

08-2-7  
Lupe C. Valdez

**UPRR GMERP COMMENTS**  
February 28, 2008  
CARB Board of Directors  
Sacramento, CA

**Goodafternoon Chairperson Nichols and fellow board members, my name is Lupe Valdez (Wes Lujan) and I am the Director of Public Affairs for Union Pacific Railroad**

**These guidelines reflect a huge amount of hard work and effort by CARB staff – they are to be commended given the level of detail that needed to be addressed in the preceding 6/7 months. Significant clarifications were made earlier this week that are indicative of the efforts of staff to ensure the requirements in the proposed guidelines are specific, accurate and achievable.**

**UPRR has taken this Program very seriously as evidenced by**

- **multiple meetings & conversations w/ CARB staff**
- **attendance at 8 public workshops**
- **several meets w/ Air Districts to coordinate/discuss options**

**UPRR has performed key roles by**

- **testing, perfecting and repairing the Green Goat hybrids**
  - o **now have 10 assigned to South Coast Air Basin and**
  - o **1 in Fresno (all of which are ULEL's), and**
- **pioneering the development of the genset switchers**
  - o **UP has 61 operating in South Coast Basin,**
  - o **4 more special gensets, called humpers, are enroute.**

**UPRR is committed to continue to**

- **closely monitor Program progress**
- **coordinate w/ Local Agencies**

- look for opportunities to participate in the Program where
  - o we can do so in a manner that supports safe train ops,
  - o the fluidity of our system/operations is not impaired
  - o economics are workable and fair, AND
  - o reporting requirements are not overly cumbersome.

**We believe locomotives present a unique opportunity to be able to provide real surplus emission reductions that are the most cost-effective investments for this program. In addition, locomotives provide other emission benefits that are not accounted for in this program, such as removing trucks from the state's highways and relieving traffic congestion.**

**With these benefits in mind, we have 2 specific items to note;**

**FIRST, the requirement for 100% usage of locomotives in the state is overly restrictive; we feel we can work with staff to identify an enforceable and equitable approach that will allow some limited travel outside the state borders. By doing so, we can increase the number of locomotives eligible for this Program, provide very cost effective emissions reductions, and meet our reductions targets; AND,**

**SECOND, that the monetary targets suggested for each sector apply statewide to the 4 transportation corridors. IF sector funds are not spent in one corridor because they lack eligible projects, the sector funds be distributed in other corridors that have sufficient eligible projects. We feel this is absolutely critical to the success of the program, and would ask the Board to provide a policy statement to reinforce this principle.**

**THANK YOU for the opportunity to comment.**

**I will be happy to answer any questions.**



# THE CALIFORNIA RAILROAD INDUSTRY

---

February 28, 2008

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

**Re: Freight Railroad Comments on item 08-2-7: Adoption of Proposition 1B Guidelines for Implementation of the Goods Movement Emission Reduction Program**

Dear Ms. Nichols:

The California Railroad Industry appreciates the opportunity to submit brief comments and suggestions on this agenda item. Your staff has worked tirelessly to fashion a fair and effective program consistent with the authorizing bonds and statutes.

The Railroads are generally in support of the direction the staff is proposing for the program for its first year or so. Nevertheless, we believe your Board should make one change in the Year 1 program requirements to ensure broad opportunities are available to harness cost-effective reductions from locomotives.

The Railroads respectfully request the Board instruct your staff to drop the requirement in Year 1 that all funds must be allocated to units that operate in California 100% of the time and to instead to come up with a formula that: (1) calculates the California emissions benefits of such units and (2) proportionally lowers the funds available to units that are not in California 100% of the time. This approach will allow these mostly-in-California units to be evaluated along with the 100% California units and will ensure that the most cost-effective investments will be made by the program.

For instance, in the case of Union Pacific Railroad, if the 100% requirement were to be sustained by your Board as a Year 1 mandate, approximately 60-70% of this railroad's line-haul units would not qualify for consideration. Many of these units operate in the Sacramento and San Joaquin valleys, as well as the South Coast Air Quality Management District. For the BNSF Railway, while the effected percentage of the fleet would likely be smaller, the same principle would apply.

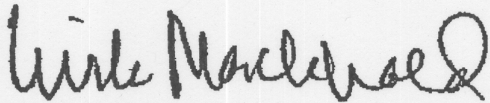
It is our understanding the staff is open to amending this provision in future years. We believe the time is now to get it right and to begin to harness these available and perhaps even more cost-effective reductions as soon as possible.

- BNSF Railway Company
- Union Pacific Railroad Company



Thank you for the opportunity to express our views. If you have any questions or concerns, please call me at 415-215-4213 x 12.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk Marckwald". The signature is written in a cursive, somewhat stylized font.

Kirk Marckwald  
Principal, California Environmental Associates  
On behalf of the California Railroad Industry