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March 10, 2010

Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Comments on the Public Hearing to Solicit Information on the Regulation for In-Use Off-Road Diesel Fueled Fleets

Dear Sirs,

The purpose of Nabors Well Services Co's (NWSC) letter is to submit comments on the Public Hearing to solicit information on the regulations for the In-Use Off-Road Diesel Fueled Fleets. NWSC would like to thank CARB and the CARB staff for the opportunity to participate in the development of further amendments to the Off-Road regulations. NWSC is requesting the CARB staff to take these comments under advisement during the modification process.

Background

On January 28, 2010, the Air Resources Board adopted an amendment to the Statewide Portable Equipment Registration Program (PERP). Two local air districts submitted the three following comments: Businesses would continue to operate without permits and remain unregulated. Despite extensive outreach efforts, many businesses are still not fully aware of the regulations' requirements. and A few months ago, on of the air districts found a 170 hp engine operating without a permit. The PERP regulations were adopted in 1997. After 13 years, local air districts are still locating Scofflaws operating equipment without complying with the regulations.

Competitive Disadvantage

The failure to locate Scofflaws has generated a competitive disadvantage between complying companies and non-complying companies (Scofflaws). Complying companies were required by regulations to make large capital investments in their fleets to remain in business in California, while the non-compliant companies were allowed to operate without making any investment.

Modification to the Implementation of Off-Road Regulations

On February 11, 2010, CARB issued an enforcement advisory to all stakeholders affected by the Off-Road regulations that no enforcement action will be taken for non-compliance. NWSC's recommendation is for CARB to place the implementation of Off-Road regulations on hold until all stakeholders operating in California are located and registered in DOORS. This action would generate some economic relief for all stakeholders while creating a level playing field for all affected stakeholders. The Off-Road regulations will require large capital investments for compliance. CARB staff cannot develop and implement another regulation that generates a competitive disadvantage like the PERP.

Many stakeholders have suffered at the hands of the competitive disadvantages. NWSC is requesting that CARB staff take this modification under advisement before moving forward with the implementation plan. NWSC will continue working with CARB staff in the future. If you have any questions regarding this matter, please contact me at 661-391-1623 or by e-mail at james.thomas@nabors.com.

Sincerely,

James Thomas
Administrative & Regulatory Affairs Manager