for any vehicle retired within sixty-one to ninety (61-90) days of its next required Smog Check inspection until the scrapper has verified that the vehicle did not fail its Smog Check inspection during that timeframe pursuant to subparagraph (f)(2)(H). MSERCs shall not be issued for any vehicle failing its Smog Check inspection during the sixty-one to ninety (61-90) day timeframe.
  - (6) MSERCs have a default lifetime of three years, provided:
    - (A) The maximum credit amount shall be no greater than the calculated emission reduction on which the credit is based;
    - (B) A discount factor may be applied to credits calculated under these regulations, consistent with applicable District and Board credit rules and programs; and
    - (C) Credit usage shall be in accordance with all federal, state, and local laws and regulations in effect at time of usage.
  - (7) MSERCs generated from vehicle scrapping activities shall be valid for five years from the date of application approval pursuant to subdivision (1), with the limitation that no more than one-third of the MSERCs may be consumed within one year from the date of approval and not more than two-thirds of the MSERCs may be consumed within two years from the date of approval.
  - (8) MSERCs shall be generated by the retirement of any vehicle for reductions of VOC, NOx, CO and PM where the magnitude of the credit for each pollutant shall be determined by the methodology described in Appendix D of CARBs VAVR Regulation, "Calculation of Default Emission Reduction Credit".
- (i) Use of MSERCs
- (1) MSERCs may only be used for the following applications:
    - (A) As an alternative method of compliance with District rules that allow the use of MSERCs generated pursuant to this rule and such use has been approved by CARB and USEPA. MSERCs shall not be used to offset emission increases caused by the removal of emission control equipment or replacement of compliant with noncompliant materials subject to Regulation XI.
    - (B) As an alternative method of compliance with District Regulation XXII rules that allow the use of MSERCs.
    - (C) For voluntary retirement of MSERCs for air quality benefits.

- (2) The discount factor shall be equal to 1.2 except that credits used as an alternative method of compliance with Regulation XXII shall be quantified using a discount factor equal to 1.0.
- (3) An entity using MSERCs in accordance to subparagraph (i)(1)(A) shall demonstrate to the Executive Officer that emissions at the entity's facility are not subject to Risk Reduction Requirements pursuant to Rule 1402, or use of MSERCs will not result in adverse change in attainment of risk reduction requirements under Rule 1402.
  - (A) In order to use MSERCs in lieu of compliance with an emission limitation in a Regulation XI rule, as authorized in subparagraph (i)(1)(A), an entity must establish that:
    - (i) Use of MSERCs does not result in NO<sub>x</sub> emissions greater than or equal to 200 pounds per day, from those portable internal combustion engines where MSERCs will be used, where portable internal combustion engines are defined pursuant to Rule 1110.2.
    - (ii) NO<sub>x</sub> emissions from those portable internal combustion engines where MSERCs will be used, will not cause an exceedance of the state nitrogen dioxide ambient air quality standard.
  - (B) In order to use MSERCs in lieu of compliance with an emission limitation in a Regulation XI rule as authorized in subparagraph (i)(1)(A), an entity must demonstrate that:
    - (i) Use of MSERCs will not result in an increase or forgone reduction in carcinogenic health risk greater than  $1 \times 10^{-5}$  or Hazard Index greater than 1 for all substances listed in Rule 1402; the assessment of health risk shall be conducted in accordance with guidance used in implementing Rules 1401 - New Source Review of Carcinogenic Air Contaminants and 1402 - Control of Toxic Air Contaminants from Existing Sources;
    - (ii) Use of MSERCs will not result in a Significant Risk Level, in accordance with Rule 1402, when the increased carcinogenic health risk or Hazard Index as determined pursuant to Rule 1402 are added to the total facility risk for

those facilities that were required to prepare a health risk assessment pursuant to the criteria in Rule 1402; and

- (iii) Use of MSERCs will not cause a significant increase in an air quality concentration as determined using the methodology as set forth in Rule 1303, Table A-2 of Appendix A.
- (5) MSERCs may only be transferred as permitted by Regulations XX or XXII, except Scrappers that are not subject to either District Regulation XI or Rule 1301(b)(2) may also transfer MSERCs to other entities that were Scrappers as of the date the MSERCs were generated.
- (6) MSERCs shall only be consumed within the jurisdictional boundaries of the SCAQMD.
- (j) Recordkeeping and Auditing Requirements
  - (1) Scrappers shall maintain a copy of the scrapping plan described in subdivision (c) and the notices given pursuant to subdivision (d) for five years following termination of vehicle scrapping.
  - (2) The following information shall also be collected and maintained in written records by the Scrapper for five years following termination of vehicle scrapping, and be made available to District personnel upon request:
    - (A) Starting and ending dates of the old-vehicle scrapping program;
    - (B) Number of vehicles scrapped;
    - (C) Dates vehicles were inspected;
    - (D) Dates vehicles were scrapped;
    - (E) Complete name, address, and telephone number of the person conducting the old-vehicle scrapping program;
    - (F) Complete name, address, and telephone number of the dismantler and any program subcontractors;
    - (G) A detailed description of project organizational structure and logistical arrangements, including location(s) of collection and disposal facilities, and scrapping procedure including disposal procedures for all vehicle components and fluids; and
    - (H) Smog Check documentation pursuant to paragraphs (f)(2)(E) through (f)(2)(H).
  - (3) Scrappers shall be responsible for storing and maintaining computer accessible data records of scrapped vehicles.

- (4) The computer hardware, software, and communications protocol, to be used for storing and maintaining computer accessible data records, shall be specified by the Executive Officer for compatibility with existing District computer related equipment.
- (5) Data records for each vehicle dismantled and used to generate MSERCs shall include the following:
  - (A) Vehicle make;
  - (B) Vehicle model;
  - (C) Vehicle model-year;
  - (D) Vehicle license plate number;
  - (E) Vehicle identification number (VIN);
  - (F) Vehicle odometer reading;
  - (G) Name, address, and telephone number of legal owner selling vehicle to the Scrapper;
  - (H) Name, address, and telephone number of registered owner if different from subparagraph (j)(5)(G);
  - (I) Date of purchase of vehicle by the Scrapper;
  - (J) Date of vehicle retirement;
  - (H) Date of inspection;
  - (I) Date of scrapping;
  - (J) VOC, NO<sub>x</sub>, CO, and PM MSERC;
  - (K) Name of person(s) conducting vehicle inspection, as required by subdivision (g), with employer's name, address, and telephone number;
  - (L) Reproductions of California Certificate of Title and registration, as signed-off by the seller at time of final sale to the Scrapper;
  - (M) Reproduction of the applicable certificate of functional and equipment eligibility;
  - (N) Reproduction of the applicable Notice to Dismantler (report of vehicle to be dismantled and notice of acquisition,) (California Department of Motor Vehicles Registration 42 form);
  - (O) Reproduction of written documentation from the DMV verifying that a vehicle meets the requirements of subdivision (f);
  - (P) If applicable, reproduction of documentation issued pursuant to subparagraph (f)(2)(G); and
  - (Q) Any other pertinent data requested by the Executive Officer.

- (6) Data records shall be made accessible to the Executive Officer for a minimum of five years subsequent to the issuance of MSERCs for each scrapped vehicle.
- (8) Scrapper shall maintain copies of the information listed in subparagraph (k)(5)(A) through (k)(5)(K) for a period of five years, and shall make them available to the District upon request.
- (9) Announced and unannounced audits and on-site inspections of Vehicle Scrapping Programs may be conducted to ensure that the programs are being operated according to all applicable rules and regulations.
  - (A) Scrapers and their subcontractors shall allow the district to conduct announced and unannounced audits and inspections and shall cooperate fully.
- (k) Issuance of MSERCs
  - (1) Scrapers shall submit an application to the Executive Officer at least once every six months following certification as a Scrapper. The purpose of the application is to document the number of vehicles scrapped and MSERCs earned during the six month period, and demonstrate compliance with rule requirements. If no vehicles are scrapped for a period of two consecutive years, the scrapping plan shall be deemed expired. A new scrapping plan shall be submitted after this two year period to reinitiate vehicle scrapping operation pursuant to Rule 1610.
  - (2) The application shall contain the following information for each six month period:
    - (A) Data records pursuant to paragraph (k)(5), in an electronic format for the vehicles scrapped; and
    - (B) Total MSERCs claimed for scrap program period.
  - (3) MSERCs shall be issued after the Executive Officer has approved the application pursuant to paragraph (l)(1). In addition, for those vehicles procured on or after February 1, 2003, the Executive Officer shall not issue MSERCs unless emission-related and drive train parts listed in paragraph (e)(1) have been permanently destroyed. The application shall be disapproved unless it demonstrates the Scrapper has complied with all applicable provisions in this regulation, as determined by the Executive Officer.

- (4) For the purposes of assessing fees, the application shall be deemed a plan, and the fees shall be assessed in accordance with the provisions of Rule 306.
  - (5) The application, including data records specified in subdivision (k), shall be stored by the Executive Officer for a minimum of five years.
- (1) **Compliance Plan**
- (1) In order to use MSERCs for the application listed in subparagraph (i)(1)(A), the user shall submit a Rule 1610 compliance plan to the Executive Officer. The purpose of the compliance plan is to demonstrate compliance with rule requirements, and specify the use of the MSERCs.
  - (2) The compliance plan shall contain the following information:
    - (A) Total MSERCs (attach certificates);
    - (B) Identification of the specific rule for which the alternative method of compliance is sought;
    - (C) Period of time for the alternative method of compliance;
    - (D) Number of MSERCs used to substantiate the alternative method of compliance;
    - (E) Quantification of emissions that would result from noncompliance with the rule identified in subparagraph (1)(2)(B), and documentation supporting the emissions quantification.
      - (i) This quantification shall be performed using District Governing Board approved quantification methodologies.
      - (ii) The Executive Officer shall submit this rule and associated quantification methodologies to U.S. EPA for inclusion into the State Implementation Plan.
  - (3) Supporting documentation (applicable for MSERC usage for Regulation XI rules) shall include, but is not limited to:
    - (A) A listing of equipment and/or materials that are the source of noncompliant VOC, NO<sub>x</sub>, CO, or PM emissions associated with the rule identified in subparagraph (1)(2)(B).
    - (B) A description and operating conditions of equipment listed in subparagraph (1)(3)(A) and/or composition and rate of use of materials listed in subparagraph (m)(3)(A).
    - (C) Emission rates associated with the use of equipment and/or materials listed in subparagraph (1)(3)(A).

- (D) A listing of equipment and/or materials that would result in compliance with the rule identified in subparagraph (1)(2)(B).
  - (E) A description and operating conditions of equipment listed in subparagraph (1)(3)(D) and/or composition and rate of use of materials listed in subparagraph (1)(3)(D).
  - (F) Emission rates associated with the use of equipment and/or materials listed in subparagraph (1)(3)(D).
- (4) The compliance plan shall be written on a form to be specified by the Executive Officer.
  - (5) The Executive Officer shall approve or disapprove the compliance plan. The plan shall be disapproved unless it demonstrates that an equivalent amount of emissions reductions are obtained through the alternative method of compliance.
  - (6) MSERCs may not be used as an alternative method of compliance with Regulation XI rules until the Executive Officer has approved the compliance plan.
  - (7) The user must renew the compliance plan prior to the expiration of the MSERCs upon which the plan is based.
  - (8) The compliance plan, including supporting documentation, shall be stored by the Executive Officer for a minimum of five years.
- (m) Compliance Auditing and Enforcement
- (1) Vehicles accepted for scrapping, in the absence of District enforcement personnel, shall be held at the auto dismantling site where the vehicle is volunteered for scrapping for a holding period of three calendar days subsequent to the day in which the vehicle is accepted by the Scrapper from the vehicle owner. The vehicle shall be made available to District enforcement personnel to determine compliance with requirements specified for functional and equipment eligibility inspection of vehicle components and shall be held in a holding area dedicated for the storage of these vehicles. District enforcement personnel shall be allowed to conduct any test required by Rule 1610 or direct the Scrapper (or a person designated by the Scrapper) to conduct these tests.
  - (2) The Executive Officer may audit any files and/or records created to comply with recordkeeping requirements.

- (3) The Executive Officer shall reserve the right to inspect facilities, including dismantlers, for compliance with the requirements specified in this rule. District inspectors shall be afforded immediate access to inspection/dismantling facilities on request.
  - (4) Violation of any provision of this rule or the contents of any scrapping plan shall be grounds for the Executive Officer to disallow or void any MSERCs resulting from or associated with the violation, by disapproving or seeking revocation of the compliance plan (as appropriate), and shall constitute a citable violation and shall be subject to the penalties specified in the Health and Safety Code for violation of District rules. In addition, rejection of vehicles by District enforcement personnel due to noncompliance with Rule 1610 during the three day holding period at the auto dismantling facility shall result in non-issuance of MSERCs for the failing vehicle and may result in the issuance of a Notice of Violation(s). The scrapping plan shall be revoked if the Scrapper demonstrates a recurrent pattern of accepting disqualified vehicles while implementing a Rule 1610 scrapping program.
- (n) Requirements for Public Notice
- Following a completeness determination of the scrapping plan for the use of MSERCs as NSR offsets only, the Executive Officer shall:
- (1) Perform the evaluations required to determine compliance with this regulation and make a preliminary written decision, as appropriate, as to whether or not MSERCs, to be used as emission reduction credits (ERCs), should be approved or disapproved. The decision shall be supported by a succinct written analysis; and
  - (2) Post a public notice on the District public website ~~Publish a notice by prominent advertisement in at least one newspaper of general circulation in the District~~ stating the preliminary decision of the Executive Officer or designee and where the public may inspect the information. The notice shall provide 30 days from the date of ~~publication~~ posting for the public to submit written comments on the preliminary decision; and
  - (3) Make available for public inspection, upon request, at the District office, at the time ~~notice of~~ the preliminary decision is ~~published~~ posted, the information submitted by the applicant, the supporting analysis for the preliminary decision, and the preliminary decision to grant or deny MSERCs and the reasons therefore. The confidentiality of trade secrets

shall be maintained in accordance with Section 6254.7 of the Government Code.

(o) Appeal of Disapproval of MSERC Issuance

An applicant may, within 30 days of receipt of notice of disapproval, request the Hearing Board to hold a hearing on whether the scrapping application was properly evaluated.

(p) Advertising

(1) Any advertising conducted by the Scrapper for the purpose of recruiting vehicle owners to sell their vehicles into the scrapping program shall not contain any language stating that the scrapping is anything but voluntary for the consumer or that the scrapping is affiliated with or is operated by the State of California or the District.

(A) Any contracts or agreements between a vehicle seller and a Scrapper relating to the sale of a vehicle to a Scrapper shall not contain any language stating that the scrapping is anything but voluntary for the consumer or that the old vehicle scrapping program is affiliated with or is operated by the State of California or the District.

(2) Any Scrapper requesting the DMV to send notices to vehicle owners as prospective scrapping participants pursuant to Health and Safety Code §44103, shall meet the following requirements:

(A) Prominently display the disclaimer statement as follows: “This voluntary old vehicle scrapping program is conducted by a private operator under the auspices of the State of California and the District. It is not operated by the State of California or the District. State or the District funds are not used for the purchase of vehicles. Emission reduction credits may be purchased by the State or the District for air quality improvements. Your participation is entirely voluntary.”

(B) Provide the DMV with adequate criteria for selecting those registered vehicle owners who own the desired target vehicles-which may consist of vehicle makes, models, model years, geographical locales, or any other criteria deemed acceptable or necessary by the DMV.

**APPENDIX A****EMISSION-DRIVE TRAIN RELATED PARTS LIST**

(The following list of components are examples of emission related parts as will be defined in Section 1900 (b) (3), Chapter 3, Title 13, California Code of Regulations)

**I. CARBURETION AND AIR INDUCTION SYSTEM****A. Air Induction System:**

1. Temperature sensor elements
2. Vacuum motor for air control
3. Hot air duct & stove
4. Air filter housing & element
5. Turbocharger or supercharger
6. Intercooler

**B. Emission Calibrated Carburetors:**

1. Metering jets
2. Metering rods
3. Needle and seat
4. Power valve
5. Float circuit
6. Vacuum break
7. Choke mechanism
8. Throttle-control solenoid
9. Deceleration valve
10. Dashpot
11. Idle stop solenoid, anti-dieseling assembly
12. Accelerating pump
13. Altitude compensator

**C. Mechanical Fuel Injection:**

1. Pressure regulator
2. Fuel injection pump
3. Fuel injector
4. Throttle-position compensator
5. Engine speed compensator
6. Engine temperature compensator
7. Altitude cut-off valve
8. Deceleration cut-off valve
9. Cold-start valve

- D. Continuous Fuel Injection:
  - 1. Fuel pump
  - 2. Pressure accumulator
  - 3. Fuel filter
  - 4. Fuel distributor
  - 5. Fuel injections
  - 6. Air-flow sensor
  - 7. Throttle-position compensator
  - 8. Warm-running compensator
  - 9. Pneumatic overrun compensator
  - 10. Cold-start valve
  
- E. Electronic Fuel Injection:
  - 1. Pressure regulator
  - 2. Fuel distribution manifold
  - 3. Fuel injectors
  - 4. Electronic control unit
  - 5. Engine speed sensor
  - 6. Engine temperature sensor
  - 7. Throttle-position sensor
  - 8. Altitude/manifold-pressure sensor
  - 9. Cold-start valve
  
- F. Air Fuel Ratio Control:
  - 1. Frequency valve
  - 2. Oxygen sensor
  - 3. Electronic control unit
  
- G. Intake Manifold

## II. IGNITION SYSTEM

- A. Distributor
  - 1. Cam
  - 2. Points
  - 3. Rotor
  - 4. Condenser
  - 5. Distributor cap
  - 6. Breaker plate
  - 7. Electronic components (breakerless or electronic system)

- B. Spark Advance/Retard System:
  - 1. Centrifugal advance mechanism:
    - a. Weights
    - b. Springs
  - 2. Vacuum advance unit
  - 3. Transmission controlled spark system:
    - a. Vacuum solenoid
    - b. Transmission switch
    - c. Temperature switches
    - d. Time delay
    - e. CEC valve
    - f. Reversing relay
  - 4. Electronic spark control system:
    - a. Computer circuitry
    - b. Speed sensor
    - c. Temperature switches
    - d. Vacuum switching valve
  - 5. Orifice spark advance control system:
    - a. Vacuum bypass valve
    - b. OSAC (orifice spark advance control) valve
    - c. Temperature control switch
    - d. Distributor vacuum control valve
  - 6. Speed controlled spark system:
    - a. Vacuum solenoid
    - b. Speed sensor and control switch
    - c. Thermal vacuum switch
- C. Spark Plugs
- D. Ignition Coil
- E. Ignition Wires

### III. MECHANICAL COMPONENTS

- A. Valve Trains:
  - 1. Intake valves
  - 2. Exhaust valves
  - 3. Valve guides
  - 4. Valve springs
  - 5. Valve seats
  - 6. Camshaft
  
- B. Combustion Chamber:
  - 1. Cylinder head or rotor housing<sup>1</sup>
  - 2. Piston or rotor<sup>1</sup>

### IV. EVAPORATIVE CONTROL SYSTEM

- A. Vapor Storage Canister and Filter
- B. Vapor Liquid Separator
- C. Filler Cap
- D. Fuel Tank
- E. Canister Purge Valve

### V. POSITIVE CRANKCASE VENTILATION SYSTEM

- A. PCV Valve
- B. Oil Filler Cap
- C. Manifold PCV Connection Assembly

### VII. EXHAUST GAS RECIRCULATION SYSTEM

- A. EGR Valve:
  - 1. Valve body and carburetor spacer
  - 2. Internal passages and exhaust gas orifice

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<sup>1</sup> Rotary (Wankel) engines only

- B. Driving Mode Sensors:
  - 1. Speed sensor
  - 2. Solenoid vacuum valve
  - 3. Electronic amplifier
  - 4. Temperature-controlled vacuum valve
  - 5. Vacuum reducing valve
  - 6. EGR coolant override valve
  - 7. Backpressure transducer
  - 8. Vacuum amplifier
  - 9. Delay valves

**VIII. AIR INJECTION SYSTEM**

- A. Air Supply Assembly:
  - 1. Pump
  - 2. Pressure relief valve
  - 3. Pressure-setting plug
  - 4. Pulsed air system
- B. Distribution Assembly:
  - 1. Diverter, relief, bypass, or gulp valve
  - 2. Check or anti-backfire valve
  - 3. Deceleration control part
  - 4. Flow control valve
  - 5. Distribution manifold
  - 6. Air switching valve
- C. Temperature sensor

**IX. CATALYST, THERMAL REACTOR, AND EXHAUST SYSTEM**

- A. Catalytic Converter:
  - 1. Constricted fuel filler neck
  - 2. Catalyst beads (pellet-type converter)
  - 3. Ceramic support and monolith coating (monolith-type converter)
  - 4. Converter body and internal supports
  - 5. Exhaust manifold

B. Thermal Reactor:

1. Reactor casing and lining
2. Exhaust manifold and exhaust port liner

C. Exhaust System:

1. Manifold
2. Exhaust port liners
3. Double walled portion of exhaust system
4. Heat riser valve and control assembly

**X. MISCELLANEOUS ITEMS USED IN ABOVE SYSTEMS**

1. Hoses, clamps, and pipers
2. Pulleys, belts, and idlers

**XI. COMPUTER CONTROLS**

1. Electronic Control Unit (ECU)
2. Computer-coded engine operating parameter (including computer chips)
3. All sensors and actuators associated with the ECU

**XII. DRIVE TRAIN PARTS (ADDED TO EMISSION-RELATED PARTS LIST)**

1. Engine
2. Drive mechanism
3. Transmission
4. Differential
5. Axles
6. Brakes