

NTRD Program Disclaimers

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**Texas Commission on Environmental Quality
New Technology Research & Development (NTRD) Program
Monthly Project Status Report**

Contract Number: 582-5-70807-0006

Grantee: Railroad Commission of Texas

Date Submitted: September 12, 2005

Report for the **Monthly** period:

Starting Date: July 12, 2005

Ending Date: August 31, 2005

Section I. Accomplishments *(Please provide a bulleted list of project accomplishments as well as a description of their importance to the project.)*

1. We have identified four potential manufacturer participants. One of these companies, Lubrizol, has completed its verification application to CARB and is awaiting CARB approval to proceed. The application includes detailed reports on durability tests conducted to date. Durability tests are the most important part of a verification application. The durability testing was conducted under EPA auspices at Southwest Research Institute and appears good. CARB will reply to Lubrizol within 30 days if additional information is needed. We believe this activity positions Lubrizol well to be a successful participant in the NTRD/RRC testing program.
2. A second potential manufacturer participant, Precision Governors, has submitted an initial letter of intent to CARB (copy attached) and confirmed to us its intention to submit a formal application to CARB. AFRED will follow up with the company to determine when they expect to submit their information and if they are encountering any difficulties. The results of this follow-up will be included in our next monthly report.
3. A third potential manufacturer participant, Safe Controls, has not responded to repeated inquiries concerning their verification plans. The company is in the process of merging with Zenith Controls, and for that reason we think they may not have the time to work with us on the verification testing project. We will continue to monitor their interest in pursuing verification and include updates in future monthly reports.
4. A fourth potential manufacturer participant, NETT Technologies (Toronto, Ontario) contacted the Railroad Commission last week. If they are prepared to submit an application to CARB, we will consider adding their system to the testing program.
5. An Invitation for Bids has been drafted for emissions testing. The IFB will be issued this week to qualified laboratories in Texas, including Carnot Emission Services and Southwest Research Institute, both located in San Antonio.

Indicate which part of the Grant Activities as defined in the grant agreement, the above accomplishments are related to:

Task I. Select partners

2.1.1 Select retrofit fuel systems

2.1.5 Submit names of verification partners and copies of the agreements

Task 2. Initiate CARB verification process

2.3.1 Select testing laboratory

Section II: Problems/Solutions

<p>Problem(s) Identified</p> <p><i>(Please report anticipated or unanticipated problem(s) encountered and its effect on the progress of the project)</i></p>	<p><i>Safe Controls' merger with Zenith has introduced an element of uncertainty about their verification plans and whether they will participate in the program.</i></p>
<p>Proposed Solution(s)</p> <p><i>(Please report any possible solution(s) to the problem(s) that were considered/encountered)</i></p>	<p><i>We are keeping in touch with Safe Controls (Tom Reilly) and Zenith Controls (Brian Memmott) to determine whether the merged company wishes to participate.</i></p>

<p>Action(s) Conducted and Results</p> <p><i>(Please describe the action(s) taken to resolve the problem(s) and its effect)</i></p>	<p><i>In addition to maintaining communications with Safe Controls and Zenith Controls, AFRED has contacted CARB (Robin Myers) to keep current with the agency's timeline for approving verification applications. CARB has indicated that final decisions on verification applications, protocols and procedures have been delayed pending additional public hearings and actions by the CARB board. According to CARB's Mark Williams, ARB consideration of the LSI rulemaking proposal has been postponed and will now be heard during the October 20-21, 2005 Board hearing in Sacramento.</i></p>
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Section III. Goals and Issues for Succeeding Period: *(Please provide a brief description of the goal(s) you hope to realize in the coming period and identify any notable challenges that can be foreseen)*

1. *Issue testing IFB, evaluate responses, select laboratory, secure TCEQ approval of laboratory.*
2. *Have Precision Governors submit an application to CARB at the earliest possible date.*
3. *Pending CARB action, enter into letters of agreement with Lubrizol and Precision Governors as initial manufacturer partners.*
4. *If Safe Controls/Zenith or Nett intends to submit an application to CARB, incorporate them into the program.*



Date: September 12, 2005

 Authorized Project Representative's Signature

NOTE: *Please attach any additional information that you feel should be a part of your report or that may be required to meet the deliverable requirements for tasks completed during this reporting period.*

1. *Table of Contents from Lubrizol's CARB verification application. (Submitted separately in hard-copy format; no electronic copy available.)*

NOTE: *A letter from Precision Governors to CARB stating the company's intention to submit a formal application for verification is available for TCEQ inspection if desired. The letter is marked "Confidential and Proprietary."*