



Sent via Fax, email and U.S. Postal Service

May 22, 2007

Robert F. Sawyer, Ph.D., Chairman
California Air Resources Board
1001 I Street, 23rd Floor
Sacramento, CA 95814

**REQUEST TO EXTEND IMPLEMENTATION OF OFF ROAD DIESEL
REGULATIONS BY THE CA AIR RESOURCES BOARD**

Dear Chairman Sawyer:

On behalf of the Board of Directors of the Greater Eureka Chamber of Commerce, I am writing to request your assistance to extend the implementation period of new proposed rules affecting off road diesel equipment used by California industry.

The California Air Resources Board (CARB) is currently considering the adoption of off-road diesel regulations. If implemented as proposed, this rulemaking would have a profound, adverse impact on California's infrastructure rebuilding efforts, the health of the state's construction industry and the California economy.

The Board and members of the Greater Eureka Chamber of Commerce are highly supportive of the goals of this exercise toward improved air quality in the state. Indeed, there is absolutely no disagreement that we need to work together to promote as healthy an environment as possible for our employees and at the same time, preserving economic security for businesses, employees and their families. However, in its current form, the proposed regulations are not viable from an economic, environmental or technological perspective.

When CARB first announced its intention to promulgate these regulations in 2000, the plan called for an 18-year timeline to meet the goal of reducing particulate matter emissions only. Due to delays in developing these rules, that timeline has been reduced to 13 years. In addition, the regulation of NOx emissions has been added to the rule, which significantly alters the kind of technology needed for companies to be in compliance.

According to industry experts, there currently is no diesel engine that is capable of addressing both PM and NOx emissions. This absence of technology and availability make the current proposal unrealistic and unlikely to result in meeting targets under these

rules. In some cases the engines and equipment necessary to meet the standards will not be available until 2014.

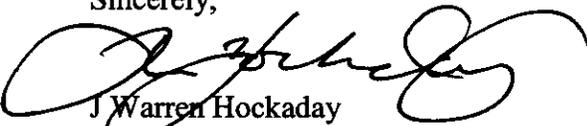
While many of California's larger construction companies have already begun the process of repowering or retrofitting fleets in anticipation of these regulations, smaller companies, which represent more than 55 percent of the industry, will be severely impacted by the costs of compliance. Additionally, many of these companies simply cannot repower or retrofit their engines and will be forced to curtail operations, ultimately costing jobs and revenue to the state's economy.

These rules will also significantly reduce the buying power of the historic \$43 billion infrastructure bonds the people of California approved in November. The enormous expense of replacing this equipment will necessarily increase the cost of construction projects. This means fewer roads, schools, housing and levees will be built and the schedule within which these projects can be completed will be significantly extended.

Accordingly, it is the Chamber Board's position that the timeline for the implementation of these new rules be extended. It is the Board's belief that allowing more time will actually result in a more comprehensive level of environmental integrity as well as preserving the strength of the California economy. The Board respectfully requests that CARB provide an additional five years to the implementation timeframe so as to give equipment manufacturers time to catch-up and produce engines that will allow the industry the opportunity to meet California's progressive air quality standards and distribute the massive expense of purchasing new equipment over a longer period.

Thank you for your attention to this matter. We look forward to working with you, CARB, environmental organizations, the Legislature and other stakeholders to find a realistic solution that improves air quality while keeping California's economy moving forward.

Sincerely,



J. Warren Hockaday
Executive Director

CC: Senator Pat Wiggins
Assemblywoman Patty Berg
Rick Martin, NCUAQMD APCO