

DIESEL EMISSIONS REDUCTION ACT

AAPA Supports Full Funding, Improved Technology Verification

Air quality issues are receiving increasing attention at U.S. ports. As larger vessels enter U.S. waters bringing more cargo, ports must expand their landside operations to accommodate this growth. As landside infrastructure expands, truck and rail traffic to and from U.S. ports also increases. While trade yields tremendous economic benefits for the port community, as well as local, state and federal governments, it can impact air quality in and around port communities if the growth is not carefully planned and/or mitigated.

Reducing air emissions is particularly important for U.S. ports that operate in counties currently designated as “non-attainment” or “maintenance” for one or more of the national ambient air quality standards (NAAQS). The NAAQS mandate levels of particulate matter (PM) and ozone that are acceptable for public health and the environment, and counties that do not achieve these standards must take action to reduce air emissions.

Diesel engines often contribute to poor air quality, as older engines and dirtier fuels emit high levels of PM and oxides of nitrogen (NO^x), which is a precursor to ozone. In and around ports, equipment operating diesel engines includes cargo-handling equipment, trucks, locomotives, tugboats, dredges, ferries and ships.

In 2005, Congress authorized the Diesel Emissions Reduction Act (DERA) as part of the Energy Policy Act. This important legislation built upon good work that the Environmental Protection Agency was already doing in trying to address so-called “legacy” diesel engines. DERA provides grants to public and nonprofit entities to retrofit, repower, refuel or replace older diesel engines. The program targets public fleets as well as certain industry sectors, one of which is ports.

In 2010, Congress reauthorized DERA for an additional five years at \$100 million per year. The program was altered slightly to allow for rebates on emissions reduction technology and to allow private companies that contract, lease or license with a public agency to apply directly for funds.

Maintain Funding for DERA

AAPA urges Congress to maintain funding for DERA in FY 2013. The President’s budget proposed \$15 million for FY 2013, but it proposed eliminating the competitive grants and refocusing DERA to utilize rebates and revolving loans.

The program received \$30 million in FY 2012 and routinely received \$50 million to \$60 million in prior fiscal years, though Congress did provide \$300 million for DERA in the American Recovery and Reinvestment Act. This funding has enabled public and nonprofit entities to achieve significant emissions reductions in a number of targeted sectors, including ports and marine. In a FY 2008 Report to Congress, the Environmental Protection Agency estimates that for every dollar spent on DERA, an average of more than \$20 in health benefits is generated. EPA previously indicated that it has a backlog of \$1.7 billion in applications from the earlier round of solicitations and could process \$1 billion in high-quality requests very quickly.

Additionally, DERA supports American jobs. The program provides grants to fund engine upgrades and retrofits, many of which are manufactured in the United States. The installation of new engines or retrofit technology is usually done on or near the site where the engine is used, creating or preserving jobs for skilled workers.

Improve Technology Verification Process

In 2002, EPA established its emissions reduction technology verification process to ensure that federal funding achieves the emissions reduction goals set forth. By verifying the technology in both a controlled environment and through in-use testing, EPA can be confident that the public dollars it is spending are achieving the health benefits desired.

AAPA supports the verification process but is concerned about the small number of technologies on the verified list for non-road applications. At ports, non-road engines are used in cargo handling equipment and play a key role in moving goods from ship to shore. Additionally, there are currently no verified technologies for marine or locomotive engines. While DERA has managed to address emissions from these sources by funding repower and replacement projects, it is critical that additional technology be verified quickly to allow ports to have additional options for addressing diesel emissions from non-road, marine and locomotive engines.

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