

**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, March 12, 2009

Call to Order – Roll Call: Chairperson Miley called the meeting to order at 9:35 a.m.

Present: Chairperson, Nate Miley, Tom Bates, John Gioia, Scott Haggerty, Gayle B. Uilkema and Brad Wagenknecht

Absent: Dan Dunnigan, Yoriko Kishimoto and Mark Ross

Also Present: Chairperson Pamela Torliatt

Public Comment Period: There were none.

Approval of Minutes of January 22, 2009: Director Torliatt moved approval of the minutes, seconded by Director Gioia; carried unanimously without objection.

Update on Recent Meetings of Port of Oakland Commissioners and Air District Board Members: *The Committee received an update on the recent meeting of Port of Oakland Commissioners and Air District Board Members.*

Executive Officer/APCO, Jack P. Broadbent, gave a brief overview and update of the meeting with Port of Oakland Commissioners and Air District Board Members, held on February 17, 2009. Discussion included the emphasis on accelerated emission reductions at the Port and highlighted the various programs that are underway. Mr. Broadbent asked that Board Members who attended the meeting to add to his comments.

Committee Comments/Discussion:

Director Bates agreed with Mr. Broadbent's comments and stated he had just received the Port of Oakland's Beacon Economics Drayage Truck Analysis Report (Beacon Study), which appears to be encouraging.

Board Chairperson Torliatt said she appreciated the Port taking the time to meet with the Air District and additional meetings are being scheduled. While she did not support the recommendations of the Beacon Study, she was pleased that the report has been published and acknowledged that continued discussions would occur with the Port regarding its various actions regarding container fees and additional funding set aside.

Chairperson Miley concurred and said the meeting allowed the Air District an opportunity to get a sense of the Port's perspective while engaging in conversation focusing on delivery of short-term emissions reduction actions.

Mr. Broadbent continued stating that the Air District is holding extensive discussions with Port staff on various topics, which include: 1) trucks, 2) the Maritime Air Quality Improvement Plan (MAQIP); and 3) container fees.

Board Chairperson Torliatt voiced concern that the Port was not moving forward with emissions reduction measures either in advance of or to meet CARB regulatory deadlines, and she asked for immediate action to be taken.

Update on Air District Truck Retrofit Program: *The Committee received an update on the Air District Truck Retrofit Program and considered a recommendation to approve the expenditure of \$5 million in TFCA funds to retrofit trucks without matching funds.*

Mr. Broadbent provided a summary and informed the Committee that the issue of cleaning up drayage trucks is very important to the Air District. A recent Health Risk Assessment (HRA) identified much of the diesel particulate impacting the West Oakland community as coming from the trucks operating in and around the Port of Oakland. Mr. Broadbent further commented that in order to address the health risk posed by these trucks, the District had set aside \$5 million from its TFCA program. This funding was to be matched with Port of Oakland and California Goods Movement Bond (I-Bond) funding. However, recently the Port had withdrawn its monetary support from the program and the I-Bond funding had been suspended.

Damian Breen, Grants Manager then provided the Committee with an overview of the timeline for the retrofit emissions reduction program:

- February 28, 2008 – I-Bond Program established to Quickly Reduce Health Risk from Freight Movement in California Trade Corridors. \$140 million for the Bay Area trade corridor (\$35 million for the next four years).
- Summer 2008 - Staff executed extensive outreach program and received over \$63 million in project applications.
- On December 3, 2008 – Board approves over \$41 million in projects, including \$15 million for drayage trucks (\$5 million in TFCA and \$5 million in I-Bond funding matched by \$5 million in port and funding). Staff has continued to move toward the execution of contracts for trucks retrofits.
- November 19, 2008 – Port of Oakland postpones use of its \$5 million for truck retrofits
- December 23, 2008 – ARB suspends use of I-Bond funding
- February 17, 2009 – Port Commissioners meet with District Board members
- February 26, 2009 – District's Mobile Source Committee (MSC) request truck retrofit program be presented to the Ad-Hoc Committee

Mr. Breen advocated that the Committee recommend utilization of the \$5 million in TFCA funding set aside for the program immediately, based on the following:

- 400 active trucks retrofits = 11 tons per year of Diesel Particulate Matter (DPM) reduced
- Total Port inventory for trucks = 17 tons per year of DPM

- By using TFCA funds trucks allowed to seek business throughout the Bay Area until 2013 when the on-road regulation begins
- Result = 1% reduction in total Bay Area DPM by installing retrofits; whether or not these trucks operate at the Port

Mr. Breen continued his presentation by providing an overview of the upcoming regulatory deadlines for drayage trucks and the current state of compliance of the drayage truck industry:

- ARB regulation – January 1, 2010 requires:
 - Pre-1993 Trucks cannot enter Port
 - 1993-2003 – Trucks must be retrofit or replaced
- 30% of Port Trucking Companies surveyed to determine preparedness for compliance
- 88% of trucks at the Port of Oakland would be noncompliant if the regulation went into force today.

Mr. Breen explained that in order to gauge where the drayage truck industry was in terms of being prepared for the upcoming regulation, staff surveyed approximately 30% of the Port trucking companies. The results of that survey showed that approximately 12% of the trucking fleet would be in compliance with Air Resources Board (ARB) regulation if the rule were to go into effect tomorrow. In addition, Mr. Breen stated that the Beacon Study corroborated this finding by determining that 81% of the trucks at the Port of Oakland would not be in compliance with the regulation if it went into effect immediately.

Mr. Breen concluded the presentation stating that while talking to the trucking companies, the Air District looked at the number of trucks requiring incentive funding in order to come into compliance with the ARB regulation. Approximately 33% of the companies surveyed have private funds that they can contribute to bringing their fleets into compliance, but about 2/3 will need to utilize the incentive funds in order to be in compliance with the regulation.

Committee Comments/Discussion:

Board Chairperson Torliatt asked if the information provided regarding compliance was in response to the discussion that was held with Port Commissioners regarding private industry taking care of compliance costs. Mr. Breen responded, stating that information from the Air District and the Beacon Study both indicate there will be a problem with operations if the incentive funding does not flow.

Director Gioia questioned and confirmed with Mr. Breen that no I-Bond funds were currently available to fund this program. Director Gioia questioned the number of trucks that would be retrofitted by the \$5 million in TFCA funding versus \$15 million originally targeted for the program. Mr. Breen said the \$15 million program would have funded 751 retrofits at the Port of Oakland and 191 replacement trucks and that \$5 million proposed would fund approximately 400 retrofits.

Mr. Broadbent added that while the number of trucks retrofitted would be somewhat reduced, it was important to move forward with the project as it still had a significant health risk reduction benefit. He also said the Air District plans to apply for stimulus funds through the Diesel Emission Reduction Act Program (DERA) in the hopes of securing funds for new truck purchases.

Board Chairperson Torliatt questioned where the work would be completed once retrofits begin, and Mr. Broadbent explained that retrofits would take place at shops near the Port and this would provide local jobs with local money.

Public Comments:

Richard Sinkoff, Director of Environmental Programs and Planning at the Port of Oakland, commented that the Drayage Truck Program would be revisited by the Board of Port Commissioners as part of its discussion on the Maritime Air Quality Improvement Plan (MAQIP).

Zach Goldman, Change to Win, stated that he had the opportunity of reading the Beacon study and shared some of the key findings and recommendations. The key recommendation was the adoption of a 100% employee requirement for Port truck drivers. This recommendation was primarily based on the fact that independent owner/operators do not have the money to finance clean trucks, nor do they have access to the credit markets.

Doug Bloch, Change to Win, stated that over the past two years, he has never seen the level of political will at the Port of Oakland to get things accomplished. He further cited and praised the assistance of both Port Commissioners and the Air District, who have helped move the work along. Mr. Bloch encouraged the Air District to contact newly appointed Port commissioners to continue these efforts.

Brad Edgar, President of Cleaire Advanced Emission Controls and designer/manufacturer of retrofits, explained that retrofitting drayage trucks provides an immediate health benefit. He further explained that retrofits are a source of stimulus to the local economy and that they provide one job for every 3-7 retrofits completed. He also stated that in terms of particulate emissions that a retrofitted truck is as clean as a brand new truck.

Based on Mr. Edgar's comments, Director Uilkema questioned how long it takes to retrofit a truck. He replied that retrofits take about two days in the shop and about 15-20 labor hours.

Director Haggerty stated that he supported new trucks at the Port of Oakland, and reiterated his desire to seek a contract with a single firm to provide clean vehicles for all port transportation.

Board Chairperson Torliatt questioned whether or not the Port was in communication with a private company for such a service. Mr. Breen stated that the District was not aware of any company stepping forward at present but staff is monitoring similar efforts at the Port of Los Angeles, California.

Committee Action: Director Torliatt made a motion to recommend the Board of Directors approve the expenditure of \$5 million in Transportation Fund for Clean Air (TFCA) funds to retrofit trucks without matching funds from the Port of Oakland (Port) and California Goods Movement Bond (I-Bond).

Update on Port of Oakland Maritime Air Quality Improvement Plan (MAQIP): *The Committee received an update on the Port of Oakland Maritime Air Quality Improvement Plan (MAQIP) and took a position on the MAQIP.*

Deputy APCO, Jean Roggenkamp, gave a brief overview and update of the Port of Oakland's Maritime Air Quality Improvement Plan (MAQIP), the Port's master plan for air

quality policies and goals for sea port operations. Ms. Roggenkamp reported that the Port has committed to a goal of reducing health risks of air contaminants by 85% by 2020. The MAQIP document also includes reducing other pollutants that would help the region to meet its criteria pollutant goals. The Port also adopted a policy statement that it would adopt fees to help fund air quality measures.

MAQIP goals and strategies include:

- Reduce health risks from Port sources by 85% by 2020.
- Reduce impacts of Port sources on local and regional air quality.
- Adopt fees to fund air quality measures.
- Three-fold strategy:
 1. Target emissions reductions earlier than required by regulations;
 2. Support enforcement of regulations;
 3. Target emissions reductions above and beyond those required by regulations.

MAQIP Task Force Information:

- Development of MAQIP began in 2006
- Task force with 35 members representing community groups, government agencies, labor unions, port businesses
- Four co-chairs
 - Omar Benjamin, Executive Director, Port of Oakland
 - Jack Broadbent, Executive Officer, Bay Area AQMD
 - Brian Beveridge, Co-Chair, West Oakland Environmental Indicators Project
 - Andy Garcia, Executive Vice President, GSC Logistics, Inc
- Eight meetings; last meeting held October 31, 2008

MAQIP Revisions include:

- Initial Draft MAQIP released June 2008; initial Final MAQIP released Oct 2008; subsequent revisions February and April 2009
- Adoption of MAQIP by Port Board scheduled for December 2008, then February 2009, and now April 2009
- February 2009 revision reflected Port's November 2008 decisions to:
 - Postpone \$5 million committed to truck retrofits
 - Postpone adoption of a user fee
- February 2009 (and April 2009) revisions do not include Port funding for clean trucks
- February 2009 revision does not include November 2009 recommendations of Interagency Group

Ms. Roggenkamp continued the presentation providing the following:

- At Port Board's direction, Port staff met with Interagency Group (IAG) and with the Task Force co-chairs in late February 2009 regarding February 2009 MAQIP.
- In response, Port staff prepared a Supplement to the MAQIP that addresses some of the IAG's recommendations.
- Supplement will accompany MAQIP (April 2009) through Port's approval process.

Ms. Roggenkamp continued that in response to those meetings, Port staff prepared a supplement to the MAQIP document. It is responsive in some ways to the direction from the IAG and other agencies in some respect, but not in others. The idea is that the supplement would accompany the MAQIP document through the Port's approval process and then become part of the MAQIP document.

Proposed Port Strategies include:

- Retrofit/replace port drayage trucks (BAAQMD)
- Support CARB drayage truck regulation
- Comply with CARB shore power regulation
- Promote seaport design and operational efficiency
- Participate in pilot projects for NOx and PM reduction
- Continue construction emission reduction program
- Support CARB and BAAQMD enforcement of regulations
- Ensure accountability, monitoring and reporting

Ms. Roggenkamp continued the presentation and provided Port Next Steps and Schedule, which includes:

- | | |
|--|----------------------------------|
| ▪ Port Maritime Committee Review of MAQIP | March 19, 2009 |
| ▪ Port Board Action on MAQIP | April 7, 2009 |
| ▪ Port Maritime Committee Review of Comprehensive Truck Management Plan` | May 2009 |
| ▪ Port Board Action on Comprehensive Truck Management Plan | June 2009 |
| ▪ Port Maritime Committee Review of User Fee | June 2009 |
| ▪ Port Board Action on User Fee | July 2009 |
| | January 2010 (collection of fee) |

Ms. Roggenkamp stated that the Air District has worked very closely with the Port for several years now with a multi-stakeholder process which went well. However, the Air District is concerned that the supplement provides some near term actions but is not sufficient from staff's perspective in terms of showing they will truly implement the plan.

Recommendation:

- Support the MAQIP goals and multi-stakeholder process.
- Although the Supplement is an improvement, MAQIP contains insufficient implementation commitments; oppose unless amended.
- Urge the Port to adopt the user fee and apply the funds to air quality measures expeditiously.

Ms. Roggenkamp concluded by stating other Ports in California do have incentives for low sulfur fuel and truck clean-up.

Committee Discussion/Comments:

Director Haggerty questioned whether assistance for shore side power was included, and Mr. Broadbent responded stating that the Air District has provided some grants for shore side power through the I-Bond program.

Mr. Breen clarified that \$2.8 million has been allocated for shore side power at the APL terminal. At present those funds are on hold, but the Air District is looking at local funds such as AB 923 funds to bridge the shortfall.

Committee Action: Director Wagenknecht made a motion to recommend support of the MAQIP goals and multi-stakeholder process; although the Supplement is an improvement, MAQIP contains insufficient implementation commitments and the Committee opposes it unless amended; and that the Committee urges the Port to adopt the user fee and apply the

funds to air quality measures expeditiously; seconded by Director Gioia; carried unanimously without objection.

Public Comments:

Sandra Witt, Deputy Director of Alameda County Public Health Department, co-chair of interagency group, expressed her support of staff's recommendation.

Richard Sinkoff, Director of Environmental Programs and Planning, Port of Oakland, stated that it is important to clarify a gap between the time the presentation was made and the time that the Port supplement was prepared. Mr. Sinkoff said the interagency group is a group formed within the context within the Port's MAQIP and is one of the key sources of information to the Port. The latest round of consultation as an interagency group is a revision to the MAQIP, which includes the user fee and does include support for the Drayage Truck Program.

Chair Miley requested clarification from staff, and Ms. Roggenkamp explained that the supplement is indeed an improvement and was discussed amongst staff and the Port. Port staff has included some of the things that the interagency group requested in the supplement, but not everything.

Director Uilkema asked if the container fees established in South Coast had been suspended. Mr. Broadbent responded, stating the fees were reduced but not suspended due to the container fee traffic being reduced.

Mr. Broadbent informed the Committee that staff would prepare a resolution that defines exactly what the Air District would like the Port to do.

Richard Grow, U.S. Environmental Protection Agency and an interagency participant, provided clarification on the perspective that the MAQIP is dependent upon cooperation of the agencies, especially the three air agencies and he believed each agency has several decades of experience in developing air quality improvement plans.

Discussion of Air District Enforcement Strategy for CARB Mobile Source Regulations at Bay Area Ports: *The Committee received a presentation on preliminary plans for the Air District to begin enforcement of California Air Resources Board (CARB) mobile source regulations in CARE impacted areas, with special focus on the Port of Oakland and West Oakland.*

Director of Compliance and Enforcement, Kelly Wee, said the Compliance and Enforcement Division has been in the process of developing a compliance plan which is intended to be completed and brought back to the Committee in the fall of 2009. He said the Air District has over 50 years of enforcement and compliance experience with stationary source enforcement. Because CARB has changed the way they have drafted some of their mobile source rules, it has allowed the Air District to take a role in mobile source enforcement.

Overview of the presentation included:

- Current mobile source enforcement
- Additional CARB mobile source regulations under evaluation
- Steps to further mobile source enforcement
- Future Compliance Plan

Current Programs:

- Terminal Idling Rule (AB 2650) - July 2003
- Railroad MOU - September 2006
- Portable Equipment Registration Program ("PERP") - January 2007

Additional regulations under evaluation include:

- 19 CARB Mobile Source Diesel Regulations

These represent 50% of the diesel emissions at the Port of Oakland:

- Heavy-Duty Drayage Truck Regulation "DTR"
- Mobile Cargo Handling Equipment
- Commercial Trucks and In-Use Construction Equipment

Regulations for Heavy Duty Truck Drayage include:

- Truck Owner/Operator must register with CARB DTR database – Sept 30, 2009
- Port Terminals begin checking each drayage truck – Sept 30, 2009
- Owner/Operator must meet 2004 emission standards – Dec 31, 2009

Mr. Wee continued the presentation with reference to the Mobile Cargo Handling Equipment which includes:

- CARB low sulfur-fuel requirements
- New equipment emission standards for equipment purchased on or after January 2007
- In-use equipment emission standards phased in from 2007 to 2017 (fleet wide average)
- Extensive recordkeeping requirements

Commercial idling limits include:

- 5 minute idling limit (some exceptions) within 100 feet of receptor
- Commercial Trucks/Buses over 10,000 pounds
- Became effective – February 2005

Moving forward, Mr. Wee stated that staff would receive additional training programs which will include: 1) CARB diesel particulate filters training; 2) College of Alameda diesel technology course; and 3) Additional regulation specific training. Also included will be:

- MOU with CARB
- Security Clearances
- Air Program Development – which includes staff procedures

Mr. Wee concluded the presentation stating that the plan will be delivered in the fall of 2009; with focus on impacted CARE areas and Bay Area Ports. Mr. Broadbent stated that the Air District is working with CARB and will provide updates to the Committee of all discussions.

Committee Discussion/Comments:

Director Haggerty questioned whether or not flyers were being distributed in both English and Spanish informing truckers of the process. Mr. Wee responded and said the process is about to begin and meetings are being held with truckers to get the word out. Currently, staff has meetings scheduled with trucker workgroups who coordinate some of the outreach.

Director Uilkema questioned whether the Air District is enforcing CARB mandates and who was paying for the work. Mr. Broadbent explained that the Air District is in discussions with the State to determine how the hours and time could be reimbursed by the State.

Public Comments:

Doug Bloch, Change to Win, questioned the enforcement of 50 contracts versus 2,000 contracts and sympathized with the Air District regarding the trucking system. He encouraged the District to push the Port to do what their own consultant is recommending them to do, which is making the trucking companies responsible and bringing in responsible trucking companies that can meet the standards.

Committee Action: None; informational report.

Committee Member Comments/Other Business: There were none.

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

Adjournment: The meeting adjourned at 11:30 a.m.

Vanessa Johnson
Executive Secretary