

Pacific Steel Casting Company

1333 SECOND STREET

BERKELEY, CALIFORNIA 94710

510-525-9200

March 30, 2006

Mr. Willi Paul
Founder and Project Director
Clean Air Coalition.Net
1400 Kains Avenue
Berkeley, CA 94702

Re: Pacific Steel Casting Co. (PSC)

Dear Mr. Paul:

This letter responds to your letter to Robert J. Del Sol and me dated March 8, 2006. Your letter has been reviewed by Pacific Steel Casting Co. (PSC) and our response follows:

PSC strongly disagrees with your characterization of an "inadequate BAAQMD settlement agreement". As you know, PSC and the Air District have entered into a Settlement Agreement that provides a detailed mechanism and timeline to resolve air issues that may be associated with PSC. We believe this agreement is a productive step to meet the air concerns in PSC's neighborhood in a timely manner. PSC looks forward to implementing the settlement agreement terms as soon as permits are issued.

As you know, PSC is regulated by the Bay Area Air Quality Management District. At the present time, PSC is working diligently and cooperatively with that agency in both permitting and enforcement matters. In this regard, and as part of PSC's desire to be a good neighbor, PSC is working towards the goals to reduce and/or eliminate air emissions in around their facility, having a safe and healthy work force, and producing quality castings. PSC has been in business

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in the Berkeley area since the 1930s. The company currently provides over 600 jobs, who are nearly all union members, with good wages, vacation and sick leave, health and welfare benefits, and pension benefits. PSC remains proud of its role in this community. Further, in an age of continued out-sourcing of work from the United States to foreign countries, PSC is proud that it remains a United States manufacturing company producing steel castings in this county and employing American workers.

The requests set forth in your letter, in which you essentially seek the role of the Air District, are all respectfully denied. It is PSC's goal that the carbon adsorption system be brought on-line for Plant 3 as quickly as possible. PSC would welcome any constructive help that you might render in this regard and expand a dialogue with the community. However, PSC considers efforts to incite litigation or seek to overturn the Settlement Agreement to be counterproductive to solving air issues at PSC.

Thank you for your consideration of this letter.

Sincerely,


JOE EMMERICHS
VICE PRESIDENT