

6. Request from the Bay Area Air Quality Management District (BAAQMD) for Program Manager Fund for Clean Air (TFCA) for Support of Drayage Truck Replacement Program

Attachments:

- CCTA Planning Committee January 4, 2012 staff report "Request from Bay Area Air Quality Management District (BAAQMD) for Program Manager Transportation Fund for Clean Air (TFCA) funds support of 'Drayage' Truck Program"
- Memo to TRANSPAC requesting approval of submission of grant applications including to the BAAQMD for TFCA funding



Planning Committee **STAFF REPORT**

Meeting Date: January 4, 2012

Subject	Request From Bay Area Air Quality Management District (BAAQMD) for Program Manager Transportation Fund for Clean Air (TFCA) Support of Drayage ¹ Truck Program.
Summary of Issues	Authority Staff will review a request from BAAQMD staff for CMA funding support from county 40 percent TFCA funds to offset the cost of drayage truck replacement in order to bring drayage trucks into compliance with California Air Resources Board (CARB) regulations.
Recommendations	<p>Direct staff to:</p> <ol style="list-style-type: none"> 1) Work with Regional Transportation Planning Committees (RTPCs) to consider funding for the drayage truck program with TFCA funds either on a sub-regional or countywide basis, and 2) Identify and consider other appropriate funding sources that could be used for the drayage truck program.
Financial Implications	The above recommendations do not have any financial implications. If the Authority chooses to participate in the drayage truck program staff will return for Authority approval with possible financial impacts and budget implications.
Options	Choose not to participate in the drayage truck program
Attachments	A. Proposed Drayage truck program from BAAQMD
Changes from Committee	

¹ Drayage trucks are diesel-fueled, heavy-duty trucks that transport containers, bulk, and break-bulk goods to and from ports and intermodal rail yards to other locations.

Background

In late November 2011, Authority staff received a request from BAAQMD staff seeking interest in financial participation in a new program BAAQMD was proposing to help drayage truck owners meet their regulatory emissions requirement posed by CARB.

Regulatory History

In December of 2007, CARB approved a regulation to reduce emissions from drayage trucks operating at California's ports and intermodal rail yards. The first phase of the regulation went into effect on December 31, 2009, and Phase 2 of the regulation goes into effect on December 31, 2013. A summary of the regulation's compliance requirements is shown in Table 1:

Table 1: ARB Drayage truck regulation compliance schedule

Phase	Date	Engine Model Years (MY)	Regulation requirement
Phase 1	12/31/09	1993 and older	Prohibited from operation as a drayage truck
		1994 – 2003	Install a Level 3 retrofit device
	12/31/11	2004	Install a Level 3 retrofit device
	12/31/12	2005 and 2006	Install a Level 3 retrofit device
Phase 2	12/31/13	1994 – 2006	Meet 2007 * engine emissions standards

* Trucks with 2007-2009 model year engines are compliant through 2022. Trucks with 2010 and newer engines are fully compliant

In 2008, the BAAQMD accepted applications for drayage truck retrofit and replacement projects as part of its port truck upgrade program. Through this program the BAAQMD received and awarded a total of \$25.8 million [\$13.8 million in California Goods Movement Bond (I-Bond) funding, \$2 million in US Environmental Protection Agency (EPA) diesel emissions reduction act (DERA) funds, \$5 million from the Port of Oakland (Port), and \$5 million in Air District TFCA funding]. These monies were used to assist with the upgrade of 1,522 trucks (1,319 truck retrofits and 203 truck replacements) operating at the Port.

Table 2 below contains data from CARB's Drayage Truck Registry database, and describes the population of vehicles calling on Northern California ports by engine model year. Table 2 also identifies which groups of trucks received grant funds from the original Air District Drayage Truck Program.

Table 2: Drayage truck population as of July 2011

Engine MY	Compliant until	# of Drayage trucks in Northern CA*	# of trucks that received grant funds	Grant funds expended **
MY 1994-2003 (w/ retrofits)	12/31/13	1,700	1,319	\$15,586,534
MY 2004	12/31/11	700	0	\$0
MY 2005 & 2006	12/31/12	2,150	0	\$0
MY 2007 – 2009	2022	1,350	203	\$10,150,000
MY 2010 +	Fully compliant	400		
Total		6,300	1,522	\$25,736,534

* Number of trucks registered in the ARB Drayage Truck Registry (DTR) with zip codes North of Fresno.

** Funding sources for the BAAQMD's Year 1 port truck funding program: TFCA (\$5 million), Port (\$5 million), ARB Prop 1B (\$13,835,133), and DERA (~\$2 million)

The deadline which became effective December 31, 2011 required model year (MY) 2004 trucks to be replaced or have a level 3 retrofit device installed to reduce particulate matter emissions. The level 3 device would make the trucks compliant until the end of 2013. At that time those trucks would need to be replaced with MY 2007 or later.

BAAQMD staff has concluded that there are 247 MY 2004 trucks in the BAAQMD borders – 26 of which are registered to Contra Costa County addresses. In order to advance the upgrade of these trucks, BAAQMD has proposed a program which would help the truck owners upgrade to a MY 2007 truck by providing a \$10,000 grant to offset the truck purchase. To facilitate the truck replacement, BAAQMD has entered into an agreement with Cascade Sierra Solutions. As part of the administrative function of the program Cascade Sierra Solutions would:

- Provide up to 247 replacement trucks at an individual truck cost of between \$59,000 and \$68,400.
- Provide the trade-in value of between \$8,000 and \$15,000 on the MY 2004 truck being traded in (dependent on condition).
- Coordinate the out-of-state sale of the replaced MY 2004 truck.
- Provide financing assistance in order to ensure that local truckers with poor credit scores can receive loan guarantees under an ARB program being run concurrently.
- Assist truckers in availing themselves of the program and meet all BAAQMD administrative requirements.

At its December 7, 2011 meeting the BAAQMD Board approved the expenditure of \$1.04 million in TFCA 60 percent (regional program) funds to help replace a portion of the 247 trucks. At \$10,000 the funds would help replace about 104 trucks leaving 143 trucks potentially unfunded. It is not known how many of the possible 247 truck owners are seeking help or if the trucks have already been retrofitted with level 3 devices which would put them in compliance until year end 2013.

BAAQMD staff, at the request of their Board, is trying to determine if any CMAs are willing to fund a portion of the remaining need of \$1.43 million to meet the potential program need.

To date BAAQMD staff has not indicated how they intend to allocate the \$1.04 million in regional funds. As such we do not know if truck owners in Contra Costa County would receive any of the regional funding.

CCTA Program Manager TFCA Program

Historically the Authority has left the project selection of TFCA funding to the RTPCs who consider projects of their member jurisdictions then make programming recommendations to the Authority.

For the most part TFCA funds are used to fund projects implemented by 511 Contra Costa which help jurisdictions comply with transportation demand and system management requirements of the Measure C and subsequent Measure J Growth Management Program. These programs have proven to be very cost effective when calculated annually as required by the BAAQMD TFCA program policy. The 511 Contra Costa programs are ongoing operating programs and require a predictable revenue stream from year to year to remain viable. While the drayage truck program is important, each RTPC should have the opportunity to consider drayage projects against other competing programs in the sub-region. As such Authority staff recommends that the RTPCs discuss this issue and make a recommendation to the Authority for its consideration.

As an alternative to the use of program manager TFCA funding, the Authority could direct staff to consider other funding sources to support the drayage truck program. This could be difficult considering the relatively short timeframe when the funds are

needed if looking at federal sources like Congestion Mitigation Air Quality funds. While Sale tax funds under Measure J are relatively easy to allocate, this program does not fit into one of the expenditure plan categories.

In the near term Authority staff will continue to communicate with BAAQMD staff and monitor if any Contra Costa registered drayage trucks are requesting to participate in the program.

BAAQMD Proposed Drayage Truck Replacement Program - DRAFT

BACKGROUND

In December of 2007, the California Air Resources Board (ARB) approved a regulation to reduce emissions from drayage trucks operating at California's ports and intermodal rail yards. The first phase of the regulation went into effect on December 31, 2009, and Phase 2 of the regulation goes into effect on December 31, 2013. A summary of the regulation's compliance requirements is shown in Table 1:

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AIR DISTRICT EFFORTS

Staff analysis determined that of the 700 Northern California drayage trucks required to meet the 12/31/11 deadline listed in Table 2, only 247 are registered within the boundaries of the Air District (Table 3).

Table 3: Analysis of MY 2004 Northern California Drayage Trucks

Location	Trucks	Companies	% of total trucks
Alameda	143	74	20.55%
Contra Costa	26	20	3.74%
Santa Clara	25	14	3.59%
San Francisco	15	9	2.16%
San Mateo	12	9	1.72%
Sonoma	12	5	1.72%
Solano	7	4	1.01%
Napa	6	2	0.86%
Marin	1	1	0.14%
Inside Bay Area	247	138	35.49%
Outside Bay Area	449	207	64.51%
TOTAL	696	345	

Staff will be proposing to amend the current FYE 2012 TFCA Regional Fund policies to add Policy #32 to allow drayage truck replacement projects as an eligible project type. Staff sent out the proposed language for public comment on November 14, 2011. In order to support Bay Area drayage truck drivers that are looking to upgrade their engine MY 2004 trucks, staff will be proposing the allocation and expenditure of \$1.04 million in TFCA Regional Fund monies to provide grants for truck replacement projects.

The grant funding would provide approximately \$10,000 for each eligible Bay Area truck owner towards the cost of a truck with a compliant MY 2007 engine. The program would allow the engine MY 2004 truck owner to trade their current vehicle in for its worth. In order to ensure that this trade-in and replacement is done in such a manner that the engine MY 2004 trucks surrendered do not return to service in California for 10 years, the Air District is currently seeking a contractor (s) to administer the trade-in program. The request for proposals (RFP) for the contractor(s) for this program requires the following:

- Truck costs cannot exceed \$60,000. The contractor(s) with the lowest prices on replacement vehicles will receive additional points in RFP scoring.
- The contractor(s) must provide the trade-in value of between \$8,000 and \$15,000 on the engine MY 2004 truck being traded in (dependent on condition).
- The contractor(s) must be a "CalCap" qualified lender in order to ensure that truckers with local and poor credit scores can receive loan guarantees under an ARB program being run concurrently.
- The contractor(s) must assist truckers in availing themselves of the program and meet all Air District administrative requirements.

It is envisioned that applications will be processed in January 2012 with contracts being issued in February of 2012, and trucks delivered in March 2012.

ADDITIONAL FUNDING NEEDED

The requested allocation of \$1.04 million in TFCA Regional funds only covers the replacement of 104 drayage trucks and is not a comprehensive solution for the 247, Bay Area engine MY 2004 trucks needing to be replaced. However, Alameda County's congestion management agency (CMA) has expressed interest in participating in the program but this will require approval by its Commission.

In order to ensure that every source of funding is being looked at for this program, staff is contacting all the CMAs to determine if they can provide additional funding for this program. It is envisioned that additional funding from these sources has the potential to cover an additional 143 trucks for a comprehensive solution for engine MY 2004 trucks registered in the Bay Area. Such funding would need to be allocated based on the counties from which the monies came and will require further work on behalf of staff to devise an equitable distribution plan. In order to allow the CMAs to contribute funding to the Air District in support of the drayage truck replacement program, staff will be recommending the approval of drayage truck replacement projects, under TFCA County Program Manager Policy #3 (*Eligible Projects, and Case-by-Case Approval*) of the current TFCA County Program Manager policies at the November 28, 2011 Air District Mobile Source Committee meeting.

TO: TRANSPAC TAC

FROM: Lynn Overcashier, 511 Contra Costa Program Manager

DATE: November 17, 2011

SUBJECT: Request Authorization for the 511 Contra Costa - TRANSPAC/TRANSPLAN TDM Program Manager to Submit Grant Applications to: CCTA for FY 2012/2013 Measure J Commute Alternative Funds; to the Bay Area Air Quality Management District for FY 2012/2013 Transportation Fund for Clean Air (TFCA) Funds; to MTC for CMAQ (Employer Outreach) Funds; to Execute the Required Grant Contracts; and to Enter into Cooperative Agreements with the Respective Funding Agencies

The Central/East County 511 Contra Costa staff implements programs and projects which fulfill each jurisdiction's Transportation Demand Management ordinance, Growth Management Program and Action Plan requirements under Measure J. With legislation (AB 32 and SB 375) requiring greenhouse gas emission (GHG) reductions, the 511 Contra Costa programs have a proven success record with the Bay Area Air Quality Management District and the Metropolitan Transportation Commission in reducing vehicle miles traveled (VMT) and GHG emissions.

The Workplan for FY 2012/13 includes trip reduction and emissions reduction projects and programs which focus on outreach to residents, students and commuters in Contra Costa. The program elements are refined and changed each year to ensure the maximum cost effectiveness, as determined by the Bay Area Air Quality Management District (BAAQMD), the Metropolitan Transportation Commission (MTC) and CCTA.

Program elements include:

- Action Plan Implementation - Both the TRANSPAC and TRANSPLAN Action Plans include actions and programs which are implemented by the Central/East County 511 Contra Costa Program. Staff will also be working with local jurisdictions in developing Transportation Demand Management strategies as part of the Sustainable Communities Strategies through SB 375.
- Safe Routes to Schools (SR2S) Programs and Projects - Staff will work with local jurisdictions, school administrators, parents, PTAs, police departments and others to expand the SR2S programs to elementary, middle and high schools throughout East County over the next three years. Program elements include: SchoolPool carpool ridematching; SchoolPool transit ticket program; Bicycle/pedestrian education and encouragement; Bicycle/pedestrian assemblies; Challenge Days to promote bicycling, walking, carpooling and transit ridership to schools; school site assessments and minor site access safety programs.
- Employer Outreach – These services assist employers in Central and East County in

ways to help retain businesses and promote economic development. Services include elements which reduce SOV commuting to worksites, including: distribution and analysis of transportation surveys; telework; promoting car-sharing programs; clean fuel infrastructure; transportation/health fairs; support for shuttle operations; customized ridematch assistance; pre-tax transit benefit education; bicycle parking infrastructure. The comprehensive trip reduction program will encourage participants to pledge to use commute alternatives. Staff will also continue to work with transit agencies on special promotions.

- Electric Charging Program provides funds to jurisdictions for electric charging stations, lease of electric plug-in vehicles to promote the use of this technology. Staff is working to expand the network of charging stations in Contra Costa County to keep pace with the growing demand.
- COMMUNITY OUTREACH PROGRAM – Staff will be working with local jurisdictions to distribute more “green” transportation information and program elements through city newsletters, libraries and other city events to inform residents of ways to reduce VMT and GHG emissions.
- BICYCLE/SKATEBOARD INFRASTRUCTURE - Staff works with the RTPC TACs to develop bicycle/pedestrian projects and assist in project delivery of bicycle/pedestrian gap closure projects. Bicycle lockers and racks will be installed at locations prohibited by the BAAQMD. Skateboard racks will be installed per recommendations by the local city/county staff and local schools.
- WEBSITE DEVELOPMENT AND MAINTENANCE - The 511CC website is a comprehensive one-stop location for Bay Area transportation information with an emphasis on Contra Costa transportation. 511 CC is also host to the TRANSPAC and TRANSPAN websites (www.transpac.us and www.transplan.us, in addition to the www.511contracosta.org site.
- STAFF LIAISON ACTIVITIES- Staff participates in many local and regional meetings to ensure coordination, promotion and funding for TDM activities through CCTA committees, MTC, BAAQMD, ACT, League of California Cities' Transportation Policy Committee and its Climate Change Task Force, TRB's TDM Committee, TDM Institute, SR2S National Organization, Association for Commuter Transportation, APTA and other organizations and agencies.
- TFCA AND MTC APPLICATION DEVELOPMENT, SUBMITTAL AND FUNDING AGREEMENTS- BAAQMD policy prohibits expenditure of TFCA funds for costs associated with drafting TFCA applications; assisting other agencies with TFCA applications; coordinating the submittals through the RTPC, CCTA and BAAQMD, and other program development activities.

Funding is expected to be approximately the same as in FY 2011/12. Available fund allocations are currently unknown, however pending notification from the BAAQMD and CCTA funds are estimated to be approximately \$650,000 TFCA, \$39,900 MTC CMAQ, and \$300,000+/- Measure J Commute Alternative funds.