



Cevalley J.

January 10, 2006

VIA EMAIL AND U.S. MAIL

The Honorable Sunne Wright McPeak
Agency Secretary, Business, Transportation and
Housing
980 – 8th Street, Suite 2450
Sacramento, CA 95814

The Honorable Alan Lloyd
Agency Secretary, California Environmental
Protection Agency
1001 – I Street
Sacramento, CA 95814

RE: GOODS MOVEMENT ACTION PLAN PRINCIPLES

Dear Secretaries McPeak and Lloyd:

Thank you for the opportunity to comment on the *Goods Movement Action Plan Phase II Progress Report: Draft Framework for Action*. The *Draft Framework for Action*, together with Governor Schwarzenegger's recently announced "Strategic Growth Plan," clearly expresses the commitment of this Administration and your respective departments to address the future infrastructure needs of the State of California in order to accommodate the exponential growth in trade that has occurred in recent years as well as the significant anticipated future increase in goods moving to and from the ports and borders of this State. Union Pacific applauds this vision and stands ready to assist the State in the needed planning to make such a vision a reality.

First and foremost, we wish to reiterate our support for the policy objectives set forth in your joint statement dated January 27, 2005, entitled "Goods Movement in California," which guides the Goods Movement Task Force. That statement is brief yet comprehensive, and it is important that all items in the *Draft Framework for Action* adhere to the stated goals of "growing" the goods movement and logistics industry by improving and expanding the essential goods movement infrastructure. We also agree that this needs to be done in a manner that will relieve congestion, improve air quality, and promote public safety and the wellbeing of those who live and work in California.

Scott D. Moore
General Manager - Public Partnerships

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That being said, it is important to note that Union Pacific shares the concerns that were raised by BNSF Railway in its December 7, 2005, letter to you. It is critically important that this collaborative goods movement effort should not result in the creation of a "super CEQA" layer of environmental review for individual infrastructure projects or lead to the imposition of a state or region-wide "programmatic" EIR that must be undertaken before *any* improvements can be made to the goods movement system in California. Current California laws and processes ensure adequate public discussions and grant ample opportunity for a system-wide perspective to be taken into account for individual projects. If the ultimate goods movement action plan were to incorporate such "super CEQA" or "programmatic" EIR requirements, Union Pacific believes it would utterly defeat the State's efforts to improve the overall efficiency and efficacy of the goods movement system.

Union Pacific agrees with the concept in the *Draft Framework for Action* that states the guiding principle is to "undertake simultaneous and continuous improvement in infrastructure and mitigation." As private industry, such as Union Pacific, seeks to invest its capital to fund much needed infrastructure projects to promote more efficient goods movement, the State could simultaneously invest in mitigation of existing impacts as endorsed by the environmental community. Union Pacific looks forward to working with the State, ports, railroads, truckers, environmental community, and other stakeholders to create projects that "undertake simultaneous and continuous improvement in infrastructure and mitigation."

Union Pacific once again applauds Governor Schwarzenegger, as well as Secretary McPeak and Secretary Lloyd, for all this Administration is doing to bring the subject of goods movement to the forefront of policy discussions in your state. Union Pacific (and me personally, as I attend your meetings) stands ready to participate and cooperate with your Administration as these discussions move forward in the months to come.

Sincerely,



Scott D. Moore
General Manager - Public Partnerships

SDM/msw

cc: Barry Sedlik, Undersecretary, Business, Transportation and Housing
Cindy Tuck, Assistant Secretary, California Environmental Protection Agency
Catherine Witherspoon, Executive Officer, California Air Resources Board