

October 24, 2007

Clerk of the Board  
Air Resources Board  
1001 "I" Street, 23rd Floor  
P.O. Box 2815  
Sacramento, CA 95812

Dear Clerk of the Board:

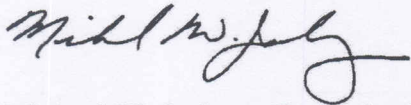
We would like to thank you for taking the time to discuss the implementation of AB32 with our industry. As we have discussed, leakage is one of our primary concerns, and we consider that minimizing leakage under AB32 is fundamental both to achieving California's climate change objectives and to preserving the California cement industry.

In our oral discussions on leakage, we were able to introduce the significant breadth and depth of our concerns. We sensed from your comments, however, that you would be interested in additional factual information on these important issues. Accordingly, we have prepared the enclosed report entitled, "Minimizing 'Leakage' under Climate Change Proposals Affecting the California Cement Industry." The report provides more specific details and supporting materials regarding the vulnerability of the California cement industry to leakage and the critical need to address the issue in order to support both California's climate change objectives and its economic and development objectives.

We hope that this preliminary paper will assist in facilitating further dialogue with the California cement industry regarding the appropriate measures to balance the important and often competing objectives contained in AB32. In the next few months, we will prepare additional materials to assist in identifying potential solutions to our leakage concerns.

If you have any questions or if you would like additional information, please let us know.

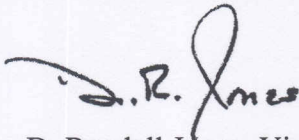
Sincerely yours,



Michael W. Jasberg, Executive Vice President  
Mitsubishi Cement Corporation  
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Henderson, Nevada 89014-6616



Don Unmacht, President  
National Cement Company of California,  
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D. Randall Jones, Vice President  
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TXI Inc.  
1341 West Mockingbird Lane,  
Dallas, Texas 75247-6913

cc: Mr. Dan Dunmoyer, Deputy Chief of Staff, Office of Governor Arnold Schwarzenegger  
Ms. Mary Nichols, Chairman, Air Resources Board  
Mr. Michael Scheible, Deputy Executive Officer, Air Resources Board  
Mr. Edie Chang, Program Planning & Management Branch Chief, Air Resources Board  
Mr. Jon Costantino, Executive Office, Air Resources Board  
Mr. Michael Tollstrup, Project Assessment Branch Chief, Air Resources Board  
Mr. Bob Fletcher, Division Chief, Air Resources Board  
Mr. Thomas Cackette, Chief Deputy Executive Officer, Air Resources Board  
Ms. Linda Adams, Secretary, California Environmental Protection Agency  
Ms. Cindy Tuck, Undersecretary, California Environmental Protection Agency  
Mr. Dan Pellissier, Assistant Secretary, California Environmental Protection Agency  
Mr. Richard D. Land, Chief Engineer, California Department of Transportation