Vehicle Inspection Program

2020 Update



Vehicle Inspection Program

1240 SE 12th Avenue Portland, OR 97214

Phone: 503-229-5696 800-452-4011 Fax: 503-229-6124 Contact: Michael Skorupka www.oregon.gov/DEQ

DEQ is a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.



This report prepared by:

Mike Skorupka, J.D./M.B.A., Vehicle Inspection Program Manager

Oregon Department of Environmental Quality
700 NE Multnomah Street, Suite 600
Portland, OR 97232
1-800-452-4011

www.oregon.gov/deq

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.state.or.us.

Table of Contents

1.	INTRODUCTION: Program Resiliency Tested
2.	STAFFING UPDATES: DEQ Teams Cleared the Way
3.	AIR QUALITY SNAPSHOT: The Impacts of Ozone and Wildfires
4.	Testing Operations: A Volatile Year
5.	PROGRAM INITIATIVE UPDATES: Improvement Initiatives Continue
	5.1 VIP Program Fee Updates:
	5.2 DEQ Too Test Method Updates:
	5.3 HB 2007 Implementation:
6.	THE YEAR AHEAD: Significant Change Expected in 2021

1. INTRODUCTION: Program Resiliency Tested

The Oregon Department of Environmental Quality's Vehicle Inspection Program, as with many other programs in Oregon state government, faced a host of extraordinary events in 2020. Each of these, whether it was the COVID-19 pandemic, a depleted program fund balance or the catastrophic wildfires, tested the resilience of VIP's teams. Nevertheless, program staff, as with all those living in Oregon, stood strong through these challenges and made the necessary adjustments. The changes needed in many cases were significant, time-sensitive and without precedent, including conducting emergency rulemaking hearings, developing new safety-focused station reopening plans, modifying technology systems, adjusting duties and expanding operating hours. In all cases, modifications were possible only due to the hard work, dedication and effective collaboration among VIP's internal staff and external partners. For these and other achievements in 2020, DEQ's and VIP's leadership teams are tremendously impressed and continually grateful.



Station cleaning supplies staged for delivery

2. STAFFING UPDATES: DEQ Teams Cleared the Way

The VIP furthers the state's air quality objectives, by ensuring over 1 million vehicles in the Portland and Medford areas have well maintained emission control systems. Other related responsibilities for the program's nearly 100 FTE¹ staff include implementation of the new HB 2007 legislation affecting certain medium and heavy-duty diesel trucks, and oversight of a network of private sector "DEQ Too" testing partners. The program also, through its longstanding interagency agreements with Oregon's Driver and Motor Vehicle Services, administers vehicle registration renewals for nearly 60% of the vehicles in the Portland and Medford metro-areas. This includes the issuance of license plate renewal tags to more than 350,000 customers on average annually. The program performs these activities from six Portland testing stations, as well as its Technical Center and one Medford testing station.



Inspector performing test while motorist waits

¹ This figure includes FTE within DEQ teams who contribute to Vehicle Inspection Program services, but who reside outside of the program.

The VIP staff frequently work to achieve program objectives through multi-disciplinary teams. These teams tackle issues faced by customers in the program's multiple business lines. Over the last year, the efforts by three teams are particularly worthy of mention, while also highlighting the type of work regularly performed within the program. First, VIP's Health and Safety Committee was instrumental in evaluating and updating safety measures as part of the station post-COVID-19 reopenings. The substantive areas within the plan included new health and safety measures, facility and operational modifications, and related staff communications. Although much of the plan was internally developed and tailored to VIP's more unique station operations, it also benefited from external input. The developers gleaned content from other agency materials, and related information from the private sector plans. The Health and Safety Committee's work was critical throughout the pandemic and continues as the plan and station operations evolve following the June 2020 reopenings.

The work of VIP's "DEQ Too" compliance and support personnel also proved critical to program adjustments needed this year. DEQ Too tests are available to customers who elect to have their vehicles tested at one of 150 private sector businesses, thus making it essentially a program within a program. The DEQ Too team supports this business line through oversight of externally performed services, while also carrying out certain internal activities. This work includes:

- Technology system development and maintenance
- Handling of customer service inquiries
- Responding to customer and service provider technical issues and inquiries
- Performing audits and other service provider compliance activities
- Management of on-line payment system and activities
- Accounting, auditing and reconciling financial data for all business lines
- Contracting and procurement
- Onboarding and training new staff and service partners
- Addressing ongoing test reliability and other vehicle owner compliance issues
- Developing and implementing communication strategies
- Coordinating compliance activities with EPA and other regulatory authorities

These activities continued as the program's DEQ Too team also directed its attention toward exigent needs that arose throughout the year. Notably, the team responded to the COVID-19 temporary closures and other impacts, delivering additional communications about the DEQ Too test option during the period of station closures. Communications during this time ranged from social media posts and curbside signage, to new web site content and official agency press releases. Other changes included the development and implementation of technology enhancements and operational changes necessitated by the pandemic. The Program Initiative Updates Section of this document addresses these enhancements.

The DEQ Too team's work was complemented by the program's private sector business partners.

Many of the partners elected to continue testing services throughout the pandemic, affording customers a valuable, additional testing option during a time when program customers benefited significantly. Both the VIP DEQ Too team, and the program's private sector partners—along with other DEQ staff and business partners—are to be credited for successfully navigating the COVID-19



Inspector preparing documentation for motorist

closures, and in rebounding following those temporary closures.

The DEQ-DMV team was yet another partnership that focused on operations impacted by COVID-19 for much of 2020. For over 20 years now, DEQ's vehicle inspection program has joined forces with the DMV to process registration renewals for customers within the VIP testing boundaries. This includes VIP staff's completion of no fewer than 350,000 annual vehicle registrations. The incorporation of certain registration processes into the lane activities enables VIP customers to avoid a separate trip to a DMV field office. The DEQ-DMV team continues to

augment this uniquely impactful relationship in state government, seeking out opportunities to better serve the agencies' shared customers. For example, over the last year, members of this interagency team regularly conferred and aligned efforts related to emergency press releases and communications, modified and enhanced operating hours and the launch of new technologies to address rapidly changing business demands.

In 2020, one of the DEQ-DMV team's many projects included the introduction of a critical new certificate type. As the pandemic's health risk became more apparent, VIP's testing stations were closed to customers beginning March 17. This created a potential service gap between VIP and the DMV, as certain customers could not get vehicle inspections in order to complete registrations through DMV's online services. The gap was addressed through the adoption of law enforcement vehicle registration "grace periods" and eventual statutory relief. In the meantime, however, the DEQ-DMV team needed to quickly develop and implement an approach that would enable VIP customers to remain in compliance with Oregon vehicle registration requirements, despite the temporary station closures. The team responded by making "COVID-19 certificates" available. This new certificate type was approved by existing authorities, as well as a March 18 Order obtained from the Environmental Quality Commission. It complemented the DEQ Too test certificates that were available from certain private sector partners. The DEQ Too testing option worked well for many, but was a challenge for some motorists during this time because it is not suitable for all vehicle types, and may not be selected by all customers. Also, some DEQ Too providers elected not to test vehicles during the period of VIP station shutdowns. Therefore, the COVID-19 certificates addressed the remaining service gap.

The DEQ-DMV team collaborated with test system vendor Opus on the project. As a result, the team successfully developed and launched this new certificate type in only two weeks' time.

The several teams highlighted exemplify the team-based approach that DEQ and the VIP utilize in addressing fluid work environments and evolving customer needs. The events of 2020 demanded more change than usual. Whether it was the need for a station reopening plan, increased demands for existing services, or the creation of a limited period certificate type, teamled initiatives proved essential in each case.



3. AIR QUALITY SNAPSHOT: The Impacts of Ozone and Wildfires

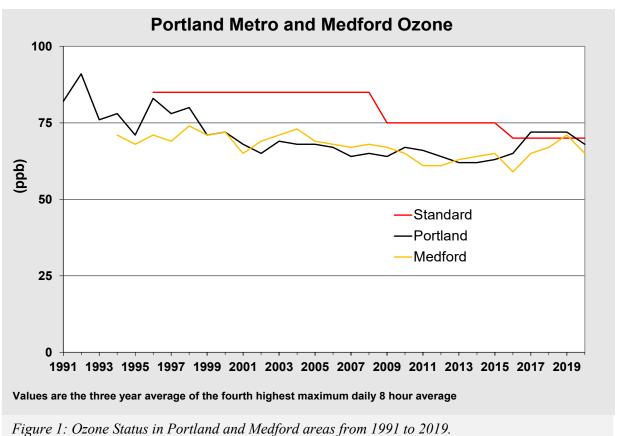
The Vehicle Inspection Program is one of several DEQ programs that reduces emissions of criteria and hazardous pollutants. A recent emission inventory analysis shows that on-road sources may contribute anywhere from 20 to more than 50% of criteria and air toxic pollutant emissions to the Portland and Medford airsheds. The emissions consist primarily of nitrogen oxides, carbon monoxide, Volatile Organic Compounds and the air toxics ethylbenzene, benzene, 1,3-butadiene and acetaldehyde. VIP has been shown to reduce these pollutants by at least five to 20%. If the proactive maintenance of vehicles ahead of emissions testing is taken into consideration, these pollutant reduction estimates are much higher. Despite these known reductions, however, background environmental conditions in the Portland and Medford metro areas produced additional air management challenges in 2020.

DEQ consistently assesses the quality of Oregon's air, and makes this emission information available to the public. Specifically, DEQ uses its own <u>Air Quality Index</u> to measure pollutants in the air. It uses sensors placed around the state to assess and report how clean the air is on a daily basis. It also provides information on potential health risks. The AQI registers air quality as

² See 2019 report titled "Portland-Medford SIP-VIP Updates Project: Emission Inventory Demonstration for Air Toxics and Ozone Precursors."

good, moderate, unhealthy for sensitive groups, unhealthy, very unhealthy, hazardous and beyond hazardous.

As Figure 1 depicts below, ozone levels have remained high, at times exceeding federal standards over the last several years. Most recently, data collected during the 2020 ozone season reveals no fewer than four Portland-area exceedances³ of the current 70 PPB ozone ambient air quality standard. By contrast, there was only a single exceedance in 2019. Exceedances of this type, and the overall prevalence of heightened ozone levels, has become increasingly common in the nation's urban areas, as growing populations and rising temperatures create the necessary mix of conditions for ozone to form and persist in the atmosphere. Also a factor, an increase in average vehicles miles traveled dating back to the mid-2000s has created the potential for even more modern vehicles to emit more pollutants.



³ These preliminarily reported exceedances, being verified at this time, consist of the following: May 28, 2020: 74 ppb, July 27, 2020: 76 ppb, July 30, 2020: 70 ppb and August 15, 2020: 77 ppb.

Figure 2, titled "Pressures on Air Pollution Standards", depicts this trend.

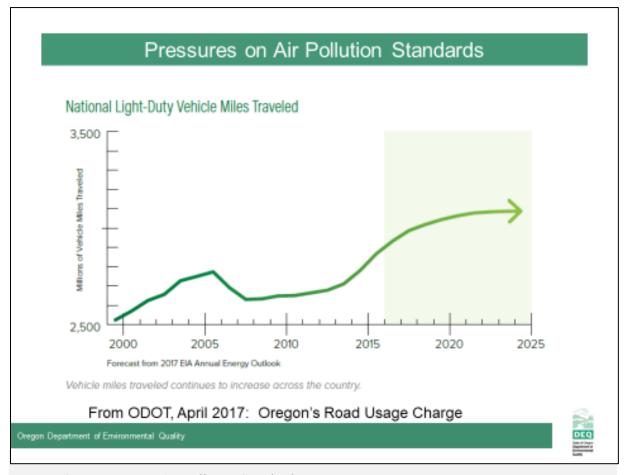


Figure 2: Pressures on Air Pollution Standards

The extreme wildfire season further contributed to DEQ's air management challenges in 2020. Wildfires, as with automobile fuel combustions, contribute a host of additional pollutants into the atmosphere, not the least of which is fine particulate matter referred to as PM2.5. It is the main cause of reduced visibility or "haze" in parts of the U.S., and is known to negatively impact the natural environment.⁴ Also, PM2.5 directly affects human health, with particular impacts to individuals with heart disease, aggravated asthma and decreased lung function. Wildfire-produced PM2.5 drove significant increases to the Air Quality Index in 2020.

_

⁴ EPA web site, "Health and Environmental Effects of Particulate Matter (PM)".

Figure 3, titled "September 2020 AQI Levels", summarizes these air quality impacts based on September data collected from DEQ's air quality monitoring network. The map shows that nearly all of Oregon had several days of unhealthy air between September 7 and September 18, 2020. The areas between Eugene and Salem had the greatest number of unhealthy air days during this time period, nine and 11 out of 12 days. The Klamath Falls/Lakeview/Burns area had the fewest days (two to three out of 12 days). Some sites with exceptionally poor air quality are not shown on the map because the AQI was down and data was not available. These typically include sites adjacent to wildfires.

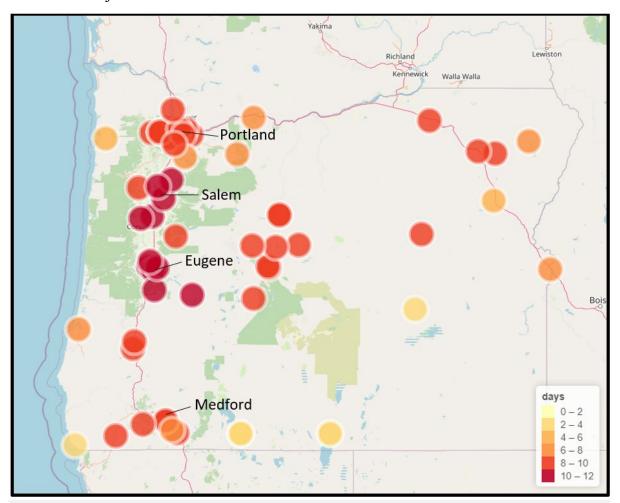


Figure 3: September 2020 AQI Levels. The map shows the number of days between Sept. 7 and Sept. 18 with levels considered at or above unhealthy levels. Missing days were assumed to measure an unhealthy AQI or greater. Sites with more than three missing days were excluded from the map.

Vehicle emissions alone are not the cause of increased AQI values in the Portland and Medford areas. Nevertheless, given these elevated background levels, the additional contributions from

the transportation sector hold increased significance. These environmental realities establish not only the need for continued vehicle inspection and maintenance activities, but also argue for an increased focus on additional activities, such as the program's anti-fraud and related compliance work. Examples include the recent national focus on smoking vehicles, emission-reducing "delete" systems and other areas of potential non-compliance. These inform VIP's priorities concerning compliance. In the year ahead, VIP will continue to monitor both emissions and testing data. The program will also remain actively connected to work performed by the U.S. EPA and other state vehicle inspection and maintenance programs, as compliance issues such as these receive additional programmatic attention. With certain background emission levels on the rise, it will be increasingly important to detect and address any instances of vehicle emission testing non-compliance.

4. TESTING OPERATIONS: A Volatile Year

VIP, as one of the state's largest customer-facing operations, relies heavily on operational data in assessing testing trends, and in determining how to best redistribute resources. 2020 was no different, but the novel issues of the year brought unusual variation to that data. The temporary COVID-19 shutdowns, as well as the year's record wildfires and AQI levels, impacted the program in new ways. Several trends are noteworthy and each will benefit from further evaluation as testing patterns stabilize. These include the potential overall testing volume increases, 2020 changes within the DEQ Too business test method and a significant increase in customer service inquiries directed to the program's customer service team. They generally appear to represent short-term changes due to anomalous events, but some may in part be driven by longer-term patterns.

The disruptive nature of the events of 2020, particularly the COVID-19 pandemic and associated VIP station closures, set the stage for departures from historical testing patterns. The COVID-19 pandemic required a closure of VIP's testing stations beginning March 17, 2020. Stations reopened in two phases. The first occurred the week of June 15 and included the Medford, Clackamas, Sunset, Sherwood and Scappoose stations. The two remaining stations, in Gresham and Northeast Portland, opened on June 30. After being closed for approximately three months, VIP stations reopened to an expected backlog of testing that peaked at over 5,000 inspections per

day—double the average daily test volume. Figure 4 summarizes this 2020 test volume volatility, highlighting the sharp declines during closure, and the marked increases to follow, all relative to average test volumes.

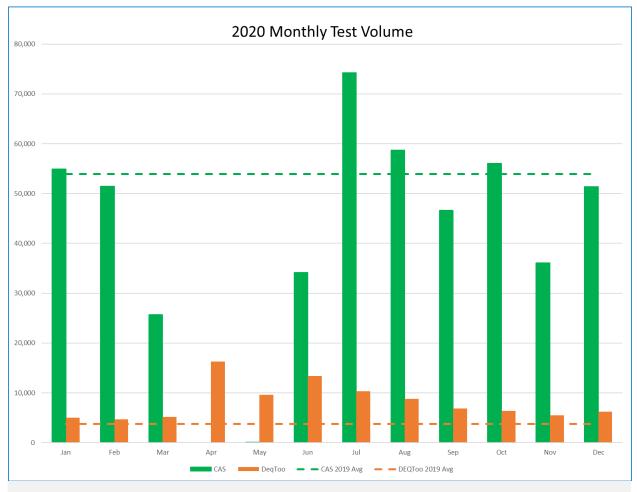


Figure 4: 2020 Monthly Test Volume

As of 2020 Calendar Year-end, VIP completed 587,636 vehicle inspections. Despite the sharp increases in mid- and late-year test volumes, this represents a 15.1% annual decrease relative to Calendar Year 2019. This decrease is projected to be short term, however, as most of the missing tests must be completed to maintain vehicle registrations. These "make-up" tests are expected to occur within 2021. As depicted in Figure 5, the program's total test volume is predicted to be slightly less in 2020, but returning to more elevated, historical patterns, beginning in 2021.

Given that staffing levels have remained relatively static, while testing demands are expected to continue to rise, VIP must continue to keep pace with the test demand. Figure 5, below, depicts

total testing demand relative to staffing levels from 2005 to 2025. One way in which the program achieves this objective is through its efficiency-focused measures. Operational updates, technology enhancements and other improvements of this type are discussed in the Program Initiatives Update section, below. With test volume predicted to shift, at established staffing levels, however, the test to staff ratio reflected in Figure 5 is expected to resume its climb in 2021.

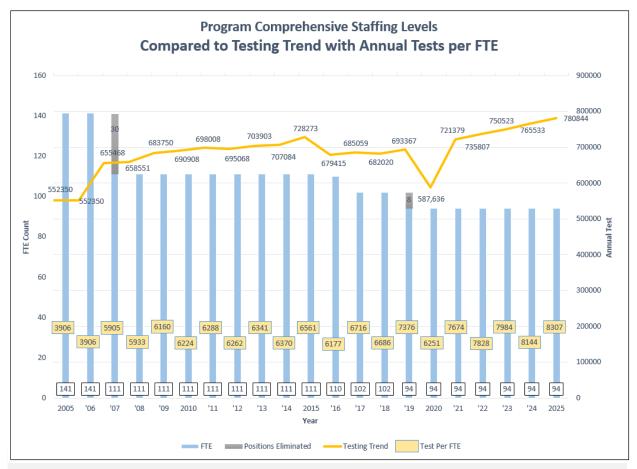


Figure 5: Program Comprehensive Staffing Levels, Compared to Testing Trend, with Annual Tests per FTE. Staffing levels represented include DEQ staff outside of VIP, who contribute to program services.

A second notable operational trend in 2020, also related to the closure events discussed above, was a marked increase in program tests administered through DEQ Too testing. Before the VIP program shutdown due to COVID-19, DEQ Too tests represented approximately 8% of the program's total tests, or about 5,000 of the program's rough average of 60,000 total tests per month. However, patterns departed from this historical trend beginning on March 17, when VIP's testing station closed to customers. DEQ Too tests spiked to a new high of 11,881 tests per

month in June, as VIP test stations continued to be closed and customers were encouraged to use the alternative. DEQ Too tests subsequently declined approximately 45%, to 6,688 monthly tests in September, after VIP stations opened again. As monthly test statistics stabilize in 2021, it will be important to gauge DEQ Too test level changes.

The COVID-19-related changes to test options, schedules and the increased utilization of the DEQ Too test method also drove increased customer inquiries fielded by program staff. In 2019, VIP's customer team at the Technical Center received and responded to 100-150 monthly email inquiries, and 1,500 to 2,000 telephone inquiries per month. Customer inquiries sharply increased during and following the COVID-19 closures. As depicted in Figure 6, email inquiries increased to a high of nearly 500 per month. Customer email inquiries transitioned to predominantly telephone inquiries following the June station reopening. Telephone inquiries also increased to approximately 4,200 calls per month. These two- to three-fold increases, as with other temporary changes during and following the COVID-19 closures have since seen some decline, but remain higher than the more recent averages.

Overall, VIP responded to these more significant 2020 operational trends, through internal adjustments and within existing resources. Inspector resources were re-deployed to stations that reopened earlier, and to other areas as needed. Outside resources in the form of temporary inspectors and the use of professional "flaggers" for assisting with traffic spikes, supplemented existing resources. Other changes related to the COVID-19 crisis and associated station closures benefitted from the program's diversity of service offerings, including the temporarily available COVID-19 DEQ certificates and the increased capture of testing demand by the DEQ Too program. With the program having navigated many of these significant, but short-term operational shifts, testing activities have more recently returned to more traditional levels and patterns. Continued monitoring of the program's operational data will remain important in assessing whether any of the cited trends become long-term changes. Only with the benefit of those future, more stabilized values will the program be in a position to more comprehensively and effectively update the resourcing of its varied service lines.

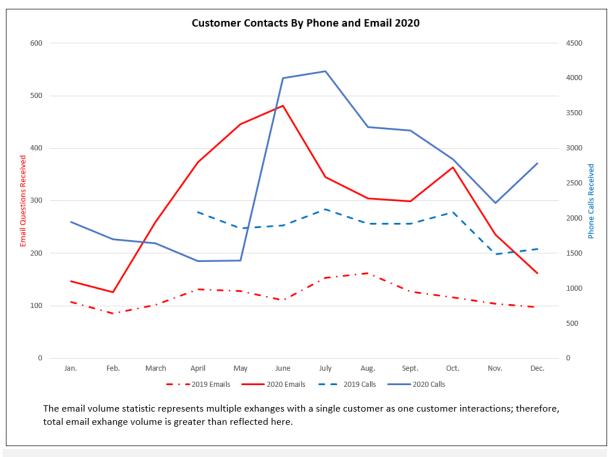


Figure 6: Customer Contacts by Phone and Email

5. PROGRAM INITIATIVE UPDATES: Improvement Initiatives Continue

VIP's work was highly impacted by the year's historic events, requiring significant resource deployment to address necessary programmatic changes. The COVID-19 closures and reopenings, and the fall's fires and highly elevated AQI levels, demanded modified technologies, expanded communications, new procured transportation management resources, customized health and safety measures and significant PPE investments, to name just a few measures. While addressing these activities was no doubt a priority throughout the year, following the return to more typical operations, the VIP team turned its attention to its targeted continuous improvement projects. Updates for some particularly important initiatives are included below.

5.1 VIP Program Fee Updates:

The Vehicle Inspection Program's fees were last set in 1997. Since that time, rising personnel costs, including cost of living expense adjustments, employees' step progression within a salary range and health insurance, as well as technology expenses, rent and other miscellaneous overhead expenses have understandably increased. Although the program continues to take steps to limit the impacts of inflation on expenses born by the program, it recently became necessary to bring test fees into alignment with the more current expense structure. DEQ and VIP began the fee increase process in 2017, but when the 2019 legislative session stalled, so too did the avenue to raise fees. This fiscal reality, combined with the budget impact of the COVID-19 crisis and the temporary closure of testing stations, resulted in a depletion of the program's fund balance. It took emergency action to address the deficit.

VIP's expenses began to exceed its revenues in 2015. Since that time, the program has forestalled the impacts through technological advancements, efficiency gains and ending balances from previous biennia. To attain balanced budgets in the 2015-2017 and 2019-2021 biennia, the program cut seven and eight full-time equivalent positions, respectively. The fee increases, for which work is currently underway, will enable the program to restore recently cut positions and otherwise maintain support for its various testing lines. DEQ currently expects the proposed fee increase to sustain the program without losing additional FTE and without cuts to services through June 30, 2025.

In November 2019, VIP took its fee proposal to the Environmental Quality Commission. The EQC adopted the rule revisions and fee increase, but DEQ considered them rescinded when the 2020 Oregon Legislature failed to ratify the fee increase contained in the DEQ budget due to lack of quorum. By spring 2020, the impacts of COVID-19 threatened to wipe out what remained of the program's already depleted fund balance. At the May 2020 EQC meeting, DEQ proposed a temporary rule to increase the fee for a VIP certification of compliance, which the EQC adopted. The temporary rule was made final by the EQC in December 2020.

In addition to the fee increase, DEQ revised several sections of the Motor Vehicle rules in Division 256 of Oregon Administrative Rules Chapter 340. Specifically, DEQ:

 Removed references to procedures no longer performed, such as the enhanced dynamometer emissions test and noise control testing;

- Included references, definitions and procedures aligning rules with current program operations;
- Edited for plain language; and
- Increased the fee for a certificate of compliance to the following amounts:
- *Portland Vehicle Inspection Area*: from \$21 to \$25
- *Medford Vehicle Inspection Area*: from \$10 to \$15, with a second adjustment to \$20, effective July 1, 2021
- The fee from on-site Testing Auto Dealerships, per the proposal, increased from \$25 to \$30.

Next steps include a carry-forward of the request before the 2021 legislature. If approved, fee increases will become permanent on July 1, 2021, which is the start of DEQ's next fiscal year.

Customer-Assisted Lane Improvements: To maintain pace with rising testing demands and increased efficiency, VIP utilizes "customer-assisted" lanes at its inspection stations. Introduced in 2011, these lanes enable vehicle inspectors to service two customers from a single testing lane. The layout is possible due to specialized lane testing technology through which customers confirm vehicle registration, insurance and payment information while program personnel conduct the vehicle tests.

Customer-Assisted lanes are currently in place at five testing stations in the Portland area. Most stations use two of these more contemporary lanes, and an evaluation is underway to determine the extent to which the lanes will be updated at each testing station. The evaluation, performed as part of a Lean Process Improvement initiative, was launched this past fall. The project includes an analysis of customer data, and direct input from program staff about improvement opportunities and potential alternative designs.

The 10-person project team is evaluating information and developing recommendations for updates, lanes configurations and technology enhancements that will assist both inspectors and customers. Technology enhancements will address both the testing hardware and testing software design used by VIP customers at each touch screen. The Lean project will ensure that lanes continue to operate efficiently and are user friendly. The project gains will also include ergonomic benefits, as the streamlining process reduces inspector motion inherent to a testing

process with significant physical elements. The completion of the Lean project is expected by spring of 2021, with implementation to occur throughout the year.

5.2 DEQ Too Test Method Updates:

DEQ's Vehicle Inspection Program introduced its DEQ Too test method in 2016. This testing approach involves the program's authorization of private sector service providers to use remote testing devices to send customer test data to DEQ. This option enables customers, who may visit a private sector service provider for an oil change or ongoing maintenance, for example, to secure a DEQ-approved test at the same time. DEQ Too affords customers an additional convenience-focused option and, for this reason, represents an important component of the VIP's array of services. As the newest service line, it is particularly important to invest in updates and improvements to maintain this option. The investments may require additional resources relative to other methods, but recent increases in test volume may provide the revenue for this work. The extent to which test volume increases will be sustained must be evaluated over the next biennium. The high degree of test volume volatility connected to this past year's station closures necessitates further assessments after operations stabilize.

The program's increased investment of resources is related, in part, to DEQ Too's growth over time. The number of partners participating in this service line now exceeds 250 separate business entities. As additional service providers elect to participate in the program, customers enjoy increased choice, with DEQ devoting more resources to support this option. For example, DEQ team members enter into agreements with new partners, providing each with program information, and otherwise onboarding them. Additionally, once online, VIP must continuously field questions from and monitor compliance of each new provider.

Other areas of needed investment in DEQ Too extend beyond the mere expansion of the service provider network. As the program has not had significant updates since its initial launch, additional investment is necessary to ensure the service line is sustainable long term. This begins with providing an opportunity for additional customer and stakeholder feedback. Historically, the program has received insufficient data from customers. To remedy this, VIP will begin delivering a more accessible and expanded survey to capture critical data on what motivates customers to choose specific locations, as well as their satisfaction levels. Once analyzed, the

data will help inform future program decisions related to the success of DEQ Too and additional resourcing investments that may be warranted.

VIP has already identified several other areas where DEQ Too will benefit from updates. Most fundamentally, it is of critical importance that the program takes all steps to maintain the integrity of its testing methods, and to ensure that its numerous and varied service providers continue to deliver services that align with them. Here, VIP recently initiated a targeted audit of service provider records, as part of a larger evaluation of compliance with current testing protocols and standards. The information to be secured is important to understand any potential areas of programmatic risk, as well as where DEQ Too service providers may need more support.

Other areas of need already identified include updated service provider training resources, service agreements and testing technologies; and new administrative rules. At a minimum, the existing rules may be expanded to recognize the test method and outline the manner by which the DEQ Too tests are to be performed.

Collectively, these investments in DEQ Too drive additional expenses incurred by VIP, but are required to maintain testing integrity and otherwise sustain the important service line into the future. Added and ongoing investment will further increase the importance of monitoring the number of future DEQ Too tests, relative to other methods. The assessment will enable the program to continue to maintain its commitment to delivering VIP customers a convenient testing option.

5.3 HB 2007 Implementation:

In 2019, the legislature passed HB 2007, a multi-component piece of legislation targeting diesel emission reductions in Clackamas, Washington and Multnomah Counties. Among other directives, it prohibits registering and titling older diesel engines in the tri-county areas, after certain deadlines. The bill's timelines are represented in Figure 7, below. As indicated, the new registration and retrofit requirements begin January 1, 2023 and will be applicable to 1996 and older engine model year medium- and heavy-duty vehicles. In addition to titling requirements to

begin in 2025, the next phase registration and retrofit requirements will apply to specific 1997 to 2009 engine model year trucks, starting in 2029.

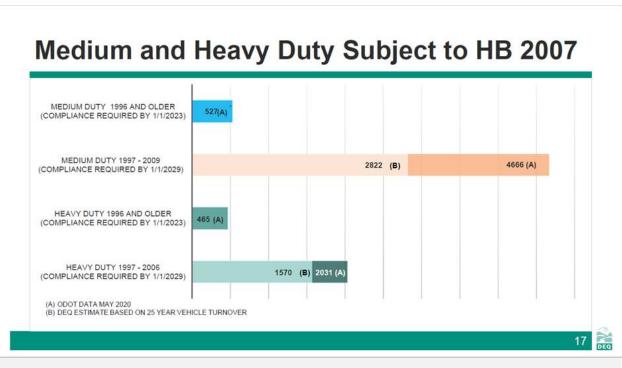


Figure 7: Vehicles subject to HB 2007

The new legislation allows a vehicle to be registered and/or titled after the phase-out deadlines as long as it is equipped with DEQ/EQC-certified retrofit technology. For vehicles regulated by HB 2007, DEQ will complete a rulemaking to establish criteria for certification of approved retrofit technologies by July 2021. The rulemaking is currently underway, with a third of three Rule Advisory Committee sessions expected to conclude in early 2021.

Collectively, the RAC meetings will enable the program to obtain input regarding:

- Approved retrofit compliance requirements
- Timelines for submitting proof of compliance
- Engine model year (EMY) retrofit compliance notice and determination
- Owner/operator record keeping requirements
- Training resources for owner/operators
- Frequency of compliance certification and retrofit maintenance documentation requirements

Identifying areas of program-focused customer service delivery

Currently, DEQ is working with our partners in the Oregon Department of Transportation to develop a retrofit certification process that will work with the existing vehicle registration process. DEQ's retrofit compliance program will ensure that only proven diesel pollution reduction technology will satisfy the requirements outlined in HB 2007. This ruling advance DEQ's goal to improve the air quality for some of Oregon's most vulnerable populations, since these neighborhoods often overlap with areas that have the highest concentrations of diesel pollution.

6. THE YEAR AHEAD: Significant Change Expected in 2021

In 2021, VIP will direct significant attention to a return to more typical operations following a most challenging year. This will include filling vacant positions, advancing core technologies and otherwise reinvesting in the program and its teams. 2021 will also be a year in which the VIP receives important new data and feedback applicable to several of its test methods. This information, as in prior years, will drive the program's many improvement initiatives and enable teams to remain customer focused.

