



Board Hearing



Proposition 1B: Goods Movement Emission Reduction Program

2010 Funding Awards



June 24, 2010



Air Resources Board

California Environmental Protection Agency



Board Actions Today

Phase 1

Award funds

\$200M available

Phase 2

Tentatively allocate

\$275M expected

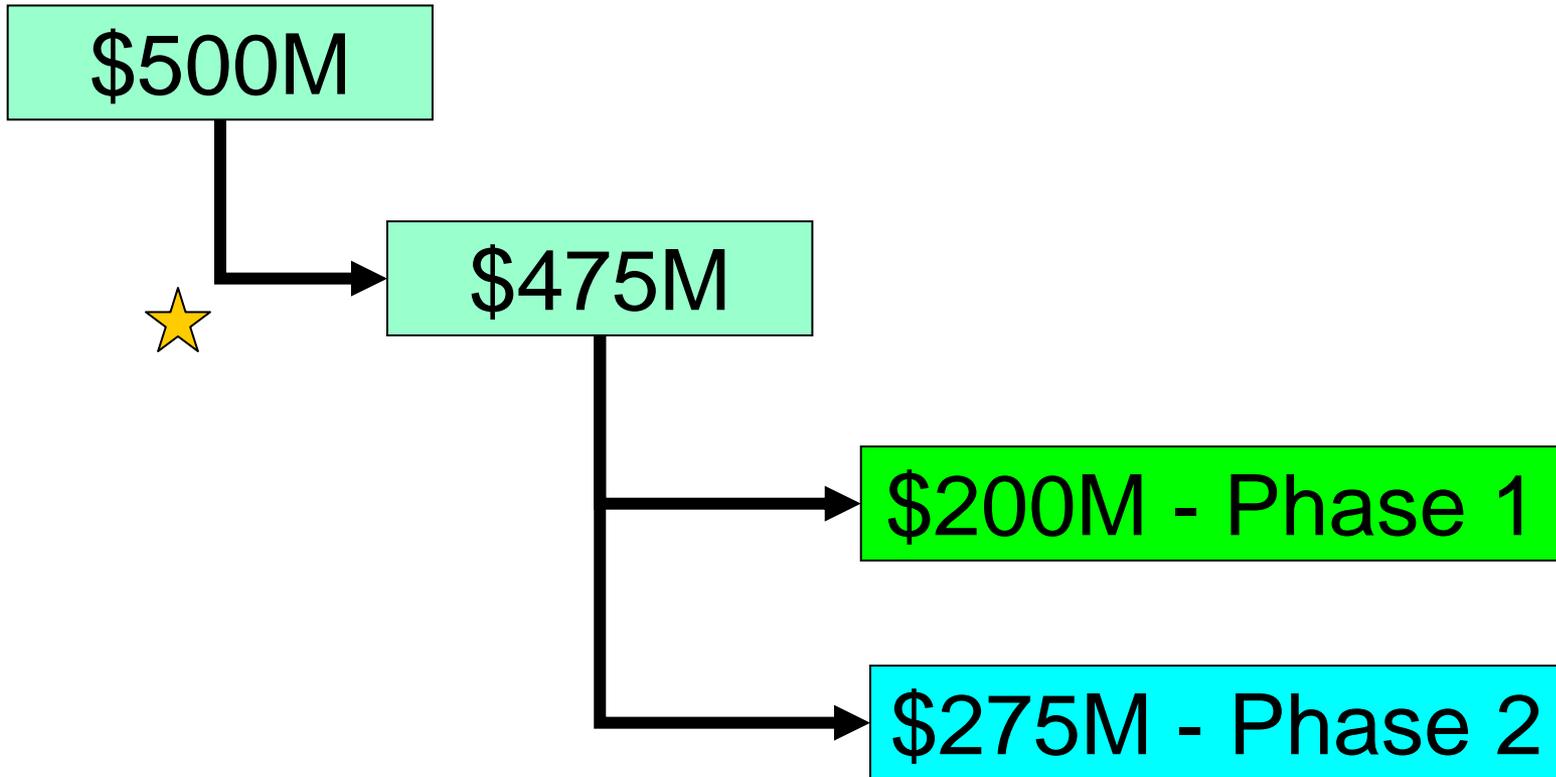


Prop 1B: Goods Movement Emission Reduction Program

- \$1B to reduce emissions from freight transport in the four priority trade corridors
- Goal: reduce emissions/risk as quickly as possible in heavily impacted communities
- Achieve early or extra reductions from diesel trucks, locomotives, ship berths, cargo equipment, and harbor craft



FY 2008-09 and FY 2009-10 Funds



★ \$25 million reserved for ARB administration (5%)



ARB Administrative Funding

- Reserve maximum 5% allowed for now
- Cover multiple years of staffing/contracts
- Cover audit costs by other state agencies
- Incur higher costs to administer truck loans
- Hold additional funds for possible trucker assistance centers
- Redirect unneeded funds to truck grants



Applications for \$475M

Trade Corridor	Funds Requested
Los Angeles/Inland Empire	\$529M
Central Valley	\$449M
Bay Area	\$ 88M
San Diego/Border	\$ 31M
ARB Truck Loans	\$ 50M
Total	>\$ 1B



Basis for Recommendations

- Category and corridor funding targets
- Board priorities
- Local agency requests
- Local agency readiness

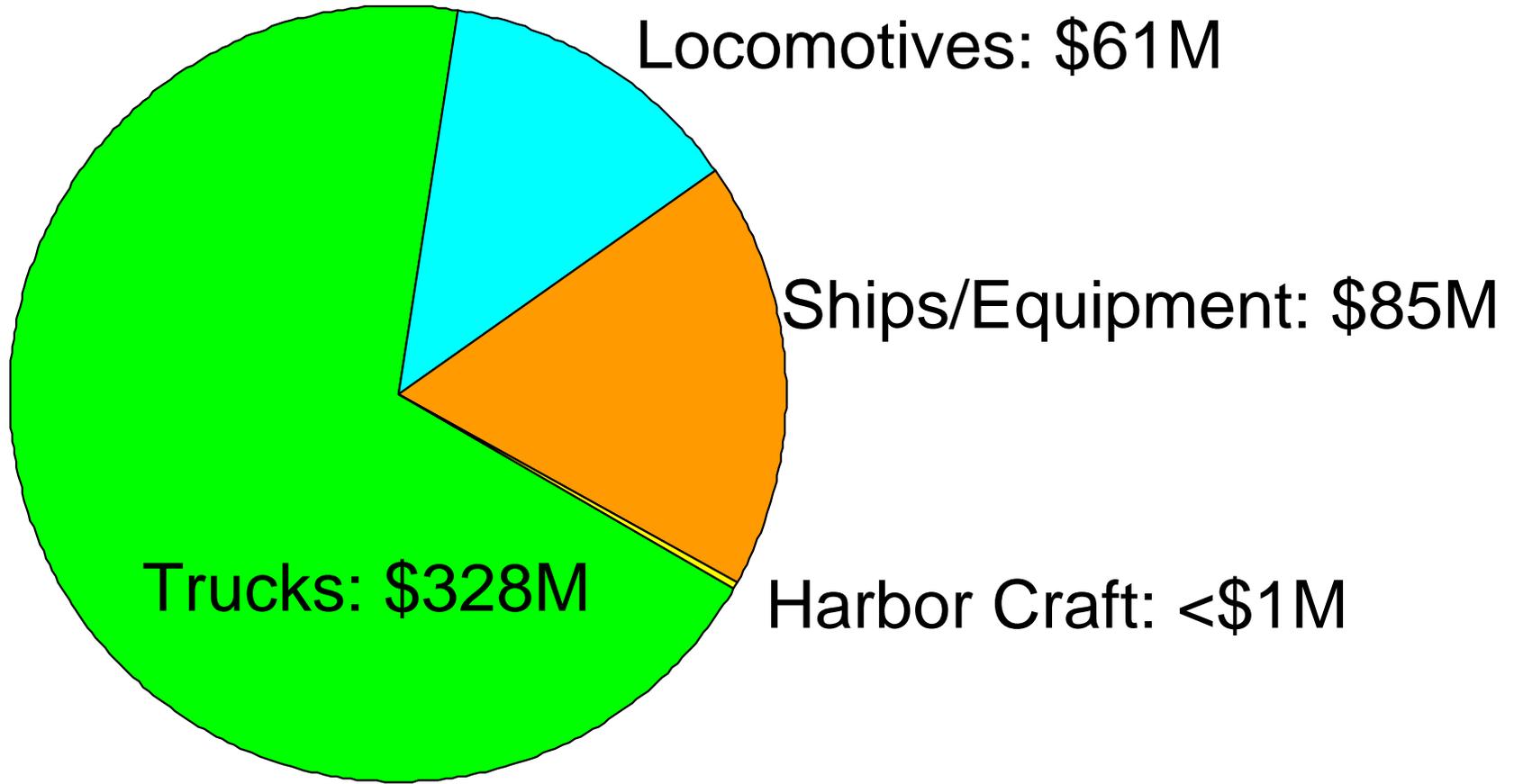


Starting Point for Recommendations

Recommended Allocation		
Corridor	Target	Bond \$
Truck Loan Program	N/A	\$ 50.0M
Los Angeles/Inland Empire	55%	\$233.7M
Central Valley	25%	\$106.2M
Bay Area	14%	\$ 59.5M
San Diego/Border	6%	\$ 25.5M
Total	100%	\$475.0M



Recommendations by Category (\$475M)





Truck Loan Assistance Program

- Owners need additional access to financing opportunities
- Provide funding for direct loans and loan guarantees for smaller fleets (1-20 trucks)
- Funds from Phase 2



**Los Angeles/Inland Empire
Trade Corridor
(\$233.7M)**



Approach for LA/Inland Empire

- Received 2 applications for ships at berth
 - South Coast Air District - \$55.6M
 - Oxnard Harbor District - \$ 5.5M
- Fully fund both requests and recommend South Coast as grant administrator



Recommendations: Los Angeles/Inland Empire

Category	Award Phase 1	Allocate Phase 2	Local Agency
Trucks	\$ 42.5M	\$ 99.0M	South Coast
Locomotives	\$ 6.2M	\$ 24.7M	
Ships/Equip.	\$ 61.3M	--	
Total*	\$110.0M	\$123.7M	

***Corridor share: \$233.7M total**



**San Diego/Border
Trade Corridor
(\$25.5M)**



Approach for San Diego/Border

- Concern about capacity to begin new truck grants in Summer 2010
- San Diego & Imperial Districts
 - Limited staffing resources
 - Substantial work left on year one grants
- Defer most truck funding to Phase 2
- Provide the full corridor allocation for Phase 1 + Phase 2 combined



Recommendations: San Diego/Border

Category	Award Phase 1	Allocate Phase 2	Local Agency
Trucks	--	\$22.0M	San Diego
	\$3.0M		Imperial
Harbor Craft	\$0.5M	--	San Diego
Total*	\$3.5M	\$22.0M	

***Corridor share: \$25.5M total**

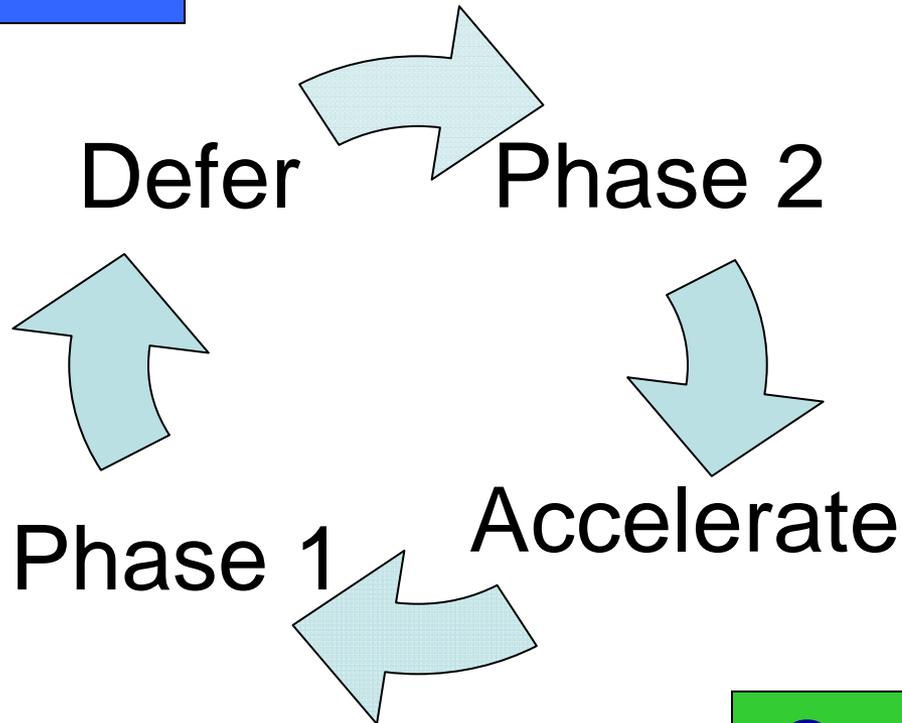


**Central Valley
Trade Corridor
(\$106.2M)**



Temporarily Redirected Truck Funds

San Diego/Border



San Joaquin



Recommendations: Central Valley

Category	Award Phase 1	Allocate Phase 2	Local Agency
Trucks	\$48.5M	\$20.0M	San Joaquin
	\$10.0M		Sacramento
Locomotives	--	\$20.0M	San Joaquin
		\$ 7.7M	Sacramento
Total*	\$58.5M	\$47.7M	

***Corridor share: \$106.2M total**

An aerial photograph of the San Francisco Bay Area, showing the city skyline, the Golden Gate Bridge, and various industrial and commercial areas. The image is overlaid with a semi-transparent purple filter. Centered on the image is the text "Bay Area Trade Corridor (\$59.5M)" in a bold, dark blue font.

**Bay Area
Trade Corridor
(\$59.5M)**



Approach for Bay Area

Category	Request	Proposal
Trucks	\$45.0M	\$33.3M
Locomotives	\$ 3.9M	\$ 2.3M
Ships/Equip.	\$39.1M	\$23.9M
Total	\$88.0M	\$59.5M



Recommendations: Bay Area

Category	Award Phase 1	Allocate Phase 2	Local Agency
Trucks	\$ 8.0M	\$25.3M	Bay Area
Locomotives	--	\$ 2.3M	
Ships/Equip.	\$20.0M	\$ 3.9M	
Total*	\$28.0M	\$31.5M	

***Corridor share: \$59.5M total**



Shore Power Requirements

- Multi-year design and build projects
- Regulatory deadlines
- Statutory funding deadlines
 - Develop supplemental procedures
- Undersubscribed solicitations
 - Funds redirected to truck or locomotive grants

Recommendations and Benefits by Trade Corridor

Trade Corridor	Bond \$	Reductions (tons)	
		PM	NOx
LA/Inland Empire	\$233.7M	1,100	35,100
Central Valley	\$106.2M	710	14,000
Bay Area	\$ 59.5M	180	6,700
San Diego/ Border	\$ 25.5M	100	2,900
All (Loan Program)	\$ 50.0M	Included above	
Total	\$ 475M*	2,090	58,700

* Leverages \$550M in matching funds



Issues

- Funding for shore power projects at the Port of Oakland
- Deferral of most San Diego/Border truck funding to Phase 2
 - Redirection to San Joaquin Valley

Cumulative Program Funding (with proposed allocations)

Funding Category	Trade Corridor (funding in millions)					Total
	LA	Valley	Bay Area	San Diego	All	
Truck	\$274.3	\$130.0	\$64.8	\$39.6	\$50	\$558.7
Locomotive	\$34.0	\$38.0	\$2.3	---	---	\$74.3
Ship/equip.	\$61.3	---	\$26.8	---	---	\$88.1
Harbor craft	---	---	---	\$0.5	---	\$0.5
ARB admin	---	---	---	---	---	28.4
Total	\$369.6	\$168.0	\$93.9	\$40.1	\$50	\$750.0
<i>Corridor %</i>	<i>55%</i>	<i>25%</i>	<i>14%</i>	<i>6%</i>	---	---



Recommendation for Board Action

- Adopt Resolution 10-27
 - Identifies primary and backup agency projects for Phase 1, tentative allocations for Phase 2
 - Directs staff to develop supplemental procedures for shore power projects