



Air Resources Board



Matthew Rodriguez
Secretary for
Environmental Protection

Mary D. Nichols, Chairman
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Sacramento, California 95812 • www.arb.ca.gov

Edmund G. Brown Jr.
Governor

July 3, 2015

Mr. John Lovenburg
Vice President, Environmental
BNSF Railway Company
2500 Lou Menk Drive
Fort Worth, Texas 76131

Dear Mr. Lovenburg:

The California Air Resources Board (ARB) received BNSF Railway's (BNSF) 2014 Fleet Average Agreement Annual Compliance Report (Compliance Report) pursuant to Section IV.B. of the 1998 Memorandum of Mutual Understanding and Agreements, South Coast Locomotive Fleet Average Emissions Program (1998 Agreement). ARB staff determined that BNSF fully complied with provisions of the 1998 Agreement for its operations in 2014.

BNSF's Compliance Report included the following:

- (1) BNSF's letter of certification: This letter is signed by the railroad and certifies that the information in this report is true, accurate and complete.
- (2) BNSF's fleet summary information: This is information regarding the methodology used by the railroad to comply with the 1998 Agreement (Form F-S).
- (3) BNSF's fleet average calculation: This information includes individual locomotive megawatt-hours and emission levels, as well as calculations and any necessary adjustments (Form F-A-1 through Form F-A-6).

Starting in calendar year 2010, the 1998 Agreement requires that BNSF have an annual locomotive final fleet average of 5.5 grams per brake horsepower-hour (g/bhp-hr) for oxides of nitrogen (NOx) for locomotive operations in the South Coast Air Basin. Additionally, the 1998 Agreement allows BNSF to use accumulated fleet average credits

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

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(FAC), including credits accrued from the use of ultra-low emitting locomotives (ULEL) in the South Coast Air Basin, in order to meet the locomotive final fleet average. Staff reviewed BNSF's submittal of its Compliance Report, which included activity information (in megawatt-hours) and emission levels for over 3,000 individual locomotives in 2014. Staff also assessed the accuracy of BNSF's data by comparing it with extensive locomotive information collected from ARB field surveys, inspection reports, and locomotive inventories. ARB staff determined that, for calendar year 2014, BNSF's final fleet average of 5.2 g/bhp-hr meets the required NOx compliance level set forth in the 1998 Agreement without using any credit.

As discussed, ARB will make the information publicly available except for individual locomotive activity levels, which have been determined to be business confidential according to California Government Code Section 6254.7. The activity data will be aggregated by tier and emission standard level.

Should you have any questions regarding BNSF's compliance with the 1998 Agreement, please contact me at (916) 327-5981 or Doug.Ito@arb.ca.gov or Harold Holmes, Manager, Rail Strategies Section at (916) 324-8029 or Harold.Holmes@arb.ca.gov.

Sincerely,



Douglas Ito
Assistant Division Chief
Transportation and Toxics Division

cc: See next page.

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