October 30, 2008

California Air Resources Board
Headquarters Building
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812

Dear Members of the Air Resources Board;

The California Air Resources Board (CARB) is currently considering the adoption of an on-road diesel truck and bus regulation that, if implemented as presently drafted, would have a profound, negative impact on California's overall economy.

I want to be clear: VSS Emultech is very supportive of reducing particulate matter (PM) and oxides of nitrogen (NOx) emissions from diesel engines. There is no disagreement that we need to work collectively to improve the state's air quality and all of us want to provide as healthy an environment as possible for our families, our employees and all Californians. However, in its current form, the Board's proposed regulation places a significant economic risk on our business, today, and jeopardizes our future viability in the concrete, asphalt, aggregate, and road construction industry.

I am writing to urge the state to adopt a regulation that allows for flexibility and early incentives, while also achieving significant emission reductions. To that end, the Driving Toward A Cleaner California Coalition, has submitted an alternative proposal to the current ARB proposed regulation. This alternative proposal would achieve the early PM and NOx emissions reductions to improve the state's air quality that you are seeking in the ARB's current proposed rule, while providing much-needed flexibility to comply based on a variety of factors including mileage, type and use of the vehicle, and the best use of the available technology.

This rule comes at a time when California truck owners are struggling to make ends meet in the most severe economic climate we've experienced in decades -- skyrocketing diesel prices, record home foreclosures, a 17-year low in housing starts, a credit crisis and the imminent threat of a full-blown recession.

Under the annual emission reduction targets required under the current ARB proposal, many truck owners will be required to first retrofit an engine, only to have to turn around a few years later and replace those trucks.

Many of California's trucking companies have already begun the process of retrofitting or replacing its fleet, whether in the normal course of their business cycle or in anticipation of these regulations. However, the smaller owner/operators – those with

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fleets of five trucks or less – who make up more than 55 percent of all trucks registered in the state, will be severely hampered by the costs of retrofitting or replacing trucks that, in some cases, are the sole assets of their family-owned businesses. Additionally, many of these companies simply do not have the resources or access to capital to retrofit their engines and may be forced to sell off their trucks or permanently close the company's doors, ultimately costing jobs and revenue to the state's economy.

We must not forfeit California's economy for the sake of protecting our environment. That's why, as a member of the Driving Toward a Cleaner California Coalition, we're working together, across industry sectors to develop a feasible solution that achieves the state's air quality goals while keeping California's economy moving forward. I ask that you evaluate the coalition's alternative proposal and work with the industries impacted by this rule to adopt a final product that achieves the balance this alternative proposal seeks to find.

We look forward to working with you, Governor Schwarzenegger, environmental organizations, the Legislature and other stakeholders to accomplish these goals.

Sincerely,

Alan Berger
Vice President
VSS Emultech