

EXHIBIT B

Briggs, Kate

From: Ranajit (Ron) Sahu [sahuron@earthlink.net]
Sent: Monday, May 12, 2008 12:33 PM
To: growland@arb.ca.gov
Cc: Guerry, William M.; McNew, James; rgault@emamail.org
Subject: Re: LSI/SORE Workshop follow-up

Importance: High

Scott:

Thanks for your patience on this. As promised, I have had discussions with several of our members who sell products that would be affected by the proposed CARB LSI <1.0L rule.

The comments from the members were generally very similar and can be summarized as follows:

(a) The number of units sold in these categories annually is very small (of the order of <10 - 80 units per year; mostly in the 10-25 range).

(b) The final proposed exhaust standards cannot be met with current air cooled designs and would need to be completely redesigned - water cooled, EFI, ECU, O2 sensor, 3-way cat, high pressure fuel pumps, etc. Given the small volumes of sales, and the anticipated complete redesigns, our members are indicating that the resources that need to be allocated will not make this allocation cost-effective. This includes costs for engineering, testing, certification, capital, manufacturing, and product support. We have not developed actual hard cost numbers as yet but believe that installed engine costs will likely rise by 50-100% or more as compared to existing.

(c) The most likely outcome, if CARB proceeds along the lines proposed is that (a) many of the products in these categories will likely not be offered in CA and/or (b) some may switch to other engine types such as diesel.

(d) the 2010 starting date for the interim exhaust and evap standards does not appear to be realistic, considering where we are with the regulation today, and CARB's timeline to finalize the regulation. Production of engines and fuel tanks will have to begin in the last quarter of 2009 to meet 2010 model year requirements, leaving less than 1 year leadtime for new engine certs and low perm fuel tanks.

(e) Cost impact of the 2010 evap requirements will be significant due to low volume issues. The part cost is less of an issue as compared to the cost of engineering, testing, tooling, and certification of these (likely) roto-molded multi-layer tanks. Can CARB consider some sort of low volume relief? Can CARB consider delaying the evap regs till 2014?

(f) The proposed 5000 hr/7 year durability requirement is excessive for our type of products (mowing, utility vehicles) which have design lives in the 1500-2000 hr range. We have already indicated this earlier to you all.

Scott, based on these (esp. low volumes involved), we are particularly interested in CARB's estimates of the inventory reductions that this rule is expected to provide. That will obviously be a factor in and of itself as well as in cost-effectiveness discussions. When you have the inventory ready, could you please share - not just the bottom line number but how it was derived (i.e., assumptions). I am reiterating this request.

Please let me know if you have any additional questions. In addition to e-mail, I am at 626 382 0001. We appreciate your patience on this. Regards

Ron