

**KEY ASSUMPTIONS FOR REVIEW****Program Costs**

*The FTE distribution is shown separately. It reflects the level of effort required for the program (as currently envisioned) and incorporates a reasonable "ramp down."*

Salaries and benefits per FTE	110,000
Annual salaries & benefits cost escalation	5%
Other expenses (% of FTE cost)	20%
Program Reserve (% of operating costs)	0%
Years to establish reserve	0

*Note: In any given year, the on-road/off-road revenue requirement is based on program activity, defined as the proportion of anticipated retrofits received. Current assumptions (detailed below) result in a 57/43 split for on-road/off-road over the total life of the program.*

**Base Fleet**

Baseline age distribution is based on DOL data (private fleet) and OSPI & FTA data (public fleet/buses)

	Public Fleet	Private Fleet (1-2 vehicle facilities)	Private Fleet (all other)	Total
Category 1: 1993 or older	435	7,506	2,502	<b>10,443</b>
Category 2: 1994-2006, no modification	692	9,979	18,971	<b>29,642</b>
Category 3: 1994-2006, retrofitted	4,024			<b>4,024</b>
Category 4: 2007 or newer, or DPF	1,686	348	6,621	<b>8,655</b>
<b>Total</b>	<b>6,836</b>	<b>17,833</b>	<b>28,094</b>	<b>52,764</b>
Percent of all privately owned 2007 or newer vehicles in small fleets			5%	
Percent of all privately owned 1993 or older in small fleets			75%	

**Annual Turnover and Growth**

	Public Fleet	Private Fleet (1-2 vehicle facilities)	1-2 vehicle fleet turnover post 2019	Private Fleet (all other)
Average life of vehicle (yrs)	15	19	19	13
Percent of total fleet replaced yearly	7%	5%	5%	8%
Turnover is weighted towards older categories (no 2007 or newer vehicles are replaced before 2017) using a 3:2:1 ratio for replacements coming from Category 1 : Category 2 : Category 3				
Replaced with Category 4	90%	5%	50%	60%
Replaced with Category 3	10%	0%	0%	0%
Replaced with Category 2	0%	95%	50%	40%
Replaced with Category 1	0%	0%	0%	0%
Annual growth rate of fleet	1%	1%		1%

Growth mimics prior year's fleet distribution but is weighted towards newer categories (no growth in 1993 or older vehicles) using a 3:2:1 ratio for growth into Category 4 : Category 3 : Category 2

**Diesel Solutions Activity**

	Number of Retrofits/ Replacements	Public Fleet	Private Fleet (1-2 vehicle facilities)	Private Fleet (all other)	Off-Road
<b>2010</b>	1350	5%	11%	84%	
<b>2011</b>	1350	5%	11%	84%	
<b>2012</b>	1200	6%		94%	
<b>2013</b>	1500	5%	23%	63%	9%
<b>2014</b>	1650	4%	37%	46%	13%
<b>2015</b>	1800	2%	49%	33%	16%
<b>2016</b>	1650	2%	59%	20%	19%
<b>2017</b>	1500	2%	69%	5%	23%
<b>2018</b>	1500	2%	69%	5%	23%
<b>2019</b>	1500	2%	63%	7%	28%
<b>2020</b>	1500	2%	60%	8%	30%
<b>2021</b>	1500	2%	56%	9%	33%
<b>2022</b>	1500	2%	52%	11%	35%

Of total annual retrofits/replacements, 700/yr represent retrofits as follows (difference is replacements):

Public Fleets: 80% of retrofits are Category 2 to 3, 20% Category 2 to 4

Private Fleets: 50% of retrofits are Category 2 to 3, 50% Category 2 to 4

Replacement assumptions:

Public Fleets: No replacement activity directly targets the public fleet

Port Scrappage Program (2010-2011): 150 Category 1 to Category 2 (small fleets only)

Med/Large Private Fleets: Replacements start in 2010 (75% Category 1 to 3, 25% Category 1 to 4;  
by 2015 60% Category 1 to 3, 40% Category 1 to 4 with linear transition after year 3)

Small Private Fleets: Replacements start in 2013 (75% Category 1 to 3, 25% Category 1 to 4;  
by 2018 60% Category 1 to 3, 40% Category 1 to 4 with linear transition after year 3)

**Compliance Rates**

	Public Fleet	Private Fleet (1-2 vehicle facilities)	Private Fleet (all other)	Off-Road
Program Start (Year)	2010	2013	2010	2013
Compliance at Start	75%	5%	50%	TBD
Maximum expected compliance rates	90%	50%	80%	TBD
Years to achieve max. compliance	2	9	4	TBD

*Note: Compliance rates reflect agency experience with other programs and are calibrated to account for FTEs assumed in auditing function*

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**Facilities Data**

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Facilities data is based on a Polk data set of facilities with fleets of 5 or more vehicles.

Facility fleet size was reduced proportionally to achieve a total fleet size that matched DOL records (and eliminate vehicles < 10,000 lb GVW)

The number of facilities with fleets of less than 4 vehicles is estimated using DOL data

The number of facilities remains constant over the life of the program (though average fleet size grows)

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**Fee Structure**

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Fee calculation tables are weighted on size and emissions categories such that facilities with fleets of the same proportional emissions characteristics pay the same amount per emitting unit.

Size: Based on mid-point of size category

Emissions: Dirtier vehicles pay more, and fees associated with the dirtiest categories of vehicle increase relative to other categories over time.

Category 1: 1993 or older	1.00	increases relative to other categories over time
Category 2: 1994-2006, no modification	0.15	increases relative to categories 3-4 over time
Category 3: 1994-2006, retrofitted	0.09	
Category 4: 2007 or newer, or DPF	0.02	