



NEWS RELEASE

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'CLEAN-DIESEL' LOCOMOTIVES COMING TO PORTS *Replacement of Locomotive Fleet to Significantly Improve Air Quality*

LOS ANGELES/LONG BEACH, Calif. – Aug. 26, 2005 – Taking a major step to improve air quality, the Ports of Long Beach and Los Angeles and Pacific Harbor Line (PHL) have tentatively agreed to launch a \$23 million program to replace the fleet of 18 harbor locomotives with 'clean-diesel' and alternative-fuel locomotives that will significantly reduce air emissions.

The replacement program is part of a new 10-year extension of an agreement between the ports and Pacific Harbor Line, a private company that since 1998 has provided railroad switching services to customers in the Ports of Long Beach and Los Angeles. PHL also dispatches all BNSF Railway and Union Pacific trains within the ports.

The tentative pact, which goes to the Long Beach and Los Angeles Harbor Commissions in the coming week for a vote, calls for PHL to replace its existing fleet of diesel-electric locomotives – some more than 50 years old. PHL would acquire 16 locomotives equipped with new diesel engines that exceed U.S. Environmental Protection Agency "Tier 2" standards for reduction of air pollutants. In addition, PHL would acquire two alternative-fuel locomotives – one using liquefied natural gas and the other incorporating hybrid diesel-battery technology.

The use of these replacement locomotives equates to removal of an estimated 163 tons of NOx and three tons of particulate matter each year.

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“Switching out these older locomotives with newer ones will result in a 53% reduction in NOx emissions and a 45% reduction in particulate matter emissions per locomotive,” added Port of Los Angeles Interim Executive Director Bruce E. Seaton. “This agreement is another step toward implementation of our No Net Increase program to reduce Port-related emission sources adjacent to our communities.”

“We are looking at all areas of port operations to see what we can do to improve air quality,” said Port of Long Beach Executive Director Richard Steinke. “The agreement with PHL is a great example of the two ports and private industry working together to find solutions that benefit everyone.”

PHL President Andrew Fox noted, “These new locomotives continue our efforts to enhance air quality, while improving the movement and reliability of shipments to and from the busiest ports in America.” According to Fox, “With this voluntary step, PHL’s locomotive fleet will have the lowest average emissions profile of any railroad in the United States.”

Under the tentative accord, the ports will each pay as much as \$5 million toward the estimated \$23 million cost to replace the PHL locomotive fleet, with the balance coming from PHL and a \$3.2 million AQMD Carl Moyer grant.

The agreement also includes a broad package of air quality improvement measures.

The accord provides incentives for PHL to not block street crossings for more than 10 minutes. The locomotives will be equipped with automatic shut-down devices if the engines idle for more than 15 minutes.

PHL will use cleaner-burning emulsified diesel fuel in its new diesel locomotives. In addition, the existing fleet of older locomotives also will use emulsified diesel fuel during the transition period, thus yielding immediate air quality benefits.

In addition to the test on the alternative-fuel locomotives, PHL will be testing diesel oxidation catalysts (exhaust cleanup devices) on the locomotives. If they prove effective, PHL will use them on all locomotives.

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All additional locomotives that PHL acquires for use at the two ports must also meet stricter future standards for fuel use and exhaust emissions.

“The U.S. EPA has adopted strict regulations for new switcher locomotives, but no regulations require the purchase of the clean-diesel locomotives,” said Steinke. “With our new agreement, we are requiring the purchase of these cleaner locomotives so that we will see much better air quality here at the ports.”

Pacific Harbor Line is a subsidiary of Anacostia Rail Holdings (www.anacostia.com), a firm that operates local and regional freight railroads.

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