

HEAVY CONSTRUCTION
EQUIPMENT RENTALS

ECCO Equipment Corporation

30243 KELSEY STREET • VISALIA, CA 93291
(559) 651-0116 • (800) 729-3226 • FAX (559) 651-0986

December 3, 2008

Clerk of the Board
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Dear Board Members:

As you well know, the California Air Resources Board (CARB) is currently considering the adoption of an on-road diesel truck and bus regulation that, if implemented as presently drafted would have a profound, negative impact on California's economy.

ECCO Equipment Corporation has been and will continue to be very supportive of reducing particulate matter (PM) and NOx emissions from diesel engines. There is no disagreement that we need to work collectively to improve the state's air quality and all of us want to provide as healthy an environment as possible for our families, our employees and all Californians. However, in its current form, staff's proposed regulation places a significant economic risk on our business today and jeopardizes our future viability in the Heavy Construction Equipment Rental industry, which is already reeling from unprecedented financial turmoil.

CARB is proposing this multi-billion dollar regulation during the worst economic crisis since the Great Depression. California truckers, construction companies and bus operators are struggling to make ends meet in the face of a massive slow down in the construction sector due to falling home prices and home foreclosures, declining consumer confidence and spending and a freeze in the credit markets. Today there is virtually no access to capital for businesses, large and small.

Companies like ours are being asked to dispose of equipment and assets before their useful life has been completed and purchase new equipment before it would otherwise be required. A combination of this proposed rule and the state of the economy have left the trade-in or resale value of our equipment worth pennies on the dollar. Our company and others like us simply don't have the resources or access to capital to retrofit our engines. Some of us may be forced to sell off our trucks at a loss or shut our companies' doors, ultimately costing jobs and revenue to the state's economy. The current economic turndown has been so devastating that our company has experienced 33 straight months of revenue decline, forcing us to lay off workers and to sell off over 150 pieces of equipment just to survive.



Banks have all but closed up their loan departments as they search for ways to weather the economic storm. Equipment values are plummeting, in fact, since 2006, we are experiencing a 50% - 60% decline in Tier 0 (Prior to 1996) powered equipment, a 35% - 45% decline in Tier 1 (1996 to 2000) powered equipment, a 20% - 30% decline in Tier 2 (2000 to 2006) powered equipment and even the Tier 3 (2006 to current) powered equipment, the cleanest engines in the world for our high-horsepower equipment, is experiencing a decline of between 20% - 25% in equipment valuation. Our fleet of equipment represents the assets we use when applying for loans from the many lending institution we work with. This devaluation has already impeded our ability to secure loans for new equipment, and as we move into the compliance phase of the Off-Road & On-Road Diesel regulations, the devaluation of equipment will continue to spiral downward making our ability to comply all but impossible.

Many of California's trucking companies have already begun the process of retrofitting or replacing their fleets, whether in the normal course of their business cycle or in anticipation of these regulations. However, the smaller owner/operators – those with fleets of five trucks or less – who make up more than 55 percent of all trucks registered in the state will be severely hampered by the costs of retrofitting or replacing trucks that, in some cases, are the sole assets of their family-owned businesses.

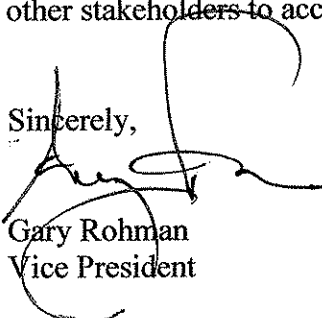
Given the multi-billion dollar cost of this regulation – and the current volatile economic environment - I urge you to support the alternative proposal proposed by the Driving Toward a Cleaner California (DTCC) Coalition that would give companies like mine the opportunity to comply in the most reasonable timeframe and flexible manner possible while still attaining aggressive emission reductions.

In fact, staff's own analysis of our DTCC alternative confirms that the DTCC alternative proposal achieves roughly similar emissions benefits to the proposed regulation in the long-term.

We must be careful not to further devastate California's economy and ability to move goods across the state, build construction projects and bus our children to and from school. There must be a balance between the cost of improving and protecting our environment and our ability to perform the infrastructure work that is needed throughout the state.

We look forward to working with you, environmental organizations, the Legislature and other stakeholders to accomplish these goals.

Sincerely,



Gary Rohman
Vice President