

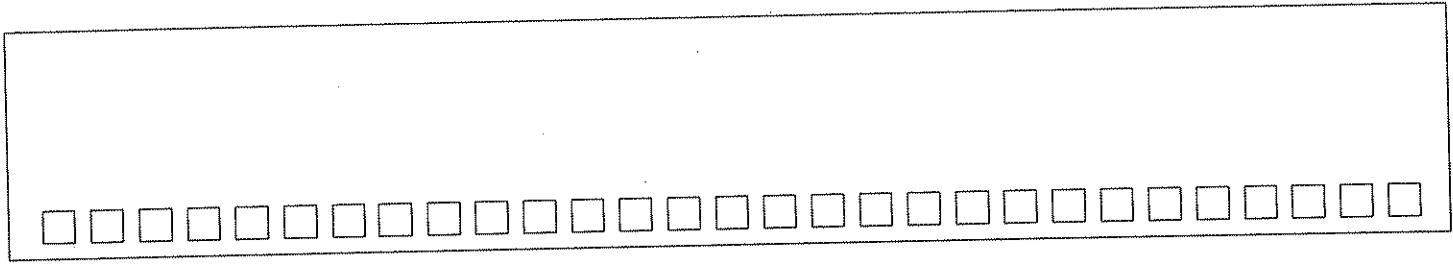
*John Williams
07-5-6*

One Contractor's Reaction to CARB's Proposed Off-Road Diesel Regulations

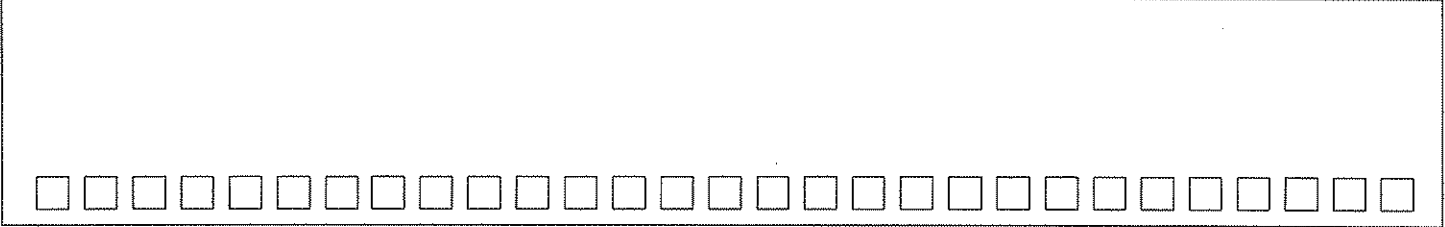
John H. Williams, Jr.

Vice President

Williams Pipeline Contractors, Inc.



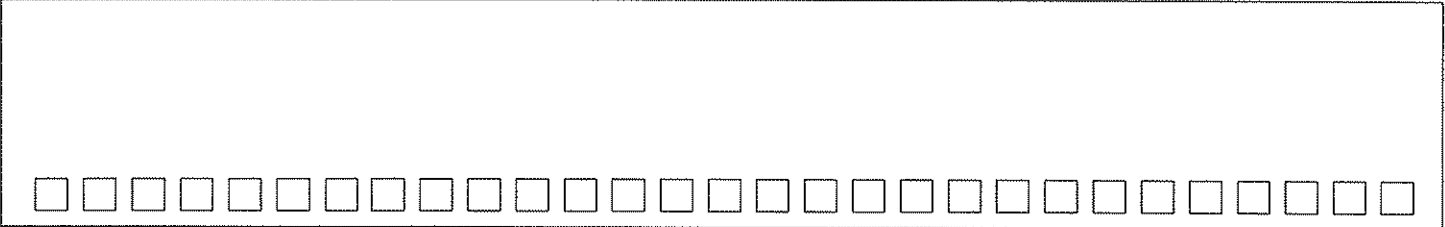
If implemented,
the proposed regulations
would have a profoundly
negative impact
on our ability
to stay in business.

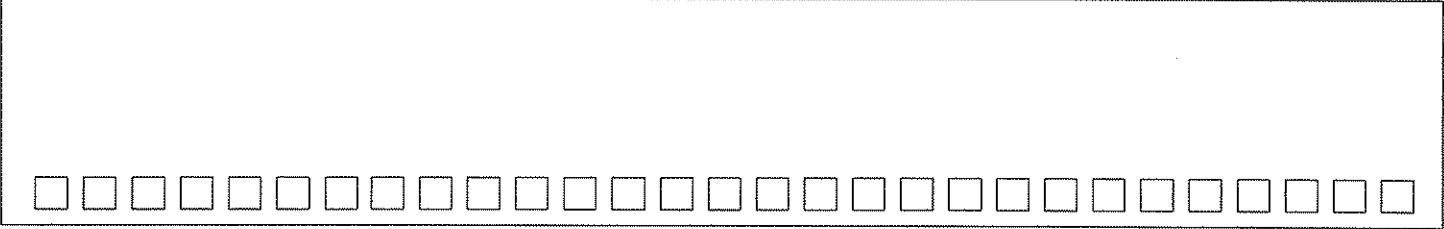


Background

We are a small, family-owned underground construction firm specializing in public works infrastructure rehabilitation.

We replace old and outdated sewer and water pipelines primarily in the Los Angeles Basin.

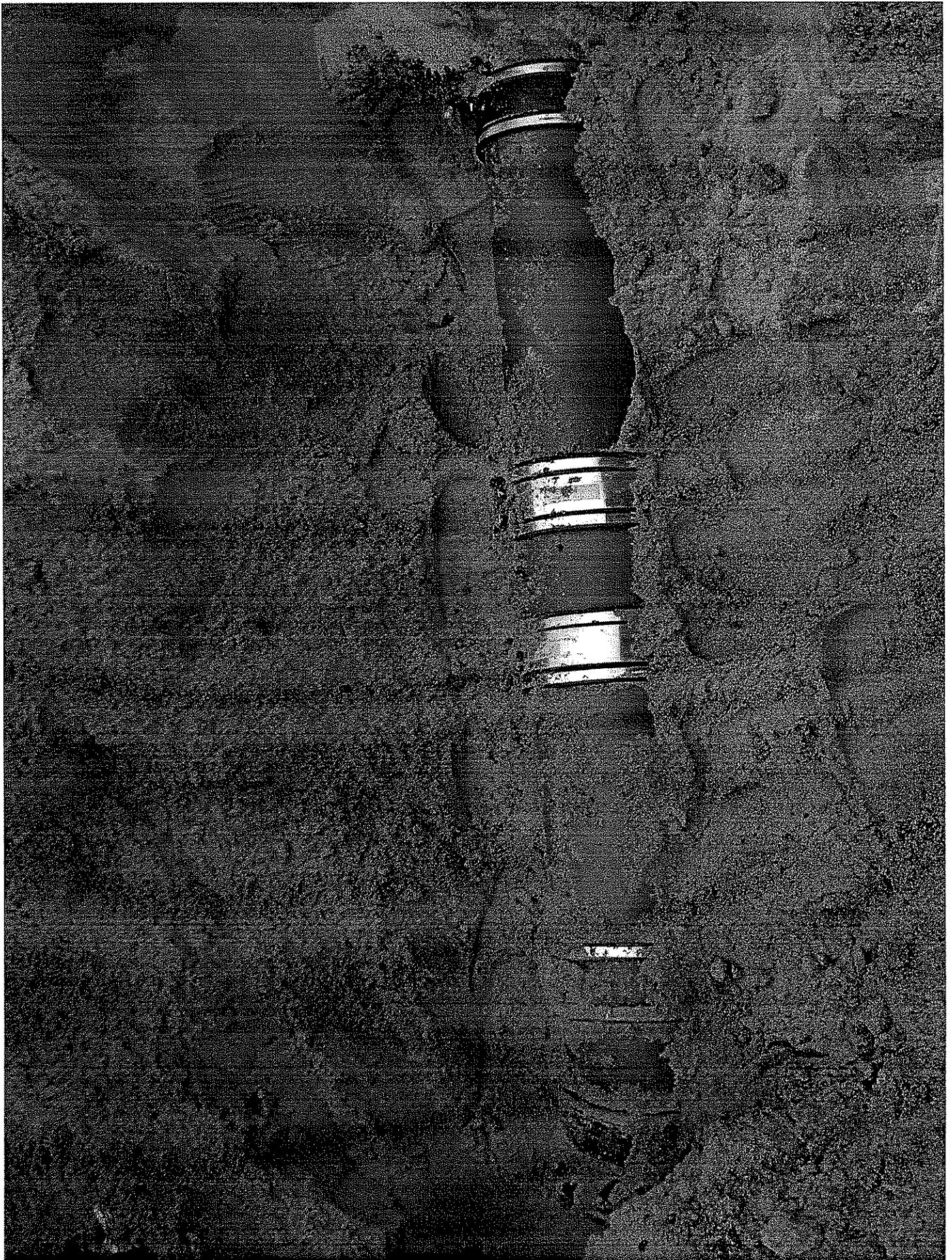




Our primary customers are:

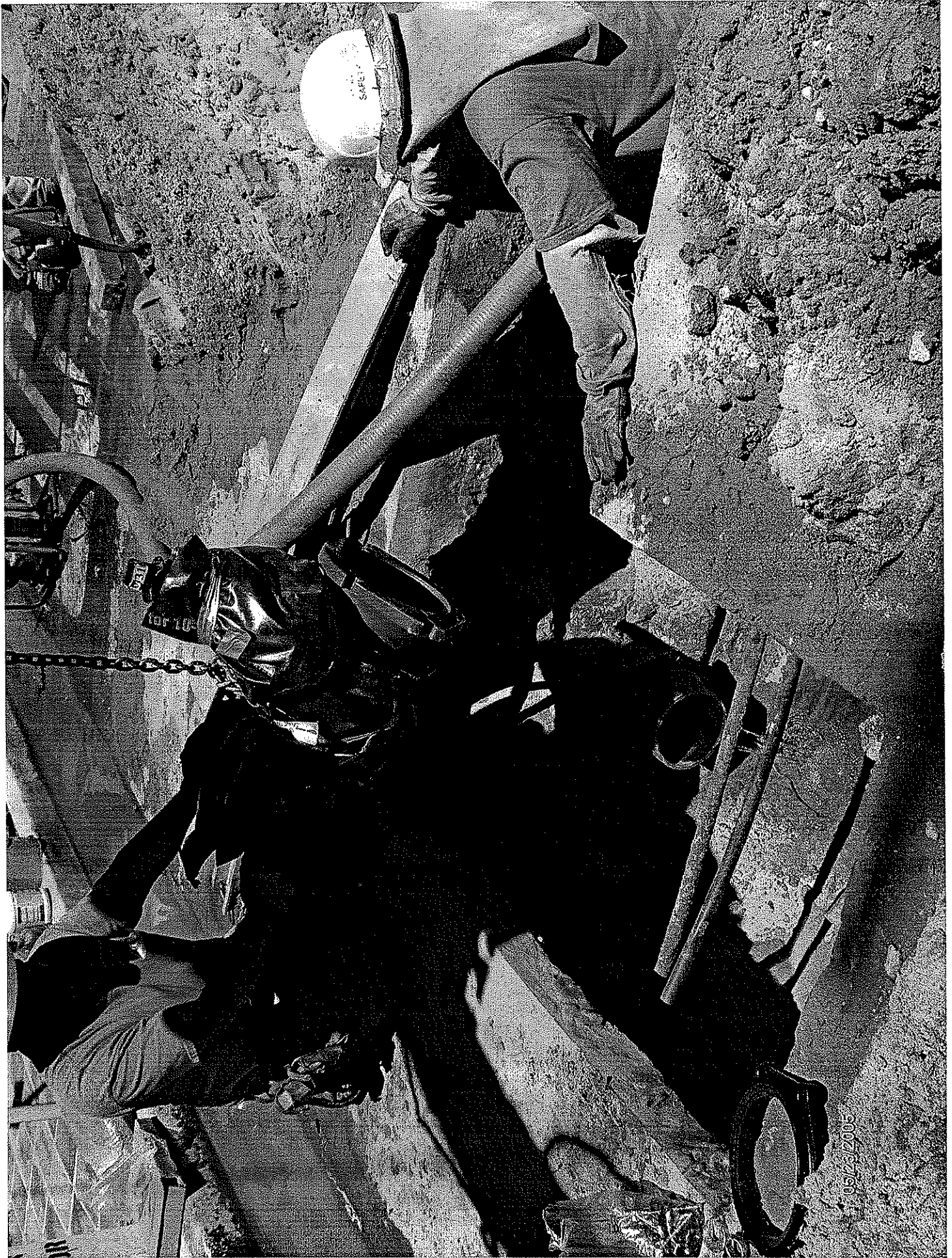
- The City of Los Angeles
- Municipalities in Los Angeles, Orange and Ventura Counties
- Various municipal water and sewer districts





**We operate with five crews
consisting of 5 to 7 men.**

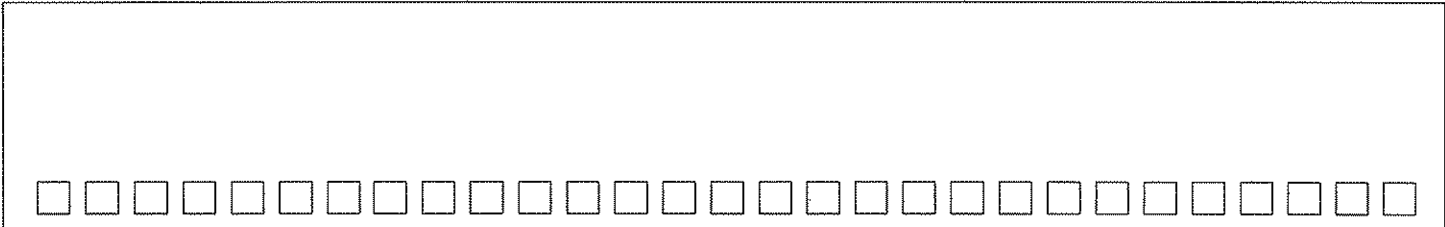




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Background

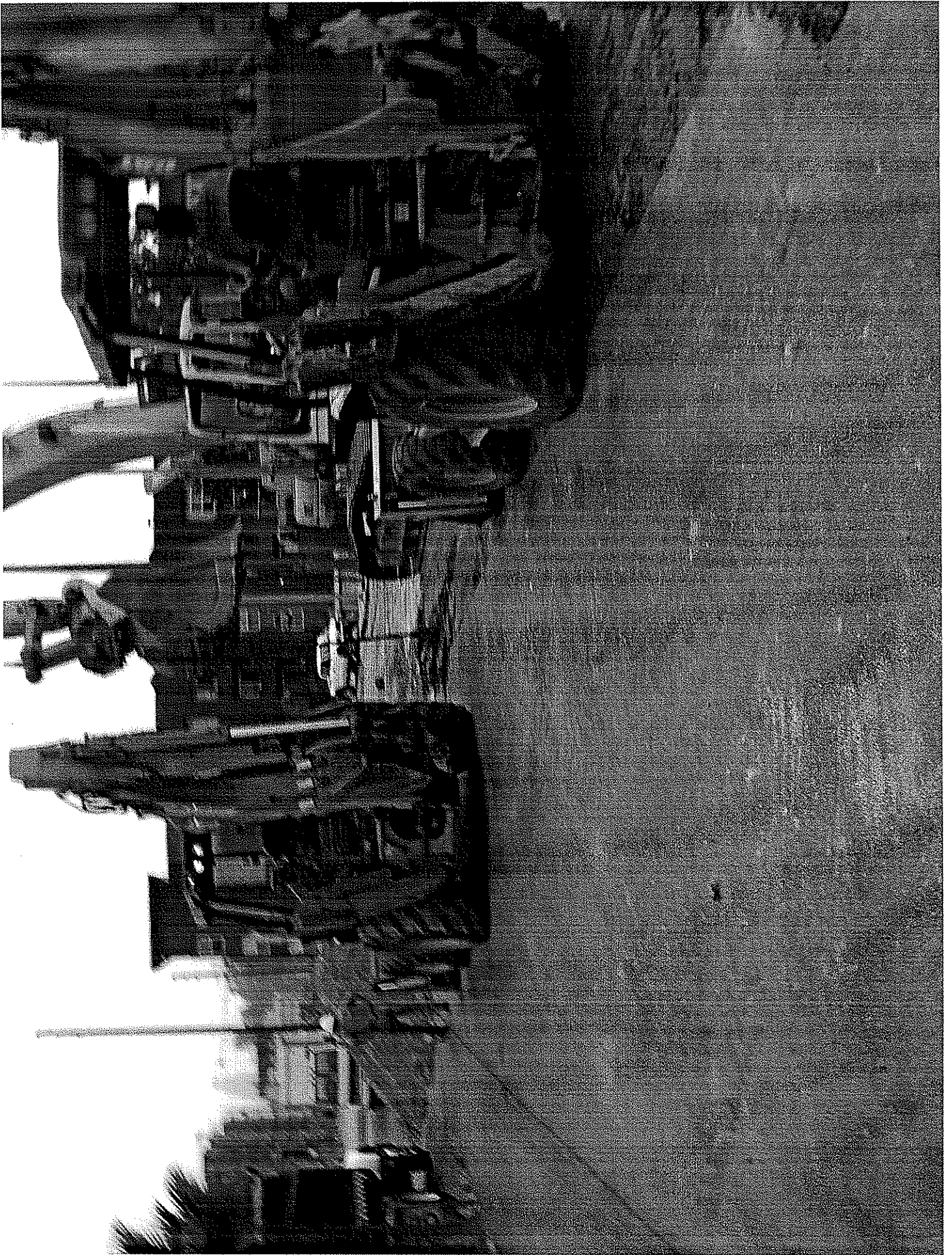
Our equipment is late model
and well maintained
with Tier 2 engines.

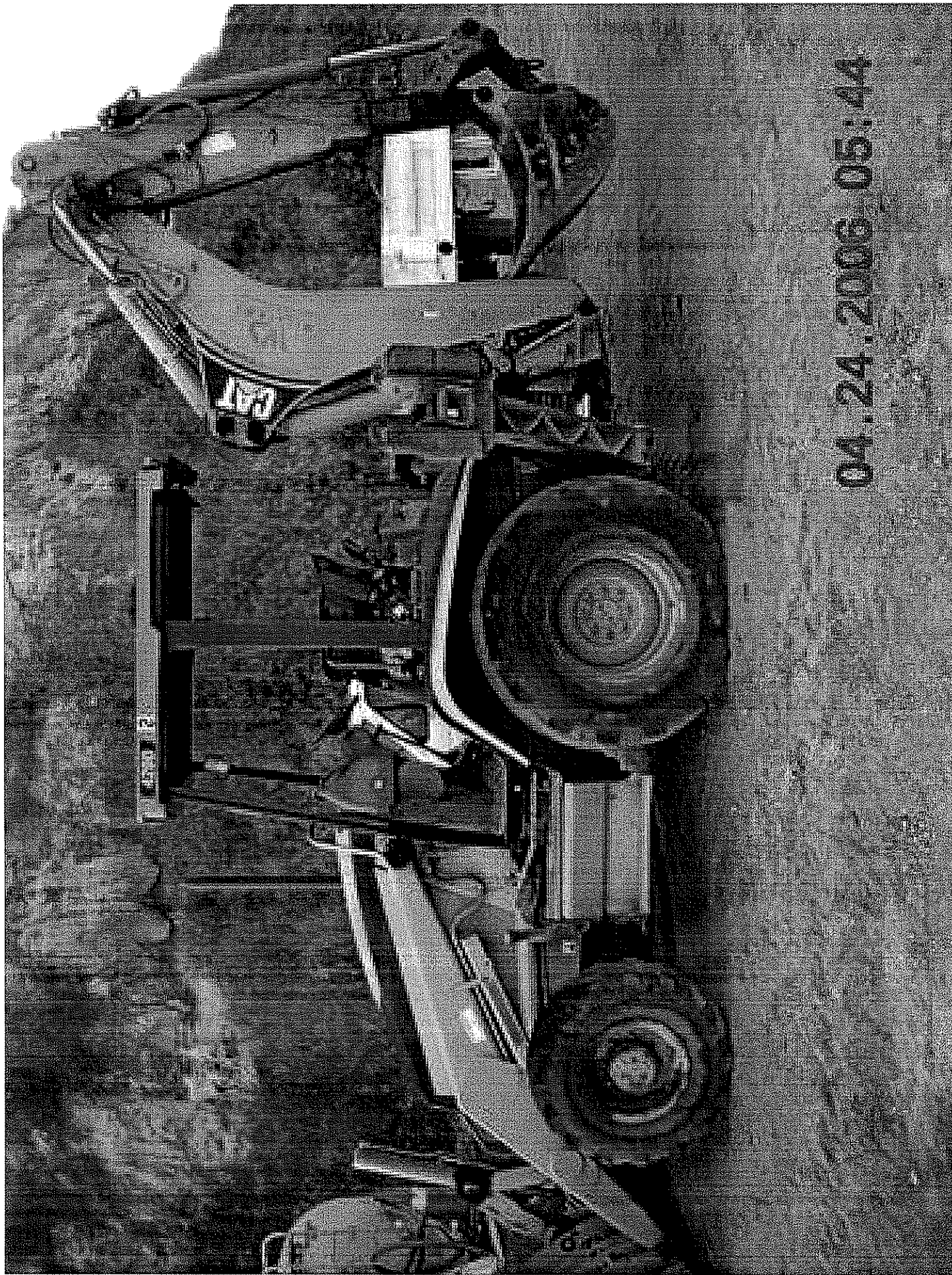


Equipment

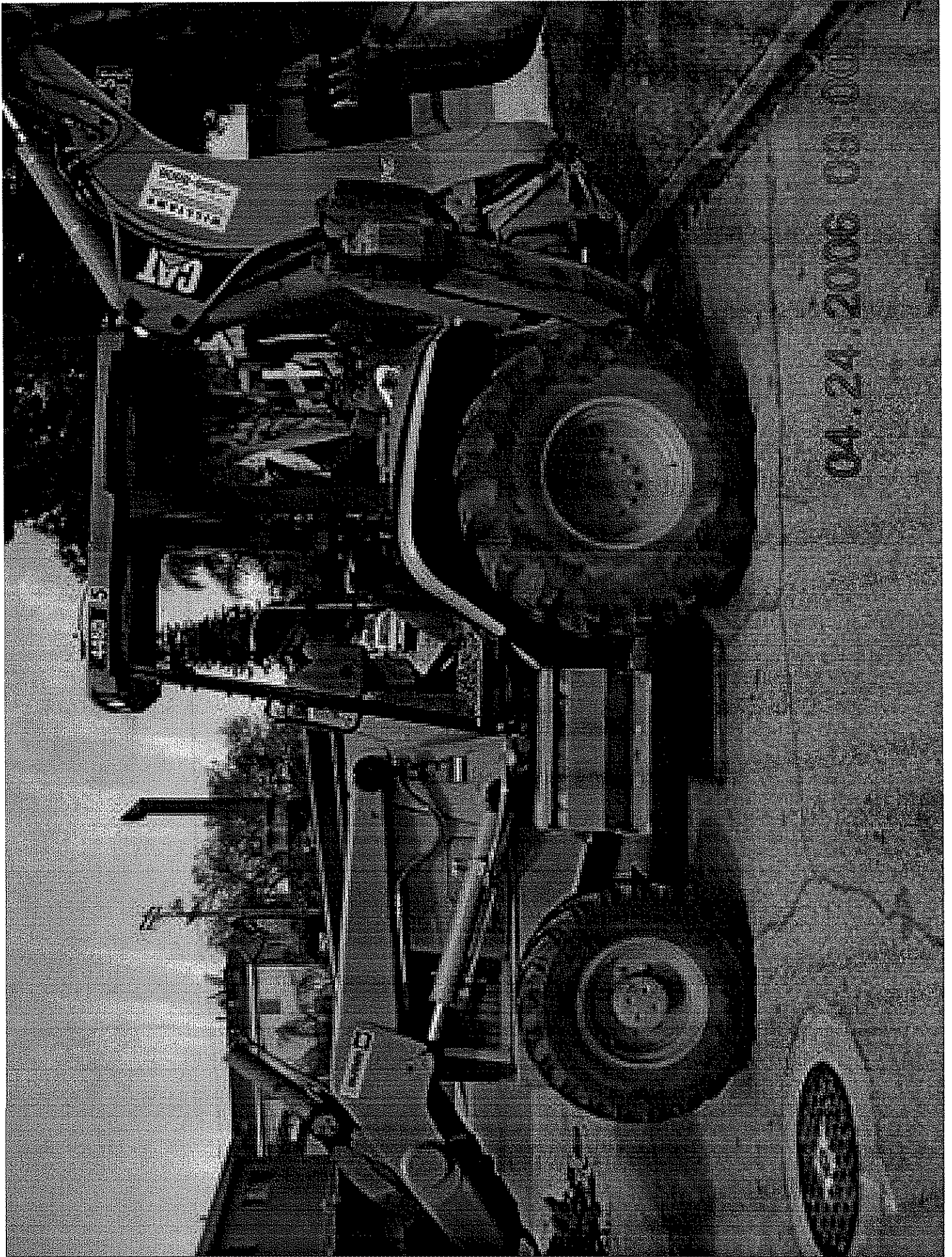
- Ten backhoes
- A small loader
- Asphalt grinder
- Two 3 to 5 ton rollers







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Equipment Value

Approximate current value:

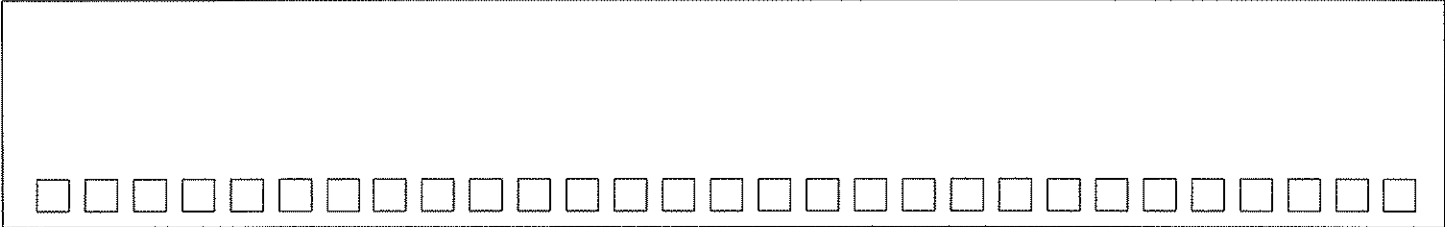
Pre-regulation: \$500,000

Post-regulation: \$0 to \$50,000

Approximate replacement value:

Pre-regulation: \$1,200,000

Post-regulation?: \$1,200,000+++++



Quinn Company, Caterpillar Dealer

Seminar by Bob Shephard

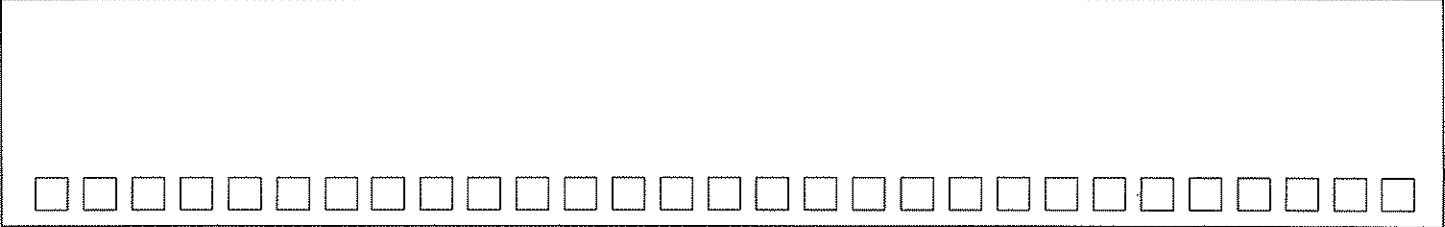
If this regulation is voted into effect:

- All our equipment will have to be replaced twice within 12 years;
- After-market devices are unsafe and impractical for our small equipment;
- The value of our used equipment will decrease drastically.



Prospects for Williams Pipeline:

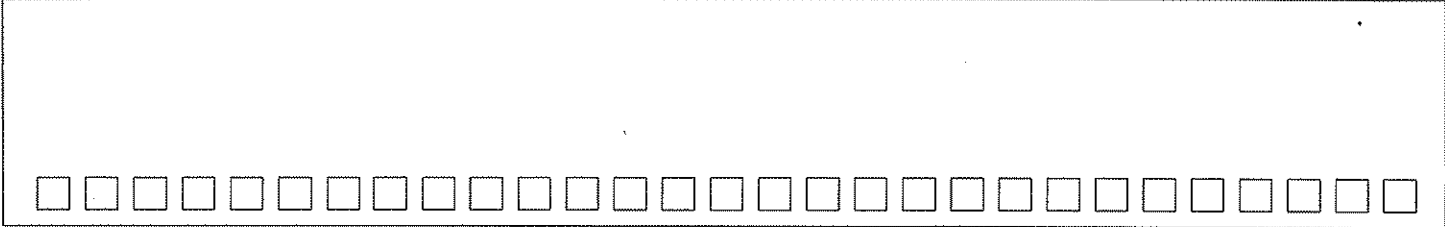
- We have a 50% chance of survival
- If we survive, downsizing is inevitable
- Several of our crew and office staff will be unemployed
- Infrastructure rehabilitation will be severely retarded.

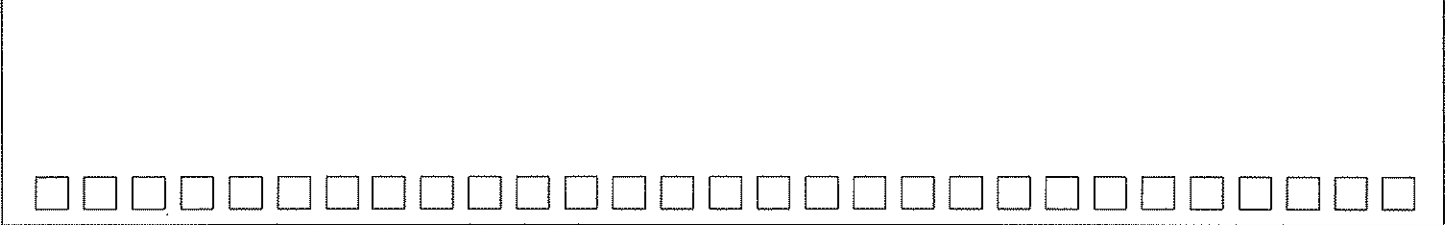


A Solution for the Small Contractor

Extend implementation period by 5 years:

- Replacement of equipment would be accelerated, but manageable
- Additional time would allow for the development of practical and safe after-market devices





Williams Pipeline Contractors
agrees with the goals of the
proposed regulation

BUT

we need to be able to afford it.