COLD STEEL ERECTORS, INC.

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Monday, July 23, 2007

California Air Resource Board
1001 I Street
Sacramento, CA 95814

Subj.: Emissions regulation

Re.: Off-road diesel equipment

To Whom It May Concern:

I am writing on behalf of Cold Steel Erectors, Inc. (CSE), a sheet metal deck installation company based out of San Lorenzo, CA. CSE is a registered small business in the state of California and the proposed regulation regarding off-road diesel equipment emissions can/will ultimately have a devastating affect on the future of our company.

The type of equipment we use, that places us under the regulation, is known by our trade as a stud welding generator. Our company owns ten (10) of these particular machines, all of which are older than 1996. With that being said, none of our ten (10) machines are eligible to be registered in the PERP; as a result, by March of 2009 all of our equipment will have to be replaced with engines manufactured in 2002 or later. A new stud welding generator, that meets the regulations, is estimated to cost around $100,000.00; if you multiply that by ten (10), that's a cost of around $1,000,000.00. In the little over five (5) years CSE has been in business, we have yet to see $1,000,000.00 profits.

We estimate that there are somewhere between 150 – 250 stud welding generators in the entire state of California. According to a table provided by the U.S. Department of Transportation Federal Highway Administration in October of 2005 (http://www.fhwa.dot.gov/policy/ohim/hs04/htm/mv9.htm) there were 135,325 truck tractors (semi-trucks) registered in California in 2004. As I am sure this number has since increased, this is where we are confused; why aren't the on-road diesel engines subject to such strict guidelines, when in this case they out number the equipment nearly 550:1?

Moreover, another question that comes to mind is; why can't a system be implemented similar to motor vehicles; in that, any thing from 1973 and prior be exempt from the regulations?

We are quite confident that CSE is not the only business that will see devastating affects by these regulations. By making such strict regulations, California is forcing its small business' to have no choice but to eventually "close their doors".

Sincerely,

Travis Schmollinger
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