



December 8, 2009

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Subject: Update to the Board on the Truck and Bus Regulation and the In-Use Off-Road Diesel-Fueled Fleet Regulation

To Whom It May Concern:

Granite Construction is a heavy civil contractor and construction material producer headquartered in Watsonville, CA. In order to support the company's construction and materials businesses, Granite owns a large fleet of both off-road diesel equipment and on-road diesel trucks. As of December 1, 2009, Granite maintained a fleet of 962 pieces of off-road equipment and 866 heavy on-road diesel trucks that support the company's California market.

Granite has not been isolated from the current economic downturn, and our California business has seen a particularly substantial decline. We've analyzed our California equipment activity since 2006 (combined off-road and on-road fleet), and the results were telling. Since 2006, Granite's fleet activity has decreased by 46%. Since 2007, Granite's fleet activity has decreased by 38.7%. And since just last year, Granite's fleet activity has decreased by 30.7%.

CARB adopted amendments to the Offroad Rule in July to give the construction industry the ability to claim credit for this reduced activity and obtain relief from the rule in the current economy. Similar relief needs to be given for the Truck and Bus Rule. Recognition of reduced activity and a corresponding extension of compliance deadlines will allow construction fleets to weather the current economic storm and comply with the Truck and Bus Rule after the construction market has begun to recover.

Extending the compliance deadlines for the Truck and Bus Rule will also allow construction fleets to wait for further development in the VDECS market to properly retrofit vocational trucks. Vocational trucks are problematic to retrofit because of the combination of duty cycle, exhaust configuration, and asset economics. For many vocational trucks, an extension of the 2014 VDECS deadline would make a truck replacement over a retrofit feasible and could result in greater NOx reductions.

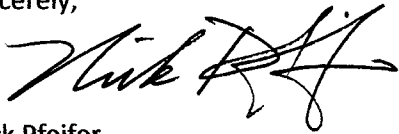
The final comment I would like to make is with regard to enforcement. Any regulatory amendments or lack thereof must be reasonably enforceable by CARB's enforcement arm. Passage of regulation without the resources to enforce that regulation is a disservice to industry and to the people of California. CARB must be able to protect the business climate for companies that invest the resources in compliance with CARB rules and not allow companies to gain a competitive advantage through non-

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compliance. Announcing a period of “non-enforcement” or proposing amendments after compliance dates have already passed (as is currently being done with the GARB Portable ATCM) invites non-compliance.

I appreciate the Board taking the time to revisit the Offroad and Onroad Rules, and I am more than happy to expand on any of my comments. I can be reached at 831-761-7824 or Nicholas.Pfeifer@gcinc.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Pfeifer", with a stylized flourish at the end.

Nick Pfeifer
Project Manager
Equipment Department
Granite Construction Inc.

Cc:

Jay McQuillen
Dave Sbaffi
John Bridges
Robert Carrier
Geoff Boraston