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JM
Johnson Matthey
Catalysts

September 21, 2009

Mary Nichols
Chair
California Air Resources Board
1001 "I" Street
Sacramento, CA 95812

Re: Agenda Item 09-8-5: Public Meeting to present ARB's Draft Recommendations to Implement Further Locomotive and Railyard Emission Reductions

Dear Chair Nichols:

Johnson Matthey appreciates this opportunity to comment on the ARB staff's *Draft Recommendations to Implement Further Locomotive and Railyard Emission Reductions* being presented to the Board Members at the September board meeting. Johnson Matthey agrees with CARB's preferred approach of pursuing an incentive program to maximize the emissions efficiency benefits of rail transportation. From our extensive experiences with on and off road engine exhaust emissions reduction efforts, we have found that technical advancements to reduce exhaust emissions are best achieved in a collaborative atmosphere between the end user and technology provider. Incentive programs encourage improved collaboration with well defined goals and objectives leading to outcomes that are mutually beneficial to industry and the public.

Transporting goods by rail yields criteria pollutant emission benefits, reduces GHGs, and improves freeway congestion. Rail is the most environmentally sound way to move goods over land and is a key component of the goods movement system in California and across the nation. Any action by CARB should preserve the efficiency of the system as a whole, and should continue to reduce emissions within that context.

Moreover, CARB has had significant success with past incentive programs and enforceable agreements with the Railroads and other international trade emissions sources. On Page 5 of the Recommendations document, "*staff estimates that diesel PM emissions from all sources at railyards will be reduced by about one-third by 2010, about half by 2015, and about two-thirds by 2020, even with a strong projected growth in rail operations.*" These reductions result from federal standards and state regulations of other rail yard sources (such as cargo handling equipment), as well other agreements with the railroads. Additionally, ARB states existing projections may overestimate growth in the next 5-10 years given the current recession, resulting in dramatically lowered emissions for the foreseeable future.

Pursuing the incentive program will allow CARB to achieve their goal of reducing DPM from goods movement sources 85% by 2020. Full implementation of the proposed locomotive measures in the staff's Recommendations "*translates to a 65 percent reduction in potential cancer risks in communities surrounding railyards by 2015 and 85 percent reduction by 2020*" (Page ES-3).

International trade is a vital economic engine in California and must be allowed to thrive, especially in tough economic times. An incentive program preserves competitiveness and efficiency of the goods movement system, while driving down emissions to protect employees' and residents' health in California.

Sincerely,

Steve Clark

Stationary Emissions Control Group

Johnson Matthey Catalyst

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cc: Members of the Board

Mr. James Goldestene