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Southern California
Contractors Association

September 25, 2015

Chairman William Burke
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: 2016 AQMP and Off-Road Equipment Whitepaper

Dear Chairman Burke,

The Construction Industry Air Quality Coalition (CIAQC) appreciates the opportunity to provide these comments on the September 2015 draft 2016 Air Quality Management Plan (AQMP) White Paper for Off-Road Equipment. While the Off-Road Equipment Whitepaper does not propose specific rules or other control measures, it is intended to provide information to assist in crafting control measures as part of the 2016 AQMP development process. As such, CIAQC believes it is critically important to emphasize that future control measures must be analyzed for cost-effectiveness and technological feasibility. Further, the methodology used for cost-effectiveness and technological analyses must be open and transparent.

The construction industry is a major stakeholder in the development of the 2016 AQMP and the rules and measures that will follow in its wake. Construction and mining equipment is identified as an appreciable source of NOx emissions for the Off-Road sector with a CY 2014 estimated population of 86,607 pieces of equipment (based on the 2012 AQMP). Construction equipment varies in form and function, and depending on the type, costs for new and replacement equipment can range from the low \$10 thousands to over \$2 million each. Construction equipment has a long useful life, upwards of 30 years in many cases. The California Legislature, California Air Resources Board (CARB) and SCAQMD recognize the financial challenge contractors and equipment owners have when replacing older equipment with a long remaining useful life with new, lower-emitting machines with the creation and implementation of the Carl Moyer Incentive Program for off-road equipment. The Carl Moyer program has helped fund the voluntary repower or replacement of thousands of pieces of equipment over the last decade resulting in significant reductions of NOx and PM2.5 emissions. The investments for lower-emitting equipment made by the SCAQMD and equipment owners should not be discounted in the development of the 2016 AQMP, nor should the enormous investment contractors have made to comply with CARB's In-Use Off-Road Equipment Regulation.

The Off-Road Equipment White Paper and 2016 AQMP must be clear that any rules or measures designed to reduce emissions from off-road construction equipment must be cost effective. Cost scenarios for technologies that are yet to be commercialized must be cited and the technology must be feasible. This is especially true as the white paper highlights that the significant amount of

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NOx reductions needed by 2023 and 2032 to achieve the federal air quality standards will be realized with the widespread deployment of near-zero and zero emissions technologies. CIAQC agrees with the one of the conclusions in the white paper that "there is a need to develop funding mechanisms that will allow operators complying with the lowest emissions standards to help recoup their investments when considering acquisition of near-zero or zero-emission equipment." Incentives should also be developed that can assist fleets that are in compliance with CARB's Off-Road Regulation transition to new yet-to-be-identified and commercialized technologies when they become available and demonstrated as functional, safe, practical and cost-effective.

CIAQC will continue to participate in the development of the 2016 AQMP and looks forward to the creation of a plan that is cost-effective across all sectors, including construction. Please feel free to contact me if you have any questions or would like additional information about the construction industry.

Sincerely,



Michael W. Lewis
Senior Vice-President

cc: SCAQMD Governing Board Members
Barry Wallerstein, D. Env., Executive Officer
Philip Fine, Ph.D., Deputy Executive Officer