April 19, 2024

Karl Simon
Director, Transportation and Climate Division
Office of Transportation and Air Quality
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Re: Docket ID No. EPA–HQ– OAR–2023–0574

Director Simon,

We, the undersigned trade associations have members that collectively employ millions of Americans in all sectors of the U.S. economy. Our members are committed to environmental stewardship and to policies that encourage domestic emissions reductions that address climate change. Yet, we write to raise serious concerns about an authorization request from the California Air Resources Board (CARB) pertaining to rail locomotive emissions and respectfully urge you to deny their petition. This regulation from CARB has the potential to create significant disruptions in the supply chain for all sectors of the U.S. economy, especially manufacturers and shippers who rely on consistent, reliable rail service. This rule could lead to delays for businesses and increased costs for both shippers and consumers that could ultimately lead to a massive supply chain crisis. If railroads are forced to spend large amounts of money to ensure compliance with this rule, those costs will be passed along the entire supply chain and could inhibit rail service at facilities across the country – not just in California.

EPA should reestablish proper Clean Air Act authorization precedents and stave off the negative economic effects that would result from the misguided California regulation.

California seeks to artificially limit the useful life of a locomotive to 23 years, directly in contravention of EPA's own regulations.[1] In addition, CARB proposed phasing out diesel switcher locomotives starting in 2030 and linehaul locomotives starting in 2035. California has put forth an aspirational but not pragmatic proposal that will require railroads in the state to deposit significant sums – with a single Class I operator being forced to deposit up to $800 million annually. This money would be primarily earmarked for the purchase of "zero emissions locomotives" and the accompanying infrastructure.

The issue is that no viable technology exists today to move freight beyond yards on a zero emissions basis. Despite aggressive R&D and innovation in the rail sector and significant private investments, the technologies to achieve this rule simply do not exist at this point. In addition to the technologies not being available, our current grid simply cannot support electrified locomotives in any appreciable way. According to the DOE's draft National Transmission Needs Study released in February 2023, the national electric transmission infrastructure would need to grow 57% by 2035 to reach the Biden administration's clean energy goals for light-, medium- and heavy-duty vehicles.[2] Yet at the historical pace of approximately 1% annual growth for these infrastructure projects,[3] the transmission system could require more

[1] 40 CRF Part 1033
[2] https://www.energy.gov/gdo/national-transmission-needs-study
[3] https://repeatproject.org/docs/REPEAT_IRA_Transmission_2022-09-22.pdf

than half a century for the administration to achieve its stated goals only on light duty vehicles for the next decade. This presents a major challenge with multiple modes of transportation facing similar electrification mandates coupled with a permitting system that often delays much needed power projects for years if not decades.

Granting California a waiver would have a national impact on day one. A significant portion of the locomotive fleet moves through the state of California in any given year, meaning businesses across the country could be affected if railroads are forced to abide by a unique set of rules in California. It is hard to envision a scenario whereby trains stop at the state of California to change locomotives without significant impacts on the national supply chain, making diversion of freight off the rail network the most logical result. California's request impacts numerous industries beyond rail, raises grid reliability concerns, and national security issues. This is a major policy question that Congress has not directly addressed.

Rail is a success story in terms of environmental efficiency. Despite generating 40% of the nation's long-distance freight by ton-mile, the sector accounts for a miniscule 0.6% of U.S. GHG emissions. Moreover, railroads are a key freight transportation option for American sectors – including manufacturers, agriculture, retail and energy production – in which scale of operations is a key to competing in the global market. The regulation set forth by California threatens to dramatically slow national commerce and undermine the integrity of the integrated supply chain and the reliability of railroads to meet demand.

Congress intended that the federal government serve as the sole regulator in this sector. Federal statutes such as section 209(e)(1) of the Clean Air Act (CAA) and the ICC Termination Act (ICCTA) of 1995 make clear that approval of CARB's authorization request would be inappropriate and unlawful. The EPA should reject this proposal that will harm supply chains by forcing technologies that do not yet exist.

Sincerely,

National Association of Manufacturers
California Manufacturers & Technology Association (CMTA)
The Association of American Railroads (AAR)
Alaska Chamber
American Coatings Association
American Forest & Paper Association
American Fuel & Petrochemical Manufacturers (AFPM)
American Trucking Associations
Associated Builders and Contractors
Associated General Contractors of America
Associated Industries of Missouri
Beer Institute
Brick Industry Association
California Automotive Wholesalers' Association (CAWA)
Can Manufacturers Institute
Consumer Brands Association
Council of Industry of Southeastern New York
ECIA - Electronic Components Industry Association
Forging Industry Association
Glass Packaging Institute
Illinois Manufacturers' Association

Industrial Packaging Alliance of North America
Intermodal Association of North America
International Foodservice Distributors Association
International Warehouse Logistics Association (IWLA)
International Wood Products Association (IWPA)
Maryland Chamber of Commerce
Metal Powder Industries Federation
Mississippi Manufacturers Association
National Association of Home Builders
National Association of Wholesaler-Distributors
National Oilseed Processors Association
National Propane Gas Association
National Railroad Construction and Maintenance Association (NRC)
National Retail Federation
National Stone, Sand & Gravel Association
NATSO, Representing America's Travel Centers and Truck Stops
New Mexico Business Coalition
North American Association of Food Equipment Manufacturers (NAFEM)
North American Millers' Association
Northeast PA Manufacturers & Employers Association
NSSF
Pennsylvania Manufacturers' Association
Plastic Pipe and Fittings Association
Plastics Industry Association (PLASTICS)
Plumbing Manufacturers International
Portland Cement Association
PRINTING United Alliance
Railway Engineering-Maintenance Suppliers Association (REMSA)
Railway Supply Institute
Railway Tie Association
Renewable Fuels Association
Retail Industry Leaders Association
Rhode Island Manufactures Association
SIGMA: America's Leading Fuel Marketers
SOCMA
Specialty Equipment Market Association (SEMA)
The Aluminum Association
The Carpet and Rug Institute
The Chlorine Institute
The Fertilizer Institute
The State Chamber of Oklahoma
The Transport Project
The Vinyl Institute
Transportation Intermediaries Association
Wisconsin Manufacturers & Commerce (WMC)