



ENGINEERING CONTRACTORS ASSOCIATION

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California Air Resources Board
1001 "I" Street
P.O. Box 2815
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To Whom It May Concern:

There are three major issues that the Engineering Contractors and their affiliates feel that ARB either has misconceived ideas about or that have not been brought to their attention. As the Executive Director for this Association I have been requested to bring these concerns to your attention.

#1 The facts are that exactly the same as the automotive industry, the diesel industry has long been striving to increase the life expectancy of their products. In the last 20 years, the average life expectancy has doubled for diesel fired equipment. New technology continues to lengthen the life expectancy of all consumer products and diesel powered equipment is no different. Engines built in the mid 90's have a life expectancy of 10,000 – 15,000 hours. The life expectancy of stationary and portable engines is even more. Now the math; Tier 0 built in 1996 @ an average of 1000 hours per year equates to 10,000 hours in 2006 or 15,000 hours in 2011 and even longer for stationary and portable engines. This fact has been proven by the automotive industry and it holds true in the diesel industry.

#2 The true financial impact of the current PERP and Off Highway Regulation will be much more devastating to both the construction industry and the state economic stability than the state is predicting. Contractors that base their business decisions on fleet turn over will be forced to move up that turnover schedule which will drive up costs and for some, drive them out of business. Driving up costs will slow the economy; this will slow housing starts and that will make it impossible for the contractor to upgrade equipment. Driving contractors out of business and slowing the economy will lower the amount of particulates in the air in California, but it will also dramatically lower the much needed California tax base and that is something that everyone understands. The only logical solution would be to re-evaluate the Tier 0, Tier 1 replacement schedule and allowing a one time retrofit/re-power to low tier equipment with a re-evaluation of the life expectancy. This would help to ease the financial impact on both the contractor and the state while still achieving the states long term goal.

#3 We have the opportunity to set a global precedence and become the standard for worldwide guideline. The goal is to not just clean up California air but also the air in all of North America. It is time that we as a state begin to learn from the mistakes made by the environmentalists and legislators to the logging industry and aggregate industry. Their restrictions have only forced large companies to move elsewhere. The rain forest is being devastated because of their actions and a large amount of rock now comes from quarries in Canada due to these oversights in our legislation. While I agree we must clean up California's air quality, we must also be smart about the actions we take for they can be devastating to local industries as well our neighbors to the North and South of us. This can only be

accomplished by the proper implementation of a “clean up program” rather than a “replacement program”. After all, moving the problem-causing equipment from our backyard to Mexico or Canada’s backyard does not really solve the problem, it only moves it. The responsible thing to do would be to not throw our trash into our neighbors’ yard. This can be accomplished by making Tier 0 and Tier 1 engines cleaner burning before requiring them to be retired from the fleet. This would also help with items #1 and #2. Requiring retirement of Tier 0 and Tier 1 will force contractors to sell equipment out of state to begin with, therefore having an adverse affect on our neighboring states economies as well as our own. When our neighboring states pass comparable bills, contractors will be forced to ship equipment out of the country in an effort to recoup some value to help offset the replacement costs.

In closing, it is not the regulation that is to be feared. It is the backlash to our economy and this is something that we can easily control.

We at ECA believe that these are important issues to be addressed and hope that you will address these issues at the upcoming Workshop on February 26, 2007.

Respectfully,

Lorena Fisher,
Executive Director

Steve McDonald,
Pape’ Machinery

Henry Harjak,
FEDCO Construction

“A member driven organization dedicated to the promotion of the engineering contractor industry through education and training, advocacy and community relations.”