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Comments by Todd Bloomstine
On Behalf of the Southern CA Contractors Association
California Air Resources Board
November 17, 2022

Thank you Madam Chair and board members. My name is Todd Bloomstine and I am here on behalf of the Southern California Contractors Association.

SCCA would like to associate our comments with those submitted by the Construction Industry Air Quality Coalition.

By way of background, SCCA is an all-union trade association of engineering contractors with about 300 members. They work on all projects from the ground down — streets, highways, dams and other similar infrastructure. Their work requires the utilization of heavy diesel off-road equipment.

SCCA contractors are all signatory to several unions but primarily employ carpenters, operating engineers and laborers. SCCA members annually employ around 12 million personnel hours of construction labor.

Our concern today is how the proposed changes to the off-road rule will reduce the overall size of the construction fleet and, in turn, reduce the state's ability to construct projects. The industry estimates the current regulation and the proposed amended regulation will reduce the fleet by 62,000 pieces of equipment. That's a 33% reduction in the total California construction fleet. Naturally, some of that equipment will be replaced with new equipment, but not all of it. A reduction of 20% would still result in 38,000 less pieces of equipment.

Large general contractors are already facing significant backlogs before they even begin to work on projects. Twelve to 18 month delays before construction starts is not uncommon. Eliminating 20 to 33 percent of the state's off-road diesel fleet will simply add to those delays. This means it will take much longer to grade the land for a solar farm, construct a bicycle bridge over the interstate or expand a transit rail line.

Assuming the Air Resources Board moves forward with this proposed amendment, contractors will reduce their fleet and the "high road employers," much swooned over by the administration, legislature and academic world, will be forced to lay off the people that operate those machines.

Madam Chair, SCCA contractors are "high road employers." They pay an entry level operating engineer \$85.00 per hour for their work — \$85 per hour. This regulation, on the conservative end, will eliminate 20% of the existing fleet, eliminating 38,000 seats

for those workers. Once those jobs are eliminated, it will take a decade for the industry to recover, hire back those workers, and increase the industry's capacity.

Madam Chair, we are on the precipice of another recession. We have high inflation, technology companies, primarily based in California, are laying off tens of thousands of workers and the Legislative Analyst's Office signaled that it anticipates deficits in the tens of billions of dollars in the coming years. The construction industry has always been called upon to stimulate the state economy during recessionary periods. Now is not the time throw it a body-blow and reduce its capacity to construct important infrastructure projects.

SCCA respectfully asks the board to instruct staff to reconsider the proposed amendment based on CIAQC's letter and the troubling acceleration in reducing the size of the construction industry's fleet.