CALCIMA
California Construction and
Industrial Materials Association

January 27, 2010

Ms. Mary Nichols
Chair
California Air Resources Board
1001 I street
Sacramento, CA 95814

RE: Comments on Modifications to PERP Agenda Item 10-1-2

Dear. Chair Nichols:

The California Construction & Industrial Materials Association (CalCIMA) represents over 100 mine operators and ready mix concrete suppliers within California. A suppliers of construction aggregates and recycled aggregates the PERP rule has been and remains an important statewide program to our membership. We appreciate the opportunity to provide comments to the Board on your proposed modifications. We are also appreciative of Board and Staffs recognition of the need to provide temporary relief from the engine replacement provisions of PERP for this year.

However, we believe the Board should provide 500BHP of relief to all fleets rather than only providing benefit for large fleets. This change provides the needed flexibility for fleets large and small to adjust to these trying economic times. Your staff analyzed the environmental impacts of such a proposal on page IV-2 and noted it resulted in retaining about 80% of the benefit of the exiting rule. The proposal before you provides that benefit for small fleets as well as a benefit for small fleets with a single engine larger than 500 bhp making exact comparisons difficult. We would like to note that staffs environmental analysis does not seem to take into account reduced use of these engines in calculating emissions lost in 2010 which would be recaptured in 2011. We believe this is significant as we expect the emission losses calculated from the existing rule would therefore be higher than in the economy of today.

If the portable crushing production and consumption has been hit as hard as the production of virgin construction aggregates and we have no reason to believe it has not production is down significantly. We believe this is a good indicator of PERP use as we expect demand for recycled aggregates which have fewer uses than virgin material would have seen similar falls in use. According to the FSOR Engines associated with portable rock crushing represent 40% of the PERP inventory. According to California Geological Survey data California construction aggregate production has declined from a high of over 240 million tons of production in 2005 to 156 million tons in 2008. In the first three quarters of 2009 production was at only 97.8 million tons. The construction materials industry has been greatly impacted as construction slows and demand for raw materials decreases.

We are appreciative of the Boards efforts to temporarily reduce the economic burdens of diesel risk reduction and would ask them to do just a little bit more and provide benefit for the 10% of companies left out of the current proposal by allowing them the same benefit as the small fleets. This economy has impacted every business not just small business.

Respectfully,

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