

**NATURAL RESOURCES DEFENSE COUNCIL  
EAST YARD COMMUNITIES FOR ENVIRONMENTAL JUSTICE  
COALITION FOR CLEAN AIR  
COMMUNITIES FOR A BETTER ENVIRONMENT  
WEST LONG BEACH ASSOCIATION  
LONG BEACH ALLIANCE FOR CHILDREN WITH ASTHMA  
GREATER LONG BEACH INTERFAITH COMMUNITY  
ORGANIZATION  
ENDOIL/COMMUNITIES FOR CLEAN PORTS**

*VIA EMAIL AND FIRST CLASS MAIL*

March 4, 2013

Mr. Christopher Cannon  
Director of Environmental Management  
Port of Los Angeles  
425 South Palos Verdes Street  
San Pedro, CA 90731

Re: Final Environmental Impact Report: Southern California International Gateway (SCIG)

Dear Mr. Cannon:

The undersigned organizations submit the following comments on the Port's responses to comments included in the Final EIR (FEIR) in this matter.

**Civil Rights Claims**

The FEIR does not dispute a single fact offered to support the claims in our November 12, 2012 and January 31, 2012 comment letters. Instead, the Port claims that it is not subject to claims under Title VI of the Civil Rights Act of 1964 and under California Government Code Section 11135 because the proposed SCIG project is not funded with federal or state money. But this is incorrect because liability under those statutes depends on the existence of federal or state funding for any one function of the entity, which funding subjects all of the operations of an entity to those statutes. And to be clear, because of the remedies available under Title VI and Section 11135, the Port is leveraging all current and future federal and state funding against the SCIG project.

**Air Quality**

In our previous comment letters, we pointed out that the Port's entire air quality analysis depends on an a very low assumed ratio of truck trips per container lift that is unsupported by comparison to any other railyard, even BNSF's. The Port's response is that a new wide-stacking

methodology will be used that will reduce the number of bobtail trips, that is, trips by a truck without a chassis.

This is unconvincing for two reasons. First, a truck with a chassis that drops a container off at the SCIG facility will have to go somewhere afterwards, whether it is attached to a chassis or not. Because of this it makes no sense to reduce the assumed number of truck trips by a factor related to a smaller number of bobtail trips, as the Port has done.

Second, a document produced to us on February 25, 2013 enclosing a memo from BNSF concerning the truck trip per lift ration candidly states: “There is no empirical data to support the lower lift/truck trip ratio for SCIG as SCIG is the first rail intermodal facility design of its kind.” This confirms the argument that we made in our comments (and that the South Coast Air Quality Management District made in its comments) that the trips per lift ratio in the RDEIR had no empirical basis. It is not legally sufficient in an EIR to just make numbers up.

Last, the FEIR is still pretending that development of SCIG will not free up space for transload and other activities at BNSF’s Hobart yard. The Port relies on a November 28, 2012 memo from BNSF (a copy is attached to this letter) that asserts that the Hobart facility alone can handle all future projected demand: “Further facility developments, technological and operational changes could be made to accommodate the demand projected in the 2009 Cargo Forecast.”<sup>1</sup> But this proves too much: if Hobart could handle all projected cargo, including direct intermodal and transload, there would be no need to build SCIG. The consequence of the Port’s sleight of hand regarding Hobart is that Hobart is accounted for in the CEQA baseline<sup>2</sup> but future emissions associated with Hobart are not accounted for in the projected future air quality analyses in the RDEIR or the FEIR.<sup>3</sup>

### **Mitigation And Alternatives To The Proposed Project**

The Port is missing a huge opportunity to be technology forcing in the way that U.S. EPA is under the Clean Air Act. The EPA sets emission standards and it is up to industry to meet them within certain time periods. The Port could do the same for the SCIG project, but instead is taking the easy way out. Indeed, in the face of admittedly serious air pollution,<sup>4</sup> the FEIR only

---

<sup>1</sup> Memorandum from Russell J. Light, BNSF Railway Company to Los Angeles Harbor Department, November 28, 2012 at page 4. This memorandum was produced by the Port to Andrea Hricko of USC on February 25, 2013.

<sup>2</sup> RDEIR 3.2-14.

<sup>3</sup> Revised Appendix C at C2-5 (train trips associated with Hobart), C2-7 (truck trips).

<sup>4</sup> SCIG operations are projected to exceed SCAQMD thresholds for 1 hour and annual NO<sub>2</sub>, 24 hour and annual PM<sub>10</sub>, and 24 hour PM<sub>2.5</sub>. FEIR at page 3.2-74. PM<sub>2.5</sub> is a known carcinogen and NO<sub>2</sub> is a precursor to ozone, or smog.

includes one mitigation measure with a firm deadline: street sweeping inside the project.<sup>5</sup> The FEIR refers to the air quality impacts as “unavoidable,”<sup>6</sup> although this is clearly not the case.

*Cleaner locomotives.* The FEIR repeatedly claims that requiring Tier 4 locomotives (the cleanest now being manufactured) is not feasible because no such locomotive is now in service. However, in December, 2012, MetroLink ordered 10 Tier 4 locomotives, with an option to buy 10 more, from Electro-Motive Diesel; see <http://www.railwayage.com/index.php/mechanical/locomotives/emd-gets-metrolink-tier-4-locomotive-order.html>. Delivery is expected in 2015. If MetroLink can take this step, BNSF and the Port can too. In addition, there are other ways to reduce locomotive idling and long-haul emissions, but the FEIR does not commit to any of them.

*On-dock rail.* The FEIR claims that creating new land for on-dock rail is not feasible. However, the draft program environmental impact report for the Port of Los Angeles Master Plan Update (PMPU)<sup>7</sup> that was just published in February, 2013, refers to the Terminal Island On-Dock Rail Redevelopment project, described as “Redevelopment and expansion of on-dock rail on Terminal Island” as being in the conceptual planning stage<sup>8</sup> – meaning that it has not been rejected as infeasible. Indeed, the Master Plan Update describes this project as one of the anticipated and future projects at the port.<sup>9</sup>

The same document describes this project as in the conceptual planning stage: “Increased On-Dock Rail Usage, Port of Los Angeles and Port of Long Beach,” the purpose of which is: “ACTA, Port, and Port of Long Beach program with shipping lines and terminal operators to consolidate intermodal volume of the neighboring terminals to create larger trains to interior points, thereby reducing need for truck transportation. “

Finally, the FEIR responds to the comment that the Port can create new land by dredging and filling as it is contemplating with Pier 500 by saying that Pier 500 is not being considered. However, the PMPU describes Pier 500 as in the conceptual planning process,<sup>10</sup> and the Port’s Terminal Island Land Use Plan, dated January 11, 2012,<sup>11</sup> states in its summary of the three planning options presented that “[a]ll options assume that Pier 500 is created by adding fill south of Pier 400 as previously planned.”<sup>12</sup>

---

<sup>5</sup> Mitigation measure AQ-7. See FEIR page 3.2-74. The reductions in PM 2.5 expected from street sweeping are tiny: see revised Appendix C at C2-15 – C2-16.

<sup>6</sup> FEIR at 3.2-79 – 3.2-80. See also FEIR at 3.2-82, explaining that the project will expose receptors to significant levels of toxic air contaminants.

<sup>7</sup> [http://portoflosangeles.org/EIR/PMPU/DEIR/deir\\_pmpu.asp](http://portoflosangeles.org/EIR/PMPU/DEIR/deir_pmpu.asp).

<sup>8</sup> Id. at 4-8.

<sup>9</sup> Id. at 4-56.

<sup>10</sup> Id. at 4-4. The PMPU also notes that creation 18 acres of additional fill at Berth 300 is proposed. Id. at ES-14.

<sup>11</sup> [http://www.portoflosangeles.org/planning/Terminal\\_Island\\_Land\\_Use\\_Plan.pdf](http://www.portoflosangeles.org/planning/Terminal_Island_Land_Use_Plan.pdf)

<sup>12</sup> Id. at 9. In addition, the proposed plan selected in this study states: “The Pier 500 area is shown on the proposed Plan as described in the earlier Land Use Plan, with an addition of 200 acres, two berths, and a new on-dock rail yard.” Id. at 17–18.

This information, from the Port's most current planning document, shows that creating new on-dock rail facilities, including by fill, is not infeasible.

*Zero Emissions Container Movement.* Many agree, even the Port of Los Angeles, that zero emissions technologies are necessary to address regional challenges to protect the health and welfare of residents. FEIR at 2-34. The FEIR's Response to Comments notes "[t]he I-710 Corridor Project DEIR is in draft form and has not been finalized. The Corridor Project DEIR identified a proposed project and five alternatives for evaluation in the DEIR, of which only two include zero-emission vehicles." FEIR at 2-390. This statement is incorrect in that the revised EIR/EIS for the I-710 will include three alternatives, all of which include zero emissions vehicles. Thus, the FEIR's statement that "It would not be appropriate for the RDEIR No Project Alternative to assume that the zero-emission alternatives of the I-710 Corridor Project DEIR would be selected for approval in that project" is unfounded. All of the project proposals that actually construct an expanded highway for the I-710 will include a zero emissions component in the recirculated EIR.

Moreover, the EIR argues that "[i]n its 2012 Regional Transportation Plan/Sustainable Communities Strategy (RTP), SCAG has identified the SCIG project as potentially playing a key role in addressing the growth of high-density truck traffic (SCAG, 2012)." RDEIR at 3.2-97. The Port of Los Angeles cherry-picks this statement out of the RTP but ignores the discussion in the RTP that, even with projected future turnover of equipment, "greater advancements in technology are needed to meet regional attainment objectives." 2012 RTP Goods Movement Report, at 40. In fact, the same RTP articulates that

Wayside technology has been used for many decades to power electric buses, mining trucks, and rail systems. It is thus a particularly proven and promising technological approach to achieving zero-emission transport. If coupled with hybrid AER technologies currently in use for passenger cars and now being demonstrated for heavy trucks, wayside power could provide flexibility, range, and compatibility with current port, railyard, and warehouse operations.

2012 RTP Goods Movement Report, at 45. The FEIR's failure to effectively address this issue despite the significant comments from the environmental justice, environmental, and air quality agencies demonstrates the lack of foresight and a willingness to miss an opportunity to truly implement the necessary technology shift needed to actually attain state and federal clean air standards.

Finally, the EIR cannot seek refuge from its failure to truly implement zero emissions technologies through the fact that it "recogniz[es] the potential future promise of ZECMS, [and] the RDEIR includes a mitigation measure that zero-emissions technology advancements be implemented, when proven to be feasible, upon a five-year review (MM AQ-9) and /or substituted for other equivalent new technology (MM AQ-10)." FEIR, at 2-29. The actual mitigation measures referred to, MM AQ-9 and MM AQ-10, do not require that these technologies ever "be implemented" as the Port of Los Angeles. In fact MM AQ-9 requires the following:

The Port shall require the business to review, in terms of feasibility, any Port-identified or other new emissions-reduction technology, and report to the Port. Such technology feasibility reviews shall take place at the time of the Port's consideration of any lease amendment or facility modification for the Project site. If the technology is determined by the Port to be feasible in terms of cost, technical and operational feasibility, the business shall work with the Port to implement such technology.

RDEIR, at 3.2-104.

This mitigation is illusory for two reasons. First, there may not be a lease amendment or facility modification triggering such mitigation measure. Even the five year trigger that the Port of Los Angeles built in as partial consideration is so vague as to be meaningless because the requirement for implementation of new technologies is "subject to mutual agreement on operational feasibility and cost sharing." RDEIR, at 3.2-104. Second, the mitigation measure simply requires the business, BNSF, to "work with the Port to implement such technology." RDEIR, at 3.2-104. Had the Port of Los Angeles truly intended to implement these technologies, it would simply require that the measures "be implemented." This lack of clarity, timelines, and internal consistency renders the mitigation measure and the analysis invalid. Thus, we agree with the South Coast Air Quality Management District that "a demonstration program for zero emission technologies is not a strong enough commitment. Zero emission technologies are feasible early in the life of the project and would mitigate significant impacts." FEIR, at R-45C-60-4.

### **Nonattainment Status and the SCAQMD Ports Backstop Rule**

Diesel pollution is a killer, as the FEIR recognizes.<sup>13</sup> The million new diesel truck trips per year that the SCIG project will create will add to the PM 2.5 load in the South Coast region, which is already in non-attainment for PM 2.5 under the federal Clean Air Act, and will also increase ozone emissions as to which the South Coast is in non-attainment.

The FEIR claims that "[t]he proposed Project would not conflict with or obstruct implementation of an applicable air quality plan."<sup>14</sup> While the FEIR alleges that it will create regional benefits, it provides an overly rosy picture of SCIG's impact on meeting ambient air quality standards. For example, the FEIR alleges that "[t]he Project assists in the attainment of 'black box' goals, in part, by MM AQ-9 (Periodic Review of New Technology and Regulation) and MM AQ-10 (Substitution of New Technology), RDEIR, p. 3.2-94)." FEIR, at 2-596. But as articulated above, these mitigation measures are illusory and toothless.

Moreover, although the FEIR claims that the SCIG project will comply with the 2007 AQMP, it argues that "CEQA does not require an examination of the AQMP's black box." FEIR, at 2-596. The FEIR fails to explain how it can ignore this large gap in emissions reductions necessary to

---

<sup>13</sup> FEIR at 3-47 – 3-48.

<sup>14</sup> FEIR at 3.2-97.

be developed to meet ambient air quality standards. CEQA requires projects to address this issue; it is inconsistent for the Port to claim that the project would not conflict with the AQMP and at the same time allege that it need not examine the effect of the project on the “black box” which is crucial to attainment of federal ozone limits within the South Coast district.

The FEIR also admits that the emissions from SCIG project would, in and of themselves, create a violation of the National Ambient Air Quality Standard (NAAQS) for 1-hour NO<sub>2</sub>.<sup>15</sup> This admission directly contradicts the claim that SCIG will not conflict with or obstruct implementation of an applicable air quality plan. Under Public Resources Code Section 21002.1(c), a project may only be approved if it is otherwise permissible under applicable laws and regulations. This project would violate the federal Clean Air Act and cannot be legally approved.

Finally, as the Air District and others are aware through the District’s recent decision to adopt a port backstop measure (over Port objections) as part of its 2012 Air Quality Management Plan,<sup>16</sup> if a local air quality region remains in non-attainment status for too long, the consequence can be the cutoff of all federal transportation funding everywhere in the region, in addition to other onerous conditions on stationary sources. Regardless of whether Port staff believes that the health and welfare of people in the basin and economic consequences for failing to meet ambient air quality standards fall under CEQA’s ambit, it is a real issue that the Port must consider in deciding whether to go forward with this project as planned.

Thank you for your consideration of this letter.

David Pettit  
Senior Attorney  
Natural Resources Defense Council

Angelo Logan  
Executive Director  
East Yard Communities for Environmental Justice

Patricia Ochoa  
Deputy Policy Director  
Coalition for Clean Air

Maya Golden-Krasner  
Staff Attorney  
Communities for a Better Environment

---

<sup>15</sup> RDEIR at 3.2-74: SCIG operations “would also exceed the NAAQS for 1-hour NO<sub>2</sub>.”

<sup>16</sup> [http://switchboard.nrdc.org/blogs/mwyenn/southern\\_californias\\_air\\_agenc.html](http://switchboard.nrdc.org/blogs/mwyenn/southern_californias_air_agenc.html); see also <http://www.lbreport.com/news/feb13/aqmdpolb.htm>

John Cross  
President  
West Long Beach Association

Jessica Tovar, MSW  
Project Manager  
Long Beach Alliance for Children with Asthma

Patrick Kennedy  
Executive Director  
Greater Long Beach Interfaith Community Organization

Gisele Fong, PhD  
Executive Director  
EndOil/Communities for Clean Ports



Russell J. Light  
Senior General Attorney

**BNSF Railway Company**  
Law Department  
P.O. Box 961039  
Fort Worth, TX 76161-0039  
2500 Lou Menk Dr., AOB-3  
Fort Worth, TX 76131-2828  
(817) 352-2152  
(817) 352-2398 Fax

[russell.light@bnsf.com](mailto:russell.light@bnsf.com)

TO: Los Angeles Harbor Department  
FROM: Russell J. Light, BNSF Railway Company  
DATE: November 28, 2012  
SUBJECT: Southern California International Gateway (SCIG) Project

With this memorandum, BNSF reiterates in summary fashion information previously furnished to the Los Angeles Harbor Department (LAHD) during the preparation of the Draft Environmental Impact Report for the SCIG Project.

1. Regardless of whether the SCIG project is built, BNSF Hobart Railyard will continue to handle domestic cargo as it currently does in accordance with market demand.

The Hobart railyard is currently one of the largest intermodal railyards in the United States, situated on approximately 245 acres. In 2010 Hobart handled 1.09 million containers and trailers, of which approximately half were international cargo received/delivered directly from/to the Ports of Los Angeles and Long Beach. The remainder was domestic cargo originating/terminating from/to various points throughout the Southern California region, including from UPS, FedEx, USPS, and transloaders.

If the SCIG project is approved, BNSF anticipates the Hobart railyard will continue to receive/deliver domestic cargo, including transload cargo from/to local transload warehouses, in the amounts it does now, plus growth in these volumes based on market demand. If the SCIG project is approved, BNSF anticipates the Hobart railyard would continue to receive/deliver up to 5% of the direct international intermodal cargo volume to/from the Ports. The SCIG Draft EIR No Project Alternative does not include domestic intermodal cargo because regardless of whether SCIG is built, all of BNSF's domestic intermodal cargo will continue to be handled as it is today by BNSF's network of facilities and is not impacted by SCIG.

2. Construction of SCIG will not generate demand for additional capacity at Hobart.

BNSF is not aware of any currently unmet demand for cargo transportation that would be generated as a result of moving direct intermodal international cargo from Hobart to SCIG. All Southern California domestic cargo requiring rail transport is already being transported by rail. There is no latent demand for rail transport that is not being served.

Cargo growth, as reasonably forecasted by the experts in the adopted Southern California Air Quality Management Plan's Regional Transportation Plan, not railyard capacity, creates the

potential for an environmental impact. BNSF does not believe that latent railyard capacity or rail mainline capacity causes intermodal rail cargo volumes to increase or the capacity of the Ports to increase, but rather responds to and accommodates existing and reasonably foreseeable market-driven demand. For example, the Alameda Corridor, which became operational in 2002, continues to be utilized significantly under its maximum capacity despite its ability to handle greater volumes. Similarly, Hobart has increased capacity through a variety of means, but demand for intermodal rail movements have followed the economy and volume at Hobart has actually decreased since these capacity improvements were made, as discussed further in Section 4 below. Based on clear, real-world evidence, as opposed to hypotheses sometimes posed by persons not expert in goods movement economics or operations, railyard capacity, in and of itself, does not “induce” demand for additional freight to utilize the Ports. Instead, cargo volumes handled by rail are driven by market demand and respond to such factors as growth in the volume of cargo handled by the Ports, which in turn can be caused by factors such as the size of the local market, overall economic growth and shipper selection of the Ports.

3. Increases in available railyard capacity in the past have not resulted in changes in demand for intermodal rail movements.

By way of illustration, operations at Hobart, in the period from 2007 through 2011, demonstrate how increased intermodal rail capacity does not result in increased demand. The year 2007 was the high volume mark at Hobart, with a lift (unit) count of 1.37 million. That volume was accommodated, among other methods, by implementing process changes that improved the velocity of traffic moving through the facility. For example, BNSF added approximately 5,600 feet of strip track and additional parking, all of which added to the capacity of the facility. Additional operational and process improvements have been, and continue to be, realized through implementation of BNSF’s Intermodal Yard Operations Tool, which manages stacking and parking operations, intermodal, crane and hostler crews. Further operational and process improvements are realized with the transition from a “wheeled” operation to a “live lift” operation. In addition, the process change of reducing “free time” by 24 hours, implemented in 2006, resulted in a 25% increase in parking capacity. Despite these capacity enhancements, the following 2 years showed a decline in volume, with lift counts ranging from 400,000 to 300,000 fewer lifts than the peak, followed by a slow ramp up in volume to 2011. Thus, any premise that creating latent capacity at Hobart by constructing a near-dock facility would cause volumes to shift to Hobart from other sites or appear somehow in the marketplace is misplaced.

Today, international cargo flows move from the San Pedro Bay Ports up the I-710 by truck approximately 24 miles to Hobart. Construction of SCIG will allow approximately 95% of those flows to move only 4 miles to SCIG. Southern California generated domestic cargo flows move today along numerous routes throughout the Southern California region, including the I-710, I-10, the I-5 and other east/west feeders, which routing is beyond the control of BNSF. These cargo flows will continue to access Hobart as they do today. With respect to the I-710 traffic, without SCIG, cargo would continue flowing up the I-710 from the Ports to transload or consumption points throughout the Southern California region, PLUS all of BNSF’s share of international cargo would continue to move from the San Pedro Bay Ports up the I-710 to Hobart. In the alternative, with respect to the I-710 traffic with SCIG, cargo would continue to flow up the I-710 from the Ports to transload or consumption points throughout the Southern

California region, BUT approximately 5% of BNSF's share of international cargo would flow up the I-710 from the Ports to Hobart.

4. BNSF Commerce Maintenance Facility (Sheila Mechanical Railyard) activity levels are not projected to change as a direct result of the opening of SCIG.

The BNSF Sheila Mechanical Railyard is a locomotive mechanical shop facility located in Commerce, California supporting BNSF's operations in Southern California. Operations at the Sheila Railyard include locomotive fueling, locomotive maintenance and rail car inspection and repair. Locomotive maintenance refers to locomotive repairs, load testing, and periodic maintenance of parts, components, mechanical and electrical systems as needed and as required by the Federal Railroad Administration (FRA). Maintenance does not necessarily occur each time a locomotive arrives in the Basin, but rather is performed at any of BNSF's maintenance locations throughout the country based on the particular locomotive's miles travelled and/or time elapsed as required by the FRA.

If the SCIG project is approved, the Sheila yard would continue to provide locomotive and rail car support for BNSF's operations in Southern California, including the SCIG facility, because locomotive maintenance activities and rail car inspections and repairs would not be conducted at SCIG. Activity levels at the Sheila yard would not substantially change as a result of the SCIG project being approved. In fact, all locomotive maintenance and rail car inspections and repairs in the South Coast Basin that will be required once the Project is built are already occurring in the Basin. The SCIG locomotives are not additional locomotives but are the locomotives currently, and in the future if the SCIG project is not built, originating and/or terminating at Hobart moving international cargo trains to and from Hobart. The SCIG locomotives will continue to be maintained at the Sheila Commerce Shop as they are today, based on miles travelled and/or time elapsed as required by the FRA, or if they suffer a malfunction. There are no additional locomotives that will be provided maintenance at the Sheila Commerce Shop as a direct result of the SCIG project.

5. The SCIG Draft EIR No Project Alternative assumes that BNSF will accommodate the international intermodal cargo that could be handled by SCIG at BNSF's Hobart operation and BNSF's operational analysis justifies this conclusion.

The SCIG Draft EIR No Project Alternative assumes that BNSF will accommodate the international intermodal cargo that would be handled by SCIG at BNSF's Hobart operation and BNSF's operational analysis justifies this conclusion.

Based on the San Pedro Bay Ports 2009 Cargo Forecast, the Port has determined that in the year 2066, the demand for off-dock rail capacity at Hobart will be approximately 2.8 million lifts. On an ongoing basis, BNSF, in the ordinary course of its business, pursues capacity enhancements to accommodate growth at its intermodal yards, whether through technology, facility development or operational means. With respect to Hobart, BNSF has already pursued and will continue to pursue enhancements such as those made during the 2007-2011 timeframe, as described in number 3 above. BNSF is also using its internal "Best Way" process to identify the best practices at all BNSF intermodal facilities and implementing them across BNSF's intermodal network to improve service, and increase capacity and productivity. Finally, the incorporation of

new technologies such as automated gate systems (AGS) and GPS-equipped railcars and locomotives and cargo handling equipment have further enhanced the throughput and velocity of equipment moving through the facility. With these facility developments and operational enhancements, the Hobart facility is currently configured to handle 1.78 million lifts on the existing strip tracks, and to accommodate 2.15 million lifts in parking areas.

Further facility developments, technological and operational changes could be made to accommodate the demand projected in the 2009 Cargo Forecast. For example, BNSF could construct additional tracks. 250 wheeled parking spaces could be constructed on property currently owned by or otherwise available to BNSF. With respect to future operational changes, additional switching support, increased stacking, additional cargo handling equipment and manpower would enhance the strip track and parking turn times, thereby further increasing capacity. All of the foregoing may be implemented without discretionary permitting. BNSF, in determining Hobart will be capable of handling the forecasted growth in international and domestic cargo, used the same factors POLA used in its Rail Study, unless BNSF's experience at Hobart and other intermodal yards indicated a refinement of a Rail Study factor.

These existing and future facility developments, combined with current and future operational means of enhancing capacity, will allow the Hobart facility, under the No Project Alternative, to handle at least 2.88 million lifts on strip tracks, and at least 3.1 million lifts in parking, exceeding the capacity the Port has determined will be necessary.

6. Construction of SCIG will accommodate growth rather than induce growth of intermodal rail movements and BNSF's rail network is elastic enough to handle all anticipated demand.

The Project is a growth-accommodating rather than growth-inducing project. As discussed earlier, construction of SCIG will not generate any new rail trips from Hobart to the state boundary. As discussed previously, the trains that are now handling international cargo from Hobart will, once SCIG is constructed, arrive and depart, four miles from the ports, at SCIG. Instead of originating at Hobart, these SCIG trains will pass by Hobart. This is merely a change in the point of origination.

7. Hobart and Sheila yards' operations are separately the subject of health risk assessments and environmental analyses under the June 2005 ARB/Railroad Statewide Agreement, Particulate Emissions Reduction Program and California Rail Yards, and the environmental impacts of Hobart were recently studied in the publicly released 2011 Functional Equivalent Document by CARB for the Revised 2010 Commitments for Four High-Priority Railyards.

The operating activities within the Hobart and Sheila yards' operations are separately accounted for in the health risk assessments and emission inventories developed pursuant to the June 2005 ARB/Railroad Statewide Agreement, Particulate Emissions Reduction Program and California Rail Yards by and among BNSF, Union Pacific Railroad Company and the California Air Resources Board. In addition, the Hobart yard's environmental impacts were recently separately studied by CARB in the publicly released 2011 Functional Equivalent Document by CARB for the Revised 2010 Commitments for Four High-Priority Railyards.

8. Capacity for cargo growth in Southern California is driven by marine terminal capacity and market demand.

Limiting factors on international cargo growth in Southern California are marine terminal capacity and market demand. The system of trackage in southern California is designed and built to accommodate anticipated rail activity in the region, now and in the future.

Yours truly,

A handwritten signature in cursive script that reads "Russell J. Light".

Russell J. Light  
Senior General Attorney  
RJL/wg