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ASLRRA Disappointed with CARB's Decision to Risk Short Line Viability in California

WASHINGTON, May 1, 2023 – On Thursday, the California Air Resources Board (CARB) voted to implement its In Use Locomotive Regulation. The rule mandates an incredibly abrupt, dramatic, unrealistic, and counter-productive forced shift of all locomotives in California, including all small business short line locomotives, to Tier 4 and Zero Emission Locomotives.

"While the spirit behind this rule is consistent with short lines' environmental commitment, the rule itself is impractical, unworkable, and simply not feasible for most short lines," said Chuck Baker, President, ASLRRA. "In addition, this rulemaking does not acknowledge the impact of the elimination of some short line rail service to Californians."

Short lines are committed to lowering their environmental impact. The industry is exploring hydrogen and battery-electric powered locomotives with government funding, installing fuel optimization software and anti-idling technology, testing biodiesel and renewable diesel, and exploring fuel additives to lower emissions, in addition to upgrading locomotives to higher tier levels when practical.

As small business, short lines must rely on sources other than operating revenues to source these initiatives. Short lines seek funding through programs like the U.S. Department of Transportation's Consolidated Rail Infrastructure Safety Improvements (CRISI), the Environmental Protection Agency's Diesel Emissions Reduction Act (DERA), and California's Carl Moyer Program.

However, these funds are not enough to upgrade locomotives commonly used in freight rail transportation in the time allotted in the rulemaking. As stated, the rule requires that by 2030, no locomotive older than 23 years old can operate in California. Short lines throughout the country safely operate locomotives that are 40 and sometimes 50 years old, and that length of service for a multi-million-dollar asset is essential to the viability of short lines.

The rule acknowledges the risk of implementation on short line railroads, "If Class III locomotive operators are unable to pass on the costs of the Proposed Regulation to customers, it is possible some of these businesses would be eliminated."

"Short lines would not in fact be able to pass on these costs to their customers and some of them would be eliminated by this rule," said Baker. "Other entities within California, such as the state Senate and Caltrans, recognize the key role of short lines. Caltrans' recent Short Line Rail Improvement Plan states that, 'Short line railroads are a critical part of the U.S. freight network.' It unfortunately appears that CARB has its own agenda, one that is not coordinated with the state of California's Department of Transportation."

Short lines, which provide first-and-last mile service to rail shippers typically in small towns and rural areas, are the old unprofitable branch lines of the larger Class I railroads. Short lines largely came into existence to save these lines from abandonment, and ensure rail access to the U.S. economy for thousands of shippers who would otherwise be cut off from efficient transportation service. Short lines have managed to keep and grow these lines to the benefit of California and the nation.

In the decades since, short lines have rehabilitated much of their infrastructure, scraped and clawed for new customers, built tremendous relationships with their local communities, and developed a reputation for providing flexible and responsive service. Rail service provided by short lines allow shippers to stay connected to the national freight rail network and maintain their competitiveness in the global marketplace.

"If some California short lines were eliminated, it would result in higher greenhouse gas emissions nationally, and impact commerce and congestion in California. Shippers would either need to move their freight by truck instead of rail or pack up and abandon operations in California. If the freight moves by truck instead of rail, that will result in more fatalities and injuries, more congestion on California's roads, more burden on the California taxpayer to pay for road damage, and more micro plastics from shredded truck tires in the environment and water supply," stated Baker. "While this potential modal shift seems obvious, CARB essentially said in its rule analysis that modal shift was too complicated and uncertain to predict with any accuracy so all of these likely effects should be ignored."

The ASLRRA and short lines in California have participated in this rulemaking process repeatedly, commenting on the rule in 2021, 2022, and 2023.

"CARB has demonstrated extraordinarily little flexibility or even awareness of the unique nature of short lines as it finalized its rule. We will consider all options as we look to save threatened short lines in California, seeking a win-win-win result for the environment, short lines, and our shippers, not a lose-lose-lose result as this rule would provide," said Baker. "Our agricultural, energy and manufacturing customers throughout California are counting on us, and we are determined to deliver."