



Representing:
Agricultural Equipment Dealers
Industrial Equipment Dealers
Outdoor Power Equipment Dealers
Rental Equipment Dealers

In:
Arizona □ California
Colorado □ Hawaii
Nevada □ Utah
Wyoming

Steven G. Kost
Executive Vice President

Fax

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| To: California Far West Members | From: Steven Kost |
| Date: July 1, 2008 | Pages: 1 including Cover |
| Re: Tire Fee and CARB Update | |

I would like to remind all California members of recent action taken by both BOE and CA Air Resource Board. Most of you are aware of the recent audits by BOE to collect “new tire” fees for tires sold “on” equipment and replacement tires for equipment. Equipment is defined as Agriculture, Industrial, Construction and implements towed by same. It also includes riding lawn mowers. ***The most important thing going forward is for dealers to include the “new tire” fee as a line item on you sales invoice.*** Also be reminded that June 30th is ending of second quarter reporting period and you should prepare your reports accordingly. Due date for second quarter reporting is July 15th. If you have not sent in your initial “new tire” fee audit, you should do this soon. You will automatically be registered to collect and report “new tire” fees when you submit this initial audit. A copy of the quarterly report is available on our website www.fweda.com as well as CARB’s website: <http://www.boe.ca.gov/pdf/boe501tf.pdf>

The other issue I would like to address is a recent California Air Resource Board (CARB) letter going to industrial and construction dealers on required language on your sales invoice. For any dealer who sells above equipment with diesel engines 25 horsepower (hp) or more, please note. Section 2449(j) Disclosure of Regulation Applicability: “Any person selling a vehicle with an engine subject to this regulation in California **must** provide the following disclosure in writing to the buyer on the bill of sale, ***‘When operated in California, any off-road diesel vehicle may be subject to the California Air Resources Board In-Use Off-Road Diesel Vehicle Regulation. It therefore could be subject to retrofit or accelerated turnover requirements to reduce emissions of air pollutants.’*** Section 2449(h)(8) Record Retention: ***“Dealers must maintain records of the disclosures of regulation applicability required by Section 2449(j) for three-years after the sale.”***

This information is also available on California Air Resource Board’s (CARB) website: <http://www.arb.ca.gov/msprog/ordiesel/guidance/disclosure.pdf>

The above regulation related to dealer notification became effective June 15, 2008 with enforcement to begin September 15, 2008. I have been informed that CARB will be holding meetings on this issue starting July 31 thru September. Our office will pass along this information as we receive notice.

I have heard from some manufacturers that they are suggesting to their dealers that the above Section 2449 requirements be done by both industrial-construction & agriculture dealers. At this time it is only required of those dealers selling industrial and construction machinery as the agriculture equipment regulation have not yet been written. It is still expected that CARB will begin draft agriculture regulatory language late this year or early 2009.

Please do not hesitate to call if you have any questions.

Best Regards,

Steven G. Kost