



**Office of the Mayor
City of Los Angeles**

ANTONIO R. VILLARAIGOSA

FOR IMMEDIATE RELEASE
January 14, 2008

Contact: Parita Shah
(213) 978-0741

MAYOR VILLARAIGOSA AND PORTS ENACT FEE TO FUND MAJOR HIGHWAY, BRIDGE CONSTRUCTION AT PORTS

Container fee will generate \$1.4 billion for projects to improve traffic flow and air quality in the harbor area

LOS ANGELES — Raising funds for major highway and rail projects to cut traffic and reduce air pollution at the Ports of Los Angeles and Long Beach, Mayor Antonio Villaraigosa today announced the Ports will impose a fee on containers entering and leaving the Ports beginning January 1, 2009.

“This fee is essential to the Ports’ progress in cutting the amount of traffic congestion and diesel pollution at the Ports,” said Mayor Antonio Villaraigosa. “It’s critical we meet the expected burst of trade at the Ports with smart, effective planning and green growth now.”

Approved today by the Ports of Los Angeles and Long Beach Harbor Commissions, the per-container Infrastructure Cargo Fee (ICF) is expected to raise \$1.4 billion over the next seven years.

With trade volume at the Ports expected to triple in the next two decades, the fee will raise about half the funds needed for six planned bridge, highway and rail construction projects essential to upgrading capacity at the largest port complex in America. The remaining funds will come from a combination of federal and state sources.

By funding projects to reduce traffic congestion of diesel trucks, the infrastructure fee is the latest component in the monumental overhaul undertaken by the Ports to expand commerce while dramatically cutting air pollution by more than 45% over five years.

Ports Enact Fee to Rebuild Ports' Infrastructure

January 14, 2008

Page 2 of 4

Last month the Ports set the financial groundwork for a ban on dirty trucks, the first major milestone reached under the Ports' landmark 2006 Clean Air Action Plan (CAAP) – the most aggressive environmental action taken by any American port – which will cut overall Ports emissions by 45 percent.

The dirty-truck ban requires the more than 16,000 trucks serving the Ports to be replaced or retrofitted to meet 2007 USEPA diesel truck emissions standards by 2012.

Every year 2,400 premature deaths are caused by pollution from the Ports of Los Angeles and Long Beach, according to the California Air Resource Board.

The Ports account for more than 20 percent of diesel particulate emissions in the Los Angeles Basin — and more smog and particulate-forming nitrogen oxide emissions than all 6 million cars in the region, according to the South Coast Air Quality Management District.

About the Infrastructure Cargo Fee (ICF):

Approved today by the Ports of Los Angeles and Long Beach Harbor Commissions, the infrastructure fee will raise more than \$1.4 billion for construction projects to reduce traffic and expand capacity at the Ports.

Funds generated by the infrastructure cargo fee would be used to match Proposition 1B funds, which California voters approved in 2006 to help pay for major transportation and air quality improvement projects. Together, the cargo fee and Proposition 1B funds will finance about \$3 billion in improvements.

The proposed fee would be assessed on every loaded 20-foot equivalent (TEU) cargo container entering or leaving any terminal by truck or train. Adjusting over time as projects are started and completed, the fee will begin at \$15 per container on January 1, 2009, increasing to \$18 in 2010, when work will begin on a new, six-lane Gerald Desmond Bridge. It is then expected to decrease in 2012, with the anticipated completion of a four-lane, mile-long expressway which will connect Long Beach and Terminal Island.

Matched by a combination of federal and state funding sources, the fee will go to several projects, including:

Bridge:

- Construction of the six-lane Gerald Desmond Bridge with two shoulder lanes, greatly improving safety and expanding capacity of the current five-lane bridge.

Ports Enact Fee to Rebuild Ports' Infrastructure

January 14, 2008

Page 3 of 4

Highway & Roads:

- Construction of a new four-lane, elevated expressway (SR-47) between Ocean Boulevard and Alameda Street.
- Construction of a northbound ramp on the Navy Way to Seaside Avenue interchange, eliminating a stop light on Ocean Boulevard
- Construction of new access ramps and left-turn pockets along I-110

Rail:

- Construction of 12 major track realignments and support yards throughout the Ports, essential to running efficient on-dock operations.
- Contrust grade separation of Fries Avenue at the railroad line in South Wilmington, increasing public safety in the area.

About the Clean Truck Container Fee:

Approved in December by the Ports of Los Angeles and Long Beach Harbor Commissions, the fee will impose a \$35 charge for every loaded 20-foot equivalent (TEU) cargo container entering or leaving the Ports on a truck beginning June 1, 2008. The fee will:

- Create the financial groundwork for the greening of the Ports' 16,000 short-haul diesel trucks under the Dirty Trucks Ban.
- Be charged to cargo owners — not truck drivers — and collected by marine terminal operators.
- Not apply to containers entering or leaving the Port by train, containers being moved between Port terminals or containers being moved to a near-dock rail facility.
- Be charged until a truck fleets meets the CAAP requirements, with an annual review of fee parameters by Ports staff.

About the Ban on Dirty Trucks:

Approved by the harbor commissions in November, the ban on dirty trucks will require all trucks serving the Ports to meet aggressive emissions standards or face a sliding scale of financial penalties that take into account a truck's age and emissions. The ban will:

- Cut Ports diesel emissions by 80 percent
- Replace or retrofit 16,000 trucks to meet 2007 USEPA standards by 2012
- Replace all pre-1989 trucks by October 1, 2008

Trucks meeting the Ports' emissions standards will carry electronic identification tags, allowing ID tag readers at Port terminals to monitor entry and allow only clean trucks to enter the Ports beginning in 2012.

All trucks will be entered into a Ports-managed Drayage Truck Registry (drayage trucks carry containers from the docks to off-site warehouses), allowing the Ports

to keep track of a truck's model year, retrofit status, compliance with the ban schedule, and owner information.

About the Clean Air Action Plan:

Adopted by the Ports of Los Angeles and Long Beach in November 2006, the Clean Air Action Plan is a comprehensive, \$2 billion plan to address and curb emissions from port-related sources – ships, trains, trucks, terminal equipment and harbor craft. The CAAP:

- Will cut overall Ports emissions by 45 percent over five years, including:
 - 47 percent reduction in diesel particulate matter
 - 45 percent reduction in nitrogen oxides
 - 52 reduction in sulfur oxides
- Relies on pollution-based impact fees, ensuring the worst polluters pay their part to improve air quality
- Imposes speed limits on ships entering and exiting harbor, and requires low-sulfur, clean-burning fuels to minimize diesel emissions in the area
- Calls for all major ships to shut down dirty diesel-powered auxiliary engines while docked and instead use shore-side electricity by 2016
- Commits to eliminating dirty trucks by helping finance a new generation of clean vehicles under a Clean Trucks Program

The Clean Air Action Plan is the first of its kind in the country, partnering the two largest ports in the United States with the state and federal environmental agencies that regulate air-quality standards (the South Coast Air Quality Management District; the California Air Resources Board and the United States Environmental Protection Agency).

Drafted with extensive input from environmental, community, industry and workers groups, the Clean Air Action Plan also commits the Ports to invest in hundreds of millions of dollars in air-quality improvement programs.

Encouraged by and working with the Ports, MAERSK, the largest shipping line in the world, has already equipped all of its cargo ships to switch to low-burning sulfur fuel in their main and auxiliary engines 20 miles out of port. The switch to low-sulfur fuel has cut emissions by more than 73 percent for cargo ships.

In July 2007, the Ports unveiled their first "clean-diesel" locomotive, part of a \$23 million cost-sharing agreement with Pacific Harbor Line to produce 16 trains with cleaner-burning diesel engines and two with alternative-fuel engines. The new engines consume 30 percent less fuel and produce 45 percent less diesel emissions per locomotive.