**PERP Amendment Comments from SCEC Air Quality Specialists**

**on Behalf of Local Caterpillar Rental Operations**

SCEC appreciates the opportunity to submit comments on the proposed amendments to the title 13 of the California Code of Regulations (CCR), article 5, sections 2451 through 2462, known as the Portable Equipment Registration Program (PERP). SCEC is providing these comments on behalf of the local Caterpillar dealer rental operations throughout California and the surrounding states, including Cashman Equipment Company, Empire Machinery Company, Hawthorne Power Systems, Holt of California, Johnson Power Systems, Quinn Power Systems, and Peterson Power Systems. These Caterpillar dealers are committed to the success of PERP as a means to reduce emissions from portable engines while facilitating commerce across air district boundaries. They have been active in the initial development of the program and the subsequent amendments to PERP regulatory language. Their commitment to PERP continues through the many steps that they take every day to ensure their customers’ understanding of PERP, and through a significant investment in new low-emission engines that are used throughout California. Through this investment, the Caterpillar dealers have in many cases ensured that the emission rates of their fleets are already in compliance with the standards that have been established for the year 2013.

Historically, various provisions of the PERP regulation distinguished between owner-operated engines and those that are part of a rental fleet. The distinction is important because of the complexities of rental transactions and the relationship between the rental engine owner and the operator. The recently-proposed revisions to the PERP regulation continue to distinguish between rented engines and owner-operated engines, but in some cases may not adequately reflect the intricacies of rental transactions. The following comments identify those areas where additional rule language will promote a more effective and equitable PERP.

**Recordkeeping Provisions – Detailed Location Data for Rental Engines**

CARB proposes to revise 2458 (b) to require that the rental engine owner maintain a log that would contain the location (street address, UTM coordinate, etc.) of a rental engine. The engine location must be entered into the log on at least a monthly basis. This proposed addition to the regulation cannot be practically enforced and in many cases would result in unreasonable economic harm to the engine rental company. The proposed rule language specifies that the owner (the rental company) shall maintain records, but the rental company lacks the ability to determine the exact location of the engine once it is rented and can neither reasonably log the data, nor validate any log entries that would be made by the operator. When customers pick up an engine from the rental yard, the owner has only a general understanding of the engine destination. Even when the rental company delivers the engine to a customer’s place of business or to a project, the engine will not necessarily remain at the delivery location. The problems of compiling detailed location data are further compounded in those situations where equipment is re-rented through a third party. In these cases there is one more degree of separation between the engine owner and the operator. This separation is often by design. It allows for the appropriate equipment to be available to a project, without jeopardizing the business relationship of the third-party rental company and the customer.

In its staff report, CARB specifies that the monthly log entries are needed to ensure enforcement of the 12-month residency provisions that define portability and serve as the basis for PERP eligibility. While this is somewhat understandable, the log entries would serve such a purpose for only those rental contracts that exceed 12 months. For shorter rental contracts, compliance with the 12-month residency restriction can be demonstrated by the contract duration and by the recordkeeping activities that occur at the start and end of the rental period. Instead of requiring that monthly locations be logged, the PERP regulation should include language clarifying that for rental contracts exceeding 12 months, alternative records may be voluntarily provided by the operator to demonstrate that the engine is not at a single location for more than 12 months. Such records may include log entries, maintenance records, fuel delivery records, etc.

Based upon the proposed rule language, local districts can enforce recordkeeping requirements upon rental companies even though they have no control over engine operations or recordkeeping data validity. This will result in rental companies incurring uncontrollable compliance risk. If CARB adopts the proposed recordkeeping changes, it should also adopt additional rule language, or issue guidance to that clarifies responsibility for compliance with the various components of paragraph 2458(b). Ideally, such language would specify that rental companies are responsible only for providing the customer with a written copy of PERP requirements affecting operation of the engine, and that the operator is held responsible for compiling records of specific equipment locations and for complying with the 12-month location provisions of PERP.

**Reporting – Annual Reporting Requirements for Rental Fleets**

CARB proposes to discontinue annual reporting requirements for owner-operated certified engines (2458(e)), while retaining the annual reporting requirement for similar engines that are owned by rental businesses (2458(f)). Compilation of the annual reports is a costly exercise that results in no environmental benefit and it is appropriate for CARB to reduce the burden of annual reporting requirements to the greatest extent possible. CARB’s proposed changes to the reporting requirements for owner-operated fleets are appropriate and appreciated, but CARB offers no justification for requiring annual reports of certified engines that are owned by a rental business. Paragraph 2458(f) should include the same exclusion for certified engines that is contained in paragraph 2458(e).

**Application Process – Facilitating Efficient Application Processing and Dispatch of Engines**

CARB proposes to revise paragraph 2453(f) to specify that equipment owners can receive registration certificates electronically. This welcome change should reduce the time between application and receipt of registration and allow owners to expedite engine dispatch.

Because engine identification labels and placards will continue to be mailed after the registration is issued, paragraph 2453(f) should clarify that operation of a recently registered engine without a sticker or placard would not constitute a violation of the rule.

SCEC and the Caterpillar dealers welcome the opportunity to discuss in detail the comments presented herein. Please contact Karl Lany of SCEC at (714) 282-8240 or klany@scec.com if you require additional information or would like to discuss further these comments.