APPLICATION FOR DEVELOPMENT PROJECT APPROVAL

FOR

INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY

P.O. Box 151
San Pedro, CA 90731-0151

Section A - Application Information

Legal Business Name: Union Pacific Railroad Date: December 26, 2007

TIN#: 94-6001323

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Applicant's Current Legal Interest in Property (Permit #, Sublease #, etc.)

Union Pacific's legal interest in the Intermodal Container Transfer Facility ("ICTF") property is pursuant to:

1. the ICTF Permit for Use of Land, No. 529, as amended, between the City of Los Angeles and the ICTF Joint Powers Authority ("JPA"), September 14, 1984; and

2. the ICTF Sublease Agreement, as amended, between the ICTF JPA and Southern Pacific Transportation Company (predecessor in interest), September 14, 1984.

Section B – Project Description:

Project Summary (attach additional pages if necessary)

Union Pacific proposes to modernize its existing ICTF in order to increase container lift capacity from approximately 725,000 to 1,500,000 annually (the "Project"). Modernization includes, but is not limited to, replacing all 10 diesel-fueled rubber-tired gantry cranes with 39 electric-powered wide-span gantry cranes. All other diesel-fueled equipment will be either removed or replaced with alternative fuel-powered vehicles. Use of electric cranes will facilitate a reduction in the total ICTF footprint from 233 to 177 acres. Union Pacific's Application for Development Project Approval ("ADPA") contains a detailed Project description. (See ADPA Application Package, section 1.)

Project Location

The ICTF is located approximately 5 miles from the Port of Los Angeles (the "POLA") and the Port of Long Beach (the "POLB"), at the north terminus of State Highway 103, known as the Terminal Island Freeway. The existing ICTF is located on 148 acres leased by Union Pacific from the POLA within the City of Los Angeles, approximately 15 acres purchased by Union Pacific from the Watson Land Company within the City of Carson, and 74 acres leased by Union Pacific from the Watson Land Company within the City of Carson. (See ADPA Application Package, section 1.2 and Figure 1.)

Present Use of Property

The ICTF is currently used as a near-dock rail/truck intermodal yard serving the POLA and the POLB.

Proposed Use of Property (if not the same)

Same as above.

Is this project part of a larger planned development that will occur in the next 10 years? If yes, please describe project.

The Project is not part of a larger planned development. The ICTF modernization construction, however, will occur over 7 phases and will be completed within 3 to 4 years. (See ADPA Application Package, section 1.5.2.3 Construction Plan Staging, and Figures 13 through 19.)

Project Description Submittal Requirements (5 copies)

Detailed site plan of all proposed work, including structures to be removed or demolished: At the present time, Union Pacific only anticipates the demolition and removal of two existing ICTF structures (the service building and fueling station), whose locations can be seen on Figure 5 of the ADPA Application Package. A cross-section plan of the modernized ICTF site, which also identifies existing non-building infrastructure which will be removed, can be seen in Figure 12 of the ADPA Application Package. The ADPA illustrates all proposed work associated with the Project. (See ADPA Application Package, Figures 4-12.) In addition, the ADPA contains a discussion of Construction Plan Staging in section 1.5.2.3.

Floor plans for all proposed buildings and elevations of proposed structures and parking plan, if applicable: A new Crane Parts building and a new Alameda Street access gate are the two structures of significance which Union Pacific expects to build for the Project. In the ADPA Application Package, Figure 6 shows a cross-section and all four directional elevations for the new Crane Parts building and Figure 7 shows the Alameda Street Entry Gate Canopy elevation and the Alameda Street Entry Gate Administration Building elevation for the new Alameda Street access gate. These structures are described in more detail in Section 1.5.2.2 (Site Development) of the ADPA Application Package.

Grading and drainage plans: As discussed below, and as discussed in more detail in the ADPA Application Package, at section 1.5.2.1 (Site Preparation) and as shown in Figure 11, Union Pacific expects to grade approximately 360,000 cubic yards of soil and pavement base materials to a typical depth of 2 feet below ground surface. A limited area associated with the proposed location for the new Alameda Street Gate may be graded to a depth of 8 feet below

ground surface. Union Pacific does not expect to make extensive revisions to the ICTF's existing storm drainage infrastructure, since the modernization project's components are almost entirely within the existing Facility's footprint. To the extent that removal of existing infrastructure and its replacement with new infrastructure is contemplated, those changes are described in ADPA Application Package section 1.5.1.5 (Storm Drainage) and in Figure 8.

Utility plans: Projected utility use during the demolition and construction phase, as well as during operation of the modernized ICTF, is presented below. In addition, sections 1.5.1.6, 1.5.1.7, 1.5.1.8, 1.5.1.9 and 1.5.1.10 of the ADPA Application Package contain utility information. Also in the ADPA Application Package, Figure 9 shows the Electrical and Telecommunications Plan for the modernized ICTF and Figure 10 shows the Water, Sewer and Pressurized Air Plan for the modernized ICTF.

Comprehensive site-specific geology and soils report: In the ADPA Application Package, section 1.5.2.1 (Site Preparation) describes the extent of Union Pacific's current information about the geotechnical conditions underlying the existing ICTF and the two adjacent parcels to the west of the ICTF, parts of which Union Pacific may seek to develop in connection with ICTF modernization. Appendix H of the ADPA Application Package contains as much of the geotechnical investigative information produced in 1982, 1983, 1984 and 1985 in connection with the construction of the original ICTF as Union Pacific has been able to obtain to date. Also, Appendix H contains as much of the publicly available geotechnical and environmental site assessment information as Union Pacific has been able to obtain to date in connection with the two adjacent parcels to the west of the ICTF.

If applicant currently has activities at the ICTF, a Health Risk Assessment (HRA) for current baseline operations. The HRA should address both direct and indirect impacts relating to the current activities.

Union Pacific provided the California Air Resources Board ("CARB") with an emissions inventory and dispersion modeling analysis for the 2005 baseline year. The modeling analysis was conducted using a standard modeling domain of approximately 10 km, and including indirect sources of emissions (i.e., locomotives and drayage trucks) operating within 0.5 miles of the combined ICTF and Dolores Yards boundary. CARB has prepared both cancer and non-cancer risk isopleths, and has summarized the results in a brief report. (See ADPA Application Package, Appendix D.) The level of detail provided in the HRA baseline emissions inventory is consistent with the ENVIRON "Preliminary Draft Protocol," prepared for the POLA (2007).

Identify all other permits/approvals required for this project.

Subject to verification, other responsible agency approvals and permits for the Project may be expected, including: the City of Los Angeles; the City of Carson; the County of Los Angeles; the California Regional Water Quality Control Board – Los Angeles Region; utility companies; and oil companies. The ADPA Application Package, at section 1.5.5 (ICTF Modernization Project Permitting), contains a list of potential approvals associated with the Project.

Project Cost

Estimated Cost of Project: $300 million

Use of Public Funds (if applicable): At present, Union Pacific plans to use exclusively private funding sources for the ICTF modernization project. (See ADPA Application Package, Section 1.5.4.)

Source of Public Funds: See "Use of Public Funds" (immediately above), and ADPA Application Package, Section 1.5.4

Describe all demolition/construction activities. For projects involving site grading, identify the amount of grading, location, method of transport, size of loads, source of imported fill, destination of exported material, and haul routes.

The ADPA Application Package, section 1.5.2.1 (Site Preparation), contains detailed information regarding the Project's demolition and construction activity. That information is summarized below.

Demolition and removal: Approximately 360,000 cubic yards (CY) of pavements, storm drain pipe facilities, lighting systems, fire hydrants and railroad tracks, along with a fueling station and a service building will be demolished and/or removed (see Figures 5, 12, 14, 16, 17 and 19).

Grading: Approximately 360,000 CY of soil and pavement base materials will be graded. The majority of this grading is expected to extend no deeper than 2 feet below ground surface (bgs). Union Pacific will recycle 88,000 CY of the ground concrete in new paving, resulting in a net 272,000 CY of export. Excavation for utility trenches and the new Alameda Gate will total 79,000 linear feet of utility trench excavation, extending between 2 to 8 feet bgs (see Figure 11), with 40,000 CY of this material exported offsite. The total amount of grading will equal 439,000 CY, while total export will equal 312,000 CY. Union Pacific anticipates that exported materials will be suitable for use at fill-in projects within in a 15-mile radius of the site.

Truck Trips: Based on a 12-CY load capacity, Union Pacific anticipates that approximately 26,000 truck trips will be devoted to export activity. The vast majority of construction traffic is expected to access the ICTF via I-405 and Alameda Street. Union Pacific will require construction traffic to use the new Alameda Street gate for ICTF access to avoid conflict with ongoing facility operations.

Will groundwater be encountered during the proposed construction? If so, describe dewatering activities (how the water will be handled and/or disposed).

No.

Describe the utilization of construction equipment during demolition/construction.

The ADPA Application Package, Appendix B, provides supporting data on the type, number and fuel consumption rates for Project construction equipment. The construction activity schedule and associated fuel use are also provided in the ADPA Application Package, Appendix B.

Scheduling and Phasing of Construction/Demolition: Union Pacific plans to construct the Project in seven stages, over a 3-4 year period. During this period of time, the number of operational loading tracks will be maintained at current levels so that the volume and efficiency of San Pedro Bay Ports container traffic management will not be compromised. (See ADPA Application Package, section 1.5.2.3, Construction Plan Staging.)

Phase (i.e. Site Preparation)	*Planned Start Date*	*Duration*
Seven Stages	2008	Each stage between 120-180 days
See ADPA Application Package, Executive Summary		Completion in 2012 (3-4 years total).

Utilities Used During Demolition/Construction

Utility demands associated with Project construction are anticipated to be consistent with other construction projects of this size and nature. Below are utility usage rates.

Utility	*Amount per hour*	*Hours per day*	*Duration*
Electricity	3-4 kw	10-12	36 months
Natural Gas	0	N/A	36 months
Water	12,000 gallons	10-12	36 months
Solid Waste Disposal	3 cy	10-12	36 months
Sewer	500 gallons	10-12	36 months
Other			

(See also ADPA Application Package, section 1.5.1.10, Utilities Usage.)

Work Force – During Construction/Demolition

The following table presents the Project's anticipated construction workforce. Additional workforce discussion is provided in the ADPA Application Package, section 1.5.2.3.

	Sun	*Mon*	*Tue*	*Wed*	*Thurs*	*Fri*	*Sat*
Start Time	7:00 a.m.	7:00 a.m.	7:00 a.m.	7:00 a.m.	7:00 a.m.	7:00 a.m.	7:00 a.m.
End Time	3:00 a.m.	3:00 a.m.	3:00 a.m.	3:00 a.m.	3:00 a.m.	3:00 a.m.	3:00 a.m.
# of workers	100-150	100-150	100-150	100-150	100-150	100-150	100-150
# of shifts	2	2	2	2	2	2	2

Describe Project's operational impacts.

Chapter 2 of the ADPA Application Package provides a preliminary environmental impact analysis summary of the Project's potential environmental impacts, including an assessment of the Project's operational impacts.

Utilities Used During Project Operations

Utility	*Amount per hour*	*Hours per day*	*Duration*
Electricity	30 MW peak	24	Permanent
Natural Gas	10,000 Therms/Year	24	Permanent
Water	75,000 CCF (CCF=100s of cubic feet)	24	Permanent
Solid Waste Disposal	Current usage + 60%	24	Permanent
Sewer	N/A (billed with water)	24	Permanent
Other			

Work Force – During Project Operation

The following table presents the Project's anticipated operational workforce.

	Sun	*Mon*	*Tue*	*Wed*	*Thurs*	*Fri*	*Sat*
Start Time	24-hours	24-hours	24-hours	24-hours	24-hours	24-hours	24-hours
End Time	--	--	--	--	--	--	--
# of workers	398	398	398	398	398	398	398
# of shifts	3	3	3	3	3	3	3

(See ADPA Application Package, Section 1.5.2.3, Construction Plan Staging.)

Will project operation result in any change in air emission from existing condition? If so, please describe.

The ADPA and its supporting appendices contain detailed information and analysis regarding the Project's potential air quality impacts. The Project replaces the ICTF's diesel-fueled cranes and yard hostlers with electric and alternative non-diesel-fueled equipment. Also, the Project replaces existing switch locomotives with ultra-low emission locomotives (ULELs). These actions will immediately and significantly reduce air emissions. Other federal, state and Port air pollution control measures and plans, along with measures in existing railroad voluntary agreements, will supplement the Project's own emission reductions. (See ADPA Application Package, section 2.2, Air Quality.)

Emission Source	*Existing Emission (Quantity and type)*	*Proposed Emissions (Quantity and type)*
See ADPA Application Package, section 2.2, Air Quality.	See ADPA Application Package, section 2.2, Air Quality.	See ADPA Application Package, section 2.2, Air Quality.

Describe the proposed project's conformity to existing governmental agency plans and programs (land use plans, zoning, etc., including the Ports of Los Angeles and Long Beach Clean Air Action Plan).

The proposed ICTF diesel-fueled equipment replacement and conversion measures will reduce the Facility's diesel particulate matter (DPM) emissions by almost 74% and oxides of nitrogen (NOx) emissions by more than 55 percent, as compared to the existing baseline conditions. Emissions of carbon monoxide (CO), reactive organic gases (ROG), oxides of sulfur (SOx), and greenhouse gases (GHGs) will also be reduced by the ICTF Project. These emission reductions will result in a commensurate reduction of the Project's overall predicted health risk. The ICTF Project will meet the Ports' incremental 10-in-a-million excess cancer risk limit**.** Also, the Ports' recently announced Clean Trucks Program will provide additional, significant emission reductions from trucks traveling to and from the ICTF. (See ADPA Application Package, section 2.9.1 (Clean Air Action Plan and Clean Truck Program) and Table 2.9-1.)

Describe any feasible alternatives or mitigation measures available which would lessen any significant adverse impact which the development may have on the environment.

The ADPA Application Package, section 1.7, presents a preliminary analysis of Project alternatives. Further analysis of Project alternatives and mitigation measures that would lessen any significant adverse impacts will be developed during preparation of the Project's Environmental Impact Report ("EIR"). Below is a list of Project Design Features ("PDFs") that also lessen potential environmental impacts.

1. Replacement of diesel-powered cranes with electric cranes; elimination of all diesel-powered yard hostlers;

2. Removal of existing diesel fuel storage tank and unleaded gasoline fuel storage tank;

3. Reduction in truck idling time for loading/unloading in the ICTF by implementing an Automated Gate System technology and improved gate queue configurations;

4. Reconfiguring ICTF ingress from Sepulveda Boulevard to Alameda Street by building new gate to substantially reduce dray truck trips on Terminal Island Freeway;

5. Reducing height of 160 existing light fixture standards from 100 feet to between 40-60 feet.

Describe whether the development will maintain, enhance, or conflict with public access to the Port.

The Project will enhance public access to the Ports. Proposed ICTF modernization, including construction of a new Alameda Street Gate for ingress purposes, is expected to substantially reduce dray truck traffic volume on the Terminal Island Freeway. The Project's design allows trains to move more efficiently on a direct route from the Ports and provides substantial regional air quality benefits. The ICTF's modernization also maximizes environmental benefits associated with increased use of the Alameda Corridor. Each of these Project elements will enhance public access to the Ports. (See ADPA Application Package, Executive Summary, Project Objectives, and section 2.4 Transportation/Circulation.)

How will the development affect land-borne traffic?

When operating at maximum capacity of 1,500,000 lifts per year, Union Pacific estimates that the Facility will generate an average 6,300 one-way daily dray truck trips, or 2,268,000 one-way annual dray truck trips. Peak day traffic is estimated to be 10,471 one-way trips and peak hour traffic is expected to be 1,047 one-way trips per hour. Train trips are projected to double, from 4,745 trips per year to 9,490 per year, as a result of the Project**.** (See ADPA Application Package, Executive Summary, Comparison of Existing and Proposed ICTF Activities, and section 2.4 Transportation/Circulation.)

Have efforts been taken to reduce energy consumption in the project? Explain.

Yes, Union Pacific has taken efforts to reduce energy consumption associated with the ICTF. The removal of 71 of the 73 existing yard hostlers and the use of non-diesel alternative fuel technology in the remaining two yard hostlers will significantly reduce diesel emissions and energy consumption. The replacement of 10 existing rubber-tired gantry diesel-fueled cranes by 39 wide-span gantry electric cranes will increase container transfer efficiency while reducing air emissions and noise levels. The use of regenerative crane technology can reduce crane power consumption by as much as 70 percent. The implementation of an Automated Gate System technology and improved gate cue configurations will reduce dray truck idling times to further reduce air emissions. Construction bid documents will include requirements for year-1998-or-newer construction equipment. (See ADPA Application Package, section 2.3, Sustainability.)

Is the proposed project adjacent to or near residential areas, parks, schools or recreation areas? If yes, describe how the project design will prevent adverse impacts on these areas.

Once modernized, the ICTF's diesel particulate matter emissions will be substantially reduced because nearly all of the diesel-fueled equipment at the ICTF will be eliminated. The Project also eliminates several pieces of noise-generating equipment and replaces it with quieter models. Lighting impacts will also be reduced due to the design of new ICTF lighting facilities. In addition, the Project minimizes impacts on nearby residential areas by directing proposed construction equipment trips away from residential neighborhoods and sensitive receptors. Furthermore, all proposed ICTF modernization infrastructure is located within the existing facility footprint, which is already designated for industrial use. There will be no expansion of the ICTF in

the direction of City of Long Beach residential neighborhoods, east of the site. (See ADPA Application Package, Executive Summary and Chapter 2 Preliminary Environmental Impact Analysis Summary.)

Section C – Hazardous Materials and Waste:

Will the proposed project or business use, manufacture, treat, produce, or store any hazardous material or hazardous waste? If so, please describe.

No hazardous materials will be used, stored at, or transported from the site during Project construction/demolition activities. (See ADPA Application Package, section 1.5.3.3 Hazardous Materials.)

Hazardous Materials and Waste Disclosure

Hazardous materials include substances that are flammable, toxic, corrosive, or reactive. Hazardous materials could also be described as having shown, through experience or testing, to pose a hazard or threat to the public health because of their carcinogenicity, acute or chronic toxicity, bio-accumulative properties, or persistence in the environment.

According to State Law, hazardous waste has been defined as "waste or combination of waste which because of its quantity, concentration, or physical, chemical, or infectious characteristics may either: (1) cause or significantly contribute to an increase in mortality or an increase in serious irreversible or incapacitating reversible illness; or (2) pose a substantial potential hazard to human health or environment when improperly treated, stored, transported, or disposed of or otherwise managed."

Federal hazardous wastes are defined in Title 40, Code of Federal Regulations (40 CFR) and California State hazardous wastes are defined in Title 22, California Code of Regulations (22 CCR). It is the responsibility of the generator of hazardous waste to properly identify and handle the waste.

What types and quantities of hazardous materials or wastes are to be used or stored at the site? (Attach additional sheets if necessary)

Union Pacific will remove an existing 20,000-gallon, above-ground diesel storage tank and a 1,000-gallon, above-ground unleaded gasoline storage tank, and will replace them with one new, above-ground tank which will store non-diesel alternative fuel, either biodiesel, propane or liquefied natural gas (LNG). The new tank will be designed and constructed with all required secondary containment infrastructure. If biodiesel is used, Union Pacific will construct an above-ground, 500-gallon fuel tank, approximately 48 inches in diameter and 66 inches in length, with secondary containment, which will be mounted on saddles fixed on a concrete pad near the fuel dispenser. If propane or LNG is used, the required fuel will be stored in an above-ground, 1,000-gallon dispenser tank, approximately 42 inches in diameter and 15 feet in length, mounted on a concrete pad. The tank and fueling facility installation will comply with all applicable federal, state and local requirements. Fueling of yard trucks (i.e., small pickup trucks) will occur outside the ICTF at local gas stations in the Project vicinity, so there will be no need for regular gasoline or diesel fuel storage on site. (See ADPA Application Package, section 1.5.1.7, Energy and Fuels.)

Describe how hazardous materials are used in your operation.

Alternative fuel (biodiesel, propane or liquefied natural gas) will be stored in an above-ground tank on site for non-electric powered vehicles, including the two yard hostlers which will remain in use after Project implementation.

How will hazardous materials be transported to/from site? Describe routes and frequency of movements. Provide a map and company name of transporter.

A two-week to one-month supply of fuel will be stored and dispensed at the site. Fuel deliveries will be made by certified handlers, occurring on approved routes. Union Pacific expects that, as the Ports develop alternative fuel storage facilities in the Project's vicinity, these fuels will become increasingly available for dray trucks accessing the ICTF. (See ADPA Application Package, section 1.5.1.7, Energy and Fuels.)

Will there be hazardous waste by-products from the proposed site? Specify types, quantities and the location of ultimate disposal. Provide the site EPA Generator number and the names of the transporter if disposed off-site.

No.

List any hazardous waste permits from other government agencies that you hold now or have held in the past.

Certified Unified Program Agencies of Los Angeles County, Unified Program Form Application Number Facility ID: FA0024195.

Will any hazardous waste disposal be required during construction or vacation of the property? Describe the type and amounts of waste and the methods and disposal locations.

No.

Does the proposed project propose the installation of underground or above ground tanks? If yes, indicate volumes and uses.

No underground tanks are proposed. A single above-ground tank for alternative non-diesel fuels will be constructed. This single above-ground, alternative non-diesel fuel tank will replace an existing above-ground diesel fuel tank and an existing above-ground unleaded gasoline tank. (See ADPA Application Package, section 1.5.1.7, Energy and Fuels.)

List and describe all liquid bulk hazardous material intended to be stored or transferred in the following table:

The ADPA, Appendix F presents the properties associated with the liquid materials listed in the table below.

Material ID	Health	Fire	Reactivity	Other Hazards	State of material	Vol. of Storage
Alternative Non-Diesel Fuel					liquid	5,000 gallons/month
Misc. Equipment Fuels					liquid	1,000 gallons/month

Provide a plot plan showing the location, general arrangement, and dimensions of each separate tank, diked area, truck rack, ship's berth, secondary contamination area, etc., for each facility, and identify where specific hazardous liquid bulk materials will be stored or transferred.

Union Pacific expects to place the new alternative fuel tank and fueling station at the north end of the modernized ICTF, in the vicinity of the existing Chassis Repair Building. (See ADPA Application Package, Figure 5.)

Attach a copy of your facility's Emergency Response Plan, Safety Plan, and Closure Plan.

Union Pacific's Hazardous Materials Closure Plan is contained in Appendix G of the ADPA Application Package. Additionally, Union Pacific has attached its current Emergency Response Plan and Hazardous Materials Inventory in Appendix G.

The applicant has filed "The Certified Unified Program Agencies of Los Angeles County Unified Program (UP) Form", available at www.lafd.org/prevention, with the Los Angeles Fire Department:

Yes.

Will the proposed project involve disturbance to the soil at the project site (i.e. grading, trenching, potholing, excavation, dredging, borings, etc.)?

Yes.

If yes, describe the activity, including the method and equipment to be used and the extent of the disturbance to the soil (i.e., area and depth to be graded, number of excavations or trenches and their estimated dimensions and location(s), volume of soil to be affected or removed, etc).

Excavation of approximately 360,000 cubic yards [CY] of soil and pavement base materials will occur. This excavation and subsequent grading is not expected to extend deeper than 2 feet below ground surface (see Figure 11). Union Pacific will recycle 88,000 CY of excavated concrete during the course of new paving, which will result in a net 272,000 CY of export. Excavation for utility trenches and the new Alameda Gate will total 79,000 linear feet, extending from 2 to 8 feet below ground surface (see Figure 11), with 40,000 CY of this material exported off-site. The total area to be graded is expected to equal 439,000 CY, while total export of excavated material is expected to be 312,000 CY. Union Pacific anticipates that exported materials will be suitable for use at fill-in projects within in a 15-mile radius of the site. (See ADPA Application Package, section 1.5.2.1, Site Preparation.)

Certification:

The undersigned, an authorized representative of the applicant, hereby certifies that the statements furnished herein and in any attached exhibits present the data and information required for this initial evaluation, and that the facts, statements, and information presented are true and correct to the best of the undersigned's knowledge and ability.

Signature: _____ Date: December 26, 2007

Print: Barry Michaels Title: AVP, Premium Operations-Network