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Statement in Opposition to CARB Proposed Off-Road Diesel Regulations

There are so many problems with the proposed regulations, from unavailable mandated technology to insurmountable enforcement problems, I can only talk about one issue. I want to highlight the gross underestimation of costs in the analysis by the CARB staff:

While it is not considered in the discussions of costs, CARB acknowledges that this single regulation will probably increase the cost of new homes by \$1,000 each. This is not insignificant!

CARB cost to new home buyers in CA 2010-

Assume Average Monthly new home sales =	5750 *
Average number per year	69000
for 21 years	1449000

For a \$5 per month increase for each homeowner for a 30 year loan	\$ 2,608,200,000.00
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\*Conservative estimate based on NAR total of 460,000 for CA total and 15% new = 5,750 per mo avg  
Based on 2004 or 2005 numbers would be 7,625 and 7,500 respectively.

Typical construction equipment replacement costs (new, used not available)

item	Capacity	Cost	Horsepower	Cost per HP
Extended reach forklift	10,000 lbs	100000	110	\$ 909.09
Rough Terrain crane	60 ton	500000	208	\$ 2,403.85
Manlift	125' reach	175000	87	\$ 2,011.49
Loader, heavy duty	3 cu yd	250000	175	\$ 1,428.57
Backhoe	14' reach	120000	100	\$ 1,200.00
Bobcat (Skid steer loader)	3000 lbs	35000	81	\$ 432.10
			Average	\$ 1,397.52

the estimate used by CARB was	\$104 to	\$117
which is underestimated by	13.4 to	11.9 times
compared to the value reached in the above example.		

Repowering or retrofitting will not be available for most specialty construction equipment

CARB justified the proposed rules based, in part, on a cost benefit analysis, indicating that the rules would yield of \$18 - \$26 Billion in savings (avoided pre-mature deaths and health cost savings). The total cost was estimated in the range of \$3.0 to 3.4 billion (presumably only to industry) through the years 2009-2030. This does not consider the estimated \$1,000 per home cost increases or the \$5 per month that each homeowner would have to pay in interest. It is not clear if the already expected reductions in NOX and particulate were considered in the health savings or if all air quality improvements were used. Giving the most generous consideration that the CARB considered a cost benefit of about 7 to 1; (\$22 billion median saving versus \$3.2 billion median cost = 6.875 to 1)

If the CARB has underestimated the industry cost by a factor of 10 and failed to include up to \$2 billion dollars in consumer costs, this appears to be a very expensive boondoggle for the citizens of California.

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