



## California Asphalt Pavement Association

2015 OFFICERS

September 30, 2015

John Greenwood, Chairman  
Skanska USA West

Alan French, Vice Chairman  
DeSilva Gates Materials

Scott Bottomley, Treasurer  
Sully-Miller / Blue Diamond Materials

Mike Herlax, Secretary  
Syar Industries

John Holliday, Immediate Past Chair  
Holliday Rock

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

Re: Off-Road Equipment White Paper and the 2016 AQMP

Dear Chairman Burke:

2015 EXECUTIVE COMMITTEE

John Greenwood  
Skanska USA West

Alan French, DeSilva Gates Materials

Scott Bottomley, Sully-Miller / Blue  
Diamond Materials

Mike Herlax, Syar Industries

Bill Darnell, Valero Energy

John Holliday, Holliday Rock

Don L. Daley Jr.  
California Commercial Asphalt

Marc Mitchell  
Paramount Petroleum

Mike Murray  
Vulcan Materials

Russell W. Snyder  
Executive Director

The California Asphalt Pavement Association (CalAPA) would like to take this opportunity to provide comments on the September 2015 draft Air Quality Management Plan (AQMP) White Paper regarding Off-Road equipment. The White Paper does not specifically propose rules or control measures, but it is prepared to provide assistance in crafting control measures to be included in the 2016 AQMP.

The White Paper indicates the new emission inventories are not yet available to perform the analyses described, but the final results may alter the final perspective. According to the White Paper, off-road equipment emissions of VOC, NO<sub>x</sub>, and PM have experienced reductions of from 73%, 58%, and 68% from 2002 levels. These reductions have primarily relied upon development and commercialization of technologies that control emissions from internal combustion engines and accelerated equipment turnover resulting from California Air Resources Board (CARB) fleet rules for diesel fueled equipment. This has been accomplished by using the best available technologies to control diesel engines at the time the regulations were adopted in 2011. Let us not jump too far forward on presumptions that have not yet been developed. The industry's compliance with these measures has been a necessary part of business, but it has been burdensome. This is particularly true for businesses that have portable, on-, and off-road fleets, such as construction and mining, and which are required to implement controls on all diesel engines, all at the same time.

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 technically, economically and legally feasible as AQMD must first obtain a waiver from U.S. Environmental Protection Agency (EPA) in order to regulate in-use, diesel engines in off-road equipment. The White Paper indicates that a significant amount of NO<sub>x</sub> needed by 2023 and 2030 to reach the federal air quality standard will be achieved with near-zero and zero emission technologies. The construction industry and industries up the supply chain, such as mining and asphalt pavement manufacturing, are major stakeholders in the development of the 2016 AQMP and the rules and measures that will follow.

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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 \$10,000s to over \$2 million each. Construction equipment has a long useful life, upwards of 30 years in many cases. Companies began investing in 2008 when the CARB rule affecting in-use off-road diesel fueled fleets was first adopted with credit for early actions. Companies continue to invest at greater and greater rates as the rules phase in to affect smaller and smaller fleets. Investment for in-use diesel engines attributable to the CARB rule will end in 2028, after which time natural turnover will still result in new equipment purchases. This ongoing investment must be evaluated in forecasts of equipment turnover used in the 2016 AQMP. Most companies are complying with the regulations, but there are those that are not. Identification and District-wide enforcement on non-compliant companies is as critical when moving forward with new rules. The District should identify and address entities that enter from outside of the area and ones from within the area that are non-compliant. Such emission reduction should be explored before making more stringent standards for the companies that have been complying from the beginning.

CalAPA appreciates 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 investment 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 technologies as they become available and prove they are functional, safe, practical and cost-effective.

CalAPA will continue to monitor the development of the 2016 AQMP and anticipates a plan that is cost-effective to all of the industries included in the White Paper, including construction. Please feel free to contact me if you have any questions about the construction industry, specifically the asphalt pavement industry. CalAPA, founded in 1953, represents nearly 200 asphalt producers, refiners, paving contractors, testing labs, equipment manufacturers, engineering firms and others that make up the asphalt pavement industry in California.

Sincerely,

A handwritten signature in black ink, appearing to read "Russell W. Snyder", with a long horizontal flourish extending to the right.

RUSSELL W. SNYDER  
Executive Director