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SENATOR GEORGE RUNNER
REPUBLICAN CAUCUS CHAIR
SEVENTEENTH SENATE DISTRICT

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APPROPRIATIONS

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SELECT COMMITTEE ON
HIGH SCHOOL GRADUATION

December 10, 2008

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: CURRENT / PROPOSED REGULATIONS FOR OFF-ROAD DIESEL VEHICLES

Dear Clerk:

After speaking with small business owners in the 17th Senate District, I am writing to respectfully request the Air Resources Board (Board) to consider an exemption or adjustment of the regulations for small businesses that use engines and equipment that currently meet mandated emission standards but may possibly not meet the new standards adopted by the Board to reduce emissions of diesel particulate matter (diesel PM) and oxides of nitrogen (NOx) from in-use off-road diesel vehicles that operate in California.

While reducing emissions is extremely important, the possible hardship imposed on small businesses—the backbone of California's economy—could be great. Indeed, many small companies that rely on off-road diesel vehicles to perform their work are deeply concerned that the new rules will put them out of business. These companies have engines and equipment that will not be compliant after 2010 and, unfortunately, fail to qualify for Carl Moyer grants because they run for too few miles and/or hours.

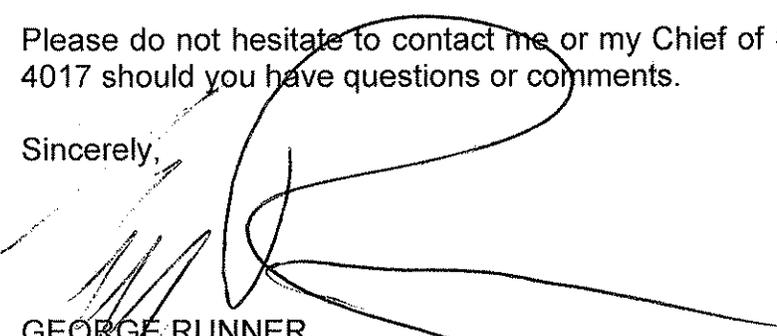
Chairman Nichols has stated that the Board seeks to provide approximately \$1 billion in assistance to businesses to mitigate the costs of the upgrades and engine replacements. This assistance is expected to come through the Proposition 1B Transportation Bond passed by the voters in November of 2006. While the Board should be commended for working to minimize the financial impact, the reality is that these funds will not be enough to offset the expensive upgrades and replacements.

The end result will be that these companies will be unable to upgrade their small fleets. If companies are forced to close their doors, the loss of jobs and the tax base generated by the companies and their employees will most certainly have a negative effect on the economy. It is troubling that small companies that have always complied with air quality regulations are now faced with the possibility of going out of business.

I strongly encourage the Board to create exemptions for companies whose engines and equipment met the requirements when registered, do not exceed a certain number of miles and/or hours per year, and are in good working order. It is imperative that the Board amend requirements to reflect the realities of small businesses in California

Please do not hesitate to contact me or my Chief of Staff, Will Smith at (916) 651-4017 should you have questions or comments.

Sincerely,



GEORGE RUNNER
SENATOR, 17TH DISTRICT

cc: Darren Bouton, Cabinet Secretary, Office of Governor Schwarzenegger
Chris Kahn, Legislative Secretary, Office of Governor Schwarzenegger

