GE Transportation

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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 Rail Yard Emission Reductions

Dear Chair Nichols:

GE Transportation, a leading locomotive and rail equipment manufacturer, appreciates this opportunity to comment on the ARB staff's Draft Recommendations to Implement Further Locomotive and Rail Yard Emission Reductions being presented to the Board Members at the September board meeting.

Over an eight-year period, GE has invested more than $400 million to develop and bring to market the Evolution® Series locomotive and other emission reducing products. The Evolution Series is the top-selling locomotive that meets or exceeds current U.S. EPA Tier II locomotive emissions standards. By the end of 2009 GE will have built and shipped more than 3,500 Evolution Series locomotives – the majority of which were delivered to Union Pacific and BNSF Railway. In addition to embracing these new locomotives, and thereby accelerating the retirement of older generation locomotives, Union Pacific and BNSF Railway continue to purchase additional hardware and software solutions developed by GE and other industry original equipment manufacturers to ensure that their railroad operations are functioning with the environment in mind.

GE Transportation agrees that ARB should promote an incentive program to maximize the emissions efficiency benefits of rail transportation.

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. Rail transport burns only one gallon of fuel to move one ton of freight in excess of 430 miles. Transporting goods by rail yields criteria pollutant emission benefits, reduces GHGs and reduces freeway congestion. Any action by ARB, therefore, should work to preserve the efficiency of the rail transportation system and should continue to reduce emissions within that context.

Moreover, ARB has had significant success with past incentive programs and enforceable agreements with the Railroads and other international trade emissions sources. For example, the Recommendations document states (Page 5): "staff estimates that diesel PM emissions from all sources at rail yards 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, etc), as well other agreements with the railroads. Additionally, ARB states existing projections might 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 enable ARB to achieve its goal of reducing DPM from goods movement sources 85% by 2020. Full implementation of the proposed locomotive measures in the staff's recommendations (Page ES-3): "translates to a 65-percent reduction in potential cancer risks in communities surrounding rail yards by 2015 and 85-percent reduction by 2020."

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

Today, GE is developing a number of new emissions-reducing technologies at our Global Research Center that will benefit the railroad and other industries for decades to come. These technologies require a substantial investment to develop and, accordingly, a significant capital investment on behalf of the railroads. But all parties recognize and support the importance of this investment in the future. One such technology is GE's mainline heavy-haul Hybrid locomotive. Union Pacific and BNSF Railway both serve on our technical-advisory council that is working to introduce hybrid technology to the railroad industry to further reduce emissions and improve fuel efficiency.

I would like to close by reaffirming General Electric's commitment to help the railroad industry solve its most pressing environmental issues.

Thank you for allowing GE to comment on this pressing issue. GE looks forward to working with its railroad partners to further reduce emissions in California as well as over the entire railroad network.

Regards,

Peter J. Lawson
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cc: Members of the Board
Mr. James Goldestene