

Kenneth Ho Facker

09-8-5



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:

Progress Rail Services Corporation ("Progress Rail") 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. Progress Rail agrees ARB's approach should be pursuing a voluntary incentive program to reduce emissions from existing locomotives and to maximize the emissions efficiency benefits of rail transportation.

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 ARB should preserve the efficiency of the system as a whole, 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. 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.

Although we do not believe that going beyond voluntary incentive-based measures and imposing the mandatory measures that are also included in the *Recommendations* is warranted, international trade is a vital economic engine in California and must be allowed to thrive, especially in tough economic times.

A voluntary incentive program preserves competitiveness and efficiency of the goods movement system, while driving down emissions to protect employees' and residents' health in California.

Sincerely,

Kenneth Hofacker
Senior Vice President

cc: Members of the Board
Mr. James Goldestene