

News

CONTRACTORS FEEL STEAMROLLED BY ACCELERATED AIR-QUALITY UPGRADES

By **Alex Breitler**

July 27, 2007

Record Staff Writer

It's taken patience and a pretty penny, but Gregg Oxley's family-owned construction business has grown steadily for 20 years.

Oxley puts his earnings into new equipment, such as excavators that can cost \$200,000 or more. Now he's worried about air quality rules approved Thursday requiring his equipment to be upgraded or replaced faster.

The rule, passed by the California Air Resources Board following a daylong hearing, could cost fleet owners such as Oxley \$3 billion over the next two decades. Industry officials say the real cost could top \$13 billion.

And, in the end, contractors say the bill may be passed on to taxpayers through more expensive public projects and increased prices for homes.

"All in all, it's scary," said Oxley, co-owner of Al Waggoner Construction in Ripon. "This regulation could put us out of business, as well as hurt a lot of contractors in our size and dollar range."

The state's 180,000 off-road diesel vehicles are a major source of ozone-forming pollutants and one reason why the San Joaquin Valley isn't meeting federal air quality standards.

The new program is expected to prevent about 4,000 premature deaths and is "certainly worth the health of so many Californians," said Andy Katz of the Bay Area-based Breathe California advocacy group.

It also should save \$18 billion to \$26 billion in costs associated with those premature deaths and health care, the state says.

Fleets must begin upgrading their equipment as soon as 2010, depending on their size, and must demonstrate each year that they've met air quality standards or have rebuilt, replaced or retired some of their equipment.

The construction industry has pushed its own plan that would give businesses more time to acquire cleaner equipment that may not be readily available. Also, rather than annual reporting, the industry says businesses should be given a three-year window to demonstrate compliance.

"The construction workers are being asked to do something no industry in California has been asked to do - get rid of equipment before its useful life is over and purchase new equipment before it's otherwise prudent to do so," said John Dunlap, who chaired the air board in the late 1990s.

Bob Bryant, owner of Ripon-based Arrow Asphalt, said the rule is unrealistic for small businesses.

"The intentions are good," he said. "Everybody wants to clean things up. It's just the schedule" that's a problem.

The state says most businesses should be able to absorb the cost of the new rules and that overall construction costs should rise by three-tenths of 1 percent. For example, the cost of new homes should rise by less than \$1,000, with an extra \$5 per month tacked on to typical home mortgages.

And while some jobs might be lost, the construction industry overall is expected to swell in coming years, the state says.

Contact reporter Alex Breitler at (209) 546-8295 or abreitler@recordnet.com.

[VISIT HIS BLOG](#)

At a glance

- The new rule affects public and private fleets in the construction, mining, air travel, manufacturing, landscaping and ski industries, among others. It would not affect most farmers.
- Each year, fleets that don't meet emissions targets need to retrofit, replace or retire a certain number of vehicles.
- This will continue until 2020. The goal is to reduce particulate matter pollution from these sources by 74 percent and oxides of nitrogen pollution by 32 percent. These pollutants contribute to the San Joaquin Valley's smog problem and endanger human health.
- State officials say the rules will prevent 4,000 premature deaths and tens of thousands of cases of asthma over the next two decades.