



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: OCTOBER 10, 2012

FROM: CLEAN TRUCK PROGRAM

SUBJECT: TEMPORARY ORDER NO. _____ AND PERMANENT ORDER NO. _____ AMENDING THE PORT OF LOS ANGELES TARIFF NO. 4, SECTION 20 – GENERAL RULES AND REGULATIONS – DRAYAGE TRUCKS

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) staff requests that the Board of Harbor Commissioners (Board) approve an amendment to the existing Port of Los Angeles (Port) Tariff No. 4 Section 20 to: (i) modify the definitions of "Drayage Truck" and "Heavy-Duty" so that both definitions apply to trucks with a Gross Vehicle Weight Rating (GVWR) of 14,001 pounds or greater, and (ii) obligate Marine Terminals without Radio Frequency Identification Device (RFID) readers to require Port-approved compliance stickers on all Drayage Trucks accessing their terminals effective January 1, 2013.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the amendment to modify Items 2000, 2005, and 2025 in Port of Los Angeles Tariff No. 4 Section 20, Clean Air Action Plan - General Rules and Regulations, subject to California Association of Port Authorities review and approval, and authorize the Executive Director to work with California Association of Port Authorities to secure this approval or proceed to take independent action in accordance with CAPA procedure;
2. Adopt a Temporary Order and a Permanent Order to amend Items 2000, 2005, and 2025 in Port of Los Angeles Tariff No. 4 Section 20, Clean Air Action Plan - General Rules and Regulations;
3. Authorize the Board Secretary to certify to the adoption of the Temporary Order by the Board of Harbor Commissioners and cause the same to be published once in a newspaper printed and published in the City of Los Angeles, to take effect prior to adoption by Ordinance for a period not to exceed 90 days pursuant to Charter Section 653(b);

DATE: OCTOBER 10, 2012

PAGE 2 OF 8

**SUBJECT: TARIFF NO. 4, SECTION 20 – GENERAL RULES AND REGULATIONS
 – DRAYAGE TRUCKS**

4. Direct the Board Secretary to transmit to the City Council for approval the Permanent Order and Ordinance approving and authorizing the amendment to Tariff No. 4 pursuant to City Charter 653(a); and
5. Authorize the Board Secretary to execute the Temporary Order, Permanent Order and Ordinance amending Tariff No. 4, and upon its publication, transmit the Order and Ordinance to the Chief Wharfinger for implementation of the tariff change and posting the amended Tariff No. 4 to the Port of Los Angeles website as regulated by the Federal Maritime Commission.

DISCUSSION:

Background – The Harbor Department’s Clean Truck Program (CTP), one of the key components of the San Pedro Bay Ports (Ports) Clean Air Action Plan (CAAP), is focused on improving air quality at the Port by replacing older polluting heavy-duty trucks with cleaner heavy-duty trucks. Since the final of three successive bans became effective on January 1, 2012, only heavy-duty trucks meeting U.S. Environmental Protection Agency 2007 emission standards or newer are allowed to service the Port of Los Angeles and the Port of Long Beach (Ports) terminals.

Modification of the Definition of “Drayage Truck” and “Heavy-Duty” – The current definition of “Drayage Truck” in Port Tariff No. 4 (Tariff) is a truck with a GVWR of “26,001 pounds or greater.” This means the clean truck bans apply to all trucks with a GVWR of 26,001 pounds or greater, or in other words, Class 7 and 8 trucks (see TABLE 1 below).

The CTP was initially designed to turn over the aging fleet of Class 8 heavy-duty drayage trucks (GVWR 33,001) that were servicing the Ports. However, as the program progressed, the Ports identified growing fleet of lighter Class 7 trucks (GVWR of 26,001 pounds or greater) servicing the terminals. These Class 7 trucks typically moved the lighter loads including empty containers and chassis. Because the Class 7 trucks were exempt from the CTP, and therefore not required to pay clean truck fees, they tended to be older dirtier trucks. Use of Class 7 trucks was seen as a way to operate in the Port without having to invest in cleaner, more expensive Class 8 trucks, which was not the intent of the CTP. By September 2010, there were approximately 600 Class 7 trucks (approximately 5% of the entire drayage trucking fleet) servicing the Ports. Due to the higher emissions generated by the older dirtier Class 7 trucks, the Ports decided that Class 7 trucks should follow the same restrictions as Class 8 trucks. In December 2010,

**SUBJECT: TARIFF NO. 4, SECTION 20 – GENERAL RULES AND REGULATIONS
– DRAYAGE TRUCKS**

the Board approved a Tariff amendment (Transmittal 1) to revise the definition of “Drayage Truck” from having a GVWR greater than 33,000 pounds to having a GVWR greater than 26,000 pounds. This Board action ensured that the Class 7 trucks followed the same ban schedule as Class 8 trucks. The Port of Long Beach and California Air Resources Board (CARB) supported this action and amended their tariff and regulation respectively.

However, since the Class 7 alignment with CTP requirements, staff has noticed a small number of the even lighter Class 6 trucks (GVWR of 19,501 pounds or greater) servicing the terminals. Currently, there are approximately 60 Class 6 trucks servicing the terminals. Much like the situation that occurred with the Class 7 trucks, the Class 6 trucks tend to be older and dirtier. Even though these Class 6 trucks are providing less than one percent of the moves at the Port on a monthly basis, the Harbor Department wants to close this “loophole” by providing a permanent solution to this issue.

The current definition of “2007 Drayage Truck” in the Tariff is defined as “a Drayage Truck equipped with a heavy-duty engine that meets or exceeds 2007 engine year California or Federal heavy-duty Diesel-Fueled On-Road emissions standards.” Those California and Federal emissions standards apply to medium and heavy-duty trucks or Class 4 through Class 8 trucks (see TABLE 1 below). If the Tariff is amended to modify the definitions of “Drayage Truck” and “Heavy-Duty” so that both definitions apply to trucks with a GVWR of 14,001 pounds or greater, this modification would ensure that the Class 4 trucks through Class 6 trucks follow the same ban schedule as Class 7 and 8 trucks. Although it is theoretically possible for Class 1 through Class 3 trucks (essentially pick-up trucks) to legally move a bare chassis at the terminals, this occurrence would seem highly unlikely as it would be dangerous and impractical.

TABLE 1

Weight Class	Minimum Gross Vehicle Weight Rating (lbs)	Maximum Gross Vehicle Weight Rating (lbs)	Department of Transportation Truck Category	Common Industry Usage
Class 1	<6,000	6,000	Light Duty	Light Duty
Class 2	6,001	10,000	Light Duty	Light Duty
Class 3	10,001	14,000	Light Duty	Light Duty
Class 4	14,001	16,000	Medium Duty	Medium Duty

**SUBJECT: TARIFF NO. 4, SECTION 20 – GENERAL RULES AND REGULATIONS
– DRAYAGE TRUCKS**

Weight Class	Minimum Gross Vehicle Weight Rating (lbs)	Maximum Gross Vehicle Weight Rating (lbs)	Department of Transportation Truck Category	Common Industry Usage
Class 5	16,001	19,500	Medium Duty	Medium Duty
Class 6	19,501	26,000	Light-heavy	Medium Duty
Class 7	26,001	33,000	Medium-heavy	Heavy-Duty
Class 8	33,001	>33,001	Heavy-Duty	Heavy-Duty

This action has been discussed with port trucking companies, who support this change. Similarly, the Port of Long Beach plans to amend its Tariff to apply to Class 4 through Class 8 trucks in the fourth quarter of 2012. Although the CARB staff has indicated that they support this change to our Tariff, at this time they have no plans to amend their regulation.

The Harbor Department recommends that Tariff No. 4 be revised to modify the definitions of “Drayage Truck” and “Heavy-Duty” so that both definitions apply to Class 4 through 8 trucks with a GVWR of 14,001 pounds or greater, which will ensure that only clean trucks will be allowed access into our terminals in order to provide drayage services.

Sticker Requirements – At present, Tariff No. 4, item 2005 (Transmittal 2 and 3), states in essence that all Marine Terminal Operators shall have installed appropriate systems to confirm compliance of the trucks entering their gates. Currently, the container terminals at the Port use a RFID system to properly identify each truck arriving at their gates. Trucks are either permitted or denied access into each container terminal depending on the information transmitted by the RFIDs at the terminal gates. The ten non-container terminals are not using the RFID system and have opted instead to use a sticker system at their gates.

The sticker system provides a clear visual method for staff working at the entrance gate to the non-container terminals to identify and allow compliant trucks to enter these terminals. The drayage trucks serving the non-container terminals at the Port are required to operate under a valid concession and have a valid access sticker on the driver side door of the vehicle or a Single Day Access Pass (see sticker examples below) on the dashboard in order to gain access into the terminals. However, there is a special class of trucks known as “exempt” vehicles that are currently able to gain access

DATE: OCTOBER 10, 2012

PAGE 5 OF 8

**SUBJECT: TARIFF NO. 4, SECTION 20 – GENERAL RULES AND REGULATIONS
– DRAYAGE TRUCKS**

into these terminals without a sticker. Exempt vehicles are defined under CARBs truck exemption guidelines and are typically Class 8 heavy-duty trucks which are not configured to haul cargo containers. Examples of exempt vehicles include automobile carriers, tanker trucks, and trucks with hydraulic lifts. Although not currently required, to gain access into a non-container terminal, exempt trucks may acquire a “free” exempt sticker. All stickers must be obtained and affixed to the vehicle at the CTP Terminal Access Center.

Recently, the Harbor Department has received reports or complaints that non-compliant trucks are gaining access into the non-container terminals. Harbor Department staff met with non-container terminals to discuss this issue and found that staff working at the entrance of the terminals find it difficult to identify exempt trucks unless they have stickers. It seems that there are trucks that are gaining access to the terminals by claiming to be exempt at the gate when in fact they are not. The confusion at the gates can be solved if the Tariff is revised (Transmittal 2, 3, and 4) to require all trucks, including the exempt vehicles, entering a non-container terminal to have a sticker. This will require all exempt vehicles to acquire a “free” Exempt Sticker at the CTP Terminal Access Center where staff will inspect the truck, confirm whether it qualifies as exempt and affix the sticker to the driver side door of the vehicle.

The Harbor Department recommends obligating Marine Terminals without RFID readers (non-container terminals) to require Port-approved compliance stickers on all Class 4 through Class 8 trucks accessing their terminals effective January 1, 2013.

DATE: OCTOBER 10, 2012

PAGE 6 OF 8

SUBJECT: TARIFF NO. 4, SECTION 20 – GENERAL RULES AND REGULATIONS
– DRAYAGE TRUCKS

Sticker Examples:

ANNUAL STICKER:



EXEMPT STICKER:



DAY PASS DECAL:



Valid Day Pass (License plate and date must match)

DATE: OCTOBER 10, 2012

PAGE 7 OF 8

**SUBJECT: TARIFF NO. 4, SECTION 20 – GENERAL RULES AND REGULATIONS
 – DRAYAGE TRUCKS**

ENVIRONMENTAL ASSESSMENT:

The proposed action is an amendment to existing Port Tariff No. 4 related to the previously approved CTP. The amendment would modify the Tariff to ensure greater compliance in the CTP. As such, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) and 2(i) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no direct employment impact.

FINANCIAL IMPACT:

No additional costs are expected as the mechanisms for administering the proposed Tariff amendments are already in place. For the first proposed amendment, the current CTP Administration Consultant, Tetra Tech, will only be required to disapprove the non-compliant Class 4 through Class 6 trucks from entering the terminals by changing their status in the Port's Drayage Trucking Registry. Tetra Tech already performs this service for the Class 7 and Class 8 trucks, so no additional funding under Tetra Tech's agreement will be required. With respect to the second proposed amendment, Tetra Tech staff has been distributing "exempt" stickers to exempt trucks since the beginning of the program. Approximately 95% of the "exempt" trucking fleet that services the Port's non-container terminals already have "exempt" stickers. This change will not require Tetra Tech's staff to work outside of its normal duties, scope of work, or alter the amounts already budgeted. Tetra Tech consultants will not require office space at the Harbor Department.

DATE: OCTOBER 10, 2012

PAGE 8 OF 8

SUBJECT: TARIFF NO. 4, SECTION 20 – GENERAL RULES AND REGULATIONS
– DRAYAGE TRUCKS

CITY ATTORNEY:

The Office of the City Attorney has prepared and approved as to form and legality, the
Tariff, Temporary and Permanent Orders and Ordinance.

TRANSMITTALS:

1. Tariff
2. Temporary Order
3. Permanent Order
4. Ordinance

FIS Approval: ldp (initials)

CA Approval: tm (initials)



CHRISTOPHER CANNON
Director of Environmental Management



JOHN HOLMES
Deputy Executive Director



FOR
MIKE CHRISTENSEN
Deputy Executive Director

APPROVED:



for
GERALDINE KNATZ, Ph.D.
Executive Director

AUTHOR: T. DeMoss
BOARD MEETING: 10/18/2012

File:Y:_ADMIN\BOARD REPORTS_AIR QUALITY\CTP\TARIFF NO. 4 AMENDMENT\CTP_TARIFF AMEND - FINAL.doc
UPDATED: 10/3/2012 3:48 PM - mrx