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PORT OF LOS ANGELES STAFF WILL RECOMMEND ADJUSTED CONCESSION SCHEDULE FOR CLEAN TRUCK PROGRAM

SAN PEDRO, Calif. — **Sept. 17, 2010** — Later this month, Port of Los Angeles staff will recommend to the Los Angeles Board of Harbor Commissioners an adjusted schedule for implementation of certain provisions of the Port of Los Angeles Clean Truck Program Concession Agreement that were previously enjoined by the federal court. Port staff will recommend approval of an adjustment of the dates for Licensed Motor Carrier (LMC) compliance with the employee driver requirement, job referral services requirement and the off-street parking requirement in order to provide time to develop compliance systems and provide LMCs ample time to begin compliance.

This action is necessary because the judgment entered by Judge Christina Snyder may put the majority of the port's concessionaires out of compliance with their concession agreements. These recommendations will likely be presented at the Board's next meeting at 1 p.m. on September 27, 2010, and would only take effect upon Board approval.

"Now that we have won the case, the Port would like to implement the full Concession as soon as it is reasonably practicable, but adjust the schedule to allow both our Port staff and our motor carriers to prepare for compliance with some of the remaining program elements," said Port of Los Angeles Executive Director Geraldine Knatz, Ph.D.

The staff recommendation is to adjust the employee transition schedule over the next two years, as follows:

- 0% gate moves by employee drivers by December 31, 2010
- 20% gate moves by employee drivers by December 31, 2011
- 66% gate moves by employee drivers by December 31, 2012
- 100% gate moves by employee drivers by December 31, 2013

This schedule is consistent with the time periods and percentages of employee driver gate moves for the initial two-year employee transition schedule, as well as the achievement date for 100% employee drivers under the Concession Agreements signed by the Port's Clean Truck Program LMC participants.

Port staff also will recommend that the use of job referral services from a workforce development office be deferred until a contract can be entered into with a service provider. The staff also will recommend that motor carriers have until January 1, 2011 to submit an off-street parking plan and until July 1, 2011 to implement that plan. Other adjustments include compliance with some requirements only on a going-forward basis, such as financial capability information submitted with concession applications and ongoing record-keeping by the LMCs enrolled in the Los Angeles Clean Truck Program.

Background:

Since its commencement on October 1, 2008, the Port of Los Angeles Clean Truck Program (CTP) has delivered an estimated more than 80-percent reduction in the rate of truck emissions compared to 2007 average air emissions data. The Port of Los Angeles has established a Drayage Truck Concession program that, for the first time, gives the Port a direct business relationship with the LMCs, allowing for far greater accountability and monitoring of the public health, safety, and environmental impact of the trucks.

Beginning on April 28, 2009, several provisions of the Port's Concession Agreement were preliminarily enjoined pending trial by the United States Federal District Court in connection with a lawsuit filed against the City of Los Angeles by the American Trucking Associations, challenging the legality of the Concession Agreement.

Following the April 2010 trial, the U.S. District Court issued a decision on August 26, 2010 and entered judgment on September 15, 2010, in favor of the City in the *ATA v. City of LA* lawsuit, holding that the entire Concession Agreement is enforceable. Dr. Knatz had previously announced that the Port would not take action to enforce the previously enjoined provisions of the Concession Agreement before the next meeting of the Board of Harbor Commissioners, in order to give Harbor Department staff the opportunity to recommend next steps. The next Board meeting is scheduled for September 27, 2010.

The Port of Los Angeles is America's premier port and has a strong commitment to developing innovative strategic and sustainable operations that benefit the economy as well as the quality of life for the region and the nation it serves. As the leading seaport in North America in terms of shipping container volume and cargo value, the Port generates 919,000 regional jobs and \$39.1 billion in annual wages and tax revenues. A proprietary department of the City of Los Angeles, the Port is self-supporting and does not receive taxpayer dollars.

The Port of Los Angeles – A cleaner port. A brighter future.

More information about the Clean Truck Program is available here.