



# REDDING OIL COMPANY

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June 23, 2008

Members of the Air Resources Board:

Ms. Mary D. Nichols, Chair  
Dr. John Balmes  
Ms. Sandra Berg  
Ms. Dede D'Adamo

Mr. Ron Loveridge  
Mrs. Barbara Riordan  
Mr. Ron Roberts  
Mr. Dan Sperling

Mr. Jerry Hill  
Mr. John Telles  
Ms. Lydia H. Kennard

California Air Resources Board  
P.O. Box 2815  
1001 "I" Street  
Sacramento, CA 95812

**Subject: EVR/ISD Program, CARB Board Meeting, June 26, 2008**

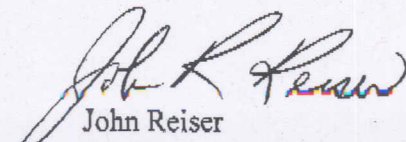
Dear Members of the Board:

We are a petroleum jobbership with 8 petroleum fueling locations impacted by the EVR/ISD requirements. We also sell products to 12 independent marketers, most of whom also will be impacted by these requirements. To get a start on the April, 2009 EVR/ISD deadline, we tried to borrow money, schedule installers, and complete at least two of our own sites before June 30, 2008, the end of our current fiscal year. In our effort to accomplish this, we ran into the following difficulties:

- 1) The profitability of our company these past years was insufficient to cover the demands of our cash flow from the increase in our accounts receivable, our own trucking upgrade requirements, and fuel costs, so we had to turn to long term financing. This has been a bad economic climate to negotiate with banks, and we do not qualify for the RUST loan/grant program.
- 2) We immediately ran into problems with location of the EVR equipment on our sites, with delays for planning and permit meetings and requirements for setbacks from buildings, property lines, and even screening from public view. The installation costs just kept rising.
- 3) We were not able to get competitive bids from service station equipment contractors since the only two other local contractors could not do the work. The limited choice in certified equipment and installers has added significant costs to our limited budget.

We will face exactly the same problems during our next fiscal year starting July 1, 2008 with only two installations down, 6 to go. And we know of 12 other independent operators in the same situation. You all may sleep well at night by keeping your April 2009 deadline, but there are many of us out here who will not.

Regards,

  
John Reiser  
President