



State of New Jersey

CHRIS CHRISTIE
Governor

Department of Environmental Protection

BOB MARTIN
Commissioner

KIM GUADAGNO
Lt. Governor

Division of Air Quality
Bureau of Mobile Sources
Mail code 401-03G
Post Office Box 420
Trenton, NJ 08625-0420
Tel: (609) 292-7953, Fax: (609) 777-1330
www.state.nj.us/dep

MANUFACTURERS' INFORMATION CORRESPONDENCE (MIC) 2011-01

TO: ALL PASSENGER CAR MANUFACTURERS
ALL LIGHT-DUTY TRUCK MANUFACTURERS

SUBJECT: Vehicles Subject to Delivery Fees in New Jersey

MIC 2011-01 is applicable to all auto manufacturers that deliver vehicles for sale in New Jersey. This letter clarifies the vehicles that are subjected to the delivery fees in New Jersey per reporting requirement of New Jersey Administrative Code 7:27-29.8.

If you have any questions regarding this matter, please contact Mr. Yuli Chew, Low Emission Vehicle Program, at (609) 292-8241, or via email at NJZEV@dep.state.nj.us.

Sincerely,

/s/

Peg Hanna, Chief
Bureau of Mobile Sources
Air Quality Management
Department of Environmental Protection
Mail Code 401-03G, P.O. Box 420
Trenton, N.J. 08625-0420

Attachment

MANUFACTURERS' INFORMATION CORRESPONDENCE (MIC) 2011-01

SUBJECT: Vehicles Subject to Delivery Fees in New Jersey

APPLICABILITY: ALL AUTO MANUFACTURERS DELIVERING VEHICLES FOR SALE IN NEW JERSEY

REFERENCES:

N.J.S.A 26:2C-1 et seq., particularly 26:2C-8.15 et seq., and 54:32B-8.55

N.J.A.C. 7:27-29.8 Fees

BACKGROUND

Under N.J.A.C. 7:27-29, NJDEP requires that all intermediate and large manufacturers pay \$0.25 for each passenger car and light duty truck delivered for sale in New Jersey on or after January 1, 2005 and which are required to be reported under Title 13, CCR, Section 2062 for Assembly-Line Test Procedures. Through subsequent amendments, CARB amended this section to Section 2139 for In-use Enforcement Test Procedures. Since the New Jersey Low Emission Vehicle Program adopts California Regulations by prospective reference, the aforementioned revisions to the CCR are part of the New Jersey LEV Rule.

DISCUSSION OF ISSUE:

Based on questions from manufacturers, we are clarifying the “delivery for sale” reference in our regulations. According to our LEV Regulations, “delivery for sale” means a new vehicle with a bill of lading showing it has been shipped or is in the process of being shipped to a dealer in New Jersey.

We do not impose vehicle certification fees like CARB or the USEPA. Unlike CARB regulations on LEVII and Greenhouse Gas requirements that will determine requirements based on manufacturer size, marketing manufacturer and the sales aggregation, etc., NJ imposes the LEV fee solely upon the marketing manufacturer that places the vehicle for sale in New Jersey; vehicles marketed by a specific manufacturer, regardless of whether they’re produced by that same manufacturer, are assessed the LEV fee.

Here are some common examples:

- 1) Manufacturer ABC manufactures a T1 Test Group - with model A1 for themselves and model B1 for manufacturer X1. How do we account for the quantities?

Answer: Manufacturer ABC needs only report the quantities of model A1 that they have delivered for sale in New Jersey. Similarly manufacturer X1 reports the quantities of model B1 that they have delivered for sale in New Jersey. That means the same Test Group may be reported by two or more manufacturers and a fee may be assessed on two or more manufacturers.

- 2) Manufacturer ABC partnered with manufacturer X1 to produce vehicles for both companies under each nameplate. The newly formed third company, Y1, is responsible for the manufacturing and certification of these new vehicles. Y1 is a Small Manufacturer under CARB's definition. Manufacturer ABC has ten percent (10%) or greater, but less than 50% ownership, Which company is responsible for: a) the delivery fees; b) NMOG Fleet Average; c) ZEV Mandate; d) Greenhouse Gas Fleet Average?

Answer: New Jersey will consider the marketing company that places the vehicles for sale in New Jersey under its nameplate as the primary responsible party. So, ABC and X1 are responsible for paying delivery fees, reporting NMOG and GHG averages, and complying with the ZEV sales mandate for vehicles that they have delivered for sale in New Jersey.

- 3) From question 2, can manufacturer ABC just aggregate the NMOG Fleet Average for ABC and Y1, but omit the responsibilities under ZEV Mandates?

Answer: No. New Jersey would want to follow the principle that if one company takes the benefit of one part of the program, it would have to follow through the burden of other component. As in this case, both NMOG Fleet Average and ZEV mandate will have to be followed, even though the vehicles may be manufactured by a third company. All benefits and liabilities rest with the manufacturer that is marketing the vehicle.

- 4) Is there an effect if the ownership of the certifying/manufacturing company X1 changes in the mid year?

Answer: No, the reporting requirements and fees are applicable to the marketing manufacturer who delivers the vehicles for sale in New Jersey, not the certifying/producing manufacturer.