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Rebuilding our roads, schools and other infrastructure projects are at the heart of the \$787 billion federal economic stimulus plan. Why? Because for every \$1 billion the federal government commits to infrastructure helps to support some 35,000 jobs.

That same job-creating equation holds true here in California and is the reason that the governor and lawmakers are focusing on the state's infrastructure needs to help jump-start our economy. In fact, California has literally built its way out of previous recessions and it looks like it will follow that path to economic recovery this time, too.

But over the course of the past 18 months the construction industry has been one of the hardest hit by the collapse of the housing and credit markets, the economic decline and rising unemployment. At the same time, lawmakers and regulators have levied several costly regulations on our industry including the portable equipment rule, off-road construction equipment rule and on-road truck rule. Through each public rulemaking process we have consistently stated our support for these clean air regulations and have offered our input to make the regulations work better for our industry to achieve the highest level of compliance.

The economic environment is indisputably different now than it was when the off-road diesel equipment rule was initially drafted in 2006. Today, the facts paint a pretty grim picture: construction activity is down 40 percent from July 2006; operating engineers' hours, the workers on the jobs, are down 38 percent; construction diesel fuel consumption is down 41 percent; construction revenues are down 28 percent; Construction employment is down 20 percent and dropping fast.

But there is a silver lining to the economic downturn - cleaner air. California has already achieved a 40 percent reduction in emissions from construction activity over the last two years. That's almost half way to the goal set by the California Air Resources Board's (CARB) off-road diesel emission regulation that called for an 85 percent reduction in emissions by 2020.

To ensure that the construction industry survives today's economic hard times, this year's state budget included a provision that awards credit to those contractors who have taken early action to cull their fleets and rid them of older, more polluting equipment. Regardless of whether equipment was sold in preparation of the CARB rule going into effect in 2010 or solely as a business decision to keep a company's doors open, these early emission reductions clearly put California's air quality goals ahead of schedule.

Contrary to critics who have erroneously reported this provision would delay the start of the off-road diesel regulation, a read of the actual legislation shows that all original deadlines and goals remain in place. There are no rollbacks or weakening of any environmental regulations. For those contractors who have not taken action, they must prepare to meet the deadlines in the original regulation. All we received was a receipt for the massive down payment many contractors have already made toward cleaning our air through their early emission reduction actions.

By providing some credit for these early reductions, the industry can better weather the current economic storm and help get California's economy moving. Without some relief, the industry would be required to spend \$1 billion this year alone - money it does not have and does not have the ability to borrow - to buy equipment to comply with the regulation over the next 13 months. Unnecessary burdens to achieve an air emission goal we have already met.

Gov. Arnold Schwarzenegger has consistently called for a balance between the environmental and economic needs of our state. By providing greater flexibility to contractors, who have already reduced their fleet emissions but are struggling to stay in business, to comply with the regulations, the governor and our legislative leaders are striking the right balance and helping the state's economy by keeping our workers on the job and rebuilding California's infrastructure in the process.

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