

The Honorable Bill Wehrum
Assistant Administrator
Office of Air and Radiation
Environmental Protection Agency
Room 6101A
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460



Dear Assistant Administrator Wehrum,

Thanks to you and your team for your engagement during our May 4 meeting. I wanted to follow up as to the status of our request for relief regarding the Tier 4 Final diesel engine requirements for generators 560kw and above, with diesel engines greater than 750hp. I am hopeful that the material covered in our meeting demonstrated both a market failure in this Tier 4 Final implementation band, as well as a potential risk to public safety due to undersupply, particularly in times of emergency / natural disaster response.

As we discussed in detail, there is growing pressure on supply due to recent hurricanes, with many facility operators securing rental generators through contingency plans in preparation for the coming season. We find our inventory utilized at a rate 50% higher than a year ago, and we have yet to enter the 2018 hurricane season. This trajectory will further diminish supply in the event a storm impacts any areas other than those with backup generators in place. We can definitively say that a major storm event of this type, or worse—a series of storms similar to those experienced in 2017—would significantly impair our ability to supply the market. We feel that this situation in terms of area of need and market failure is a unique circumstance that has not previously been presented for relief consideration.

During our meeting, we discussed Sunbelt's current inventory of generators that fit the >750hp category. The exact current count in this range is 317 units. While our request for 280 units represents a large growth of Sunbelt's existing inventory level, we strongly believe that it is justifiable given the immediate demand, lifecycle replacements, and lack of supply. It is worth mentioning that the investment illustrated on page 14 of our presentation demonstrates what was a growth of 118% of our diesel generators below 560kW over the 2013 to 2017 period, whereas the >560kW was only 83% over the same period. I make this point to demonstrate the fact that our slower growth in the larger power bands was not due to a lack of desire or market demand, but rather the lengthy engineering and lead time in the larger product range, and the expiration of the TPDM program prior to a viable market solution. This pent-up demand has only intensified since last year's hurricane season, and paired with the extended lack of availability of Tier 4 compliant generators over the coming hurricane seasons, represent the primary drivers of our requested relief.

As mentioned when we were together we would be willing to provide either specific end market testimonials to this effect, or simply contact information so that you might speak to these end users yourselves.

Thanks again for your time and consideration. We look forward to timely resolution of this request such that Sunbelt Rentals can do our best to satisfy anticipated market demands.

Sincerely,

Brendan Horgan
Chief Executive Officer
Sunbelt Rentals, Inc.