

**BEFORE THE
CALIFORNIA AIR RESOURCES BOARD**

**COMMENTS ON THE PROPOSED IN-USE LOCOMOTIVE
REGULATION**

**SUPPLEMENTAL COMMENTS OF
THE AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION
AND
THE CALIFORNIA SHORT LINE RAILROAD ASSOCIATION**

The American Short Line and Regional Railroad Association (“ASLRRA”) and the California Short Line and Regional Railroad Association (“CSLRA”) (jointly, “the Associations”) on behalf of themselves and their member railroads, respectfully submit the following comments responding to the California Air Resources Board’s (“CARB”) Notice of Public Availability of Modified Text and Availability of Additional Document and Information for its Proposed In-Use Locomotive Regulation (“Proposed Rule”).

ASLRRA is an incorporated, nonprofit trade association representing the approximately 600 owners and operators of short line and regional freight railroads throughout North America. Short line railroads play a vital role in the transportation network, often providing the first-mile and/or last-mile connection between farmers, energy producers, manufacturers, industrial shippers of all stripes, and the national freight rail network. CSLRA is a non-profit trade

association promoting best business practices and providing legislative and public outreach for California short lines. Approximately 25 short line railroads own (or lease) and operate locomotives within the state of California as part of the national freight rail network, giving the Associations and their members a significant interest in these proceedings. ASLRRA and CSLRA have filed previous comments in response to the Proposed Rule both individually and jointly with the Association of American Railroads (“AAR”).

The Associations are disappointed to see that CARB continues to decline to exempt small business railroads from its proposed regulation. Extensive in-person testimony and written comments concerning the very serious and highly negative impacts of the Proposed Rule on short line railroads were provided to the CARB Board during its Friday, November 18, 2022, public hearing. Following the hearing, CARB staff held discussions with numerous California short line freight railroads and promoted the use of its proposed Alternative Compliance Plan (“ACP”) at § 2478.7 to address the concerns that had been raised to the Board. However, as was shared by these railroads, the costs imposed by the Proposed Rule remain insurmountable for small businesses, under the ACP as well as under direct compliance with the Spending Account provision at § 2478.4.

The modified text also provides a new provision, the Alternative Fleet Management Option (“AFMO”) at § 2478.8. Unfortunately, the AFMO does not provide a feasible alternative means of compliance for the overwhelming majority of small businesses. Like the ACP, the AFMO still requires the purchases of Tier 4 locomotives at about \$4 million each or prototype “Tier 5” locomotives at about \$7 million each, with no specific funding assistance. Although the Proposed Rule provides alternative investment timelines in the ACP section, AFMO section and the Small Business Hardship Extension at § 2478.14, those investments are out of reach for most small companies given the timeframes specified in the Proposed Rule.

Despite our shared environmental goals, the short line railroad industry strongly disagrees with the means proposed in CARB's Proposed Rule to purportedly achieve a reduction in locomotive emissions. The cost to comply with the proposed regulatory requirements would cripple and threaten to render a number of short line railroads financially insolvent. Should CARB's Proposed Rule become final, much of the freight carried by short line railroads will continue to be shipped through California even as the short lines themselves are forced to cease operations given their inability to meet the financial burdens imposed by the rule. This will inevitably result in a modal shift of freight traffic from rail to its competing mode of truck transportation, leading to an increase in road congestion and wear on public highways, micro plastic pollution from shredded tires, accidents, injuries and fatalities, to the detriment of the residents of California.

The Associations urge CARB to either withdraw its Proposed Rule or completely exempt short line railroads from its requirements.

Respectfully submitted,



Sarah G. Yurasko
General Counsel
American Short Line and
Regional Railroad Association
50 F Street NW Suite 500
Washington, DC 20001



Donald G. Norton
Executive Director
California Short Line Railroad Association
28364 S. Western Ave., #67
Rancho Palos Verdes, CA 90275

March 16, 2023