

December 9, 2009

Mary D. Nichols
Chairman
California Air Resources Board
1001 I St.
P.O. Box 2815
Sacramento, CA 95812

Comments
California Air Resources Board Rule for
In-Use On Road Diesel Trucks and Busses

Dear Chairman Nichols:

Lehigh Hanson, an integrated producer and marketer of cement, aggregate, and concrete in California, is providing these comments regarding the In-use Diesel Truck and Bus Rule. Specifically, Lehigh Hanson has reviewed the Air Resources Board staff update of California economic conditions and their impact on the implementation of this rule. Lehigh Hanson is seriously concerned about the significant, negative impact this rule will have on the industry we serve and the overall economic situation in California.

Lehigh Hanson provides building materials to the California construction industry, and, as you well know, this sector is suffering its worst decline in decades. Our business activity is down by 50% or more from earlier in this decade and our company alone could incur costs for vehicle replacement and particulate filters approaching \$120 Million by 2018.

Comments provided at last week's Workshop from both ARB staff and the regulated business sectors indicate at least three major themes:

1. California businesses are willing to upgrade to newer diesel equipment *if* that can occur through normal business cycle turnover. This upgrade will lead to a sustainable, long-term emissions decrease; and
2. Business activity levels that have dropped over 50% in many sectors and regions have accounted for a large emissions decrease. This decrease, if calculated accurately, would contribute to the attainment of short-term State Implementation Plan emission targets.
3. Current particulate filter technology is not suitable for the actual driving times and conditions experienced by short haul trucks. Our industry relies heavily on these shorter trip distances.

The ARB staff workshop presentation indicated that 2011 particulate matter (PM 2.5) emission reductions will be achieved due to economic downturn conditions. Comments at the workshop indicate that these business activity reductions may be underestimated. If this is true and the emission reductions are greater than currently estimated, further short-term emissions goals

could be met. If so, diesel equipment replacement from the normal business cycle may well be sufficient to meet long-term emission goals.

In summary, Lehigh Hanson recommends the following:

1. Push back the compliance dates one year since current staff emission reduction estimates indicate that California will still be on track based on the 2008 Staff report projections.
2. Review those emission reduction projections in 2010 using up-to-date and improved assumptions (based on stakeholder input and information) to determine a) if the revised economic conditions indicate further short-term goals will be met without rule implementation and b) if normal business cycle replacement will meet long-term emission reduction goals. Have ARB staff report back to the Board on these updated findings in 2010. The Board could then consider additional rule changes if warranted.
3. Require the particulate filter manufacturers to demonstrate the effectiveness of their products under real-life, short haul conditions using actual operator demonstration installations.

We appreciate your consideration of our concerns. Lehigh Hanson remains committed to work towards a cleaner, more prosperous California.



Dave Hummel
President, West Region