



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
AD HOC COMMITTEE ON PORT EMISSIONS

COMMITTEE MEMBERS

NATE MILEY – CHAIRPERSON
TOM BATES
SCOTT HAGGERTY
MARK ROSS

DAN DUNNIGAN – VICE CHAIRPERSON
JOHN GIOIA
YORIKO KISHIMOTO
GAYLE B. UILKEMA
BRAD WAGENKNECHT

THURSDAY
MARCH 12, 2009
9:30 A.M.

4TH FLOOR CONFERENCE ROOM

AGENDA

1. **CALL TO ORDER – ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.
3. **APPROVAL OF MINUTES OF JANUARY 22, 2009**
4. **UPDATE ON RECENT MEETING OF PORT OF OAKLAND COMMISSIONERS AND AIR DISTRICT BOARD MEMBERS**

J. Broadbent/5052
jbroadent@baaqmd.gov

The Committee will receive an update on its recent meeting of Port of Oakland Commissioners and Air District Board Members.

5. **UPDATE ON AIR DISTRICT TRUCK RETROFIT PROGRAM**

J. Broadbent/5052
jbroadent@baaqmd.gov

The Committee will receive an update on the Air District Truck Retrofit Program and consider a recommendation to approve the expenditure of \$5 million in TFCA funds to retrofit trucks without matching funds and waive the cost-effectiveness requirements of the TFCA program.

6. **UPDATE ON PORT OF OAKLAND MARITIME AIR QUALITY IMPROVEMENT PLAN (MAQIP)**

J. Roggenkamp/4646
jroggenkamp@baaqmd.gov

The Committee will receive an update on the Port of Oakland Maritime Air Quality Improvement Plan (MAQIP) and consider taking a position on the MAQIP.

7. DISCUSSION OF AIR DISTRICT ENFORCEMENT STRATEGY FOR CARB MOBILE SOURCE REGULATIONS AT BAY AREA PORTS

K. Wee/4760
kwee@baaqmd.gov

The Committee will receive 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.

8. COMMITTEE MEMBER COMMENTS/OTHER BUSINESS

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2).

9. TIME AND PLACE OF NEXT MEETING - AT THE CALL OF THE CHAIR

10. ADJOURNMENT

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SAN FRANCISCO, CA 94109

(415) 749-5127
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

MARCH 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Friday	6	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Regular Meeting	Wednesday	11	9:00 a.m.	Board Room
Ad Hoc Committee on Port Emissions <i>(At the Call of the Chair)</i>	Thursday	12	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Monday	16	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Joint Policy Committee	Friday	20	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Monday	23	Immediately Following Legislative Cme. Meeting	4 th Floor Conf. Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month)</i>	Wednesday	25	10:00 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i> - RESCHEDULED	Wednesday	25	1:30 p.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Monday	30	9:30 a.m.	4 th Floor Conf. Room

APRIL 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	1	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	8	9:00 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	9	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room

APRIL 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Quarterly)</i>	Monday	20	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Wednesday	22	1:30 p.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>– (Meets 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	27	9:30 a.m.	4 th Floor Conf. Room

MAY 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month)</i>	Thursday	7	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Regular Meeting	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	14	9:30 a.m.	4 th Floor Conf. Room
Joint Policy Committee	Friday	15	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Wednesday	27	1:30 p.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>– (Meets 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

HL – 3/9/09 (2:00 p.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Miley and Members
of the Ad Hoc Committee on Port Emissions

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 19, 2009

Re: Ad Hoc Committee on Port Emissions Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Ad Hoc Committee on Port Emissions meeting of January 22, 2009.

DISCUSSION

Attached for your review and approval are the draft minutes of January 22, 2009 Ad Hoc Committee on Port Emissions meeting.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

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

DRAFT MINUTES

Summary of Board of Directors
Meeting of the Ad Hoc Committee on Port Emissions
9:30 a.m., Thursday, January 22, 2009

- 1. Call to Order – Roll Call:** Vice Chairperson Dan Dunnigan called the meeting to order at 9:43 a.m.

Present: Vice Chairperson Dan Dunnigan, Committee Members Yoriko Kishimoto and Mark Ross

Absent: John Gioia and Brad Wagenknecht

Arrived After Roll Call: Chairperson Nate Miley and Committee Members Tom Bates, Scott Haggerty and Gayle B. Uilkema

Others Present: Chairperson Pam Torliatt

- 2. Public Comment Period:** There were none.

Vice Chairperson Dunnigan requested Item 4 be moved up on the agenda due to the lack of a quorum.

4. Update on Activities Related to the Port of Oakland

Deputy APCO, Jean Roggenkamp, indicated that the following Port of Oakland actions had been previously reported at the December 3, 2008 Board of Directors meeting:

- A decision was made to postpone \$5 million in funding already committed to the Air District for drayage truck clean-up;
- A decision was made to postpone consideration of the Maritime Air Quality Improvement Plan (MAQIP); and
- A decision was made to postpone consideration of user fees to fund emission reduction projects and infrastructure improvements.

Per the Board's direction, staff met with Mayor Dellums' staff and drafted a letter to Mayor Dellums for the Chair's signature expressing the Board's serious concerns regarding the Port's actions.

The Port sent a letter to the Air District requesting that the \$2 million in funding already transferred to the Air District be returned and notified the Air District that they were canceling the Memorandum of Understanding between the Air District and the Port. The ARB forwarded a letter to the Air District indicating that I-Bond monies would be postponed due to the State's financial difficulties.

Ms. Roggenkamp said the Port scheduled consideration of the revised version of the MAQIP for January 29, 2009. The plan was changed to reflect recent Port actions. The Air District is continuing to prepare to enforce the ARB rules.

Mr. Broadbent noted that the Air District was moving forward with the processing of grant applications for truck retrofits with use of TFCA dollars. Grants Manager, Damien Breen reported that staff has 750 applications.

Committee members discussed with staff the interaction with the Teamsters, the newly revised and approved retrofit devices, the application process, extension of the retrofit deadline in order to process grant applications and enforcement of CARB rules. It was suggested that the Air District review the issue of the Port spending funds on shore side power projects versus truck retrofits, ask the Teamsters to be included as stakeholders, review intellectual property protection, and schedule an update regarding the possibility of a public/private partnership in working with the LA/Long Beach model.

Public Comments:

Anne Whittington, Environmental Assessment Supervisor, Port of Oakland, provided one copy of the revised MAQIP, said specific actions were still underway but the Port cannot fund all air quality improvements associated with maritime activity. She briefly discussed the Port's financial position and anticipated the MAQIP to return to the Maritime Committee on January 29th and then onto their Board on February 3rd.

Committee Members discussed issues of matching funds, the Port's work with the BNSF Railroad switcher and LNG trucks to leverage Caltrans funding, the Port's intention to go to the Board before the end of the year for a container fee to be used specifically for air quality infrastructure projects, economic stimulus projects which included maritime division infrastructure shore power projects, reductions seen in independent truck owner/operators and the future presence of large truck operators, the potential for using the \$2 million on shore side power projects.

Doug Bloch, Change to Win, Oakland, thanked the Committee for their continued diligence, discussed truck drivers leaving the industry, asked the Committee to continue to request that a truck management plan be approved by the Port Board by March/April. He discussed competition in the northwest and noted there was federal legislation for a national container fee being pursued. He supported shore side power projects and continued interaction between Teamsters, the Port and the Air District.

Committee Members discussed northwest competition, health issues, the need for EIR requirements such that the Port could expand in the future if needed, and supported public/private partnerships, federal legislation, utilization of TFCA and I-Bond monies and retrofit of trucks as cost effective in achieving reductions.

Mr. Broadbent confirmed with the Committee that next steps would include:

- Setting up meeting with Board Members and Commissioners and staff;
- Drafting a letter to encourage adoption of the Truck Management Plan;
- Encouraging the Port to spend the \$2 million on shore side power projects that could address emission projects in the short term, (and hold the larger discussion in closed session);

- Moving forward with retrofitting the trucks;
 - Returning and exploring a public/private partnership project.
3. **Approval of Minutes of November 17, 2008:** Director Bates moved approval of the minutes, seconded by Director Haggerty; carried unanimously without objection (Director Uilkema abstained).
 5. **CLOSED SESSION: POTENTIAL LITIGATION** (Government Code Sections 54956.9(b) and 54956.9(c): *Pursuant to Government Code Sections 54956.9(b) and 54956.9(c), a need exists to meet in Closed Session to discuss potential litigation regarding two matters.*
 6. **OPEN SESSION**

District Legal Counsel Brian Bunger said the Committee received an update in Closed Session and gave direction to staff.

Public Comments:

Ellen Johnick, Bay Planning Coalition, reported that the Coalition has been working on the approval process of the MAQIP, will be presenting testimony on February 3, 2009 and have also worked on an inventory of the other four ports to identify what their emissions are and to identify next steps in planning for emissions reduction to include the San Francisco, Benicia, Redwood City and Richmond ports. They also worked together to develop an amendment to their MOU they have with the Air District to share the work needing to be done on the inventory. Air District staff will be donating time on the inventory, Redwood City and Benicia ports to date have voted to spend money to complete the project, and she agreed to provide a report back to the Committee in the next few months on their progress.

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 12:04 a.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Miley and Members of
the Ad Hoc Committee on Port Emissions

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 5, 2009

Re: Update on Recent Meeting between Port of Oakland Commissioners and Air
District Board Members

RECOMMENDED ACTION:

Informational report; receive and file.

BACKGROUND

Three members of the Air District Board of Directors, Chairperson, Pamela Torliatt, Secretary, Tom Bates and Ad Hoc Committee on Port Emissions Chair, Nate Miley, participated in a meeting on February 17, 2009 with two representatives of the Port of Oakland (Port) Board of Commissions, Port Commission President, Victor Uno and Port Commission Vice-President, Margaret Gordon, to discuss how the Air District and the Port can work on reducing air quality impacts from Port activities and protect the health of West Oakland residents. Jack Broadbent, Executive Officer/APCO and Port Executive Director Omar Benjamin, as well as relevant staff from the Air District and the Port, were also in attendance.

DISCUSSION

The Air District Board of Directors and as well key Port Commissioners had expressed an interest in having this Board-level meeting. Key topics covered at the meeting included:

- The need for reductions in diesel particulate emission reductions from Port drayage trucks;
- ARB Drayage Truck Regulation compliance and enforcement;
- The Port's decision to withdraw its \$5 million commitment to a drayage truck retrofit program; and
- Potential Non-Retrofit Emission Reduction Projects.

Port Commissioners and staff explained the reasoning behind the Port Commissioners' decision of November 19, 2008 to withdraw the \$5 million the Port had committed to a retrofit project to reduce diesel particulate emissions from Port drayage trucks. Per the discussion, the Port's decision was prompted by:

- The economic downturn;
- Concerns regarding whether trucks retrofitted with Port funds would ultimately serve the Port;
- The Port's preference to wait for a Comprehensive Truck Management Plan (CTMP) prior to undertaking any truck clean up; and
- Concerns that a retrofitted truck would become ineligible for participation in the CTMP program or for ARB truck replacement funds in the future.

Air District Board members and staff pointed out that regardless, the Port would have to comply with the upcoming ARB drayage truck regulation on January 1, 2010. Air District staff asked how the Port expected to achieve compliance without implementing the drayage truck retrofit program.

Port staff responded that a combination of factors including free market forces, the economic downturn, the inability of certain independent truckers to meet the security clearance requirements and the specter of ARB and the Air District's enforcement of the drayage truck rule would ultimately result in sufficient compliant trucks to meet the Port's commerce needs.

Air District staff communicated that new Goods Movement Bond guidelines are scheduled for adoption by ARB this spring. These guidelines are expected to include provisions that will allow truck drivers that receive retrofit funding now to also receive additional truck replacement funding from the program in the future. Furthermore, retrofit contracts will be reduced in length to only two years in duration under the proposed guidelines, as opposed to the four years currently required by the program.

The Port staff and Commissioners remained determined not to fund the drayage truck retrofit partnership as agreed to in the MOU. However, it was agreed that both District and Port staff would continue to work together to come up with an acceptable proposal for use of the Port's funding through alternative projects. The following potential projects for collaboration were discussed:

1. A Shorepower Project to assist with early compliance of the ARB shorepower regulation.
2. A Transportation Mode Shift-Marine Highway Project that would shift truck trips away from Bay Area highways and the West Oakland neighborhood by transporting containers to Stockton via barge.
3. A Locomotive Project for Union Pacific Railroad to replace seven to ten Bay Area old switcher engines with new clean technology using Bond and Port funding.

Port and Air District staff will work together to discuss the viability of implementing one of the above projects.

Committee Chairperson Miley, Chairperson Torliatt and Secretary Bates will provide additional insight about the meeting at the Ad Hoc Committee on Port Emissions meeting on March 12, 2009.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jack P. Broadbent". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Miley and
Members of the Ad-Hoc Committee on Port Emissions

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 12, 2009

Re: Update on Truck Retrofit Program

RECOMMENDED ACTION

Staff request that the Committee recommend that the Board of Directors (Board):

1. 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).
2. Waive the cost-effectiveness requirements of the TFCA program in order to rapidly reduce the health risk in the West Oakland community.

BACKGROUND

Over the past few months, staff has continued to prepare but not execute contracts for drayage truck retrofits at the Port under the I-Bond program. This effort is part of a Board commitment to immediately reduce toxic diesel particulate matter (DPM) emissions from goods movement in West Oakland, an area identified as having a cancer risk of three times the Bay Area average. As part of this commitment, the Board allocated \$5 million in TFCA and \$5 million in I-Bond funding to match \$5 million in Port funding to retrofit approximately 1,000 (50%) of Port drayage trucks by July 1, 2009. However, on November 19, 2008, the Port postponed use of its funds to retrofit trucks and on December 23, 2008, the District was notified by the ARB that no funds were available until further notice to cover expenditures under the I-Bond program.

On February 26, 2009, staff updated the Board's Mobile Source Committee (MSC) on efforts to execute the retrofit program. Following an extensive discussion which included input from Board members and members of the public, the MSC requested that staff gather further information on the benefits of a retrofit program to both the West Oakland community and the larger Bay Area. The MSC further requested that this information be presented to the Ad Hoc Committee on Port Emissions along with a request for Board action.

DISCUSSION

The predominant factors in analyzing the benefits of expending TFCA funds on truck retrofits at the Port are as follows:

Emissions Reductions

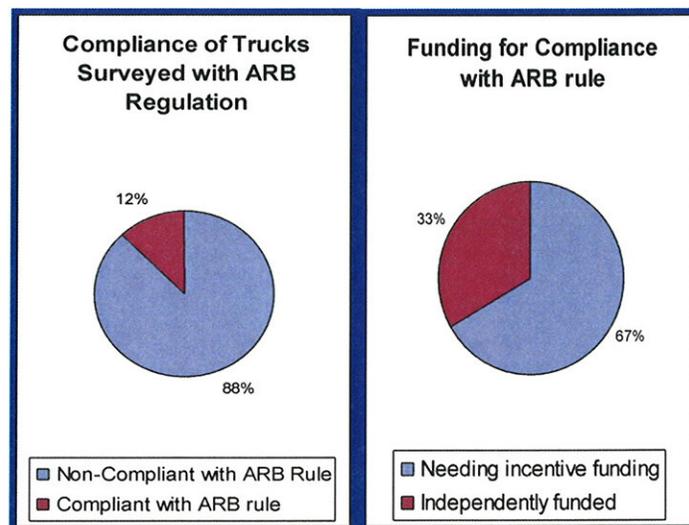
Of the 751 applications approved for retrofits funding by the Board on December 3, 2008, over 400 have indicated that they are still willing to participate in any program funded by the District. An analysis of the emissions reduced by retrofitting these 400 trucks indicates that approximately 11 tons per year of DPM could be eliminated primarily in the West Oakland area. By comparison to the estimated 17 tons per year of DPM emitted by drayage trucks (Port's 2005 inventory report), this represents a significant emissions reduction. Additionally, by utilizing TFCA funds to execute

this program, trucks would not be restricted to operating only at the Port. This creates a significant economic advantage for truckers in that they can seek work Bay Area wide in compliance with all ARB regulations until 2013. It should also be noted that on a daily basis, the emissions reductions from retrofitting these vehicles is also significant. This program could reduce over 1% of the total emissions from on-road diesel motor vehicles in the Bay Area (0.03 tons per day (TPD) from a baseline of 2.6 TPD).

Compliance Assistance

As part of the direction provided by the MSC, staff surveyed a number of small, medium and large drayage trucking companies to determine their preparedness for compliance with the ARB's regulation which goes into effect on January 1, 2010. The companies surveyed represent approximately 600 trucks or approximately 30% of the drayage truck fleet based off an estimate of a total of 2,000 trucks in drayage service. The results of the survey presented in Attachment 1 and graphically in figure 1 below demonstrate that these companies are relying heavily on incentive funding to assist them with compliance. Also, the survey indicated that the majority of these companies had not contemplated alternative sources of funding to bring their trucks into compliance.

Figure 1- Results of Trucks Survey



Cost-Effectiveness

Of the 400 active applications, approximately 50% of them now exceed the \$90,000 per ton of emissions reduced cost effectiveness threshold required by the TFCA guidelines. However, when the entire retrofit program benefits are averaged, the cost for emissions reductions remains approximately \$52,000 per ton. The reasons that some projects do not meet TFCA cost effectiveness are as follows:

- Due to the lack of compliant retrofit devices and delays in program execution due the unavailability of funding, the time period for which retrofit projects could operate “surplus” to regulatory requirements shrunk. As now only six to eight months of compliant operation prior to the ARB’s regulation remain, the cost of emissions reductions achieved have increased above the TFCA cap.
- ARB and Port funding under the I-Bond program did not require adherence to a cost effectiveness cap and could have been used to offset TFCA expenses in funding eligible retrofits. However, as this funding is now not available, this opportunity does not exist.

CONCLUSION

With the unavailability of both Port and ARB funds, and in order to meet the goal of rapidly reducing the health risk in West Oakland and the greater Bay Area air basin, staff is recommending that projects identified under the I-Bond program be funded using TFCA dollars and that the \$90,000 per ton of emissions reduced cost-effectiveness threshold be waived by the board.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The TFCA Program is derived from the California Health and Safety Code that allows for the distribution of a \$4 DMV fee for each vehicle registered in the Bay Area to the District. Staff costs for the administration of the program are included under Program 308 "Transportation Fund for Clear Air Administration (TFCA)" in the FY 2008/2009 budget.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Jack M. Colbourn

Attachment 1 -Results of Port Truck Survey

Results of Port Truck Company Telephone Survey conducted February 24-March 4, 2009

<u>Trucking Company</u>	<u>Total Fleet*</u>	<u>Compliant Trucks</u>	<u>Reliance on incentives**</u>	<u>Comments</u>
1	132	22	75%	In absence of grants, Company 1 would pursue assistance from beneficial cargo owners (BCOs) but uncertain how contracted fleet would be affected by this plan - contractors make up 98% of their fleet
2	80	0	50%	Economic downturn has increased the role grants play in their compliance plan
3	50	0	30%	Consider grants "imperative" for maintaining normal operations after Dec 2009
4	44	15	34%	Plans to speed up normal attrition rate but has no plans for financing compliance
5	36	2	100%	As company purchased numerous 1997-2004 trucks prior to announcement of Rule, now have insufficient funds available to bring fleet to compliance without grants
6	35	21	40%	This company can not maintain their current operations after Dec 2009 and would have to reduce their operations
7	30	2	100%	Company admits they did not keep apprised about Rule and never calculated costs of compliance; now 100% reliant on grants to maintain fleet
8	27	0	100%	As a result of the economic downturn and revenue losses company is now reliant on receiving the full (up to \$15,000) grant amount in order to achieve regulatory compliance
9	23	0	100%	No compliance plan prior to incentive program announcement
10	21	0	100%	Costs to comply with Rule would have made trucking division unfeasible without incentive funding
11	17	4	75%	2007 trucks were purchased as a hedge to maintain operations beyond Dec 2009; without additional grant-funded trucks, they fear revenue loss could cause defaults on these loans
12	15	7	0%-50%	A large diversified business with total fleet over 60 trucks; in absence of grants, could tap general fund or shift fleet until port fleet compliance completed
13	14	1	60%	Using line of credit from their bank, planned to retrofit as many trucks as they could afford

* Includes company-owned and contracted trucks operating as part of regular port fleet; companies own additional non-port trucks

** Percent of port truck fleet that the company would be unable to bring to compliance prior to December 2009

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Miley and Members of
the Ad Hoc Committee on Port Emissions

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 5, 2009

Re: Port of Oakland Maritime Air Quality Improvement Plan (MAQIP)

RECOMMENDED ACTION:

Consider whether to take a position on the Port of Oakland's Maritime Air Quality Improvement Plan (MAQIP).

BACKGROUND

The Port of Oakland has completed a Maritime Air Quality Improvement Plan (MAQIP) that is intended to be the Port's master plan for air quality goals and policies for seaport operations. The Port established a 35-member Task Force to assist the Port in developing the MAQIP. The MAQIP Task Force began meeting in 2006 and had four co-chairs including representatives of the Port of Oakland, Port-related industry, the West Oakland community, and the Bay Area Air District. The Task Force included representatives of key community groups, government agencies, and port-related businesses.

The MAQIP was released in October 2008. The document includes a Port Board-adopted goal of reducing health risks in West Oakland from diesel particulate emissions from Port operations by 85% by 2020. It also includes documentation about seaport operations and emissions, results of the West Oakland health risk assessment, potential emission reduction strategies, and implementation and monitoring steps. The MAQIP was scheduled for consideration at the Port's Maritime Committee on November 20, 2008 and approval by the Port Board on December 2, 2008. The Port Maritime Committee postponed consideration of the MAQIP due to the need to re-evaluate the Port's financial commitments in the MAQIP, including the commitment of \$5 million to the District's drayage truck retrofit program. The Port also postponed consideration of a user fee that would fund air emission reduction measures.

A revised MAQIP was released in February 2009. Revisions to the document include deletion of the Port's financial contribution to the drayage truck retrofit program and deletion of future funding of truck clean up through the user fee. The revised MAQIP does not include near-term implementation steps recommended to the Port by the Interagency Group, which includes Air District staff.

At the direction of the Port Board, Port staff met with the Interagency Group (February 26, 2009) and the MAQIP Task Force co-chairs (February 27, 2009) to discuss the revised MAQIP. In response to those meetings, Port staff is preparing a supplement to the MAQIP that will accompany the MAQIP to the Port Maritime Committee and Port Board. The supplement may include near-term implementation actions.

DISCUSSION

The Port's goal of reducing health risks from Port operations by 85% is a fine goal. The Port's inclusive process of developing the MAQIP through a multi-stakeholder task force was a fine process. However, the MAQIP does not include many specific Port commitments to implement new emission reduction measures, and the Port's recent actions to postpone and delete actions to implement emission reductions measures makes staff question the Port's commitment to implement the MAQIP.

Unless the supplement being prepared by the Port staff contains substantial implementation actions and a clear strategy for spending the user fee on air quality improvements, staff cannot recommend support for the MAQIP.

Staff will bring the Port's MAQIP supplement to the Ad Hoc Committee on Port Emissions meeting on March 12, 2009.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Miley and Members
of the Ad Hoc Committee on Port Emissions

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 4, 2009

Re: Discussion of District Enforcement Strategy for CARB Mobile Source
Regulations at Bay Area Ports

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND

Continuing the Air District's actions to implement the CARE program and the Green Ports Initiative Program Description and Plan, staff is in the process of conducting a review of CARB mobile source regulations to prepare a plan for enforcement of key mobile source regulations. The goal is to reduce diesel particulate matter health risk in CARE impacted areas, with special focus on the Port of Oakland and West Oakland. The District has a robust stationary source enforcement program spanning more than 3 decades. Mobile source enforcement has been traditionally under CARB's purview. Only recently CARB's diesel particulate matter airborne toxic control measures (ATCM) have allowed air districts a larger role for mobile source regulation enforcement.

The Air District has been working with ports, operators of port equipment, community groups, and technology companies through its planning, grant making, and enforcement programs in order to understand emissions, enforce existing laws and regulations, promote new technologies, and otherwise assist efforts to reduce diesel PM emissions at the ports.

Since 2003, Air District enforcement staff have been enforcing Health and Safety Code section 40720, which restricts idling by port trucks outside terminal gates at the Port of Oakland, the only port in the Bay Area to which the restrictions apply. These restrictions were added to state law in 2002 by AB 2650, authored by then Assemblymember Alan Lowenthal. The Air District is the only air district in the state that has conducted enforcement actions pursuant to the statute. In September 2008, the District began discussions with CARB regarding enforcement of CARB regulations on port mobile sources, with follow-up discussions in February 2009.

In working to enforce AB 2650 and the CARB regulations, the Air District has prioritized its current efforts and those proposed at the Port of Oakland based on the overall level of emissions and the contribution of risk by a particular mobile source category (ships, trucks, harbor craft, or other equipment).

DISCUSSION

The Compliance and Enforcement Division is in the process of developing a Compliance Plan to identify the most appropriate regulations for the Air District to enforce, to coordinate enforcement efforts with CARB staff, to train and assign Air District staff to conduct inspections, and to begin enforcement of additional CARB mobile source regulations at the Port of Oakland.

Staff has comprehensively reviewed CARB regulations to prioritize those for Air District enforcement. At the Port of Oakland, staff has begun enforcing the following which have already taken effect:

<u>Regulation</u>	<u>Implementation</u>
• Terminal Idling Rule (limits idling of port trucks)	July 2003
• Railroad MOU (limits idling of diesel locomotives)	September 2006
• Portable Equipment Registration Program ("PERP")	January 2007

Of the numerous CARB mobile source regulations, the following three regulated sources account for nearly 50% of the diesel emissions at the Port of Oakland:

- Heavy-Duty Drayage Truck Regulation ("DTR"): Requires registration by September 30, 2009 and emissions standards requirements.
- Mobile Cargo Handling Equipment: Requires engines that meet specified emission standards.
- In-Use Construction Equipment: Establishes idling limits on commercial trucks and construction equipment.

Staff will present background information on the Air District's mobile source enforcement at the Port of Oakland, provide an overview of CARB's mobile source regulations under evaluation for inclusion in the plan, outline the steps to be taken to begin further mobile source enforcement and coordination efforts with CARB.

A full Compliance Plan will be provided to the Committee in Fall 2009.

Respectfully submitted,



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