

# **C. A. RASMUSSEN, INC.**

## **GENERAL ENGINEERING CONTRACTOR**

07-5-6  
May 25, 2007

California Air Resources Board  
P.O. Box 2815  
Sacramento, CA 95812

May 21, 2007

Dear Members of the Board,

On May 24 and 25, you are scheduled to consider approving proposed regulations to reduce the particulate matter and nitrous oxide emissions generated by in-use off-road diesel vehicles in order to improve the state's air quality. However, these regulations – if passed – would have devastating fiscal effects on one of California's largest industries, as well as its economy as a whole.

The regulations call for strict emissions standards to be enforced in a stringent timeline of 13 years. To meet the proposed standards, companies with even moderately sized fleets would be forced to replace their fleets in near entirety by the year 2020. The only alternative would be to retrofit vehicles with technology that isn't yet available to purchase, and in some cases, won't be for as many as seven years.

While CARB estimates that the state's total cost to meet the proposed regulations will be about \$3.4 billion, the Construction Industry Air Quality Coalition contends that the cost of compliance for California will be closer to \$13.5 billion, with an average cost to companies of \$623 per horsepower unit.

C.A. Rasmussen, Inc. has been in business for 43 years in the state of California and now employs about 250 people. Our fleet totals nearly 25,000 horsepower. According to CARB, to comply with the proposed regulations would cost the company about \$2.7 million, based on the agency's estimate of \$111 per horsepower unit. But based on the CIAQC estimate, it will cost our company more than \$15 million to retrofit and/or replace our fleet with Tier 3 equipment.

About half of the cost of compliance with the regulations is expected to be incurred by the construction industry. To absorb this additional cost, construction firms likely will pass on the costs of compliance to their customers. At companies such as ours, which perform a majority of public works projects, the customers who ultimately will pay for the added costs are the state's taxpayers.

Additionally, the regulations will un-even the playing field by giving an advantage to small companies and out-of-state businesses that will not be subject to the same strict standards as larger, in-state firms. Therefore, under the proposed regulations, small and out-of-state businesses will be able to compete for jobs at a far lower price.

The Air Resources Board ought to be directing more regulations toward the main producer of air pollution: private vehicles. On-road vehicle emissions contribute more than half of particulate matter and nitrous oxide pollution in California. The off-road diesel vehicles targeted by the Board's proposed regulations contribute 20 percent or less of these emissions. Yet, rather than taking aim at private vehicles, construction firms that use off-road diesel vehicles will be forced to incur half the cost of these regulations for their mere 20 percent contribution.

The majority of C.A. Rasmussen employees work outdoors on a near daily basis. Because they are among the first whose health is affected by air pollution, we support the need to clean up California's air and are ready to do our part. However, the proposed regulations impose too short of a timeline at too high of a cost, without doing anything to reduce emissions of the highest contributor of pollutants.

I ask for your support in opposing the proposed regulations for in-use off-road diesel vehicles.

Thank you,

A handwritten signature in black ink, appearing to read "Charles A. Rasmussen", with a long horizontal line extending to the right.

Charles A. Rasmussen  
President, C.A. Rasmussen Inc.