



Southern Railway of British Columbia Limited
2102 River Drive, New Westminster, BC V3M 6S3
Phone: 604-527-6323 Fax: 604-527-6336
Cell: 778-773-0497 E-mail: sbiln@sryrailink.com

February 11, 2011

Mr. Pierre Marin
Director General, Environmental Policy
Transport Canada
330 Sparks Street
Place de Ville, Tower C
Ottawa, ON K1A 0N5

Via e-mail: pierre.marin@tc.gc.ca

SUBJECT: PROPOSED LOCOMOTIVE EMISSIONS REGULATIONS

Dear Sir;

Thank you for including Southern Railway of British Columbia Limited (SRY) in your consultation process regarding the proposed Locomotive Emissions regulations and for holding stakeholder sessions in Vancouver. I respectfully submit the following items for your consideration:

1. SRY operates entirely within the province of British Columbia and is not federally regulated. However, almost certainly the emissions regulations will eventually be adopted by our provincial regulator impacting SRY. Consequently, SRY is a valid stakeholder regarding the proposed regulations.
2. SRY shares Transportation Canada's vision of reducing the health and environmental impact of locomotive emissions and supports the proposed regulations in principle.
3. SRY lauds Transport Canada's decision to parallel USA EPA regulations regarding locomotive emissions as rail operations network and locomotive supply industries are so integrated between the two countries. Also, air emissions transcend borders.
4. SRY is concerned about the additional administrative and cost burden imposed on Railway operators associated with labeling, emission testing, record keeping and reporting requirements. SRY prefers the US model where this burden is primarily with locomotive manufacturers and remanufacturers.
5. SRY is extremely concerned about the funds required to comply with the proposed locomotive emissions regulations. SRY is a privately owned, regional short-line with



SRV Rail Link

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a fleet of older locomotives and limited capital funding for fleet renewal, upgrade or emissions reduction.

6. Transport Canada only offers limited matching funds to railways for emission reduction technology demonstration projects whereas US provides federal, state and county public funds as well as private funds for emissions reduction projects. This funding often pays 80% of the cost to upgrade or purchase dozens of locomotives. In fact, one railroad received major funds 3 years ago to re-engine locomotives to Tier 2 emissions levels, and recently received additional funds to re-engine the same locomotives with Tier 3 engines.
7. SRV respectfully requests that Transport Canada provide significant incentive funding to allow locomotive operators to comply with the proposed Locomotive Emissions regulations.
8. Without adequate public funding, SRV competitiveness against trucking will be further eroded, potentially resulting in a modal shift by our customers. This would be counterproductive to Transport Canada's emissions reduction goals given that trucks are significantly more polluting than trains on a per GTM basis.

Thank you.

Yours truly,

J. Singh Biln, P. Eng.
Chief Mechanical Officer