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Ms. Ellen Burack Director General, Environmental Policy 330 Sparks Street Ottawa, ON K1A 0N5 Tel: 613-949-2677 ellen.burack@tc.gc.ca

July 7, 2017

RE: Request to extend the memorandum of understanding to reduce locomotive emissions

Dear Ms. Burack,

By way of this letter, I am writing to confirm our invitation to extend the Memorandum of Understanding (MOU) between Transport Canada and the Railway Association of Canada (RAC) for Reducing Locomotive Emissions to the end of 2017.

Since 1995, Canadian railways have worked cooperatively with the government to voluntarily and proactively reduce emissions produced by locomotives. This working relationship has benefited the industry by formulating a sector-based approach to reducing emissions, and a forum for driving innovation.

In parallel to the outcomes achieved under the MOU, the railway industry has been an active participant in the dialogue that aims to shape Canada's climate change future. We are pleased to see references to the increased use of rail in the Pan-Canadian Framework on Clean Growth and Climate Change and Minister Garneau's strategic plan for the future of transportation in Canada - Transportation 2030.

It is our view that by extending the MOU to the end of 2017, RAC members and Transport Canada will continue to have access to a positive and constructive forum for discussing railway emissions performance and government policy related to climate change. We propose that all commitments of the MOU should carry forward, including the annualized intensity-based targets of 1.2 per cent for Class I freight and intercity passenger railways, and the 0.6 per cent for shortline railways.

As per previous agreements, RAC will encourage its members to make every effort to reduce emissions from their operations.

We look forward to extending this MOU and working collaboratively with Transport Canada for another

Regards,

Gérald Gauthier Vice President

The Railway Association of Canada

2017