



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: DECEMBER 7, 2010

FROM: ENVIRONMENTAL MANAGEMENT DIVISION

SUBJECT: RESOLUTION NO. _____ - TECHNOLOGY ADVANCEMENT PROGRAM SUPPLEMENTAL COST SHARE AGREEMENT WITH THE PORT OF LONG BEACH FOR THE VISION MOTOR CORPORATION ZERO EMISSION HEAVY DUTY VEHICLE DEMONSTRATION PROJECT

SUMMARY:

The Clean Air Action Plan Technology Advancement Program (TAP) Advisory Committee has reviewed and recommended funding for the Vision Motor Corporation (Vision Motor) of Pacific Palisades, California, Hydrogen Fuel Cell Heavy Duty Class 8 Zero Emission Terminal Tractor and Short-Haul Truck Demonstration Project (Project). The Project would demonstrate one (1) zero emission hydrogen fuel cell/plug-in electric powered on-road truck and one (1) zero emission hydrogen fuel cell/plug-in electric off road yard tractor. The cost is \$425,000, in a contract to be entered into and administered by the Port of Long Beach (POLB), with costs to be shared by the City of Los Angeles Harbor Department (Harbor Department). The proposed action is to approve a Supplemental Cost Share Agreement, under which, the Harbor Department will reimburse POLB for fifty percent (50%) of the cost in the amount of \$212,500.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the Supplemental Cost Share Agreement between the City of Los Angeles Harbor Department and Port of Long Beach for the reimbursement of \$212,500 to the Port of Long Beach from the Harbor Department as established by the Clean Air Action Plan Master Cost Share Agreement No. 2546;
2. Authorize the Executive Director to execute and the Board Secretary to attest to said Supplemental Cost Share Agreement, for and on behalf of the Board; and
3. Adopt Resolution No. _____.

DATE: DECEMBER 7, 2010

PAGE 2 OF 4

SUBJECT: VISION MOTOR CORPORATION ZERO EMISSION HEAVY DUTY VEHICLE DEMONSTRATION PROJECT

DISCUSSION:

Background - On November 20, 2006, during a joint meeting between the ports of Los Angeles and Long Beach Boards of Harbor Commissioners, the Final 2006 San Pedro Bay Ports Clean Air Action Plan (CAAP) was adopted. A significant initiative of the CAAP is the Technology Advancement Program (TAP), which will accelerate the availability of new strategies into the suite of CAAP control measures that will ultimately result in significant reductions of diesel particulate matter (DPM), nitrogen oxides (NOx), sulfur oxides (SOx), and other pollutants. The Mission Statement for the TAP is:

To accelerate the verification or commercial availability of new, clean technologies, through evaluation and demonstration, to move towards an emissions free port.

The TAP is the catalyst for identifying, evaluating, and demonstrating new and emerging emissions reduction technologies applicable to the port industry that could be utilized in future updates to the CAAP as new control measures, alternatives to existing measures, or as additional mitigation options for new projects.

Project Description - The TAP Advisory Committee recently recommended for approval, a proposal for the Hydrogen Fuel Cell Heavy Duty Class 8 Zero Emission Terminal Tractor and Short-Haul Drayage Truck Demonstration Project (Project) from Vision Motor. The Project aims to demonstrate zero emission heavy-duty vehicles in cargo handling and short haul drayage operations at both ports. Vision Motor will develop and place into revenue service one (1) hydrogen fuel cell/plug-in electric TYRANO™ Class 8 zero-emission on-road drayage truck and one (1) hydrogen fuel cell/plug-in electric zero-emission terminal tractor (ZETT).

Both units will be demonstrated for a period of eighteen (18) months, during which, they will undergo typical container drayage and container yard service. The TYRANO™ on-road truck will be delivered to and integrated into short haul drayage service with Total Transportation Services, Inc., a drayage operator at both ports. The ZETT off-road terminal tractor will be delivered to and placed into standard yard operation with California Cartage Express, a Harbor Department tenant.

Cost Share - In June 2007, the Harbor Department and POLB executed the CAAP Master Cost Share Agreement No. 2546 to establish a cost sharing arrangement for all joint, non-legal CAAP expenditures. In accordance with the provisions of this Master Cost Share Agreement, a Supplemental Cost Share Agreement between the ports is being submitted for approval (Transmittal 1).

DATE: DECEMBER 7, 2010

PAGE 3 OF 4

SUBJECT: VISION MOTOR CORPORATION ZERO EMISSION HEAVY DUTY VEHICLE DEMONSTRATION PROJECT

The total cost of the Project is estimated at \$999,211 and Vision Motor is expected to contribute \$574,211. This Supplemental Cost Share Agreement identifies POLB as the contracting port and establishes that the costs associated with the Project will be shared by the Harbor Department and POLB in the amount of \$212,500 each.

ENVIRONMENTAL ASSESSMENT:

The proposed action is to approve a Supplemental Cost Share Agreement with POLB for a demonstration project involving zero emission heavy-duty vehicles in cargo handling and short haul drayage operations at both ports. The proposed action is considered both an administrative action and an activity involving data collection and field testing. 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 Article III Class 6(2) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Funding for this Agreement in the amount of \$170,000 is available in the FY 2010/2011 Operating Budget, Account 59965, Center 0330, Program No. 000. The remaining funds will be requested as part of future budget processes. The Harbor Department is expected to reimburse POLB this amount as part of the Supplemental Cost Share Agreement between the ports.

It is anticipated that funds will be reimbursed as follows:

FY 2010/2011	\$ 170,000
FY 2011/2012	\$ 32,000
FY 2012/2013	<u>\$ 10,500</u>
TOTAL	\$ 212,500

ECONOMIC BENEFITS:

Approval of this Supplemental Cost Share Agreement will have very minor direct job impact (less than one job) for the five-county region.

DATE: DECEMBER 7, 2010

PAGE 4 OF 4

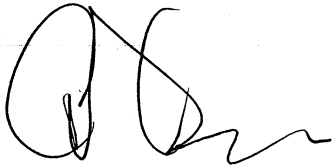
SUBJECT: VISION MOTOR CORPORATION ZERO EMISSION HEAVY DUTY
VEHICLE DEMONSTRATION PROJECT

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved as to form and legality the Supplemental Cost Share Agreement.

TRANSMITTAL:

1. Supplemental Cost Share Agreement



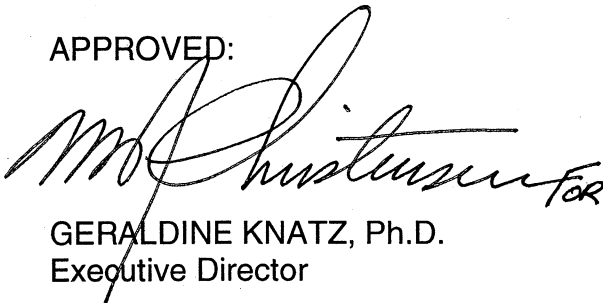
CHRISTOPHER CANNON
Director of Environmental Management

FIS Approval: 



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

AUTHOR: KEVIN MAGGAY
BOARD MEETING: 12/16/2010

FILE: G:\ADMIN\BOARD REPORTS\AIR QUALITY\TAP\POLB COST SHARE\VISION MOTOR\VISION MOTOR - FINAL.docx

UPDATED: 12/7/2010 4:34 PM - YO