



ASSOCIATION OF AMERICAN RAILROADS
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The Honorable James Connaughton
Chairman
Council on Environmental Quality
722 Jackson Place, N.W.
Washington, DC 20503

Dear Mr. Chairman:

I am pleased to address, on behalf of the nation's Class I freight railroads, the President's call for American businesses to achieve an 18 percent reduction in the intensity of their greenhouse gas (GHG) emissions over the next decade.

Railroads are by far the most environmentally friendly mode of surface transportation. Freight trains, which can carry the load of up to 500 trucks, offer substantial opportunities to decrease traffic congestion, use land responsibly, and reduce massive highway and bridge infrastructure expenses.

In terms of energy consumption, the Department of Transportation has stated that railroads are three times more fuel-efficient than trucks. Because the amount of greenhouse gas emissions released per unit of transportation service is directly related to the energy efficiency of the mode providing that service, this means that railroads emit three times fewer GHG than trucks for the same transportation service. In fact, if just ten percent of the freight moving by highway were shifted to rail, the nation would save hundreds of millions of gallons of fuel -- and emit 2.5 million fewer tons of carbon dioxide (the leading GHG associated with human activity) -- each year.

Since 1980, railroads have improved their fuel efficiency by 72 percent, from 235 to 406 ton-miles per gallon. In 2001 alone, this improvement saved the nation some 2.6 billion gallons of diesel fuel and 30 million tons of carbon dioxide. Put another way, a gallon of diesel fuel

moved one ton of freight an average of 235 miles in 1980. In 2001, the same amount of fuel moved one ton of freight an average of 406 miles.

Looking to the future, railroads expect to continue to make great strides in cutting their GHG emissions. Railroads are aggressively implementing innovative ways to save fuel by reducing locomotive idling, including the introduction of auxiliary power units that allow the main locomotive engine to be shut down. Separately, railroads and their suppliers have cooperated to design locomotives that would have greater fuel efficiency and lower pollution. These efforts have resulted in recent years in the development of the higher horsepower DC and AC locomotives, which enable two new engines to do the work of three traditional units resulting in even greater fuel efficiency and lower pollution. Railroads are also improving operating practices to enhance asset utilization -- a change that will further reduce fuel consumption and emissions. Most recently, railroads have embarked on a cooperative venture with DOE's Office of Energy Efficiency and Renewable Energy to explore methods of improving railroad fuel efficiency.

In the President's February 14, 2002 climate announcement, he said that the nation would need to "move forward on many fronts, looking at every sector of our economy. We will challenge American businesses to further reduce emissions... We will build on [past] successes with new agreements and greater reductions."

In response to the President's challenge, Class I freight railroads will seek ways to reduce emissions, with a projected goal of an 18 percent reduction in the intensity of their transportation-related greenhouse gas emissions adjusted for traffic levels (as measured in ton miles) by the year 2012 (using 2002 as a baseline), while at the same time providing the safe and economical transportation services necessary to meet the demands of the nation's economy. In their activities in this regard, the railroads will make use of existing data that the federal Surface Transportation Board (STB) already requires Class I freight railroads to submit, including the total gallons of diesel fuel they consume and the total ton miles they carry -- both of which are derived from the STB's R-1 Annual Reports.

The industry's efforts, of course, will also depend upon DOE's funding the above-described government-rail industry cooperative venture to improve railroad fuel efficiency as DOE had previously indicated it was prepared to do. As DOE acknowledged, a joint industry/government research program can be a win for the public and a win for industry. We concur with DOE that industry expertise and in-kind contributions -- coupled with federal government funding and the resources of DOE's national laboratories -- are necessary for an effective program to be planned and executed.

I look forward to communicating with you on a regular basis as to the industry's continuing progress in this important area.

Thank you for your interest in the railroad industry, in the environment, and in the nation's future.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Hamberger', with a stylized flourish at the end.

Edward R. Hamberger

cc: The Honorable Andrew Card
Chief of Staff to the President

The Honorable Norman Mineta
Secretary of Transportation

The Honorable Spencer Abraham
Secretary of Energy