



General Engineering - License No. 623944-A  
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7/23/2007

**To: All California Air Resources Board Members**

**We ask you to look at the complexity of the off-road rule. We have a print out of the fleet calculator to show everyone, from contractors to our environmental partners that setting up a strategy is not an easy task. It takes weeks and months to do cost analysis and then to add that to the strategy used to accomplish your compliance goals. Once you understand how to enter all your compiled information this calculator comes to life.**

**We have heard testimony from our environmental partners questioning why we waited so long to come forward to be heard. In our case, it is because until recently we did not have the fleet calculator to show us the complexities and many different and costly ways to comply.**

**We have made many projections with retrofits only, retrofitting and repowering, retrofitting only higher tier engines to buying new tractors and repowering and retrofitting in the same year. With the help of MSRC funding, Carl Moyer funding and with the help of South Coast Air Quality Management District along with Ventura County Air Quality Management District we have repowered 25 tractors in 3 ½ years at a cost of \$3,127,978.00. Even after spending that money our cost to comply for one year ranges from \$1,045,000.00 to \$2,676,000.00.**

**We will all spend millions of dollars a year over the next five years just to re-spend that money when tier 4 technology is available.**

**We have used the Air Resources Board tools, the fleet calculator to uncover an interesting fact. We have found that if we retrofit all the tier 0 engines in our fleet with PM filters first before repowers or retrofitting higher tier engines that we can cut PM emissions by 50% in the first two years of the regulation. It is by far the most beneficial reduction in PM emissions that we have found.**



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**We have supplied data to show that the actual cost of compliance is 33% to more than 100% higher than the staff estimates. We have shown staff that by allowing us to keep our tier 0 equipment in our fleet until tier 4 technology is available, then phasing this equipment out of our fleets we would achieve by retrofitting with level 3 VDECS and retrofitting at a rate of 10% a year a 50% reduction in PM emissions in the first 4 years of compliance. We have given staff added guidelines to achieve this goal.**

**We feel strongly that the NO<sub>x</sub> devices needed for these tractors will be available by the end of 2008. That would take care of the second part of the rule.**

**We ask you to consider going 10% instead of 20% a year on retrofits. The early years of compliance are front-loaded. If you make the first years of compliance less financially burdensome we could still compete in the market place. That will give the Air Resources Board time to work out the enforcement issues that are going to be critical in creating a level playing field. If the rule stays as written and we cannot pass on the high costs that this rule imposes, then we will borrow our selves into bankruptcy.**

**In our efforts to pressure one major equipment manufacture into coming up with more cost effective and tier 3 repower solutions, we were given the complex issues that they face. They are concerned that they could lose up to a billion dollars in research and development money that they will not be able to recover. The pressure that they are under to come up with the tier 4 technology has given them concerns that the money spent on repowers will be lost because those engines will be obsolete in a few short years.**

**Along with that, we have shown that our tier 0 equipment has devalued 75%. This represents our down payments on newer equipment. It has severely changed our debt to asset ratio and our bonding capability. We ask you the board to consider our plan, it is a fast and more cost effective way to achieve the largest reduction in PM emissions that we have found.**



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**We want to thank the board members who have taken the time to listen to our ideas and concerns and to the staff whom we have discussed the issues for hours at a time, the ombudsman and especially to Elizabeth Yura for giving us the tools to uncover this emissions jewel.**