CAAP HDV1
Ports of Los Angeles and Long Beach
Clean Trucks Program

Program Elements for Stakeholder Discussion
Goal

- **HDV-1 Goal:**
  Replace (or retrofit in specific instances) ~16,000 drayage trucks to cut air pollution from port trucks by more than 80% within five years
Implementation

- **Startup**
  - Goal is startup on 1/1/08

- **Tariff**
  - Limits drayage truck access to port terminals to concessionaires under Port contracts
  - Sets up impact fee collection schedule
    - Fees fund truck replacement/retrofit grants
    - Paid by Concessionaires (truck fleet owners)

- **Concessions**
  - Concession contracts between Ports and licensed motor carriers
  - Concessionaires agree to comply with environmental, safety and security measures
Concessions

- **Concessionaires**
  - No limit on number of concessions
    - Assure competition, adequate coverage, level playing field
  - Required to participate in workforce development programs
  - Must have truck maintenance and safety training programs
  - Must certify that drivers adhere to national and local security standards
  - After transition period, would be required to own truck fleet and be accountable for employee drivers
    - Employment preference to existing IOOs in drayage market

- **Solicit Applications through RFA process**
  - Concession applicants will be evaluated for financial strength and asset control
Concessions

• **Fees:**
  - License Fee to Ports for the Concession
  - Impact Fee at Terminal Gates for dirty trucks
    • Nominal surcharge to fund administration of fee collection
    • Balance to grant program
    • State bond funding would reduce need for higher gate fees

• **Grants:**
  - Grants to concessionaires to fund truck replacements/retrofits
    • Up to 80% of cost of new vehicle
    • Up to 100% of cost of retrofit device and installation
  - **Sources of Funding**
    • Ports and SCAQMD front-load funding for immediate start
    • State bond funding
    • Impact fees fund rest of program
  - **Award Amounts Scaled Based on Port Service**
Concessions

- **Trucks:**
  - Replace or retrofit
    - Only certain years qualify for retrofits
    - Retrofits must be CARB verified level three device
    - Remainder of fleet must be replaced
    - Replacement is 2007 EPA-standard on-road truck
  - **Milestones**
    - Progressive bans starting 1/1/08
    - Ban pre-1989 trucks from port service by 1/1/08
    - Ban 1989-1993 trucks from port service by 1/1/09
    - Ban unretrofitted 1994-1998 trucks from port service by 1/1/10
    - Ban unretrofitted 1999-2003 trucks from port service by 1/1/11
    - Ban unretrofitted 2004-2006 trucks from port service by 1/1/12
Concessions

- **Trucks:**

<table>
<thead>
<tr>
<th>Implementation Date</th>
<th>Truck MYs</th>
<th>Total No. Of Trucks Affected</th>
<th>Percentage of Trucks Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2008</td>
<td>MY Pre-1988</td>
<td>2267</td>
<td>14%</td>
</tr>
<tr>
<td>January 1, 2009</td>
<td>MY 1988-1993</td>
<td>5337</td>
<td>33%</td>
</tr>
<tr>
<td>January 1, 2010</td>
<td>MY 1994-1998</td>
<td>7112</td>
<td>43%</td>
</tr>
<tr>
<td>January 1, 2011</td>
<td>MY 1999-2003</td>
<td>1422</td>
<td>9%</td>
</tr>
<tr>
<td>January 1, 2012</td>
<td>MY 2004-2006</td>
<td>248</td>
<td>2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>16386</strong></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Concessions

• **Trucks:**
  – Trucks funded under program would be owned by concessionaire with Ports as primary lienholder
  – Concessionaire procures old truck in port service to turn in
  – Old trucks scrapped
    • Owner paid for old truck
  – New truck must stay in port service for specified period of time or number of miles
  – Trucks issued RFID and AVL for compliance tracking
Upcoming Actions

• Program Details to BHC end of Q2 2007 for approval
• Release RFA for Concessions early Q3 2007
• Tariff Modifications to BHC Q3 2007
• Concessions negotiated Q3/Q4 2007