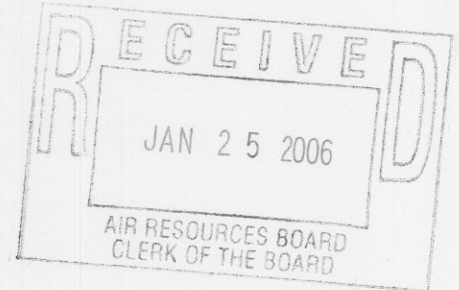


XC: Board Members	06-1-6
Chairman	CEW 1/27/05
TJ	MHS
KT	Legal (AM/MT) SSD

January 24, 2006

Dr. Robert Sawyer
Chair, California Air Resources Board
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812



Dear Dr. Sawyer:

The San Joaquin Valley Air Basin (Valley) faces significant air quality challenges that require the timely reduction of emissions from all sources in order to protect the health and welfare of Valley residents and to achieve the state and federal ambient air quality standards. The pollution reduction agreement that the Air Resources Board (ARB) entered into with the Union Pacific Railroad (UP) and the Burlington Northern and Santa Fe Railway (BNSF) provides necessary and timely emission reductions from locomotives. Given the uncertainty of the authority of state and local agencies to regulate locomotives, a regulatory approach would likely result in the emissions reductions being uncertain, and at a minimum, result in significant delays in implementation due to legal challenges.

The San Joaquin Valley Air Pollution Control District (District) raised a number of concerns with the initial pollution reduction agreement. Our concerns included District participation in the enforcement of the Visible Emission Reduction and Repair Program, District participation in the Assessment of Toxic Air Contaminants from Designated California Rail Yards and the potential for conducting additional analysis on other rail facilities, and finally the potential for the unnecessary triggering of the Release from Obligation provision of the agreement. In our review of the clarifications to the agreement, continuing discussions with ARB and the impacted railroads, and a review of a Draft Implementation Protocol with BNSF and UP the District is satisfied that our concerns have been addressed and the District supports the Pollution Reduction Agreement.

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Dr. Robert Sawyer
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Emission reductions from federal sources continue to be important in the Valley. If ARB chooses not to pursue emissions reductions from railroads through a voluntary agreement, or if the voluntary agreement is invalidated through the Release from Obligation provision, the District would support the establishment of a broad based coalition to seek necessary authority to pursue additional reductions from locomotives through a regulatory process.

Sincerely,

David L. Crow
Executive Director/APCO

CC: Catherine Witherspoon, Executive Officer
California Air Resources Board

SJVAPCD Governing Board