



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
BRAD WAGENKNECHT

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

THURSDAY
JULY 16, 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 MARCH 12, 2009**
4. **UPDATE ON EMISSION REDUCTION STRATEGY FOR THE PORT OF OAKLAND**

J. Broadbent/5052

jbroabent@baaqmd.gov

The Committee will receive an update on the emission reduction strategy for the Port of Oakland.

5. **CONSIDERATION OF FUNDING ALLOCATION FOR NEAR TERM EMISSION REDUCTION PROJECTS AT THE PORT OF OAKLAND**

J. Broadbent/5052

jbroabent@baaqmd.gov

The Committee will consider recommending Board of Directors approval of the allocation of \$750,000 in funding to support emission reduction projects at the Port of Oakland seaport, and referral to and recommendation by the Budget & Finance Committee to transfer \$750,000 in funding from reserves to the FY 2009/10 budget.

6. **UPDATE ON ENFORCEMENT STRATEGY FOR CARB MOBILE SOURCE REGULATIONS AT THE PORT OF OAKLAND**

K. Wee/4760

kwee@baaqmd.gov

The Committee will receive an update on the District's enforcement strategy for CARB mobile source regulations at the Port of Oakland.

7. 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).

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

9. ADJOURNMENT

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

**(415) 749-5130
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

JULY 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
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> - CANCELLED / TO BE RESCHEDULED	Thursday	9	9:30 a.m.	4th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Quarterly)</i>	Monday	13	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Ad Hoc Cme. on Port Emissions <i>(At the Call of the Chair)</i>	Thursday	16	9:30 a.m.	4th Floor Conf. Room
Joint Policy Committee	Friday	17	10:00 a.m.	MTC Auditorium 101 8th Street Oakland, CA 94607
Board of Directors Mobile Source Committee - <i>(Meets 4th Thursday of each Month)</i> - CANCELLED	Thursday	23	9:30 a.m.	4th Floor Conf. Room
Board of Directors Executive Committee - <i>(At the Call of the Chair)</i>	Wednesday	29	9:30 a.m.	4th Floor Conf. Room

AUGUST 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	5	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i> - CANCELLED	Thursday	13	9:30 a.m.	4th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	19	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee - <i>(Meets 4th Thursday of each Month)</i> - CANCELLED	Thursday	27	9:30 a.m.	4th Floor Conf. Room

SEPTEMBER 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	2	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	9	9:00 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	10	9:30 a.m.	4th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Joint Policy Committee	Friday	18	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Mobile Source Committee ... <i>(Meets 4th Thursday of each Month)</i>	Thursday	24	9:30 a.m.	4 th Floor Conf. Room

HL -- 7/6/09 (9:00 a.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: July 1, 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 March 12, 2009.

DISCUSSION

Attached for your review and approval are the draft minutes of March 12, 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, 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

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: July 9, 2009

Re: Update on Emission Reduction Strategy for the Port of Oakland

RECOMMENDED ACTIONS:

None.

BACKGROUND

Since the last meeting of the Ad Hoc Committee on Port Emissions, a number of actions have been taken toward reducing harmful emissions from seaport operations at the Port of Oakland, consistent with the green ports initiative adopted by the Board of Directors on November 19, 2008. These actions include, but are not limited to:

Bay Area Air Quality Management District

- Continued Transportation Fund for Clean Air grants (\$5 million) to retrofit drayage trucks
- Resumed I-Bond grants once funds began flowing to the Air District after a hiatus, including funds 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 truck retrofits upon reauthorization of funds by the Port of Oakland
- Applied for and received Diesel Emission Reduction Act (DERA) funds (\$2 million) for truck retrofits at the Port of Oakland
- Stepped up outreach to port truckers about the availability of grant funds to retrofit their trucks, including a trucker outreach center at the Port of Oakland
- Board of Directors provided direction to staff on June 2, 2009 to continue evaluating Air District authority regarding Port emissions and to work with Port of Oakland staff on an agreement for near term actions to reduce emissions.

Port of Oakland

- Adopted Maritime Air Quality Improvement Plan (MAQIP)
- Adopted Comprehensive Truck Management Plan
- Adopted a ban on trucks that are not compliant with the ARB drayage truck rule effective January 1, 2010 (The implementing ordinance is scheduled for consideration Fall 2009)

- Reauthorized \$5 million in Port funds for the Air District to use for cleaning up drayage trucks
- Continued working with terminal operations on compliance plans for the ARB shore power regulation, including submittal of applications for state and federal funding

California Air Resources Board

The following regulatory milestones have occurred affecting seaport operations and emissions:

- On July 1, 2009, large marine vessels were required to use low sulfur marine fuels within California waters;
- On July 1, 2009, terminal operators were required to submit compliance plans to ARB for the shore power requirements;
- Terminal operators continued progress in bringing their cargo handling equipment into compliance with the State's diesel PM requirements;
- Trucking firms and terminal operators began complying with the 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 in advance of the initial compliance date of December 31, 2009.

U. S. EPA

- 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 (see above)

California Assembly

- Held a Select Committee hearing on the Port of Oakland on May 27, 2009
- Follow up hearing anticipated Fall 2009

DISCUSSION

Immediately following the Assembly Select Committee hearing, executive staff and Board representatives from the Air District and the Port met to consider next steps for working together. The discussion resulted in the concept of a joint agreement on near term actions to reduce emissions from port operations.

Staff from the Port of Oakland and Air District are working to identify near term actions to reduce emissions at the Port. Staff met on June 17, 2009 and July 1, 2009, and the next meeting is anticipated the week of July 27th. The work to date is encouraging.

Near term actions under discussion include, but are not limited to, the following list.

Compliance with Regulations

- Port support for Air District enforcement of ARB regulations, including but not limited to rules on drayage trucks, truck idling, low sulfur fuel for ocean going vessels, and transport refrigeration units.

Early Compliance

- Incentives for drayage truck retrofits and replacements
- Incentives for shore power infrastructure
- Incentives for low-emission locomotive switcher engines

Above and Beyond Regulations

- Support/funding for a marine highway project – using barges to transport cargo containers between Ports of Oakland, Stockton, and Sacramento rather than trucks

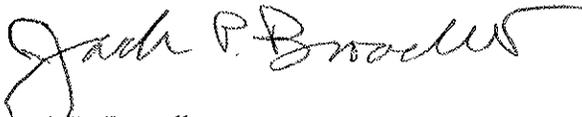
The Port and Air District will also continue to collaborate on emission inventory updates for the Port of Oakland, as well as other studies such as air monitoring in West Oakland.

We anticipate completing an agreement by Fall 2009.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

The following item for the July 16, 2009 meeting of the Ad Hoc Committee on Port Emissions (Item #5) includes a recommendation to transfer funds to support implementation of near term emission reduction projects at the Port of Oakland that are not eligible for the Air District Moyer, I-Bond, TFCA or other usual grants funds.

Respectfully submitted,



Jaek P. Broadbent
Executive Officer/APCO

Prepared by: Michael Murphy

Reviewed by: Jean Roggenkamp

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: July 8, 2009

Re: Consideration of Funding Allocation for Near Term Emissions Reductions
Projects at the Port of Oakland

RECOMMENDED ACTION:

Staff request that:

1. The Committee 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
2. Referral to and recommendation to the Budget and Finance Committee to transfer \$750,000 in funding from reserves to the fiscal year 2009/10 budget.

BACKGROUND

In analyzing projects that could potentially generate significant near-term emissions reductions at the Port, staff prepared and discussed a list of projects with the Port. This discussion was framed by District staff's desire to utilize existing incentives funding streams to get projects up and running as quickly as possible. However, it became clear that traditional sources of grant funding such as the California Goods Movement Bond and Carl Moyer/ Mobile Source Incentive Program did not lend themselves well for use in many of the proposed projects.

This is due to the highly restricted applicability of those funding sources as defined by either California Air Resources Board (ARB) guidelines or the California Health and Safety Code. It should also be noted that the requirements for these incentives are generally tied to ARB regulations. Therefore, in order to achieve emissions reductions above and beyond what is required in those regulations, staff is requesting that the Board of Directors consider using funding from District reserves.

DISCUSSION

As part of the discussions with the Port, staff vetted the following projects:

Table 1 - Projects under Discussion with the Port

Project	Implementation	Project Description/Benefits
LNG Fuel Shorepower Generator	Third-quarter 2009	<ul style="list-style-type: none">• Utilize 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 particulates, nitrogen oxides and greenhouse gas emissions.
BNSF Railroad Project	Third-quarter 2009	<ul style="list-style-type: none">• Provide two new switcher engines to the BNSF 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.

Discussion is ongoing regarding the emissions benefits of these projects and what commitments to matching funds can be made by either the Port or private entities. However, both staffs did agree on one project that has the potential to achieve significant emissions reductions quickly. This project, a Marine Highway transportation project, was chosen based on significant commitments of capital from both private and public entities and significant support by both the California Department of Agriculture and the United States Federal Maritime Commission. A more detailed description of this project is as follows:

Eco-Transportation-Marine Highway

This project represents a mode shift from over-the-road truck transportation of cargo containers to a river-based barging system. The California Department of Agriculture estimates that approximately 294,000 containers of agricultural goods are exported annually through the Port from the San Joaquin Valley. The Eco-Transportation project proposes to operate a barge between the Ports of Stockton and Oakland that would at peak capacity account for 50% of that agricultural cargo. In terms of air quality, this project eliminates the need for approximately 4,900 truck trips per week through the West Oakland community and along Bay Area highways. This equates to an almost 15 ton per year reduction in emissions of diesel particulate matter.

The total cost of this project, including infrastructure at the Ports of Stockton and Oakland, barges and tugs is approximately \$40 million. Both the Ports of Oakland and Stockton have applied for US Department of Transportation grants to fund this project. Additionally, due to the regional nature of the project (reducing emissions from trucks traveling between Stockton and Oakland) the San Joaquin Valley Air Pollution Control District has also agreed to provide up to \$750,000 in matching funds contingent on action by the District. The bulk of the additional funding required will be provided by Eco-Transportation. Staff has also had meetings with A.G. Kawamura, the California Secretary for Agriculture and Ray LaHood, the United States Secretary of Transportation, both of whom have expressed interest and support of this project, which may improve the Port of Oakland's prospects of receiving either State or Federal funding.

District funding would be contingent on Eco-Transportation receiving funding from the Port of Oakland, using clean barges and performance-based milestones. This project is expected to commence in summer 2010 and reach peak capacity by summer 2012.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

Action by the Board to reallocate these funds from fiscal reserves would require an amendment to the fiscal year 2009/10 budget.

Respectfully submitted,


Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen

Reviewed by: Jack M. Colbourn

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: July 9, 2009

Re: Update on Enforcement Strategy for CARB Mobile Source Regulations at
the Port of Oakland

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND

The goal of this enforcement strategy is to reduce diesel particulate matter health risk in CARE impacted areas, with special focus on the Port of Oakland and West Oakland, by developing a compliance and enforcement program for mobile sources.

Staff has taken a number of steps since March to develop the Mobile Source Compliance Plan, including implementation logistics. In parallel with these actions, staff continues to enforce the state portable equipment registration program (PERP) and the idling requirements for port trucks (AB2650) and diesel locomotives (CARB Railroad MOU). The District has prioritized its current efforts and those proposed at the Port of Oakland based on the overall level of emissions and their contribution to elevated health risk posed by each mobile source category (on-road trucks, off-road equipment, ships, harbor craft, or other diesel equipment).

DISCUSSION

Staff has further evaluated the CARB mobile source regulations, has begun staff training and is currently conducting monthly familiarization inspections alongside CARB staff. At the same time, staff is continuing to coordinate compliance and enforcement program development activities with CARB. A mobile source enforcement partnership agreement with CARB is being developed to clearly delineate the Air District's roles and responsibilities from CARB's. All District inspection staff are obtaining security clearances (known as "TWIC cards") required by Homeland Security to access Ports. Plans are underway for a strong enforcement presence at the Port of Oakland to ensure compliance with the January 1, 2010 Drayage Truck Rule compliance deadline. Staff also continues to inspect all trucks that will receive District grant funds for engine retrofits in advance of the Drayage Truck Rule requirements.

As outlined at the March 2009 meeting of this committee, the following three regulated sources account for the majority of the land-based, diesel emissions at the Port of Oakland:

- Heavy-Duty Drayage Truck Regulation (“DTR”) - Engine emissions 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.

However, shipping and commercial harbor craft also represent significant emission sources. Therefore, regulations that require cleaner fuels and other requirements for ocean-going vessels, commercial harbor craft, and transport refrigeration units are undergoing further staff evaluation for inclusion in the Mobile Source Compliance Plan. Regulations for these categories will address the largest emission sources at the Port of Oakland that adversely affect health risk for the surrounding community.

Staff will provide an update on the enforcement strategy and present the steps taken since March 2009, including training, logistics, coordination efforts with CARB, plans to enforce upcoming key rule deadlines, and other actions underway to fully develop the enforcement strategy and Mobile Source Compliance Plan.

A draft Mobile Source Compliance Plan will be provided to the Committee in Fall 2009.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Barbara Coler
Reviewed by: Kelly Wee