

DATE October 31, 2007

TO Board of Harbor Commissioners

FROM Robert Kanter, Managing Director of Environmental Affairs and Planning

SUBJECT Clean Trucks Program Tariff Adoption

BACKGROUND

Since the Board of Harbor Commissioners approved the Clean Air Action Plan (CAAP) in November 2006, the staffs of both ports have been working aggressively on the development of CAAP Measure Heavy-Duty Vehicles-1 (HDV1), the Clean Trucks Program (CTP). Truck-related air pollution contributes to our region's poor air quality, resulting in emergency room visits, sick days (school and work), long-term chronic respiratory illness and premature deaths. The South Coast Air Quality Management District (SCAQMD) estimates that the monetary benefits of just the reduction of premature deaths following implementation of the Clean Truck Program range from \$4.7 to \$5.9 billion over 18 years.

Since the original staff proposal was released in April, significant input on the proposed program has been received through discussions with the CAAP Stakeholder group, licensed motor carriers, truckers, industry organizations, environmental organizations, labor groups, and community groups during public workshops and presentations, through e-mails, letters and phone calls, and through public comments during Board meetings. In addition, further information on the potential impacts of the proposed program was presented in the economic impact analysis and diversion study, finalized earlier this month. At a joint meeting of the Boards of Harbor Commissioners of the Ports held on October 12, 2007, the Boards of both Ports directed staff to develop the CTP for adoption by the Boards with an emphasis placed upon achievement of the clean air goals of the CTP.

DESCRIPTION OF CURRENT ISSUES

In order to implement this program, staff is recommending adoption of a tariff to implement the progressive banning of older trucks from operating in the ports. Under the progressive truck ban, trucks will only be granted entry to Port terminals if they are registered with the Ports and have a Radio Frequency Identification (RFID) tag that will provide information about each truck to the Ports. The truck registry information, linked to the RFID tag, will include the truck owner, model year, and emissions level as indicated by the truck's status of compliance with USEPA's 2007 Onroad Heavy Duty Diesel emissions standards and/or California Air Resources Board (CARB) Verified Diesel Emission Control Strategy (VDECS) retrofit status. Port marine terminal operators will be required to equip their terminals with RFID tag readers to manage access of drayage trucks and improve security at their facilities. The major components of this tariff are described below.

Tariff Implementation

The U.S. Environmental Protection Agency (USEPA) has established federal emissions standards for heavy duty diesel-fueled on-road vehicles. The CARB has established state emissions standards consistent with the federal standards for heavy duty diesel-fueled

on-road vehicles, as well as a methodology for certification of emission reductions obtained from retrofit devices, called "Verification Procedure, Warranty and In-Use Compliance Requirements for In-Use Strategies to Control Emissions from Diesel Engines" (VDECS), codified in Title 13, California Code of Regulations, Section 2700, et. seq.

The Port shall implement these standards through a schedule in the tariff to achieve an 80% reduction of harmful truck emissions in five years, by progressively banning older model-year trucks from entering the Ports. The progressive ban is designed to become more stringent with time, such that all trucks servicing the Ports will satisfy USEPA 2007 standards by 2012 (see below). The progressive ban is consistent with the anticipated requirements proposed by the CARB, and achieves even more emissions reductions in an accelerated timeframe than the CARB requirements.

Truck Progressive Ban/Tariff Schedule

Beginning October 1, 2008, the Ports will reduce harmful emissions at the Port terminals by denying access to older trucks according to a progressive ban by model year scheduled over the five-year CTP program schedule. The schedule for the progressive ban is as follows:

- Ban pre-1989 trucks from Port service by 10/1/2008
- Ban 1989-1993 trucks from Port service by 1/1/2010
- Ban unretrofitted 1994-2003 trucks from Port service by 1/1/2010
- Ban pre-2007 trucks from Port service by 1/1/2012

The tariff would not apply to "Dedicated Use Vehicles" as defined in the attached tariff.

RFID Readers and Terminal Access

By August 1, 2008, all terminal operators of Port facilities shall have installed radio frequency identification device (RFID) readers, which permit the terminal operators to manage access to the terminals by determining certain information about the trucks bearing RFID tags, or an alternative means of controlling truck access to the terminal. A compliance label issued by the California Air Resources Board shall be an acceptable alternative means of controlling truck access to any terminal. Beginning October 1, 2008, terminal operators shall restrict access to Port terminals to those drayage trucks that comply with the progressive ban deadlines as set forth in the tariff schedule, as described above.

Drayage Truck Registry (DTR) and RFID Tags

By June 30, 2008, all drayage truck owners must register their trucks calling at the Port with the San Pedro Bay Ports' Drayage Truck Registry (DTR), a database that contains information on trucks that conduct business on Port property at the Ports of Los Angeles and Long Beach. The owner shall provide the Port with documentary evidence to enable the following information to be entered into the DTR, including but not limited to:

- Truck owner's name, address, phone numbers, email address, and fax number
- Truck engine make, model, and model year
- Truck vehicle identification number (VIN)
- Truck vehicle license plate number and state of issuance
- Truck's retrofit, if any, which must be certified under the California Air Resources Board's "Verification Procedure, Warranty and In-Use Compliance Requirements for In-Use Strategies to Control Emissions from Diesel Engines" as set forth in Title 13, California Code of Regulations, Section 2700, *et. seq.*
- The status of the truck's compliance with the progressive ban as set forth in the tariff.

Drayage truck owners shall receive an RFID tag for their drayage trucks that are registered with the DTR and satisfy the tariff requirements.

Tariff Benefits

Port truck emissions account for a very substantial portion of the adverse health impact from Port operations. For example, CARB's staff has estimated that living near an area, such as the Ports, with constant truck operations, may increase the risk of developing cancer by as much as 750 cases per million. Those who work at the Port experience more intense exposures than even these nearby residents.

Staff have estimated the expected air quality benefits from the Clean Trucks Program. The table below shows expected emissions reductions of oxides of nitrogen (NOx) and diesel particulate matter (DPM), which are the two criteria pollutants of most concern from heavy-duty trucks. These reductions are generally accounted for in the SCAQMD's 2007 Air Quality Management Plan (AQMP) and will result in local and regional improvements to air quality and human health.

Expected Annual NOx and DPM Emissions Reductions from the Clean Trucks Program in Tons Per Year¹.

Air Pollutant	2008	2009	2010	2011	2012
Total NOx reduction	309	572	5,579	5,053	14,321
Total DPM reduction	51	119	780	726	802

Future Program Elements

The draft CTP that was circulated by the staff of both ports included additional program elements that are not being considered today, including security, employee status, maintenance, safety, grant funding, and truck impact fees. Staff will continue working with Port of Los Angeles staff on these issues and bring information updates to the Board as progress is made.

FINANCIAL IMPACTS

The Port will incur various administrative and operational costs, possibly shared by the Port of Los Angeles and CARB, to develop and maintain the DTR and RFID tags. Marine terminal operators may incur hardware installation and equipment costs if they do not already have RFID readers suitable for this application. The cost of replacement trucks is substantial and has been addressed at length in the Clean Air Action Plan and in the economic study of this proposed drayage truck measure by John Husing.

PREVIOUS REVIEWS/APPROVALS

The Port of Long Beach Board of Harbor Commissioners, along with the Port of Los Angeles Board of Harbor Commissioners, adopted the Clean Air Action Plan, of which the Clean Trucks Program is one element, on November 20, 2006. On October 12, 2007, the Board of Harbor Commissioners directed staff to bring for their consideration the element of the Clean Trucks Program focusing on air quality improvements.

RECOMMENDATION

Planning requests that the Board of Harbor Commissioners take the following action:

¹ The CAAP estimated the emissions reduction in 2012 at 782 tons of DPM and 6,228 tons of NOx. However, those estimates were based on static fleet of 16,800 trucks (i.e., no growth) and a program that only captured "frequent" and "semi-frequent" trucks. In addition, the CAAP assumed emissions reductions would be achieved through a mixed strategy of replacements and retrofits. The proposed tariff captures all trucks that serve the ports regardless of the frequency of their visits, and requires that all trucks be replaced. The emissions benefits shown above now assume growth in the estimates. If a comparison was made using the same methodology in the CAAP the estimated emissions reductions from the proposed tariff in 2012 would be 936 tons of DPM and 8,128 tons of NOx.

Approve for first reading the attached "An Ordinance of the Board of Harbor Commissioners of the City of Long Beach Amending Ordinance No. HD-1357, Designated Tariff No. 4, by Adding Section 10 Relating to Clean Air Action Plan Drayage Truck Measures". Among other things, the new tariff will:

1. reduce pollution at the Port through a progressive truck ban of older model trucks, per an annual schedule; and
2. register all drayage trucks accessing the Ports' terminals, to provide information to the Port and the terminal operators regarding the trucks; and
3. require RFID tags on all drayage trucks accessing the Ports' terminals to identify the trucks for access purposes; and
4. require the installation of RFID readers at all of the Ports' terminals to provide the Ports and the terminal operators with the ability to manage trucks' access to the terminal facilities.

This same item is to be considered by the Port of Los Angeles' Board of Harbor Commissioners on November 1, 2007.

Recommended by:



Robert Kanter, Ph.D.
Managing Director Environmental Affairs
and Planning

Approved by:



Richard D. Steinke
Executive Director

TAJ:s

Attachment