



10-6-5

June 23, 2010

Mr. Harold Holmes
Engineering Evaluation Section
c/o Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

**Re: Proposed Commitments Between ARB and Union Pacific Railroad and
BNSF Railway to Further Reduce Diesel Particulate Matter Emissions at
Four High Priority Railyards**

Dear Mr. Holmes:

Capacity of Texas applauds you and the entire Air Resources Board on your continued commitment to identifying cost effective diesel emission reduction strategies at high priority railyards. As the one of the nation's largest manufacturer of yard tractors, Capacity stands ready and able to provide high-quality, low-emission products that will simultaneously meet the operational demands at the rail yards the air quality needs of the community. We offer a variety of low emission, commercially available drive-train technologies, including natural gas and plug-in hybrid electric yard tractor.

Capacity's products offer a real and quantifiable emission benefit over other existing and future (Tier 4) technologies. The use of these ultra-low emission natural gas yard tractors offers the priority railyards and its surrounding residents the cleanest cargo handling equipment available in today's marketplace. Capacity believes that supporting this ultra-low emission technology is consistent with the spirit and intent of ARB's Railyard Emission Reduction Program and is extremely important to the State's ongoing effort to minimize the health impacts of railyards on surrounding communities.

Capacity is the only OEM to offer the Cummins Westport ISL G dedicated natural gas engine in an off-road yard tractor. This ultra-low emission technology offers the benefit of no diesel particulate emissions and NOx emissions of 0.2 g/bhp-hr, which is 50% lower than even the stringent 2014 Tier 4 regulations (0.3 g/bhp-hr NOx). Our CNG and LNG powered options are commercially available, today, and are already being used by environmentally aware fleet operators such as United Parcel Service and others.

Capacity's CNG and LNG powered TJ9000 terminal tractors provide a surplus 50% NOx and PM emission benefit over the final Tier 4 standards, and they can provide that emission benefit today. The benefits of the natural gas TJ9000 are even greater compared to MY 2007 on-road engines, which have six times the NOx emissions of the already commercially available ISL G engine.

401 Capacity Drive

Longview, TX 75604

1-800-323-0135

Harold Holmes, ARB

June 23, 2010

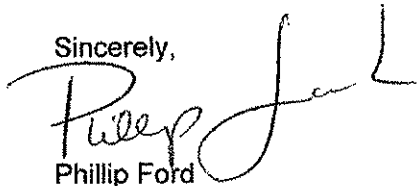
In addition to eliminating diesel PM emissions and lowering NOx emissions by up to 7.5 times, Capacity's natural gas yard tractors also provide very important greenhouse gas (GHG) emission reductions over diesel powered units. Based on ARB's well-to-wheels analysis under AB32, natural gas heavy-duty vehicles provide GHG emission reductions in the range of 20 percent to 30 percent. Given ARB's commitments to AB32 and to reducing California's dependence on petroleum imports, we believe that such benefits must also be strongly considered in any final commitments.

Of course, we would be remiss if we didn't point out the additional environmental benefits offered by natural gas transportation, beyond the important criteria pollutant and GHG emission gains. As we have seen over the last two months in the Gulf of Mexico, our nation's overreliance upon petroleum-based fuels can have dire environmental consequences in the event of an accident. Wells-to-wheels analyses verify that the production, refinement, transportation, storage and marketing of conventional petroleum-based fuels (i.e. diesel) negatively impacts the environment in many ways. Petroleum tanker spills, leaks from drilling rigs, pipeline releases, discharges from refineries and leaks from underground storage tanks negatively impact the marine environment, soil, surface and groundwater. These environmental risks are largely absent when it comes to natural gas vehicle fuel, thus providing an additional environmental benefit when transitioning to lower-emission natural gas yard tractors.

Given the tremendous air quality and other environmental benefits that can be achieved via the use of natural gas, Capacity will continue to support ARB in efforts to ensure that the lowest emission commercially available yard tractor is used on a going forward basis.

I look forward to hearing back from you and/or your staff and to meeting with you all in the near future to discussion how we can work together in the pursuit of clean air. Please feel free to contact me at any time to discuss any of these issues and/or to schedule a meeting. My direct line is: (903) 759-0610 x27.

Sincerely,



Phillip Ford
President
Capacity of Texas