



2012 HTA Harbors,
Navigation
& Environment Seminar

*The San Pedro Bay "Clean
Trucks Program" – Lessons
Learned and Opportunities
Gained*

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Challenges and Opportunities – CTP At Inception

- *Immediate Goals:*
 - Rapid conversion of trucking fleets;
 - Meet environmental mandates in exchange for project approvals;
- *Long Term Goals:*
 - Satisfy competitive pressures;
 - Meet market challenges in light of aggressive volume growth / projections.

Potential Opportunities at Inception

- Clean Truck Program would facilitate partnerships with other stakeholders in the supply chain;
- Port mandates would create an “Alternative Fuel Economy”;
- Emphasized importance of aggressive infrastructure development;
- Spurred discussion of dedicated freight corridors and a “National Freight Policy”.

Implementation

Challenge 1 – Operational

- CTP decreased number of viable trucking companies able to compete for Port business;
- As contraction occurred, so did driver pool;
- Parallel efforts from TWIC program;
- Drop in volume complex wide;
- Constraints on availability of alternative fuels and infrastructure to support them.

Challenge 2 – Political / Economic

- Divergence between POLA and POLB over implementation;
- Labor issues overshadowed environmental benefits;
- Ports attempted to solve “market problems” although a public agency;
- Large asset burden on drayage company meant more pressure to get turns within “Hours of Service Rules”.

Challenge 3 – Legal

- POLA model challenged in court based on pre-emption arguments;
- “Safety” exception to the F4A statute;
- Environmental groups as part of “blue-green” alliance forced to overlook obvious environmental gains;
- ATA lawsuit still pending after 9th Circuit decision and Certiorari before US Supreme Court.

Consequences – Intended and Unintended

- In a post-CTP world, “no fee” means truckers potentially without revenue stream to help pay off investments;
- Significant operational issues with LNG;
- How to reconcile asset with “Pier Pass” limitations – congestion at gates and no viable appointment system complex wide;
- No similar financial incentives for “other than LNG fuels” although Federal DOE now playing role;
- CARB Enforcement – Level Playing Field?;
- Conclusion - let public agencies set standards and let private industry figure out how to adapt.

The Changing Role of Trucking in a Post CTP World

- More integrated and important component of the supply chain;
- BCOs trending toward use of dedicated “clean fleets” – CRT and others;
- Fluid dynamic between trucking and near-dock rail-facilities / MAGLEV;
- “Zero Emission” applications for trucks (Vision Motors / TTSI) are low hanging fruit vs. larger applications such as “Zero Emission Container Movement Systems”.

Keeping a Competitive Profile

- Drayage seen more and more as an essential part of the supply chain and competitive solution;
- Industry's role in supporting innovative infrastructure projects contingent on use of green equipment including green truck fleets;
- Environmental gains still overshadowed by labor politics – AB 950 (Perez) and House T&I hearing (Nadler);
- At the end of the day, freight “flows like water” – price and time are paramount factors BUT the environment is important as well.