

June 5, 2024

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

www.arb.ca.gov/lispub/comm/bclist.php

Dear Chair Randolph and CARB Board Members:

Coalition Members



AGC CALIFORNIA



Associated General Contractors America-San Diego Chapter, Inc.



Building Industry Association of Southern California Western States Trucking Association



Engineering Contractors Association





Beginning in 2020, The Construction Industry Air Quality Coalition has been working with the staff to help educate them on the limits and feasibilities of replacing our industry's large spark-ignited forklifts with electric. We appreciate the changes that have been made to address some of our concerns listed in our previous submittals. However, we believe that the regulation is still unworkable, and will be extremely costly for thousands of small businesses throughout the state.

Our industry has already achieved significant emission reductions from our on -road, off-road, portable and renewable fuel programs. We have spent billions to comply! And we are facing additional billions of compliance costs as we move all of those equipment categories to zero emissions. Much of that cost will be in the form of jobs lost due to the reduction in the fleets of our construction companies who do not have the capital to purchase new equipment and merely shrink their fleets to comply.

We also want to remind the Board that the Governor's Executive Order, which is cited as the basis for this very expensive and aggressive regulation stated over and over that these regulatory actions should be considered when and "where feasible". The Governor's Executive Order was clearly aspirational. The forklift regulation has aggressive deadlines with little flexibility and even less analysis of the feasibility mandated by the Governor.

When this effort began, we surveyed 50 of our members with forklift fleets. We learned a great deal about their utilization of forklifts and the issues those construction companies face in transitioning to zero emission equipment. We shared this information with the staff.

We would draw your attention to the comment letter submitted by McClone Construction citing the complexities of using electric forklifts during the construction of a multi-story building which by design only has temporary power.

We concur that construction should be included in the in-field exemption provided to forestry and agriculture.

We also support the recommendations submitted by the Caterpillar Dealers of California. CAT is the primary supplier of equipment for our industry both rental and for purchase and we work closely in partnership with them on issues that affect our industry.

They have made five very specific recommendations for changes to the regulation.

- 1. That you modify the definition of RENT to remove any time limit.
- 2. That a sell through provision be required for sales of any 2021-2025 model year new class IV and Class V LSI forklifts after 1/1/26.
- 3. That a provision is included that allows for the sale of a forklift ordered in 2024 or 2025 specifically for an end user that ends up being delayed by the manufacture until after 1/1/2026. That forklift should still be allowed to be sold and purchased by the end user after 1/1/2026 even though the forklift and/or engine could be model year 2026.
- 4. That the phase-out cap be set at 25% per year of the applicable model year to be phased out and the remainder of the fleet not turned over by the phase out model year to be carried into the next year.
- 5. That Section 3009(k) be simplified for large fleet reporting to participate in the phase-out cap.

We still have grave concerns about the outreach that has been conducted for this rule. We believe that there are far more forklift owners than CARB's inventory. Many of these forklifts are owned by small companies and non-profits and are used only a few hours a week. This rule will have a significant impact for them in addition to the infrastructure they will be required to install to charge this equipment.

CIAQC would urge the Board to delay the adoption of this regulation. Carefully consider the recommendation we have proposed and direct the staff to conduct further outreach and workshops on the provisions of this rule.

Sincerely,

Michael Lewis, Senior Vice President Construction Industry Air Quality Coalition 951-206-4420

mike@lewisandco.net

Michael W Louis