



December 3, 2008

Office of the Governor of California

Dear Governor Schwarzenegger,

The California Air Resources Board (CARB) is currently considering the adoption of an on-road diesel truck and bus regulation that, if implemented as presently drafted would have a profoundly negative impact on California's economy in general, and our company specifically.

Mathews Readymix, LLC, is a ready mixed concrete producer with locations in Yuba City, Oroville, and Chico. We have serviced the Sutter, Yuba, Colusa, Butte, and Tehama counties for more than 60 years and until a few years ago, were a profitable company. When the meltdown of the housing industry occurred we suffered a significant reduction in sales that has had a profound effect on the way we operate. The current economic slowdown has only compounded our financial woes and we find ourselves in the position of scaling back in all areas just to attempt to break even at the end of the year. We're not alone in this situation. As you are aware many businesses are facing bankruptcy and the employees that still have jobs are wondering how long that will continue.

Mathews has been, and will continue to be, concerned with the environment in general, and air quality specifically. As a company we have a responsibility to reduce pollution as is required by law, and as individuals we all share the responsibility to go beyond what is required and take the extra steps that will ensure that our offspring will have a cleaner environment to live in. As such, Mathews is very supportive of the CARB's goal to reduce particulate matter (PM) and NOx emissions from diesel engines. 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 for our families, our employees and all Californians. However, in its current form, the Board's proposed regulation places a significant economic burden on our business today and jeopardizes our future viability in the construction industry, which is already reeling from unprecedented financial turmoil.

CARB is proposing this multi-billion dollar regulation during the worst economic crisis since the Great Depression. California truckers, construction companies and bus operators are struggling to make ends meet in the face of a massive slow down in the construction sector due to falling home prices and home foreclosures, declining consumer confidence and spending, and a freeze in the credit markets.

Companies like ours are being asked to dispose of equipment and assets before their useful life has been completed and purchase new equipment before it would otherwise be acquired. In our case, the trucks that need to be replaced are highly specialized equipment that can cost 3-4 times what a normal three-axle truck costs. A combination of this proposed rule and the state of the economy has left the trade-in or resale value of our equipment virtually worthless. Our company and others like us simply don't have the



resources to retrofit our engines or replace our vehicles altogether. Some of us may be forced to sell off our trucks at a loss or shut our companies' doors, ultimately costing jobs and revenue to the state's economy.

Given the multi-billion dollar cost of this regulation, and the current volatile economic environment, we urge you to support the alternative proposal of the Driving Toward a Cleaner California (DTCC) Coalition that would give companies like ours the opportunity to comply in the most reasonable timeframe and flexible manner possible while still attaining aggressive emission reductions.

In fact, CARB's own analysis of the DTCC alternative confirms that it achieves similar emissions benefits to that of the proposed regulation in the long-term.

We urge you to make this issue a priority and carefully consider the ramifications of this proposed regulation. If undue costs are placed on the trucking industry that result in closures and bankruptcies the economy of California as a whole will suffer greatly. We must be careful not to forfeit California's economy and ability to move goods across the state, build construction projects and bus our children to and from school for the sake of protecting our environment. We look forward to working with you, CARB, environmental organizations, the Legislature and other stakeholders to accomplish these goals.

Sincerely,

Lee Cooper
Plants Manager
Mathews Readymix, LLC