



Edelbrock Group
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June 2, 2021

Kathleen Mead
California Air Resources Board
9480 Telstar Ave. Suite 4
El Monte CA. 91731-2988
CC: Jackie Lourenco, Kim Pryor, and Allen Lyons

RE: Comments to proposed E.O. fees for small volume engine manufacturers of SPMV & SPCNS certified engine packages

Dear Ms. Mead,

Edelbrock Group thanks you for the opportunity to comment on the recent Mobile Source Certification and Compliance Fee Regulation. Edelbrock Group is submitting the following comments concerning the SPMV and SPCNS certified engine manufacture fees as posted May 24, 2021.

Edelbrock Group is intending to supply engines as the manufacturer of record for SPMV programs, and may use these same engines for SPCNS programs. Edelbrock Group has experience as an engine manufacturer of record for new off-road large spark ignition engines. As such, this proposed fee structure is of particular interest, and it is our pleasure to share how these proposed fees might affect our business.

Edelbrock Group is a company with hundreds of employees in California, and with an aluminum foundry, manufacturing, and R&D facilities in California. While we support CARB's initiative to recoup some of their costs through fees, particularly as it relates to its ability to hire additional staff to process E.O. applications in a timely matter, we are concerned that fees beyond a reasonable level will impact our ability to compete in the market. The proposed fee levels would be detrimental to our business in the State of California, impacting not only us, but also the State's tax revenue.

The volume of engines for the SPMV programs are still to be determined. Based on the SPMV 325 vehicle per year limit for vehicle manufacturers, it is likely that small volume engine manufacturers will be producing engines at similar small volumes until a larger business can be established. This would require small volume engine manufacturers to spread the CARB proposed \$11,627 to \$23,254 annual certification fees over a very small number of engines sold.

As a small volume engine manufacturer the Edelbrock Group is comfortable with an application fee of \$1,000. We believe that this is the high end of what this market will bear.



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To summarize:

- A maximum of \$1000 EO application fee for small volume engine manufacturers of SPMV & SPCNS certified engine packages.
- Define a Small Volume Engine Manufacturer as one that produces not more than 5,000 engines per year. This could be based in a similar way to how an SPMV manufacturer is defined in CCR 2209.1 (17),
 - “SPMV manufacturer” means a low volume motor vehicle manufacturer that produces an annual worldwide production (including by a parent or subsidiary of the manufacturer) of not more than 5,000 motor vehicles each year, including prior years.

I hope that the information provided above proves helpful in your analysis of the effect on businesses these new fees will have. If you have further questions, or need additional information, please feel free to contact me at (310) 781-2222, and I will be more than happy to speak with you.

Sincerely,

A handwritten signature in blue ink that reads 'Braden S. Liberg'.

Braden Liberg
Director, Compliance & Calibration Engineering
(310) 781-2222