



OUTDOOR POWER EQUIPMENT
INSTITUTE



Quarterly Report | February 2016

MESSAGE FROM KRIS KISER, OPEI PRESIDENT:



The new year is well under way. Last year GIE+EXPO set records and the show continues to astound us with its growth. It's a true indicator of our industry's health and vitality. We expect to sell out of exhibition space for 2016. If you want to exhibit at our industry's blockbuster event, being held October 19-21, 2016, you need to make arrangements immediately to reserve your space.

We continue our efforts to address the attacks being made on managed landscapes in California, where government rebates and fear have trumped commonsense and led many to install plastic grass, gravel and mulch where lawns once stood. We've re-tooled our TurfMutt program, which we've had since 2009, to embrace a new mission – reminding people that drought-friendly and turfgrass are not mutually exclusive. This message is being carried on to the airwaves through the Lucky Dog show, airing on CBS on Saturday mornings, where messaging about the value of living landscapes is woven into the storyline. Upcoming episodes will air February 13 (featuring Maggie), March 12 (featuring Odie), April 9 (featuring Scarlett), and May 7 (featuring Dottie and the real TurfMutt).

LANDSCAPE OUTREACH

Greenscapes Alliance met with EPA in December to discuss the benefits of Living Landscapes and Turfgrass to encourage support of a technically founded performance approach to landscapes as opposed to requirements in codes and standards that demonize turfgrass.

OPEI, with NHLA, engaged California water management district leaders, key members and staff of the California Assembly and Senate, and senior administration officials, including the Chairman of the California Water Commission and an Undersecretary of the California EPA, on California's response to the drought. This initiative is an important one as the California response to the drought, particularly the Cash for Grass program, has received national attention.

The ASABE has published the standard ANSI/ASABE S623, Determining Landscape Plant Water Demands. This standard was developed with a committee of stakeholders including OPEI. The Irrigation Association sponsored this standards activity with ASABE. The results are friendly (neutral) to turfgrass and this standard is intended to be used as a reference for use in the development of landscape requirements. Proposals to reference this standard in other documents are already in process.

LEGAL

On December 29, the New Hampshire Supreme Court upheld a lower court ruling mandating that the state's 2013 motor vehicle dealer law apply to the commerce of ground-supported lawn & garden equipment. OPEI and its members are considering all available options to challenge the decision, as well as monitoring the potential for similar legislative changes in other state capitols.

MARKET STATISTICS

The next OPEI Market Statistics FORUM will be held October 6 in Alexandria, VA, and will feature a full slate of invited speakers focusing on market and business trends in the industry, as well as important updates on the OPEI's market statistics program. Registration will be opened later this summer, and all member companies are invited to attend.

ELECTRIC PRODUCTS

OSHA Interpretation of Lithium-Ion Batteries as Articles – OPEI was contacted by the Rechargeable Battery Association (PRBA) with information on an OSHA opinion letter sent in response to an inquiry by one of the PRBA member companies. This interpretation has very significant implications for the industry, which has historically considered lithium batteries as articles. Until now, many lithium battery manufacturers and importers have relied on OSHA's "articles" exemption and have not generated or distributed a Safety Data Sheet ("SDS") with their products, and have not labeled workplace products with the OSHA standard warnings and symbols. This is a developing issue with concerns of impact for OPEI member companies.

DoE Battery Chargers Regulation – The Department of Energy is proposing two rulemakings relating to battery chargers. One

is related to the test procedures for batteries in 10CFR Part 429 and one is to develop standards for battery charger energy efficiency requirements in 10CFR Part 430. The proposed standards in the proposal for Part 430, if published, would preempt existing and future state regulations for battery charger efficiency requirements.

INTERNATIONAL

International Internal Combustion Engine Manufacturers Associations (IICEMA)

OPEI attended the November 9-11th IICEMA meeting in Tokyo, Japan. No new small-engine regulations were identified at the meeting. OPEI continues to participate in “Small Engine Emissions Visioning” and “Worldwide Emissions Label” task groups. The next IICEMA meeting is tentatively scheduled for spring 2017 in India.

CONGRESS

Just before Christmas, the President signed an omnibus spending bill for FY 2016 which included important amendments to provisions of the H-2B visa program, an important tool for businesses which rely on seasonal employees. Included were helpful provisions specific to the returning worker exemption, wage determinations, and the seasonal definition.

POLICY AND STANDARDS COMMITTEES AND ACTIVITIES

OPEI has executed an agreement with CSA (Canadian Standards Association) for the specific IEC Robotic Electric Lawnmower Standard and also set the structure for additional standards to be adopted as bi-national standards by OPEI and CSA.

Leaf Blower Codes/Bans Task Group (Handheld Products Committee)

OPEI launched a “Leaf Blower Facts” page on the OPEI website. The page provides facts on several common blower complaints, including noise, emissions and dust and debris.

UTV/ANSI B71.9 Committee - CPSC NPRM & B71.9 Standard Development

The B71.9 committee participated in an October 5th ROHVA/CPSC meeting at the CPSC National Product Testing and Evaluation Center (Rockville, MD) to continue discussion of OPEI/ROHVA proposed handling metric. CPSC presented additional test data and modified handling ratio calculation, but generally supported the proposed procedure and draft standard. CPSC staff followed the meeting with an October 14th letter outlining additional considerations for the draft standard and encouraged OPEI to proceed with the draft standards to canvass review ASAP.

OPEI submitted the BSR-8 form to initiate the canvass and public review on October 30. The public comment period ended December 28th. The Committee will meet late January to review first canvass comments.

CPSC Commissioners Adler and Mohorovic have requested OPEI feedback on an “ATV and ROV Model Legislation”.

B71.10 Fuel Systems Committee - CPSC “Study of Fuel Leaks Associated with Outdoor Ground-Supported Gasoline Powered Equipment” Report

The B71.10 Committee is scheduled to meet with CPSC at their National Product Testing and Evaluation Center (Rockville, MD) on February 10 to review CPSC staff’s report and discuss the B71.10 standard.

On January 13, ANSI announced the approval of ANSI/OPEI B71.8-2016, the new voluntary standard for tillers and hand-supported cultivators. ANSI is expected to publish the standard in the next 60-days, at which time it will become effective and available for public purchase.

OPEI continues to solicit interest from individuals and/or organizations willing to serve as canvass participants in the review and ballot of proposed ANSI standards for powered log splitters and chipper/shredders. Interested candidates should contact Dan Mustico (dmustico@opei.org).

REGULATIONS

EPA

On November 30, EPA announced the final blending obligations for ethanol in the gasoline supply for 2016, requiring a sizable increase over 2015. OPEI continues to focus on public education in the absence of Federal rules warning of the potential for harmful misfueling of industry products at the pump.

FTC

On December 28, the Federal Trade Commission announced its final rule on the uniform labeling of retail fuel pumps, intended to address the increase in mid-level blend gasoline and the use of blender pumps. OPEI submitted comments on the draft rule in 2013 arguing for explicit warnings to prevent harmful misfueling.

CPSC

On January 6, CPSC commissioners were slated to vote on a proposal dating back to 2013 authorizing CPSC staff to take a more active role in the development of voluntary safety standards. While the outcome of the vote has yet to be announced, OPEI filed comments critical of the changes.

California Air Resources Emissions

In November CARB hosted two workshops announcing the next stages in emissions developments. The three stage strategy includes clarifications for model year 2017 (Mail Out 15-01), amendments to current evaporative emissions regulations for model year 2020 and new emissions regulations beginning in model year 2022. The new regulations will aim to reduce NOx emissions by up to 80% by 2031 through gasoline engine technology changes and shifts to electric products.

WORLDWIDE EMISSIONS & REGULATIONS

Australia – The Ministry of Environment (MoE) sponsored a stakeholder working group (open to Australian companies/citizens only) to provide feedback on the development of new “non-road” (small engine and marine) emissions. The working group met in October and November and discussed rulemaking suggestions based on current US EPA emissions limits, including exhaust and EVAP, plus some form of averaging and banking (no trading). As a result, on December 15th the Environment Ministers formally endorsed a National Clear Air Agreement, which includes non-road spark-ignited engines and equipment regulations. Legislation is targeted to be presented to the Federal Parliament mid-2016. Implementation/effectivity TBD.

OPEI BOARD OF DIRECTORS

In January, the OPEI Board of Directors braved the recent East Coast snowstorms to hold an important strategy meeting in Sarasota, Florida. As industry representatives, the Board addresses issues central to the industry’s health and well-being. Upcoming changes to California’s emissions regulations and attacks on the managed landscape from the drought in the West were top issues that the Board addressed. Also on the agenda was the expansion of OPEI’s TurfMutt program, recent developments on ethanol and fuel pump labelling, and OPEI’s consumer-based ethanol education program, Look Before You Pump.



Board of Directors Executive Committee (from left to right) Lee Sowell, Chair; Tim Merrett, Vice Chair; Dan Ariens, Secretary & Treasurer; Paul Mullet, Immediate Past Chair; Kris Kiser, President & CEO



OPEI Board of Directors (from left to right) Kris Kiser, President & CEO, OPEI; Dan Ariens, Chairman & CEO, Ariens Company; Tom Duncan, President & CEO, Positec; Tim Dorsey, President, Echo Incorporated; Marc Dufour, President & CEO, Club Car, LLC; Jeff Hohler, President, Consumer Brands Division, Husqvarna Professional Products; Paul Mullett, Chairman, President & CEO, Excel Industries; Tom Cromwell, Group President – Power, Kohler Company; Jean Hlay, President & COO, MTD Products Inc.; Peter Hampton, President, Active Exhaust Corporation; David Withers, President, Jacobsen, a Textron Company; Bjoern Fischer, President, Stihl Incorporated; Tim Merrett, VP, A & T Global Platform – Turf & Utility, Deere & Company; Todd Teske, Chairman, President & CEO, Briggs & Stratton Corporation; Mike Hoffman, Chairman & CEO, The Toro Company; Lee Sowell, President – Outdoor Products, Techtronic Industries, N.A., Inc.

UPCOMING MEETINGS

February 9-10, 2016 - OPEI Fuel Systems Committee Meeting with CPSC – Bethesda, MD
 February 2016 – OPEI Engine and Fuels Meeting with ARB – Sacramento, California
 February 29 to March 3, 2016 – ICPHSO/CPSC Annual Symposium – Washington, DC
 March 1-3, 2016 – Landscape Stewardship Initiative – Washington, DC
 March 8-9, 2016 – OPEI Market Statistics Committee Meeting – Minneapolis, MN
 March 23, 2016 – OPEI Legal & Regulatory Committee Meeting – Alexandria, VA
 March 2016 - OPEI Engine and Fuels Meeting with ARB – Sacramento, California
 April 12-13, 2016 – OPEI Spring Board of Directors Meeting – Alexandria, VA
 April 18-21, 2016 OPEI Engine & Fuels, Handheld Products & B175 Committee Meetings – Alexandria, VA
 June 21-23, 2016 – OPEI Annual Meeting – Asheville, NC
 June 23, 2016 – OPEI Summer Board of Directors Meeting – Asheville, NC
 August 17, 2016 – OPEI Market Statistics Forecast Subcommittee Meeting – Alexandria, VA
 October 4-6, 2016 – OPEI Market Statistics Committee/Subcommittee/FORUM Meetings – Alexandria, VA
 October 18-19, 2016 – OPEI Fall Board of Directors Meeting – Louisville, KY
 October 19-21, 2016 – GIE + EXPO Tradeshow – Louisville, KY

For more information contact Kristen Reamy at kreamy@opei.org or (703) 549-7600.



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