



FOR IMMEDIATE RELEASE

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**Port of Los Angeles Posts Its Proposed
Clean Truck Program Concession Agreement**

San Pedro, Calif. – May 9, 2008 – Port of Los Angeles staff today posted their recommended Clean Truck Program (CTP) Drayage Services Concession Agreement for the Los Angeles Board of Harbor Commissioners to consider adopting at its Thursday, May 15th meeting. Beginning October 1, 2008, the Port will move to a Licensed Motor Carrier-based truck concession program designed to create an efficient, reliable short-haul trucking (“drayage”) market that meets a range of long-term business, environmental and safety and security-related goals identified by the Port.

A key component of the Port’s CTP is the rapid improvement of air quality at the Port by accelerating the replacement of high-polluting trucks with cleaner trucks. By establishing criteria for providers of drayage services at the Port – including a requirement to commit to using 100-percent employee drivers by calendar year 2013 in a phased-in schedule – the CTP will enable the Port to hold those companies accountable for maintaining trucks and employing properly credentialed drivers. That, in turn, will ensure a sufficient supply of drivers, improve truck safety and maintenance while lowering emissions, enhance Port security and reduce the negative impacts that drayage services have on communities near the Port.

The neighboring ports of Los Angeles and Long Beach are facilitating a multi-billion dollar initiative to underwrite the cost of a new drayage fleet of “clean” trucks that meet 2007 federal emissions standards by January 1, 2012. Although the two ports’ Concession plans vary in their details, their collective goal is to reduce port related truck pollution by an estimated 80 percent.

“Our proposed Concession Agreement is the road map to reducing truck emissions as quickly as possible while elevating port drayage to 21st Century trucking industry standards,” said Port Executive Director Geraldine Knatz, Ph.D. “Our Clean Truck Program is designed to ensure that funds are invested into a sustainable system, where trucks are maintained for maximum emissions reductions and concessionaires operate in a safe and efficient manner.”

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Beginning October 1, 2008, each Port of Los Angeles LMC-concessionaire will be allowed to use employees, independent contractor drivers, or a combination thereof to achieve its full complement of drivers to operate the concessionaire’s Permitted Trucks. But a transition period, based on the percentage of an LMC’s gate moves that are handled by employees, is established to facilitate the transition. Concessionaires must transition to having 100 percent of their gate moves at Port of Los Angeles terminals handled by employee drivers by calendar year 2013.

The employee transition period is designed to generally align with the percentage of trucks that will be banned from San Pedro Bay port drayage as part of the progressive ban schedule of older, dirtier trucks approved by both ports in October 2007. However, the percentage of gate moves that must be made by employee drivers is set at 0 percent for calendar year 2008, even though an estimated 18 percent of the trucks are affected by the October 1, 2008 ban. In addition, the employee transition requirement for calendar year 2010 is deliberately not as sharp as the increase in banned trucks (as much as 80 percent) that results from the January 1, 2010, ban date. The Employee Driver transition period schedule is as follows:

| <p align="center">IMPLEMENTATION DATE Annual Average Over Prior 12 Months Measured on Below Dates</p> | <p align="center">% OF CONCESSION DRIVERS THAT ARE EMPLOYEES Annual Average Percentage</p> |
|--|---|
| December 31, 2008 | 0 % |
| December 31, 2009 | 20 % |
| December 31, 2010 | 66 % |
| December 31, 2011 | 85 % |
| December 31, 2012 | 95 % |
| December 31, 2013 | 100% |

Major benefits envisioned by the Port of Los Angeles through its Clean Truck Program include enhancements in the areas of efficiency, productivity and technology. The Port believes that a system which affords more accountability through the use of employee drivers will reduce the number of trucks required to provide drayage by moving away from the present “one truck, one driver” system toward a system that will increase efficiency by allowing multiple drivers to drive trucks over multiple shifts.

To further improve productivity and cost efficiency, while helping to reduce truck emissions, the Port will ask its concessionaires to agree to work with the Port to develop technologies that track empty containers and match them with deliveries of loaded containers. Concessionaires will also be asked to help develop effective schedule strategies that avoid congestion at terminal gates and optimize the use of drayage trucks.

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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.

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