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Via USPS
Via E-Mail

U.S. Army Corps of Engineers, Los Angeles District
Regulatory Division
c/o Spencer D. MacNeil D. Env.
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Los Angeles, California 90053-2325

Dr. Ralph Appy, Director of Environmental Management
Port of Los Angeles
425 South Palos Verdes Street
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Re: BNSF Comments on Berths 97-109 China Shipping Recirculated Draft DEIS/EIR

Dear Mr. MacNeil and Dr. Appy:

BNSF Railway ("BNSF") appreciates your consideration of the following comments on the Recirculated Draft Environmental Impact Statement / Draft Environmental Impact Report ("DEIS/DEIR") for the proposed Berth 97-109 Container Terminal Project ("China Shipping Project").

1. Comments regarding sustainable growth and environmental benefits

The DEIS/DEIR addresses the goal of the Port of Los Angeles ("POLA") to encourage regional growth in a sustainable manner that improves the quality of life near POLA and in Southern California. The vital role of the goods movement infrastructure in the local quality of life is explained in the Draft 2008 Regional Comprehensive Plan ("Draft 2008 RCP") recently issued by the Southern California Association of Governments ("SCAG"):

Containerized trade volume is expected to triple to 42.5 million Twenty-Foot Equivalent Units (TEUs) by 2030. These forecasts are capacity-constrained significantly below anticipated demand, and are based on an increase of port terminal productivity from 4,700 TEUs per acre per year currently to over 10,000



TEUs per acre per year in the future. The ability of the ports to handle this unprecedented growth in containerized cargo volumes is critical to the continued health of the local, regional, and the national economy.

Draft 2008 RCP at p. 109. SCAG also explained that:

International trade can create good job opportunities and raise real income levels for the SCAG region. Significant investment is necessary to improve the efficiency and capacity of the goods movement infrastructure if we are to benefit from the growth in international trade expected, while remaining globally competitive. Such changes must also occur within a context of environmental quality (see "The Green Economy"), environmental justice and respect for local communities.

Draft 2008 RCP at p. 129. The approval of POLA's China Shipping Project will allow the region to benefit from both short-term and permanent economic growth and environmental improvements.

A. Job Growth Scenarios

As noted in the Port's press release dated May 2, 2008 announcing the DEIS/DEIR, the China Shipping Project expansion is likely to create more than 900 construction jobs during the Project, and 4,000 new, permanent jobs after it is completed. POLA has projected two alternative job creation / job loss scenarios for the five-county SCAG region – outright rejection of the China Shipping Project and maintenance of the status quo with no further expansion. These scenarios cannot meet the anticipated growth in containerized cargo:

1. Rejection of the China Shipping Project

POLA has noted that in 2005, the China Shipping container terminal operations provided 1,218 direct jobs and 974 secondary jobs, for a total of 2,193 jobs. If the existing terminal operations are shuttered as would occur if the Project is not approved, then more than 1,200 jobs are likely to be lost. But if the Project is approved, the Region's jobs increase from 2,193 to 6,332 jobs (3,519 of which are direct) by 2015, and up to 8,435 jobs (4,687 direct, 3,748 secondary) by 2045.

2. Rejection of Expansion but Maintenance of Status Quo

If China Shipping were allowed to maintain current levels but were not allowed to expand, then the 2,193 jobs could increase slightly to 2,349 by 2015 and to 2,486 by 2045. This is much less than would be appropriate or required to handle the projected growth in containerized cargo discussed in the Draft 2008 RCP.

B. Lack of Justification for Rejecting Part or All of the China Shipping Project on Environmental Grounds

POLA's proposed environmental mitigation measures demonstrate the mitigation measures fully support the approval of the DEIS/DEIR. POLA calculates that the current community health risk levels are approximately 61 cancer cases in one million over a 70-year lifespan. This figure is lower than was projected for the TraPac project, which exceeded 100 cases. This is because for several years, the China Shipping Project has been using Alternative Maritime Power ("AMP") and liquid propane gas tractors.

As POLA explains, the mitigation measures in the DEIS/DEIR will dramatically reduce this projection, from the 61 in one million lifetime risk noted above to 11 in one million, and further down to 7 in one million when the 2009 baseline is projected into the future. This is a dramatic improvement and BNSF supports POLA's balance of economic and environmental goals in the DEIS/DEIR.

2. It is time for POLA to finally resolve the China Shipping litigation

Under the Amended Stipulated Judgment ("ASJ") POLA has paid more than \$10 million over the past three years based on an increasing volume of TEUs that have flowed through the terminal on an annual basis. Under the ASJ, POLA will continue paying until the EIR is completed and certified. These payments are in addition to the \$50 million China Shipping mitigation fund POLA established and has been paying for air quality and community aesthetic projects since the ASJ. As part of the ASJ, POLA also has paid the cost of retrofitting approximately seventeen containerships with AMP at a cost of approximately \$800,000 each containership. In light of the Port's significant mitigation of the proposed Project's impact, it is time to approve the FEIR, permit the remaining phases of the China Shipping Project and conclude the litigation.

3. Comments regarding environmental controls for rail

The DEIS/DEIR discusses environmental control measures for rail. The DEIS/DEIR provides that locomotive future year emission factors were developed as a function of the United States Environmental Protection Agency ("US EPA") nationwide locomotive emission standard implementation schedule. BNSF believes environmental controls for rail need to be consistent with federal requirements.

MM AQ-18 of the DEIS/DEIR provides that beginning January 1, 2015, all yard locomotives at the Berth 121-131 Rail Yard that handle containers moving through the Berth 97-109 terminal shall be equipped with a diesel particulate filter ("DPF"). The DEIS/DEIR further notes that the requirement for a DPF in MM AQ-18 complies with RL-1.



BNSF understands that the only CAAP rail control measure assumed as part of the China Shipping Project is the existing Pacific Harbor Line ("PHL") voluntary agreement to modernize switcher locomotives used in Port service to meet Tier 2 locomotive engine standards and initiate the use of fuel emulsion in those engines. BNSF understands PHL is meeting this requirement.

The China Shipping DEIS/EIR assumes no mitigation under either RL-2 or RL-3. This is appropriate as there is no voluntary agreement to implement either of these rail CAAP measures.

BNSF appreciates your consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "LaDonna DiCamillo". The signature is written in a cursive, flowing style.

LaDonna DiCamillo