

Bi-State Solutions - Columbia River Clean Diesel Project: Declaration of Cooperation

July 2009

Project Need

The Portland/Vancouver region is one of five international gateways on the U.S. West Coast. The region is well served by major trade facilities in marine, rail, and truck cargo. Each of these modes uses equipment powered primarily by diesel engines. The freight moving sector, responding to local, regional, and national air quality concerns, has initiated actions to reduce diesel emissions. However, freight transport through the Portland-Vancouver area is expected to increase over time driven by projected population growth as well as geographic considerations that make the Portland-Vancouver region a strategic location for distribution.

Regional air quality impacts from diesel emissions may affect human health, environmental, regional economic, and visibility conditions in the nearby Columbia River Gorge National Scenic Area. Under the National Scenic Area Act, the Columbia River Gorge National Scenic Area is an area where air quality must be protected and enhanced. Recent studies have shown there are many different sources from all over the region that are causing haze problems in the Gorge, including emissions from PGE Boardman, motor vehicles including on-road and off-road diesel engines, natural sources (forest fires), and woodstoves.

Given these trends and findings, there is a strong need for developing a sustainable approach to meeting this projected growth.

Project Purpose

To reduce diesel emissions that are associated with marine, rail, and truck freight through the Portland-Vancouver region in a manner that protects human health, slows climate change, improves long-term profitability.

Project Description

The participants in this project worked together to form a public, private and non-profit 'Solutions' group. This group was co-designated by the Governors of Washington and Oregon to **enhance the sustainability of our economy through management of diesel emissions of freight transport in the Columbia River area**. The effort focused on the freight transportation industry that uses Portland-Vancouver as a hub and transports goods through the Columbia River and Interstate 5 corridors.

The project consisted of a series of meetings broken into two phases: Pre-Collaborative and Phase I. The Pre-Collaborative phase consisted of five meetings that began in November of 2008 and concluded in March 2009. These early meetings consisted of the public and private industry and began with a roundtable discussion of current conditions and expected outcomes of the project. The next four meetings consisted of speakers presenting on and group discussions about existing and pending regulations and incentives and support systems to assist in emissions reduction efforts. An unexpected, but welcome diversion during these meetings was the release of additional Diesel Emissions Reduction Act funds created through the American Recovery and Reinvestment Act of 2009. These additional funds and the short timeline for preparing applications necessitated that one group meeting was dedicated to developing the strategy for a group proposal.

Phase I consisted of three meetings beginning in April of 2009 and ending in May. These meetings brought the industry representatives together with the regulatory community to collaboratively identify

new, voluntary, short and long-term diesel emissions reduction projects. The Pre-Collaborative and Phase I meetings fostered the commitments held in this Declaration of Cooperation. This document outlines the commitments of the various partners related to diesel emissions reduction efforts.

Continuation of the Process?

As of the signing of this document, Phase II, is currently under an assessment process conducted by Oregon Solutions and funded collectively by the participants. The assessment process will interview current and new participants to identify the scope, objectives and membership and answer the question of whether the parties want to develop a long term, joint emissions reduction plan.

Collaboration - How the project was organized and managed.

Governor Kulongoski of Oregon and Governor Gregoire of Washington designated the Clean Diesel Project as a priority for action and appointed Jim Jacks, a Washington state legislator and Jay Waldron, an Environmental Attorney at Schwabe, Williamson & Wyatt and the former president of the Port of Portland’s board of commissioners to convene and lead the project. Oregon Department of Environmental Quality provided the financial support for the facilitation of this project. Oregon Department of Environmental Quality, Washington Department of Ecology and the Southwest Clean Air Agency provided resource support and staff time for this project. The Ports of Portland and Vancouver and the Southwest Clean Air Agency provided meeting space. Joshua Proudfoot and Aaron Toney of Good Company served as project staff. The National Policy Consensus Center and Oregon Solutions coordinated the Clean Diesel Project. The mission of Oregon Solutions (and in this case, Bi-State Solutions) is to develop sustainable solutions to community-based problems that support economic, environmental, and community objectives and that are built through the collaborative efforts of business, governments, and non-profit organizations.

Bi-State Solutions Project Co-Conveners

Oregon Convener: Jay Waldron, Attorney at Law, Schwabe, Williamson & Wyatt
Washington Convener: Jim Jacks, Washington State Legislator

Project Participants

- BNSF Railway – Svea Truax, Environmental Consultant for BNSF
- Cascade Sierra Solutions – Doug Pentecost, Portland Manager
- Oregon Department of Environmental Quality - Kevin Downing, Clean Diesel Program Coordinator
- Oregon Trucking Association – Bob Russell, President
- Port of Portland – Marla Harrison, Environmental Manager and David Breen, Air Quality Manager
- Port of Vancouver – Patty Boyden, Director of Environmental Services, Katy Brooks, Community Relations Manager, Lars Uglum, Operations Superintendent and Mary Mattix, Environmental Specialist
- Ports America – Mike Sullivan, Equipment Service Manager PNW
- Shaver Transportation Company – Rob Rich, Director of Administration
- Southwest Clean Air Agency – Natalia Kreitzer, Air Quality Program
- Tidewater – John Pigott, Assistant to the President
- Union Pacific – Brock Nelson, Director of Public Affairs
- Washington Department of Ecology – Frank Van Haren, Air Quality Program

Resource Support

- Oregon Department of Environmental Quality (ODEQ) - Kevin Downing
- Washington Department of Ecology - Frank Van Haren
- Southwest Clean Air Agency (SWCAA) - Natalia Kreitzer
- Environmental Protection Agency / West Coast Collaborative - Francisco Donez

Project Staff

- Good Company - Joshua Proudfoot & Aaron Toney

Columbia River Clean Diesel Project - Process Ground Rules

The Project partners in the Bi-State Solutions process are committed to the following “ground rules” for how they conduct their business with one another in this collaborative process. These ground rules will guide the process of achieving an integrated solution and the creation of a declaration of cooperation.

General Principles

- We agree to approach problems with humility and adaptability. We will inevitably make mistakes and we will learn from these mistakes, make corrections, and not place blame.
- We recognize that we each have a unique perspective and contribution to make, whether it is expertise, labor, money, in-kind services, etc.
- We recognize that we must endeavor to involve any person or group who could help or hinder us to achieve our goals.
- We agree to focus on taking incremental “do-able” steps towards success.

Ground Rules

- We recognize that the best outcome depends upon cooperation and collaboration by all entities at the table.
- We commit to openly communicate ideas, potential contributions, and concerns, and also commit to engage in respectful, active listening to each other.
- We are willing to creatively explore solutions.
- We agree to commit to the agreed-upon solution, in whatever way we can. If we, individually, are unable to make a commitment for our organization, we will work to identify the person that can and determine if the commitment is possible.
- We commit to building trust by doing what we say we will do, over and over.
- We agree to notify each other before taking outside actions that might impact the process. (This does not mean that we will provide information that it would be inappropriate to share in a public venue.)
- We agree that everyone shares in the solution, everyone shares in the credit.
- The convener and project staff commit to ensuring that this process does not result in “just a bunch of meetings” by documenting agreements at the end of each meeting.

Bi-State Solutions Columbia River Clean Diesel Project – Commitments

The project team members recognize that these actions will reduce health and environmental impacts of diesel pollution:

- Upgrading existing fleets with fuel efficiency and emissions reduction technologies
- Using cleaner burning diesel fuels, including ultra low sulfur diesel and biodiesel fuels
- Investigating and developing operational efficiency policies

In turn, this can provide:

- Health benefits for the people working and living near diesel engines
- Economic advantage for those entities transitioning in advance of being required to do so and
- Benefits for the environment such as air and water quality improvements.

This Declaration of Cooperation, while not a legally binding contract, is evidence to the intent of the undersigned parties. The undersigned parties to this Declaration of Cooperation have, through a collaborative process, agreed and pledged their cooperation to the above findings and actions as individual entities toward reducing diesel emissions associated with freight movement in the Portland-Vancouver region, to identify opportunities and solutions whenever possible, to contribute assistance and support within resource limits, and to collaborate with other team members in promoting the success of the project.

A selection of the commitments that were developed during this process include:

- All group members have committed to continue this collaboration in Phase II of the Columbia River Clean Diesel Project.
- Both Ports committing to further relationship with Cascade Sierra Solutions to work on the trucks that serve the Ports.
- Port of Vancouver and Ports America are working with the Washington Department of Ecology's Clean Diesel Grants Program to retrofit approximately 80 pieces of cargo-handling equipment¹.

Most important is something that is not captured in the commitments in this document – the development of a real and trusting working relationship between all participants, that lays the foundation for a long-term strategy and effort.

The Project Team members make the following commitments to the success of the project:

¹ The retrofit contractor, working for Washington Department of Ecology, will determine the final number based on various equipment specifications. The total number is subject to significant changes based on that evaluation.

Cascade Sierra Solutions

Cascade Sierra Solutions (CSS) is an Oregon based non-profit organization with the sole mission to clean up the legacy fleet of heavy-duty diesel trucks. CSS provides education and interpretation of regional air quality regulations, technical assistance for appropriate equipment selections, and coordination of funding sources for trucking companies which might otherwise not get the help they need to make use of fuel efficient, clean diesel upgrades. Equipment upgrades and truck replacement programs offered by CSS will reduce toxic diesel particulates by as much as 80%, allowing ports in the Pacific Northwest to reap the benefits of cleaner air today.

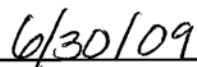
Cascade Sierra Solutions (CSS) operates educational outreach centers with large permanent displays of clean diesel technologies at popular truck stops on the I-5 corridor. CSS has served West Coast trucking operations for the past 2-½ years. CSS has upgraded or replaced over 2,000 vehicles, resulting in 5.4 million gallons of fuel saved, 54,800 metric tons of carbon dioxide emissions reduced, and over ten metric tons of harmful diesel particulates eliminated from the air we breathe. Most of these vehicles are based in or routinely travel throughout the states of Washington and Oregon. CSS upgrades consist of US EPA SmartWay and/or California Air Resources Board verified technologies addressing idle reduction options, exhaust filter retrofits, low rolling-resistance tires, lightweight wheels and tire pressure monitors, and improved tractor and trailer aerodynamics.

Commitments:

- Continue working with Port of Portland to develop truck replacement and upgrade programs to reduce emissions from the trucks that serve the Port.
- Continue working with Port of Vancouver to develop truck replacement and upgrades programs to reduce emissions from the trucks that serve the Port.
- Provide group participants with informational resources as needed.
- Continue to participate and provide resources to the Columbia River Clean Diesel Project, Phase II meetings.



Sharon Banks, CEO



Date

Oregon Department of Environmental Quality

The Oregon Department of Environmental Quality (DEQ) is a regulatory agency whose job is to protect the quality of Oregon's environment. DEQ is responsible for protecting and enhancing Oregon's water and air quality, for cleaning up spills and releases of hazardous materials, for managing the proper disposal of hazardous and solid wastes, and for enforcing Oregon's environmental laws.

Over the past several years, the Department has participated in and supported a number of projects under the Oregon Clean Diesel Initiative, including idle controls on switch locomotives, engine repowers on towboats, exhaust control retrofits on school buses, garbage trucks, package delivery vans, construction equipment and municipal fleet vehicles as well as truck stop electrification at seven truckstops to eliminate over night truck idling. The Department has also supported efforts by Portland metro area hospitals and health care providers to establish clean diesel zones at their facilities.

Commitments:

- Continue to provide project participants with information and technical assistance on available grant opportunities and anticipated regulatory changes.
- Participate in and provide resources to the Columbia River Clean Diesel Project, Phase II meetings.
- Provide staff time and physical resources (meeting room, etc.) to facilitate Phase II meetings.
- Set up a project listserve to facilitate communication within the group.
- Continue participation in the West Coast Collaborative process to bring information and resources back to CRCDP partners, specifically in the marine, rail, trucking, and construction sectors; and to provide consistency between participating states when developing regulations.
- Applying for, or assist partners in applying for grants and identifying other resources available to implement diesel reduction projects.
- Promote the purchase of new diesel engines, retrofitting of existing diesel engines, and the purchase of more alternative fuels (specifically biodiesel and ULSD for non-road applications).
- Promote state and federal legislation to provide support to diesel reduction projects.
- Promote the commitments contained within the Oregon Solutions project through our existing partners and media outlets including:
 - The Governor's Office and other State agencies
 - DEQ website and press releases
- Provide lead technical support among the regulatory agencies on Gorge air quality issues, as it relates to the Columbia River Clean Diesel Project, Phase II.

Andrew Ginsburg
 Andrew Ginsburg, Air Quality Administrator

6/30/09
 Date

Oregon Trucking Association

The Oregon Trucking Associations is a trade group representing over 800 trucking companies that operate in Oregon. The trucking industry transports over 72% of the tons of freight in Oregon.

There are essentially three strategies used by the trucking industry to reduce diesel emissions as well as reducing our carbon footprint:

1. Change the way truck engines burn petroleum based fuels.
2. Replace petroleum-based fuels with non-petroleum based fuels.
3. Reduce consumption of petroleum-based fuels.

The trucking industry is actively using all three approaches to reduce emissions of all types from truck engines.

Using the first strategy, beginning in 2007, all new truck engines are equipped with particulate traps that reduce particulate emissions by about 95%.

The second strategy includes utilizing biodiesel and increasing the use of truck-stop electrification. The trucking industry in Oregon is using a fuel blend of 5% biodiesel, required by the City of Portland, for all diesel sold within the Portland City limits. In addition, the Oregon Legislature passed HB 2210 which requires a 2% then 5% blends of biodiesel statewide when certain production targets are reached. The truck engine manufacturers are currently testing biodiesel blends of 20%. The Oregon Trucking Association expects approval of these higher blends in the near future.

The third strategy of replacing petroleum-based fuels also includes the reduction of truck idling with truck-stop electrification. A few years ago, the Oregon Trucking Associations participated in an Oregon Solutions project to electrify three truck stops to eliminate idling when drivers stop for their required 10 hours of rest.

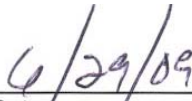
The Oregon Trucking Associations has also formed a strategic partnership with Cascade Sierra Solutions. This company helps trucking companies purchase conservation appliances and other retrofits through the use of low cost loans and tax credits. Cascade currently has storefronts in Portland, Coburg and Sacramento, CA. They are planning additional operations in Medford, OR and Seattle, WA. To date, Cascade has been very successful in reducing emissions from diesel truck engines.

Commitments:

- Lobby to encourage funding that supports the reduction of diesel emissions
- Educate trucking fleets regarding technology to reduce emissions
 - Run ongoing seminars to provide education for fleets/drivers on clean technology and incentive programs
- Promote diesel engine retrofits and increased use of renewable fuels
- Promote the commitments, projects and ongoing program to reduce diesel emissions through our existing media outlets
- Participate in and provide resources to the Columbia River Clean Diesel Project, Phase II meetings



Bob Russell, President



Date

Port of Portland

The Port of Portland has a vital public mission to connect the region to the national and global marketplace. Because we generate 97 percent of our revenues from business transactions (only 3 percent of our revenue comes from taxes), the success of our marine, aviation and real estate business lines depends on our ability to attract and retain customers locally, nationally and internationally. For every \$1 collected in property taxes by the Port, we generate \$7.10 in property taxes through business transactions. No property taxes are used for aviation-related expenses.

The Port is an 800-employee, 24/7 operation with more than \$1.6 billion in marine and aviation transportation infrastructure and real estate assets that generates nearly \$250 million in annual revenues.

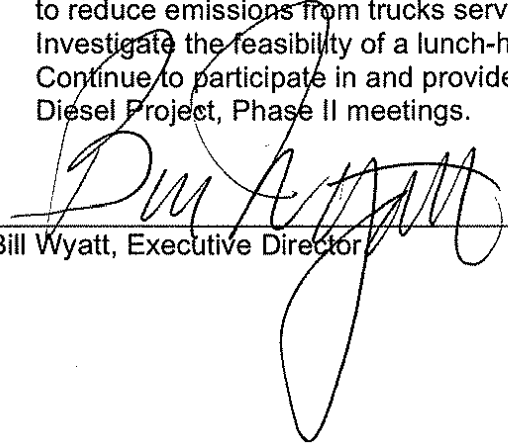
Many of our key customers such as shipping lines, railroads and airlines are located outside of our region or outside of the U.S and are private sector companies. We actively compete for their business. The investment we make in building business relationships not only helps fulfill our public mission, but also benefits the region we serve.

In addition to financial and community concerns, the Port of Portland integrates environmental considerations into its planning activities, project development and decision making. We continue to make significant strides through responsible environmental stewardship.

The complex environmental interactions resulting from regional population growth, deeper environmental awareness, and expanding global competition have made the need for strong and adaptable environmental management even more critical for long-term viability. To be sustainable in the future, we continue to manage our environmental impact by seeking long-term benefits for the communities in which we operate as we pursue our business objectives.

Commitments:

- Retrofit exhaust controls on select pieces of non-road, Port-owned cargo-handling equipment at the Port's Terminal 6. This commitment is dependent on the award and Port's acceptance of grant funding.
- Set on-going air quality targets through the Port's environmental management system to minimize or reduce impacts to air quality
- Work in cooperation with Cascade Sierra Solutions to develop educational and outreach programs to reduce emissions from trucks serving the Port.
- Investigate the feasibility of a lunch-hour anti-idling program.
- Continue to participate in and provide meeting facility resources to the Columbia River Clean Diesel Project, Phase II meetings.



Bill Wyatt, Executive Director



Date

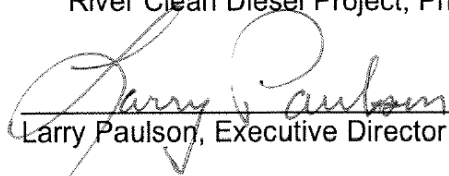
Port of Vancouver

At the Port of Vancouver, we believe that a healthy economy depends on a healthy environment. Our mission is to provide our community with family-wage jobs through global trade and commerce, while working to proactively preserve our environment. As the third largest port in the state of Washington, and the second largest on the Columbia River, the Port of Vancouver generates 2,300 direct jobs and \$1.6 billion in economic benefit to the region. The Port's environmental values contribute to this success, including compliance, pollution prevention and integrated environmental practices and policies that are built into how we do business today, and how we plan for our future.

The Port of Vancouver has an active sustainability and diesel emission reduction program, including the purchase of Pacific Northwest wind generated renewable energy credits for 2008 and 2009. The Port's purchase represents 60 percent of the Port's annual electricity usage. In addition, the Port implements an alternative fuels program that started 2006, and is preparing Port vehicles for new ultra-low sulfur diesel fuel standards.

Commitments:

- Work with WA Department of Ecology to rebuild and/or retrofit with exhaust controls on qualifying pieces of port-owned diesel equipment under Ecology's Clean Diesel Grants Program.
- Conduct an air emissions inventory for Port of Vancouver-owned operations. The pollutants to be inventoried include criteria air emissions and greenhouse gases.
- Investigate the feasibility of using Ultra Low Sulfur Diesel (ULSD) in Port of Vancouver non-road equipment.
- Work in cooperation with Cascade Sierra Solutions to develop educational outreach programs to reduce emissions coming from trucks that serve the Port of Vancouver.
- Work in cooperation with Southwest Clean Air Agency to develop an educational outreach program to reduce unnecessary engine idling on Port of Vancouver property.
- Work with Ports America and other Port of Vancouver tenants to identify opportunities for the Environmental Protection Agency's Diesel Emissions Reduction Act grant funding or other funding opportunities.
- Continue to participate in and provide staff time and meeting facility resources to the Columbia River Clean Diesel Project, Phase II meetings.


Larry Paulson, Executive Director

July 14, 2009
Date

Ports America

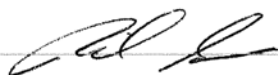
Ports America Group is the largest American terminal operator, stevedore and vehicle processor with operations in 50 ports and 97 terminals within the United States, Mexico and Chile. With a highly skilled and trained labor force, Ports America has the experience and expertise to manage all types of cargo handling. Handling over 12.7 million TEU, 4.3 million vehicles, 8.9 million tons of general cargo and 1.6 million cruise ship passengers, Ports America has operations ranging from pure container terminals to 'under the hook stevedoring'. Operations also include bulk and break-bulk facilities, world class cruise terminals, intermodal facilities and quality care RoRo handling. Amports, a division of Ports America, is one of the largest vehicle processing businesses in North America. Ports America strives to achieve the highest levels of customer satisfaction at all of its diverse locations.

Ports America realizes the significance of innovation and the need for continued capital improvement and investment. All Ports America operations are committed to delivering efficient and effective work practices to ensure quality services.

Ports America is committed to a safe working environment for all associates and individuals visiting our facilities. Ports America believes all accidents and injuries are preventable; no environmental damage is acceptable; and nothing is more valuable than the health and safety of associates.

Commitments:

- Retrofit exhaust controls on select pieces of cargo-handling equipment with funding provided by Washington Department of Ecology's Clean Diesel Grants Program.
- Work with the Port of Vancouver and Washington Dept. of Ecology to identify and apply for the Environmental Protection Agency's Diesel Emissions Reduction Act grants related to the purchase of new equipment.
- Continue to participate in the Columbia River Clean Diesel Project, Phase II meetings.



Michael Sullivan, Equipment Service Manager PNW

6/26/09

Date

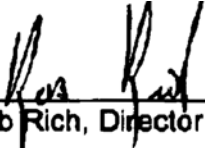
Shaver Transportation Company

Shaver is a fifth-generation family-owned operator. Founded in 1880, the company today provides 50% of all ship-assistance and 35% of all grain barging activity on the Columbia/Snake River system. Shaver moves the largest tows for the horsepower on the Columbia river System, making us one of the most efficient carriers by the ton/mile on the river. Their fleet of clean-burning re-powered upriver tugs makes a significant contribution to air shed quality in our area of operation. Shaver will continue to take advantage of this technology as the business climate allow.

Shaver has re-powered 3 of 4 boats that operate in the sensitive Columbia River Gorge with clean burning EPA Tier II engines in last 4 years. They have also built and installed a cold ironing barge at Portland Terminal 6 for securing our tugs and plugging into electricity between assignments instead of idling.

Commitments:

- Repower engines on two vintage vessels. This commitment is dependent on the award of grant monies.
- Continue to apply individually or with other project Team Members for available funding through the Oregon Department of Energy's *Business Energy Tax Credit* and the Environmental Protection Agency's Diesel Emissions Reduction Act grants to repower Shaver's most vintage vessels.
- Continue to pursue vessel-operating efficiency through cold ironing.
- Continue to participate in the Columbia River Clean Diesel Project, Phase II meetings.



Rob Rich, Director of Administration

062609
Date

Southwest Clean Air Agency

SWCAA's Mission:

Founded in 1968, the mission of the Southwest Clean Air Agency (SWCAA), a local clean air agency headquartered in Vancouver, Washington, is to preserve and enhance the air quality in southwest Washington. Serving the counties of Clark, Cowlitz, Lewis, Skamania and Wahkiakum, SWCAA is responsible for protecting the public's health through the enforcement of federal, state and local air quality standards and regulations.

Additional Diesel Projects:


- School Bus and Fleet Retrofit Project. SWCAA has partnered with the Washington State Department of Ecology to reduce diesel emissions on motor vehicles in the public sector as well as for private fleets by the installation of diesel oxidation catalysts, crankcase ventilation systems and diesel multistage filters. To date, SWCAA facilitated the installation of diesel retrofit devices on over 650 school busses, over 70 government fleet vehicles and is set to begin work on about 50 private fleet vehicles. SWCAA is continuing to seek new partners and install additional retrofit equipment.
- Locomotive Idling Project. SWCAA worked with Burlington Northern and Santa Fe Railway Company, the U.S. Environmental Protection Agency and Kim Hotstart Manufacturing Company to install three retrofit devices on diesel switchyard locomotive engines in Vancouver's switchyard in 2004. These retrofit devices keep critical fluids warm and flowing, allowing the locomotive engines to be shut down when not performing work and then quickly restarted when needed. This diesel emissions reduction initiative was achieved at a total cost of \$122,500, which includes the assistance of an \$85,000 grant from the U.S. Environmental Protection Agency.

Commitments:

- Continue to provide project participants with information and technical assistance on available grant opportunities and anticipated regulatory changes.
- Participate in and provide resources to the Columbia River Clean Diesel Project, Phase II meetings.
- Provide staff time and physical resources (meeting room, etc.) to facilitate Phase II meetings.



Robert D. Elliott, Executive Director



Date

Tidewater

Based in the heart of the Pacific Northwest, Tidewater provides safe, quality transportation services on the Columbia and Snake Rivers. In operation since 1932, Tidewater has evolved into a multi-modal transportation company with its integrated system of towboats, barges, and terminals and is the largest inland marine transportation company west of the Mississippi River. As part of our guiding principles of operations we strive to operate in a manner which protects our communities, our environment, and our customers. We also are committed to maintaining safe operations which meet or exceed regulatory and industry established standards.

We have re-powered two tugs with new Caterpillar diesel engines that burn fuel up to 25% more efficiently and reduce air emissions by up to 85%. We have also converted four barges from a single hull to a double hull design, which adds a second layer of steel between the liquid cargo in the tank and the outside of the barge, significantly reducing the risk of spills and leaks. The double hull barges are also outfitted with vapor recovery equipment and are used specifically for liquid products, including biofuels and petroleum.

Commitments:

- Repower an engine on a vintage vessel. This commitment is dependent on the award of grant monies.
- As the Company's business allows, continue to apply individually or with other project Team Members for available funding through the Oregon Department of Energy's *Business Energy Tax Credit* and the Environmental Protection Agency's Diesel Emissions Reduction Act grants.
- Continue to pursue vessel-operating efficiency.
- Continue to participate in the Columbia River Clean Diesel Project, Phase II meetings.



Sam Pounds, Manager Environment, Health, Safety and Security

6/30/09
Date

Union Pacific

Union Pacific Corporation owns one of America's leading transportation companies. Its principal operating company, Union Pacific Railroad, links 23 states in the western two-thirds of the country. Union Pacific serves many of the fastest-growing U.S. population centers and provides Americans with a fuel-efficient, environmentally responsible and safe mode of freight transportation. Union Pacific's diversified business mix includes Agricultural Products, Automotive, Chemicals, Energy, Industrial Products and Intermodal freight. The railroad emphasizes excellent customer service and offers competitive routes from all major West Coast and Gulf Coast ports to eastern gateways. Union Pacific connects with Canada's rail systems and is the only railroad serving all six major gateways to Mexico, making it North America's premier rail franchise.

Commitments to Cooperate:

- Union Pacific will repower two pieces of non-road cargo handling equipment. This work is contingent on the award of grant funding in the amount requested.
- Union Pacific will continue to participate in the Columbia River Clean Diesel Project, Phase II meetings.

RM Grimaila

Robert M. Grimaila, Senior AVP Safety and Environment

6/30/09

Date

Washington Department of Ecology

The Mission of the Washington Department of Ecology (Ecology) is to protect, preserve and enhance Washington's environment, and promote the wise management of our air, land and water for the benefit of current and future generations. Ecology has five major strategic priorities, one of which is reducing toxic threats. Ecology is working to get toxic substances out of the air we breathe by focusing special attention on the two worst air pollutants - smoke and diesel exhaust.

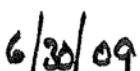
We're working with school districts and state and local governments to add pollution control devices to school and transit buses and maintenance fleets to reduce diesel emissions. We're helping provide electricity as a source of cleaner power for overnight stays at large truck stops to reduce unnecessary engine idling. We're also looking for ways to reduce diesel emissions from privately-owned long-haul trucks, drayage trucks, garbage trucks, construction equipment, trains, port and harbor equipment, and large ocean-going vessels. As part of the effort to reduce port related diesel emissions along the Columbia River we are providing grants to owners of cargo-handling equipment at the Port of Vancouver to add diesel pollution control devices to the equipment. Grants for pollution control devices on cargo-handling equipment are provided through Ecology's Clean Diesel Grant Program with State funds and funds provided to Ecology under the American Recovery and Reinvestment Act.

Commitments:

- Continue to provide project participants with information and technical assistance on available grant opportunities and anticipated regulatory changes.
- Apply for, or assist project partners in applying for grants and identifying other resources available to implement diesel reduction projects consistent with the goals and priorities of the Washington State Diesel Emission Reduction Strategy.
- Participate in the Columbia River Clean Diesel Project, Phase II meetings.
- Provide project participants information on technological and behavioral options available to reduce diesel emissions (these options include, but are not limited to purchase of new diesel engines, retrofit existing engines, increased use of cleaner fuels and operational behavior changes).
- Continue to participate in the West Coast Collaborative process to bring information and resources back to CRCDP partners, specifically in the marine, rail, trucking, and construction sectors; and to act as a spokesperson on behalf of the CRCDP when communicating with other states and regions involved in the West Coast Collaborative.
- Promote state and federal legislations to provide support for diesel reduction projects consistent with the goals and priorities of the Washington State Diesel Emission Reduction Strategy.
- Promote the commitments contained within the Columbia River Clean Diesel Project through our existing partners and media outlets including:
 - The Governor's office and other State agencies
 - Washington Department of Ecology's website and press releases



 Stuart A. Clark, Air Quality Program Manager



 Date