



**Jos. J. Albanese, Inc.**

Concrete Construction CONTRACTORS LICENSE NO. 299880

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May 18, 2007

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

Re: Off Road Diesel Regulations

Dear Board Members:

Promulgating the Off Road Diesel regulations in their current form will have a profound and devastating effect on our Company. Like many other contractors, our company was started by a visionary and a pick up truck. Today, we employ over 600 people and operate, under your current proposed regulation, a "large fleet."

To effectuate the goals you endeavor to achieve without the unintended consequence of crippling the construction industry and California's already fragile economy, you must give industry and technology five more years to comply with this regulation. This five year extension will permit development and ARB approval for retrofit devices, spread the enormous cost implications over time, and provide for a more manageable local approach to this global problem.

While we commend your efforts to clean our air, the proposed regulations will not only asphyxiate our Company, but will cost countless jobs in the process. There is simply no plausible way to underwrite our expected cost of \$5 million over the next five years while maintaining our work force. I must remind you; this capital investment is not in growing our business, not in providing more jobs, but replacing perfectly sound equipment with which we build tomorrows' landmarks, today. Bluntly, WE NEED MORE TIME over which to spread this expense.

These costs somehow will be forced upon those public agencies and developers who contract with us to build their projects. One does not require an economics degree to understand the dramatic effect this will have on the ability to maintain current levels of development, construction, or reconstruction. For each dollar that goes to replacing perfectly good equipment, one less dollar is going to build a school, repair a hospital, or build a building. Without these vital capital improvements, California will suffer. Jobs, value, investment, and all other requirements of a solid economy will be eviscerated by this proposed regulation.

Equally important, as responsible contractors we recently absorbed significant expense in replacing portable equipment by virtue of the PERP regulations. This unplanned expense caused us to sacrifice additional growth opportunities and job creation in our business.

However, it is quite disconcerting that we have complied with this regulation and our competitors have not.

Like PERP, this proposed regulation will only harm responsible contractors who comply with its requirements. Absent any real enforcement mechanism, many companies who do not take seriously the aggressive regulations applying to our industry stand to benefit because their pricing scheme will be substantially less than responsible contractors like us. Non compliance equals less costs, equals lower price, equals more work for the scofflaw. It would be unconscionable for this Board to promulgate such a devastating and costly regulation without ensuring all contractors comply with its regulation.

Again, we support the laudable goal sought by the ARB in regards to this regulation and cleaning our environment. We consistently strive to do our part to ensure a sustainable California for future generations. The problem is the means by which we collectively reach the ends. Industry, our Company, and hundreds of thousands of jobs that are jeopardized by this regulation demand your consideration and more time for compliance.

In closing, the above represents the effect of your regulations on one business and the over 600 families counting on our continued growth and success. Extrapolate these real numbers across the industry and you will soon come to realize the catastrophic consequences of a supporting vote.

Sincerely yours,



Kevin J. Albanese  
Vice President/Chief Operating Officer