

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5000

APPROVED MINUTES

Summary of Board of Directors
Meeting of the Ad Hoc Committee on Port Emissions
9:30 a.m., Thursday, July 16, 2009

1. **Call to Order – Roll Call:** Chairperson Nate Miley called the meeting to order at 9:34 a.m.

Present: Chairperson Nate Miley, Vice Chairperson Dan Dunnigan, Committee Members Tom Bates, John Gioia, Scott Haggerty, Yoriko Kishimoto and Mark Ross

Absent: Director Gayle B. Uilkema and Brad Wagenknecht

Others Present: Board Chairperson Pamela Torliatt
2. **Public Comment Period:** None
3. **Approval of Minutes of March 12, 2009:** Director Haggerty moved approval of the minutes of March 12, 2009; seconded by Director Dunnigan; carried unanimously without objection.
4. **Update on Emission Reduction Strategy for the Port of Oakland – Staff Presentation by Executive Officer/APCO Jack Broadbent**

Mr. Broadbent provided an overview of the Emission Reduction Strategy and cooperative steps between the Port and Air District staff, noting that Port and Air District staff is developing an agreement for near term actions to reduce emissions. He reviewed the following actions taken to date:

District Actions:

- Continued efforts with ARB on enforcement, including side-by-side inspections of cargo handling equipment;
- Continued TFCA grants (\$5 million) to retrofit drayage trucks;
- Resumed I-Bond grants for drayage truck retrofits (\$10 million) and shore power projects with APL (\$2.8 million);
- Resumed allocation of Port of Oakland funds (\$5 million) for drayage truck retrofits;
- Awarded Diesel Emission Reduction Act (DERA) funds (\$2 million) for drayage truck retrofits;
- Trucker Outreach Center at the Port of Oakland

Port of Oakland Actions:

- Adopted Maritime Air Quality Improvement Plan;
- Adopted Comprehensive Truck Management Plan;
- Adopted a ban on non-compliant trucks effective January 1, 2010;

- Reauthorized \$5 million in Port funds for retrofitting drayage trucks;
- Continued working with terminal operations on compliance plans for the ARB shore power regulation;
- Submitted applications for state and federal funding

ARB Actions:

- On July 1, 2009, large marine vessels began using low sulfur marine fuels;
- On July 1, 2009, terminal operators submitted shore power compliance plans;
- Terminal operators continued progress in complying with the State's diesel PM requirements;
- Trucking firms began complying with the State's diesel PM requirements for transportation refrigeration units;
- UP and BNSF railways completed installation of idle limiting devices on California-based locomotives;
- Tug and supply vessel owners submitted compliance plans to ARB

Federal Actions:

- Proposed tighter emission limits on new and existing marine diesel engines used for propulsion on ocean going vessels;
- Awarded DERA funding to the Air District for drayage truck retrofits

Director Discussion/Comments:

Director Haggerty voiced support for the Marine Highway Project and questioned costs and impacts of environmental review. Mr. Broadbent explained that the Committee would address funding allocations in the next agenda item and the Marine Highway Project is one example of a near-term action which would form the basis of a short-term strategy, which would be captured in agreements.

Director Gioia questioned and confirmed with staff that agreements would serve to provide clarity of enforcement actions and funding.

Director Haggerty questioned whether the District could require full shoreside power by 2011. Mr. Broadbent said while shoreside power is the cleanest approach, electrifying berths is a significant financial undertaking, and suggested exploration of other technological approaches and control devices on barges.

Richard Sinkoff, Port of Oakland, discussed the Port's actions for shorepower, stating that Port staff will present its plan to the Maritime Committee. He acknowledged that within 3 years they must have 50% of ships capable of plugging in and by 2020, 80% of ships and the cost to provide electricity up to the terminal gate is estimated at over \$200 million. He discussed the challenge of accelerating grid power under CARB's gold standard and said the Port will seek support for shorepower at the Maritime Committee meeting and for their Board to consider a three and a half year planning, design and construction process that allocates \$50 million over the next five years.

Director Kishimoto questioned progress on electrifying the railway system, and Mr. Breen described the projects currently underway and associated grants.

Director Ross requested an update on the Comprehensive Truck Management Plan (CTMP) employer / non-employer based system. Mr. Sinkoff discussed the 9th Circuit Court of Appeals decision stating that certain portions of the program that touch on the employment model were

essentially pre-empted by federal law. He said the Port's Board of Commissioners approved the CTMP and is moving forward and considering the full budget.

Director Gioia supported rail as a safer and cleaner opportunity over trucks and suggested that the Air District play a greater leadership role in enhancing rail capacity and its multiple uses. Director Haggerty agreed, but cited federal regulation as being difficult.

Board Chairperson Torliatt questioned the status of timelines associated with policy decisions of the Maritime Air Quality Improvement Plan (MAQIP). Mr. Broadbent said staff has arrived at an approach with identifying short-term projects that would get to reduced emissions targets and said a more definitive list would return to the Committee.

Director Bates acknowledged steps made by the Port and said he was hopeful that the Port will enter into an agreement with the District. Ms. Roggenkamp and Mr. Sinkoff then briefly discussed working meetings held by the District and Port with the hopes of bringing final agreement to each respective Board.

Director Kishimoto requested an update on the container fee and questioned legislation to develop a new Department of Rail. Mr. Sinkoff explained that a container fee would be a strong disincentive and the Port has applied for federal and state funding to avoid further erosion of business, noting the decline in revenues and shipping.

Director Ross likened the District and the Port's relationship as, "trust but verify" and acknowledged the more recent cooperative progress made.

Director Haggerty questioned the status of the container fee at the Port of Long Beach. Advanced Projects Advisor, Michael Murphy provided an update. Directors then discussed container movement and competition in the northwest.

Public comment:

Mike Bowdon, Eco Transport, an affiliate of the Broe Group and OmniTRAX, Inc., briefly discussed their company's portfolio and potential for a public/private partnership and agreed to continue public comment under the next agenda item.

Doug Bloch, Change to Win, discussed the stakeholder process, was opposed to the 9th Circuit Court of Appeals' ruling that public agencies are restricted from doing anything that affects price, route and service of ports, and noted interest from Congress to update federal transportation law.

Zach Goldman, Change to Win, voiced opposition to how emissions are counted at the Port of Oakland and discussed how he hopes to have the methodology corrected.

Ellen Johnck, Bay Planning Coalition, provided an update on focus groups which were held to move into Phase II of the MAQIP, supported short term actions and an agreement, discussed nationwide legislation to put freight into transportation planning, and briefly discussed regional corridor rail approaches which she said are project and fund-driven.

Richard Sinkoff reiterated the Port's cooperative efforts with District staff, said programs are underway in Phase II and they expect to reach their projected target by January 1, 2010. The shorepower presentation is being made to their Board today, they will be sending a letter to the

District for advice on methodologies for their emissions inventory, are pursuing the MAQIP stakeholder group, and thanked the District for dedicating staff resources.

Brad Edgar, CLEAIRE Advanced Emission Controls, discussed CLEAIRE’s efforts in retrofit technology and said he believes the program is working through educational outreach and good leadership.

In closing, Mr. Broadbent acknowledged comments and progress made to date and stated that staff will return to the Committee in the fall with an update on shorepower. Of concern is that CARB may push out the January 1st deadline due to the Long Beach and Los Angeles Ports not being able to meet it; however, staff will alert the Board if this occurs.

Committee Action: None; Information only.

5. Consideration of Funding Allocation for Near Term Emission Reduction Projects at the Port of Oakland – Staff Presentation by Grants Manager, Damien Breen

Mr. Breen provided a background and projects with near-term emissions reduction benefits and noted that the following projects could be implemented quickly with each having a large emissions reductions benefit.

<u>Project</u>	<u>Implementation</u>	<u>Project Description/Benefits</u>
LNG Fuel Shorepower Generator	Third quarter 2009	<ul style="list-style-type: none"> ▪ Utilized LNG provided shorepower to eliminate ship idling while at Port ▪ Reduction in diesel particulate, nitrogen oxides and sulfur oxides
LNG Trucks Fleet	Third quarter 2009	<ul style="list-style-type: none"> ▪ Establish Bay area LNG drayage fleet ▪ Reduction in diesel particulate, nitrogen oxides and greenhouse gases
BNSF Railroad Project	Third quarter 2009	<ul style="list-style-type: none"> ▪ Provide two new switcher engines to the NBSF Railroad at the Port. Port has committed \$1.3 million to the project and the project is eligible for Carl Moyer Funding. ▪ Reduction in diesel particulates and nitrogen oxides.

Mr. Breen reported that the Marine Highway Project would significantly yield major emissions reductions. It is designed to move containers on clean barges between the Ports of Oakland, Stockton and Sacramento rather than trucks, and the San Joaquin Air District has allocated \$750,000 to this project contingent upon funding from the Air District. Staff will return to Board with other project options in the event of non-performance.

Public Comment:

Mike Bowdon, Eco Transport, spoke of strong support from both the Senate Advisory Committee and the U.S. Maritime Administration for goods movement going out over the ocean and sees the Marine Highway Project as a win/win for both truck traffic congestion and emissions reductions.

Director Gioia discussed and confirmed that a barge could hold approximately 350 40-foot containers, the project would take 4900 truck trips off the road, and there would be no more than a cycle of three barges at any one time per day on the Delta. Mr. Broadbent supported the project as having a lot of potential and briefly discussed the allocation of reserve funds.

Director Bates questioned costs for putting goods on barges versus a truck. Mr. Bowdon cited a savings of about 15% and also savings derived from any additional new truck and equipment costs after the January 1st deadline. Mr. Breen also acknowledged the Port of Stockton's renovation project of 700,000 square feet of refrigerated containers to handle agricultural goods.

Committee Action: Director Haggerty moved to recommend Board of Directors' approval of an allocation of \$750,000 in funding to support emissions reductions projects at the Port of Oakland seaport; and referral to and recommendation by the Budget and Finance Committee to transfer \$750,000 in funding from reserves to the fiscal year 2009/10 budget; seconded by Board Chairperson Torliatt; carried unanimously without objection.

6. Update on Enforcement Strategy for CARB Mobile Source Regulations at the Port of Oakland – Staff Presentation by Director of Compliance and Enforcement, Kelly Wee

Mr. Wee said the Committee was last provided with an update in March and presented the enforcement strategy, stating trucks comprise of 69% of emissions/risk at the Port. He updated the Committee on District activities which include ongoing enforcement, additional regulations under evaluation, and partnership efforts between CARB, District staff and the Port of Oakland. He described the Mobile Source Compliance plan which will address the largest emission sources and health risk at the Port of Oakland and concluded his presentation by discussing the District's efforts in enhanced rule making and regulations.

7. Committee Member Comments/Other Business: There were none.

8. Time and Place of Next Meeting: At the Call of the Chair.

9. Adjournment: The meeting adjourned at 11:13 a.m.

/s/ Lisa Harper
Clerk of the Boards