

JOHNSON MATTHEY, INC.
380 LAPP ROAD, MALVERN, PA 19355 - 1210 USA
T + 484 RX FOR AIR F + 484.320.2306



Johnson Matthey
Catalysts

Marty Lassen
10-11-3

10-11-3

Statement of Johnson Matthey, Inc.
On The

California Air Resources Board Hearing Agenda Item 10-11-3

Public Hearing to Consider the Adoption of Proposed Amendments to the Regulation to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen and Other Criteria Pollutants From In-Use On-Road Diesel-Fueled Vehicles, the Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Measure, and the Regulation to Control Emissions From In-Use On-Road Diesel-Fueled Heavy-Duty Drayage Trucks at Ports and Intermodal Rail Yard Facilities

Good morning Madam Chairman and Members of the Board. My name is Marty Lassen and I am the Director of Commercial Development for Johnson Matthey's heavy-duty diesel business in North America. Johnson Matthey appreciates the opportunity to provide comments on the proposed regulation for In-Use Off-Road diesel vehicles.

Johnson Matthey is a technology company that has been providing advanced catalytic solutions to reduce emissions for over thirty years. We have worked with both the ARB and EPA to develop and provide ever increasingly advanced technology solutions to reduce emissions from both mobile and stationary sources. Johnson Matthey fully supports the goal of the ARB's Diesel Risk Reduction Program to significantly reduce particulate matter from California's inventory of existing diesel engines.

Johnson Matthey has existing business relationships with a number of North American diesel engine manufacturers. We are a major supplier of emission control technology for the EPA's 2007 and 2010 on-road rule and we will be a major supplier to the engine OE's for a number of non-road diesel engine and machine manufacturers for application of emission control technology for the EPA's Non-Road rule for Tier 4 engines.

With regard to retrofit, Johnson Matthey technology has been verified by both ARB and EPA for retrofit of on-road legacy vehicles. Additionally, Johnson Matthey retrofit technology has approval from governmental bodies in both Europe and the Far East. In fact Johnson Matthey has retrofit over 170,000 vehicles over the past 12 years.

Johnson Matthey has existing verified Level 3 technology available for the broad range of vehicles covered by the initial regulatory language as well as for vehicles in the proposed amendments to the on-road rule. In addition we are in process of verification for two combined PM+NOx systems that would enable engines from model year 1998 through 2006 to meet the 2007 emission standard which would allow those vehicles to stay in service until 2023 under the proposed amendments.

Back in 2000 or so CARB invited JMI and other emission control technology companies to come to California and develop and commercialize PM control technology for the Diesel Risk Reduction Program. We came and we developed, verified and commercialized technology to reduce PM from HDD vehicles by over 85% (Level 3 devices). We came and spent many millions of dollars to do so on the promise of a defined market that allowed for the development of a business plan that justified the development, verification and commercialization of these technologies.

Now, due to the effects of the economy and reduced economic activity, that promised market has been dramatically reduced. Johnson Matthey understands the reasons why the Board has directed the Staff to review its emissions inventory and to propose amendments that provide relief to affected industries while attempting to attain its emission reduction goals. Time will tell if these changes will allow CA to meet its emission reduction goals.



As I mentioned, economic relief was a goal of these amendments. However, one of the affected industries that has not been included in this economic relief effort is my own, the VDECS manufacturers. We as an industry, and specifically for my company, JMI, have spent millions of dollars to develop, verify, and in several cases reverify technology due to amendments in the Board approved verification process, and then commercialize these technologies. The economic downturn has affected JMI's overall business just like all the regulated industries here in CA and across the nation. We have started conversations with Staff on some ideas for economic relief but we would ask that the Board direct Staff to look at specific ways that the VDECS manufacturers can be provided with some economic relief.

Additionally, these changes will also have an impact on the number of green jobs created here in California. Our business is done through California distribution where literally thousands of jobs are created by my industry to market, sell, install and maintain VDECS systems. The elimination of the requirement for retrofit for off-road and the slashing of the affected vehicles for on-road by more than half will literally result in the elimination of the need for many thousands of these green jobs.

I know that these are not easy decisions that you must make and that you are likely to please no one completely. A number of ideas have been suggested by my industry to try to close some of what we believe to be gaps, for example including all vehicles greater than 26,000 pounds back to the 1996 model year, school buses under 26,000 pounds and an incentivized program for less than 26,000 pound vehicles that would allow for Level 1 or 2 VDECS.

Once again I believe that economic relief is necessary for all affected industries, but I also believe that cleaning the air is of paramount importance to California and its residents as well.

Thank you,

Marty Lassen
Johnson Matthey, Inc.

