Subject: [Fwd: [Fwd: Comments on Draft PERP Concepts from Emergency Meeting]]
From: Alexa Malik <amalik@arb.ca.gov>
Date: Mon, 27 Nov 2006 10:47:12 -0800
To: Lori Andreoni <landreon@arb.ca.gov>

-------- Original Message --------
Subject:[Fwd: Comments on Draft PERP Concepts from Emergency Meeting]
Date: Wed, 22 Nov 2006 15:34:14 -0800
From: Kitty Howard <khoward@arb.ca.gov>
Organization: California Air Resources Board
To: Alexa Malik <amalik@arb.ca.gov>
CC: George Poppic <gpoppic@arb.ca.gov>, Wayne Sobieralski <wsobiera@arb.ca.gov>, Christopher Gallenstein <cgallens@arb.ca.gov>, Ada Komorniczak <ajkomorn@arb.ca.gov>, Lea Yamashita <lyamashi@arb.ca.gov>, Dan Weller <sweller@arb.ca.gov>, Michael Tollstrup <mtollstr@arb.ca.gov>

-------- Original Message --------
Subject: Comments on Draft PERP Concepts from Emergency Meeting
Date: Wed, 22 Nov 2006 13:20:12 -0500
From: Kim Nemmers <knemmers@ur.com>
To:khoward@arb.ca.gov
CC: Michael Guzzetta <mguzzett@arb.ca.gov>, Raymond Alletto <ralletto@ur.com>, Rita Castro <ricastro@ur.com>, Grant Zoldowski <gzoldows@ur.com>, Bill Locklin <blocklin@ur.com>, wsobiera@arb.ca.gov

Dear Ms. Howard-

Below is suggested text for the draft concepts presented at the emergency meeting on November 20, 2006.

Current Text
"Sell through provision" –If dealer takes possession of engine prior to a Tier change, he/she will have six months to sell or register. If owner/operator orders prior to a Tier change, but not yet taken possession, he/she will have six months to register.

Proposed Text
"Sell through provision" – If dealer takes possession of engine prior to Tier change, dealer will have six months from the date of the Tier change to sell or register the equipment. Owner/operator will then have 90 days from the date of purchase from said dealer to register the engine in order to operate it. If owner/operator orders equipment prior to a Tier change, the owner/operator will have 6 months from the date of possession to register the equipment.

Dealer is considered any person/company that distributes or sells equipment.

The above proposed text provides a consistent six month grace period to register engines as the Tier change occurs. In the case of a rental company, the proposed text allows us the flexibility to sell equipment that we originally intended to use that may have been ordered prior to the Tier change. Allowing time for the owner/operator to register the equipment after purchase is also necessary. Furthermore, the above proposed text eliminates the additional paperwork pass through that is currently occurring where an incomplete application (Forms 1A and 2A) must be sent onto CARB for stamping. The stamped forms are then sent back to the applicant so that they can then be used to register the equipment once received by the owner/operator. Making the language of the section clear and reasonable will reduce the amount of paperwork involved and time expended in relation thereto.

Though not directly related to the "Sell through provision", we believe that an "Application Shield" would work well with the provision. Application Shields are currently the responsibility of local Air Districts to issue. We have met or spoken to 20 of the Air Districts regarding obtaining an Application Shield. Several of the Air Districts have indicated to us that it would be helpful to them if CARB would provide clear guidance with respect to the issuance of Application Shield. In some Air Districts, we are unable to rent our equipment under the regulations until we obtain the Registration sticker, which accounts for a significant loss of revenue. All of our equipment is bought new and is similar in make/model, so the operating conditions are somewhat standard. We would like to request a statewide Application Shield for newly purchased equipment that meets the current Tiered standard. Several air districts are amenable to providing such an Application Shield, however, for consistency, we request a statewide shield.

Also, in today's discussions, it was agreed that the business model for equipment dealers does not provide for large pre-purchase of equipment to take advantage of the "Sell through provision". In that same way, the model for a rental company does not provide for switching out engines from our equipment. Therefore, requiring inspection of our newly purchased equipment within one year of registration of such equipment is an unnecessary burden. Though there may be minor errors from time to time on the registration forms that may be identified in the inspection, the loss of revenue and time to arrange for our equipment to be at the branch is not justified for recently purchased equipment. We request that additional language be added to Section 2460 to eliminate the inspection within the first year for rental equipment purchased directly from an equipment manufacturer.

It is helpful to note that United Rentals generally turns PERP equipment over within three years, so the cost and time associated with awaiting PERP registration and planned inspections dramatically reduces profits on equipment held for a short period of time. Our ability to "turn over" equipment benefits California because we are continually renting only the newest equipment with the best air emission controls and are introducing relatively new equipment back into the resale market at a reasonable price for other industries. While we understand that the above two concepts were not discussed in the November 20th meeting, we sincerely hope that you will evaluate and consider these requests.

Please feel free to contact me with questions.

Kimberly A. Nemmers, P.E.
Director of Environmental Management
United Rentals, Inc.
2942 Evergreen Parkway, Suite 303
Evergreen, Colorado 80439

Ph: (303) 674-1320
Fax: (303) 674-1706

Alexa Malik <amalik@arb.ca.gov>
Regulations Coordinator
Office of Legal Affairs/BARCU
Air Resources Board