

May 10, 2007

Dr. Robert R. Sawyer  
Chairman, California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Dear Dr. Sawyer,

On behalf of the directors and members of the California Ski Industry Association (CSIA), I would like to express our concerns with the proposed off-road diesel regulations.

Our industry has been a strong supporter of legislative and administrative initiatives to challenge and mitigate climate change. We were early supporters of both AB 1058 and AB 32. Our resorts run on low carbon diets, buying green power tags, running our fleets on biodiesel, supporting car-pooling and public transportation and recycling aggressively. We see ourselves as "the canary in the 7,000 foot mineshaft". The dramatic reduction in the snowpack this past winter was a potent example of the challenge we face in operating our businesses. We are quite literally at the mercy of the weather.

During the promulgation of the stationary engine diesel emission regulations the CSIA worked closely with the ARB staff. Our resorts operate in unique and challenging environments. High elevation equipment operations coupled with the severe vagaries of weather create special needs. We require equipment that is dependable, safe and tough. I am pleased to report that the final regulations recognized the unique needs of our industry while establishing strong environmental standards.

Unfortunately, we find ourselves frustrated with the proposed off-road regulations. Our ski areas are committed to purchasing Tier 4 engines and improved biodiesel fuels to reduce the NOx and diesel particulate emitted from our off-road fleets. However, the proposed off-road regulations put us in an untenable position. We are set up for failure. Our specific concerns are as follows:

**Retrofit controls as currently drafted are not feasible**

Our technical consultants have explained to the ARB staff that the feasibility of Level 3 VDECS is questionable. The ski industry fleets operate at elevations (7,000 +feet vs. 5,000 feet) greater than that certified by engine manufacturers and VDECS manufacturers. Moreover, no such controls have been installed in Europe or in the United States that we are aware of. VDECS retrofits on snowcats have been unsuccessful when attempted by original equipment manufacturers in Switzerland and Italy on Tier 2 engines. This is of grave concern to us.



### **Planning uncertainty**

The off-road diesel rule is extremely complex. It does not allow our operators to accurately predict the impact of the controls. This is because the fleet index and control target must be re-calculated every 12 months and no allowance is made for changes that occur beyond the operator's control. An example would include a season like this when the lack of snow precipitated a dramatic (25%) downturn in skier visits, which directly impacted snowcat activity levels. The CSIA is also worried that the new equipment may fail to meet operating specifications and needs. If new Tier 3 or Tier 4 engines do not operate ---our operators cannot achieve the needed fleet turnover to meet the fleet average targets. In addition, new equipment may only be available in the higher horsepower ranges. Horsepower creep by the original manufacturers could skew the fleet average targets upwards, again creating a practical barrier to compliance.

Given these complexities and uncertainties, compliance with the ORD rule should be prospective. Operators should be allowed to develop detailed ORD compliance plans, which will define the changes that must be made to their existing ORD fleet over a 5-year period (i.e., 2010-2014). Any shortfalls from the 2015 target must be made up by 2016, and the final fleet averages, as currently proposed, will be achieved by 2020. Operators would be allowed to modify their ORD plans to incorporate new, improved and verified technologies that will develop and mature through the implementation of this essential rule. This approach will allow for the planning certainty required by ARB and the local air districts, and provide our operators with much needed flexibility and planning certainty.

### **Operating flexibility**

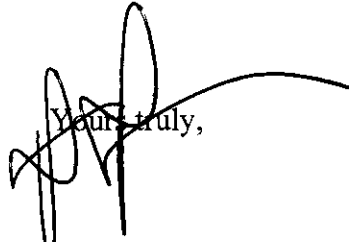
Given this uncertainty, the off-road diesel rule should be modified to give fleet operators greater flexibility in meeting the fleet average targets. Rather than be penalized by a BACT Path, operators should be allowed to cure shortfalls through new equipment purchases. We would ask that for the interim targets in 2010 and 2013 operators be given credit for the commitment to purchase Tier 4 equipment. Absent this flexibility, the original equipment manufacturers should be required to introduce Tier 4 equipment by 2010. ARB should also modify the ORD rule to allow operators to purchase new, clean Tier 4 equipment to cure g/bhp-hr fleet average shortfalls rather than be required to install retrofit diesel particulate filters as currently proposed. Our industry cannot purchase equipment unless it is made and is available to us.

### **Joint responsibility for diesel reductions**

In 2002 the ARB decided not to require manufacturers to equip Tier 3 engines with diesel particulate filters. Under the proposed rule end-users of Tier 3 technology will be required to install Level 3 VDECS to comply with the 2020 fleet standards. This fundamental shift of responsibility from the original equipment manufacturers to end-users is unfair to operators who lack the technical expertise to select and install this technology. This is doubly true in the ski industry where we operate in altitudes above 10,000 feet, well in excess of the 5,000-foot verification altitude that VDEC manufacturers are held to as part of their certification process.

I appreciate the attention that you, your board colleagues and the staff team have given to this important issue. It is our belief that with these few changes our association could support this regulation.

Thank you for your kind attention to our request.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Yours truly,

Bob Roberts  
Executive Director