

Mike Campbell & Associates
13000 E Temple Avenue
City of Industry, CA 91746
(626) 369-3981

December 2, 2008

California Air Resources Board
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812
Webmaster@arb.ca.gov

Subject: New ARB Regulations for the Transportation Industry

Dear California ARB,

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

Mike Campbell & Associates is very supportive of reducing particulate matter (PM) and NOx emissions from diesel engines. We believe that our industry needs to work collectively to improve the State's air quality and we 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 risk on our business today. It also jeopardizes the future viability of the transportation industry, which is already reeling from unprecedented financial turmoil.

The ARB 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 some insurmountable dilemmas. The construction industry is experiencing a massive slow down due to falling home prices, home foreclosures, and a freeze in the credit markets. Declining consumer confidence and spending add to the worries of the American people and financial institutions. Today there is virtually no access to capital for businesses, both large and small.

Companies like mine 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. A combination of this proposed rule and the state of the economy have left the trade-in or resale value of our equipment worth pennies on the dollar. Mike Campbell & Associates and others similar companies simply don't have the resources or access to capital to retrofit our engines or purchase new vehicles. Many companies in the transportation industry may be forced to sell off trucks at a loss or shut the companies' doors, ultimately costing jobs and revenue to the State's economy.

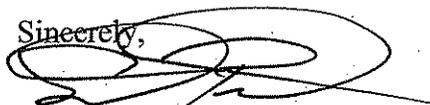
Many of California's trucking companies have already begun the process of retrofitting or replacing their fleets, whether in the normal course of their business cycle or in anticipation of these regulations. However, the smaller owner/operators – those with fleets of five trucks or less – who make up more than 55 percent of all trucks registered in the State, will be severely hampered by the costs of retrofitting or replacing trucks that, in some cases, are the sole assets of their family-owned businesses.

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

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

We must be careful not to forfeit California's economy and our 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, the ARB, environmental organizations, the Legislature and other stakeholders to accomplish these goals.

Sincerely,



Steve Pilcher
VP, Transportation
Mike Campbell & Associates

cc: Governor Arnold Schwarzenegger
cc: State Senator Gloria Romero
cc: State Assembly Member Charles Calderon
cc: State Assembly Member Edward Hernandez