



ASSOCIATED GENERAL CONTRACTORS OF AMERICA

SAN DIEGO CHAPTER, INC.

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SKILL - INTEGRITY - RESPONSIBILITY

July 20, 2007

California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Re: Off-Road Diesel Regulations: Support Alternative Approach

Dear Members of the California Air Resources Board:

The California Air Resources Board (CARB) is currently considering the adoption of off-road diesel regulations that, if implemented as presently drafted, would have a profound, negative impact on California's infrastructure rebuilding efforts, the health of the state's construction industry and its overall economy. On behalf of the Board of Directors and the over 1,400 members of the Associated of General Contractors of America, San Diego Chapter, Inc. (AGC), I encourage you to support an alternative approach that achieves the state's air quality goals while keeping California's economy moving forward.

There is no disagreement that we need to work collectively to improve the state's air quality and all of us want to provide as healthy an environment as possible. However, in its current form, the Board's proposed regulations are not viable from an economic or technological perspective.

AGC is a member of the Coalition to Build a Cleaner California, which has been working with CARB for more than three years on the development of these regulations. We believe there is a better way to achieve the desired emission reductions without the mandated annual emission limits proposed by CARB.

We know you have received the alternative proposed by the Coalition to Build a Cleaner California, which includes specific emission reduction goals, and reporting requirements. The advantage of this alternative is that contractors can manage their fleet in a fashion most suitable for their financial conditions, allows for a more practical 5-year business planning cycle, provides flexibility to use a range of options, such as re-powering, retrofitting, replacing, or retiring equipment, and achieves the same emission reductions at each milestone.

We believe this alternative approach is superior to the rigid targets set by the CARB proposal. It also will keep the most number of construction companies in business and workers employed, the bidding environment at its most competitive, the Rebuild California bond program on schedule, and construction cost increases to a minimum.

We have enjoyed working with you, your staff, environmental organizations, the State Legislature, and other stakeholders, and we look forward to finding a feasible solution.

Sincerely,

Jim Ryan
Executive Vice President