

10 W Lafayette Street Trenton, NJ 08608-2002

609-393-7707 www.njbia.org

Michele N. Siekerka,

Esq. President and CEO

Christopher Emigholz Chief Government Affairs Officer

Raymond Cantor

Deputy Chief Government Affairs Officer

Althea Ford Vice President

Elissa Frank Vice President

Kyle Sullender

Director of Economic Policy Research July 9, 2024

The Honorable Bob Menendez 528 Hart Senate Office Bldg. Washington, DC 20510

Dear Representative Menendez,

The New Jersey Business & Industry Association (NJBIA) is the voice of thousands of businesses bound together to build a more prosperous New Jersey. We, along with hundreds of other business groups and trade associations nationally are in opposition to a waiver calling for zero emissions locomotives that is under review at the U.S. Environmental Protection Agency (EPA).

This proposal would have a significant impact on the whole country. While it is specific to California on its face, it could open the door for other states to follow. Seventy percent of the national locomotive fleet operates in California at some point.

The world is so interconnected now, especially here in New Jersey, home of the East Coast's largest port. This waiver suggests a mandate for railroads to operate zero-emission locomotives in California as early as 2030, ban older locomotives despite the time remaining on their lifespans, establish spending accounts to the tune of as much as \$800 million per year per railroad and likely put some smaller short line railroads out of business.

We understand the importance of decarbonization, but at what cost? This time frame is unreasonable since the technology does not yet exist commercially and if not rolled out in a strategic and practical manner it could have long-term consequences for the logistics system and the economy. Railroads are already a very environmentally friendly mode of surface transportation accounting for less than 2% of transportation sector greenhouse gas emissions.

While New Jersey has its own aggressive climate goals, overhauling the entire freight rail system with technology that is not commercially available currently is a setup for failure. All the freight that could no longer be moved by rail would then travel by truck causing more damage to publicly funded roads and bridges. All the while doing the opposite of CARB's goals.

I hope that you will consider the detriments that this mandate poses. As our Representative on the Transportation Committee, I hope you will consider opposing this proposal and encourage the EPA to do the same.

Raymond Cantor Deputy Chief Government Affairs Officer New Jersey Business & Industry Association