ELECTRO-MOTIVE

9301 West 55th Street
La Grange, IL 60525

September 22, 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:

Electro-Motive Diesel, Inc. (EMD) appreciates the opportunity to comment on the ARB Draft Recommendations to Implement Further Locomotive and Railyard Emission Reductions being presented to the Board Members at their September meeting. EMD agrees that ARB's preferred approach should be the pursuit of an incentive program to maximize the emissions efficiency benefits of rail transportation.

With a history stretching back to 1922, EMD is one of two U.S. original equipment manufacturers of diesel-electric locomotives. The company designs, manufactures and sells locomotives for all commercial railroad applications, and has sold its products in more than 70 countries. Since 2005 the Tier 2 certified SD70M-2 and SD70ACe freight locomotives have been EMD's flagship models. They were joined last year by the 710ECO™ Repower Tier 2 solution for older freight locomotives and most recently unveiled in Sacramento by Caltrans for the first of its passenger locomotives. EMD is continuing comprehensive research and development activities to meet Tier 3 and Tier 4 emissions standards for future locomotive models.

The sustained success of companies like EMD is wholly dependent upon a growing, vibrant, and competitive rail transportation system. Developments in this sector support a variety of President Obama's goals, including: facilitating more efficient travel, increasing jobs, reducing hydrocarbon emissions from transportation sources, increasing economic competitiveness, and reducing dependence on foreign oil.

Transporting goods by rail reduces criteria pollutant levels, reduces greenhouse gases, and reduces 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.

CARB has a strong record of success with past incentive programs and enforceable agreements with both 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 railyard sources (such as cargo handling equipment), as well as 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 its goal of reducing DPM from goods movement sources by 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).

A strong freight rail transportation system is a boon to California's domestic and international trade, providing a vital economic engine that must be allowed to thrive, especially in difficult economic times. An incentive program such as that recommended by ARB preserves the competitiveness and efficiency of the goods movement system, while continuing to drive down emissions to protect employees' and residents' health in California.

Sincerely,

John S. Hamilton
President and CEO
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cc: Members of the Board

Mr. James Goldestene