



March 24, 2010

Coalition Members



Ms. Mary Nichols, Chairman
California Air Resources Board
1001 I Street
Sacramento, California 95814



Associated General Contractors
America-San Diego Chapter, Inc.

RE: 15-Day Proposed Changes for Statewide Portable Equipment Registration Program (PERP)

Dear Chairman Nichols and Members of the Board:



Building Industry Association
of Southern California

The Construction Industry Air Quality Coalition (CIAQC) supports some of the changes the California Air Resources Board (CARB) made January 28, 2010 to the Portable Equipment Registration Program. Allowing companies to choose to operate Tier 0 portable engines an additional year is a move in the right direction considering the economic hardship faced by California residents and businesses, including the construction industry. CIAQC however still has a concern with a proposed change and asks CARB to provide clarification on the estimated cost of reporting requirements in the regulation.



California Dump Truck Owners
Association

Proposed Modifications Available to All Companies with Portable Engines



Engineering
Contractors Association

The proposed changes to the PERP and the Portable Engine Air Toxic Measure will not only help ‘small businesses’ by providing the ability to operate non-certified engines an additional year, but all companies with the removal of the 25-engines or less fleet threshold requirement. CIAQC supports this change, and believes the extension is appropriate.



Engineering & General
Contractors Association

The construction industry as a whole has been severely impacted by the recession. For many in construction, this economic slowdown is a depression. Over the last four years, 364,000 California construction jobs have been lost. Between 2007 and 2009, the value of heavy construction projects in California has dropped by 50%. These losses have not been isolated to ‘small companies’ and have been felt by all construction companies. The significant decline in revenue and decreased ability to replace equipment is being experienced by construction companies of all sizes. Allowing Tier 0 portable engines to operate for an additional year will help provide much needed relief.



Engineering & Utility
Contractors Association



Southern California
Contractors Association

Further, CIAQC also believes the one-year extension should begin once CARB has received a wavier from US EPA to regulate these engines.

Proposed Requirement for Rental Companies to Log Monthly Locations of Equipment is Unreasonable

CIAQC generally supports the proposed changes to the reporting and recordkeeping requirements found in Section 2458. However, CIAQC previously expressed that the proposed reporting requirement for rental fleets to gather monthly information on the location of engines operated by renters establishes an unreasonable burden. Despite consensus of the board and direction of the Chairman during the hearing to work with stakeholders on long-term rental agreements and simplification of the reporting requirements, the 15-day proposed reporting and recordkeeping requirements for rental companies remains unchanged.

Gathering monthly location information for equipment out on rent creates a compliance scenario for which many rental companies have no practical ability to control. Some rental companies can have several hundred pieces of equipment out on rent at any given time. The proposed record-keeping provision could require the creation of more than a full time position to try and track down location information from renters on a monthly basis and on-going basis. This requirement is particularly burdensome when company staffing levels have been minimized during the recession.

The requirement to record the location of a registered engine on a monthly basis is intended to ensure that portable equipment does not reside at a single location for more than 12 months. Rental contracts that last less than 12 months would demonstrate that this is not occurring, demonstrating that this requirement is not necessary. The monthly recording requirement for the rental company, rather than the renter, is unreasonable and creates an unnecessary burden in this economy. Field inspections performed by the air districts will determine where the equipment has operated each month when the renter's records are reviewed.

For rental agreements that last more than 12 months, the regulation should include clarifying language that the renter could voluntarily provide a record such as log entries, maintenance records or fuel delivery records to the rental company that demonstrates that an engine has not operated more than 12 months at a single location to the rental company. In many instances, renters are reluctant to provide where the equipment has operated to the rental company for proprietary reasons. It is also common practice for an engine renter to re-rent the equipment to another company. Providing information about the location of the third-party rental could place that company in a competitive disadvantage. These considerations demonstrate that it is the responsibility of the end-user (renter) to maintain records that demonstrate compliance and not the rental company that merely owns the equipment.

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Cost Estimate for Recordkeeping Requirements

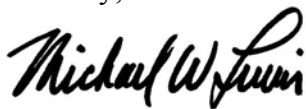
CIAQC requests that CARB provide a cost estimate for the reporting and recordkeeping requirements for the PERP and the ATCM. While there will certainly be some limited economic benefits from the proposed changes to the regulations, there will still be ongoing costs associated with the reporting and recordkeeping requirements, notwithstanding the changes to Section 2458. Previous CARB cost estimates for these activities were approximately 54 million dollars annually. It is still important to know what the costs to the regulated community for the portable engine and equipment regulations are.

Reporting of District Inspections

The local air districts can collect inspection fees for registered portable engines and equipment units. CIAQC recommends that CARB should make publically available a list summarizing the inspections performed each year by the local air districts pursuant to the PERP. This report should include the number of pieces of registered and locally permitted engines and equipment inspected as well as those found operating without registrations or permits. This would provide the regulated community with some assurances that enforcement and compliance scrutiny is not exclusively focused on those that pay the fees and 'follow the rules'.

CIAQC appreciates that CARB has made modifications to the PERP and Portable ATCM to help offset the economic hardships created by the recession. CIAQC believes additional changes to the reporting and recordkeeping requirements are appropriate and appreciates your consideration. CIAQC is available to answer any questions you might have or provide further details if you wish. We appreciate the opportunity to comment on this subject at this time.

Sincerely,

A handwritten signature in black ink that reads "Michael W. Lewis". The signature is written in a cursive, flowing style.

Michael W. Lewis
Senior Vice-President