



WASTE MANAGEMENT

Public Affairs

915 L Street, Suite 1430
Sacramento, CA 95814
916/552-5859
916/448-2470Fax

March 18, 2010

Clerk of the Board
Air Resources Board
1001 "I" Street, 23rd Floor
Sacramento, California 95814

Subject: Comments on the Regulation for In-Use Off-Road Diesel-Fueled Fleets

Dear Sir/Madam:

Thank you for the opportunity to submit comments on the Regulation for In-Use Off-Road Diesel-Fueled Fleets. Waste Management (WM), operating through its various subsidiaries, provides comprehensive waste and recycling services throughout California. We operate a heavy-duty fleet of over 3,000 on-road vehicles in California – most running on diesel, including over 500 on various bio-diesel blends and over 700 natural gas fueled vehicles. In addition, Waste Management operates approximately 550 pieces of off-road diesel-fueled equipment at 65 sites around California that are subject to the off-road rule.

WM has been supportive of CARB's off-road rule since it was adopted in 2007 and has been working steadily for the past two years to ensure our compliance with the requirements. As a result of that very significant effort, WM did achieve full compliance with the March 1, 2010 original program deadline by retiring 144 vehicles, purchasing 38 new vehicles, retrofitting 36 vehicles with various emission control devices, and repowering 5 vehicles. The total capital cost of the effort to date (excluding a very large investment in staff time) is approximately \$9 million. Compounding the overall cost, these expenses are not recoverable through price increases in our services.

Despite the fact that our industry and WM as a whole have experienced significant reductions in revenues due to the current recession, WM recognizes the importance of the rule and the significant emission reductions it will achieve. Given WM's corporate Think Green® initiative driving our own internal emission reduction goals, we did not feel it prudent to seek an implementation delay and we continued to push forward to meet the original implementation schedule.

Now that WM has met the original compliance requirements, we need to fully understand CARB's recent enforcement delay notification and if/how we should adjust our off-road emission control plans going forward. CARB's regulatory advisory (10-414) states that CARB will not retroactively cite non-compliance events and will give an additional six months to comply when EPA authorization is obtained, but it does not specifically address whether the annual compliance targets will continue to accrue during this enforcement delay period. For example, if a multi-year enforcement delay occurs and then the EPA approval is obtained, will fleets be required to comply with all of the requirements that have passed during the delay period within six months of the notification? Obviously this could place an enormous strain on fleets that have not maintained their compliance with the standard during the enforcement delay.

Beyond questions on the enforcement delay, WM thinks it would make sense for CARB to recognize those large fleets that did spend the time and capital to meet the original March 1, 2010 deadline. This recognition could take various forms, but certainly some type of public announcement seems appropriate.

We also believe that further amendments to the regulation should include future benefits to those early implementers of the original regulation. The large fleets that complied did so at considerable financial expense and are now at a competitive disadvantage with fleets that did not comply. WM suggests that CARB harmonize the PM and NOx compliance schedules for early implementers, specifically allowing PM compliance to match NOx compliance requirements through 2020. Providing additional time for PM compliance would greatly reduce the need for costly repowers and retrofits of older equipment and instead allow financial resources to be directed to the purchase of new equipment, which is a far more effective use of capital.

We work with CARB staff on a nearly daily basis on a variety of issues. These are just two suggestions that we think make sense for CARB to implement at this juncture, but we would like to work directly with you to analyze the current rule and help develop forward thinking strategies to make the off-road rule successful.

Please contact me if you have any questions regarding the information provided in this letter or if you wish to discuss these matters further.

Sincerely,



Kent Stoddard, Vice President
Public Affairs / Western Group

cc: James Goldstene, CARB
Chuck White, WM
Doug Diemer, WM
Sean Turner, WM