

Gordon Downs
09-10-8

Message to CARB

Dec. 9, 2009

My wife & I

My name is Gordon Downs. ~~Town~~ Downs Equipment Rentals in Bakersfield. We are a heavy equipment rental business with 226 diesel powered machines. Our horse power is 43,500. We have 34 full time employees and have been in business 33 years. Many of our people have between 10 and 25 years of service with our company.

The last two years have been especially difficult. Revenues have declined 55% and 70% of our equipment is sitting idle. Our diesel consumption has declined 54% over the last two years. For the first time in 33 years we were unable to give our employees a pay increase. In fact, to prevent laying people off we are working reduced hours and overtime has been eliminated.

A part of our fleet includes 5 diesel powered delivery trucks, 6 diesel powered mechanics trucks and 20 diesel powered water trucks. The accumulative effect of the On-Road and Off-Road rule on our company is almost overwhelming. In fact, since we have been operating the last two years at break-even, there is no money to use toward rule compliance.

Our only recourse for compliance with the truck rule the first two years is to sell 25% of the fleet each year.

The truck rule is only part of the problem. We must also comply with the Off-Road rule. Our fleet will be in compliance in 2010 and 2011 because of reduced activity credits. Thank God for that! However, by 2013 we will be required to retrofit 125 of our 226 machines at a cost of \$21,000 each for a grand total of \$2.6M. In addition, we must replace 49 engines for NOx control at a cost of \$45,000 each for a grand total of \$2.2M. Over a two year period the Off-Road rule would cost our company about \$4.8M dollars to comply. **That is more than our total annual revenue. All of us were told by staff in May of 2007 that the rule would be affordable. We respectfully disagree.**

Obviously we will not have the amount of money needed for compliance. Our response will be to sell equipment to remain in compliance. In effect, the emission rule will force our company to become smaller and smaller each year with a corresponding reduction in employees.

As we have testified in the past, this regulation, as written today will either drive us out of business or force our company to reduce in size by about 75%.

The state of California currently has its highest unemployment rate (12.5%) since Dec. 1940 and the largest budget deficit in history. Business profits are low resulting in less tax paid to the state. These CARB regulations will exacerbate both employment and business and further harm the economy of our state. I ask the CARB Board to suspend implementation of these rules so we can go back to work and move beyond the constant anxiety of not knowing if our companies and jobs will survive or not.

Thank you