



Bob Berlaye  
07-5-6

July 25, 2007

California Air Resources Board  
P.O. Box 2815  
Sacramento, CA 95812

Re: Proposed In-Use Off Road Diesel Regulations

Dear Board Members:

Big Creek Lumber Company is a small, family owned business operating a sawmill and five retail lumberyards in California. Our company has received both national and international recognition for environmentally sustainable forestry practices, and we were the first redwood production mill to have our lands "green" certified under the Principles and Criteria of the Forest Stewardship Council.

Big Creek is supportive of your Board's efforts to improve air quality in California. However, we have several concerns regarding the above referenced proposed regulations. Our primary concern is whether the anticipated benefits of the regulations justify the considerable expense. We have reviewed much of the public testimony and believe that the cost projections submitted by other California businesses are accurate and are consistent with our company's own economic analysis.

We have determined that it will cost our company approximately \$360,000 to comply with the first phase of the regulations.

The proposed regulations appear to disproportionately affect smaller businesses. While we appreciate that some efforts have been made to differentiate between fleet size and the implementation timelines associated with the regulations, it is clear that these regulations will adversely impact businesses relative to their ability to comply with the new standards. It is fair to assume that many businesses have not finished paying for equipment that would require retrofitting or replacement under the proposed regulations. This will have a stifling impact on small businesses seeking to expand their operations, particularly those looking to conduct business outside the Captive Attainment areas.

There are foreseeable environmental consequences associated with the regulations. Premature retirement of otherwise functional equipment will force businesses to dispose of that equipment, potentially creating environmental problems. Conversely, a business may find it necessary to sell the equipment outside of California in order to recover some of the existing economic value. It is likely that the equipment would continue to operate without modification if sold outside of California. It is also possible that these regulations

will create a net increase in off road diesel equipment, with old equipment exported out of California and new equipment brought on line within the state.

The manufacture of new equipment to replace currently functioning equipment is also not without environmental consequences. It takes a tremendous amount of energy and natural resources to manufacture heavy equipment and deliver it to an end user.

Big Creek Lumber Company believes that the fair and effective way to lower off road diesel emissions is to create a standard for all new equipment sold and/or delivered in the state. This would allow businesses to follow their internal depreciation timelines for existing equipment. We also recommend that regulations only be established after retrofit and new-engine technology has been proven, tested and certified to meet (or exceed) the regulatory specifications. There should also be assurances that newly purchased equipment will not be required to meet additional standards for a period of ten years.

At a minimum, your Board should consider extending the proposed starting compliance dates by five years. This will increase the likelihood that diesel manufacturing technology will be able to meet some of the currently unattainable emissions standards required by this regulation.

As California struggles to balance its budget and increase revenues, we fear that these proposed regulations will ultimately restrict business and result in some companies choosing to leave the state entirely.

We appreciate your consideration of these concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank McCrary", with a long, sweeping underline.

Frank McCrary  
President