ORDINANCE NO. HD-2028

AN ORDINANCE OF THE BOARD OF HARBOR
COMMISSIONERS OF THE CITY OF LONG BEACH
AMENDING ORDINANCE NO. HD-1357, DESIGNATED
TARIFF NO. 4, BY AMENDING SECTION 10

1. On December 27, 1983, the Board of Harbor Commissioners of the
City of Long Beach adopted Ordinance No. HD-1357, designated Tariff No. 4, which sets
forth rates at which, and terms under which, the Port of Long Beach, California is willing
to provide marine terminal and related services. Tariff No. 4 has been amended from
time to time since 1983. The current version of Tariff No. 4 is made available to the
public on the Port of Long Beach website at polb.com.

2. On November 12, 2007, the Board adopted Ordinance No. HD-1997,
which added Section 10 to Tariff No. 4 relating to the San Pedro Bay Ports Clean Air
Action Plan drayage truck measures. On January 7, 2008, the Board adopted Ordinance
No. HD-2005, which amended these drayage truck measures and added a Clean Truck
Fee to fund in part the cost of replacing older drayage trucks. These drayage truck
measures were further amended on February 25, 2008 by Ordinance No. HD-2009 and
on March 17, 2008 by Ordinance No. HD-2011.

3. The San Pedro Bay Ports Clean Air Action Plan (CAAP) was
adopted by the Boards of Harbor Commissioners of Long Beach and Los Angeles on
November 20, 2006. The Ports of Los Angeles and Long Beach are located side-by-side
in San Pedro Bay. In the CAAP, the two ports recognized that their ability to
accommodate projected growth in international trade will depend on their ability to
address adverse environmental impacts, and in particular, air quality impacts, that result
from such trade. The CAAP was designed, in collaboration with the Federal
Environmental Protection Agency (U.S. EPA), the California Air Resources Board
(CARB) and the South Coast Air Quality Management District (SCAQMD), "to develop mitigation measures and incentive programs necessary to reduce air emissions and health risks while allowing port development to continue." CAAP, p. 2.

FINDINGS

1. As part of the overall implementation of the CAAP, the Long Beach Harbor Department ("Port of Long Beach" or "Port"), in conjunction with the Port of Los Angeles, has considered numerous proposals to address air pollution from a variety of sources operating within the Harbor District of the City of Long Beach. This process has included public meetings, contacts with private and governmental parties at the local, state and federal level, and review of written submissions and suggestions. This Ordinance reflects close consideration of all of these views.

2. The Port holds legal title to and manages the lands on which it is located as a trustee for the benefit of the People of California. The Port manages the land and tidal water resources associated with the trust under the Long Beach Tidelands Trust (California Constitution Article X; California Public Resources Code Sec. 6306; Long Beach City Charter, Article XII, and Chapter 676, Statutes of 1911, as amended) and the California Coastal Act (California Public Resources Code Div. 20, Sec. 30700 et. seq.), which identify the lands, waters and facilities as a primary economic and coastal resource of the State of California and an essential element of the national maritime industry for promotion of commerce, navigation, fisheries and harbor operations. As trustee, the Port also has a duty to mitigate the environmental impacts of activities on Port property and to preserve the ecology, including the water, land and surrounding air.

3. The Port is one of the largest providers of marine terminal facilities in the United States. The Port is proprietor of facilities that handle over 20% of the nation's containerized goods: cargo valued at more than $100 billion per annum. Together with the Port of Los Angeles, the San Pedro Bay ports handle over 40% of the nation's containerized goods worth more than $200 billion per annum. Failure to take prompt, reasonable, and effective measures to reduce harmful air emissions generated by
Port-related activities will prevent the efficient expansion and development of port facilities necessary to meet the increasing demands of the nation's international maritime commerce.

4. Tens of thousands of individuals work in Port-related jobs, as employees of the Port and employees of businesses involved in moving, handling and shipping maritime cargo, spending many hours every day on the roads and rail lines in the port vicinity. As an employer and as a landlord, the Port has an interest in adopting reasonable measures to assure an efficient, safe and healthy workplace.

5. The Port is in competition with other West Coast, North American and global ports for international maritime commerce business. Just as business customers and users of the Port's facilities who are leaders in corporate social responsibility and sustainable practices seek modern, environmentally-friendly and sustainable port services, the Port has an interest in adopting reasonable measures to upgrade the infrastructure and to reduce harmful air emissions from Port-related goods movement operations.

6. As neighbor to millions of Californians, the Port has an interest in adopting reasonable measures to assure that Port operations do not injure the health and property of nearby residents. In addition, because the Port requires the support of residents in nearby communities for needed improvements in Port infrastructure, failure to significantly reduce the health and traffic impacts of Port operations on these communities will impede the Port's ability to handle increased volumes of goods in future.

7. Studies by SCAQMD and CARB have concluded that the more than two million people who live near the Ports of Los Angeles and Long Beach face greater health risks than those who live elsewhere in the region. Implementation of infrastructure projects, in conjunction with the other components of the CAAP, would contribute to the reduction in premature deaths and health costs in the region.

8. The South Coast Air Basin has the highest concentrations of atmospheric ozone and certain criteria pollutants in the entire United States. In the
CAAP, the Ports of Los Angeles and Long Beach have committed to reduce pollutant
emissions to the levels that will assure that port-related sources make their fair share of
regional emission reductions to enable the South Coast Air Basin to attain state and
federal ambient air quality standards. CAAP, p. 24.

9. If the South Coast Air Basin fails to comply with ambient air quality
standards by federal Clean Air Act deadlines, the Port and other regional entities may be
unable to obtain federal funding for future growth. If the Basin remains out of compliance
beyond these deadlines, billions of dollars of federal funding for regional infrastructure
improvements could be lost under federal conformity policies.

10. Independently, the failure of the Port to adequately address air
pollution impacts and infrastructure capacity would threaten future Port growth both
because of legal constraints under the California Environmental Quality Act (CEQA) and
the National Environmental Policy Act and the opposition of surrounding residents and
communities to further expansion without an actual improvement in environmental
conditions surrounding the ports. For example, CEQA requires implementation of all
feasible mitigation measures before any project with significant environmental impacts is
approved.

11. Although the Port has unique trust responsibilities, the Port is not
unique among large property owners or employers in recognizing the benefits of reducing
pollution from its facilities, in enhancing the local infrastructure and the environment,
promoting employment and living as good neighbors with its surrounding communities.
Reasonable environmental measures are simply good business practices.

12. The Board now wishes to create two additional exceptions to the
Clean Truck Fee to create further incentives for industry to use the cleanest possible
trucks at the earliest possible date. The fee will be waived entirely for merchandise
hauled by (1) trucks purchased before October 1, 2008 without money from the Port
Clean Truck Program that comply with the 2007 model year California or federal heavy-
duty on-road standard and that replace non-compliant trucks; and (2) certain liquefied
natural gas trucks procured before the formal commencement of the Clean Truck
program ("Legacy LNG Trucks").

13. The Board now also wishes to exempt the Legacy LNG Trucks from
the January 1, 2012 Drayage Truck Deadline.

14. Nothing in this ordinance shall be deemed to constitute a permanent
obligation on the part of the Port to exempt any truck from any generally applicable fee.

15. The Director of Environmental Planning has determined that these
amendment are exempt from CEQA under California Public Resource Code Section
21084, Title 14 of the California Code of Regulations, Section 15273 (rates, tolls, fares,
and charges), Section 15301(d)(restoration or rehabilitation of mechanical equipment)
and Section 15061(b)(3)(no possibility of significant adverse effect on the environment).

NOW, THEREFORE, the Board of Harbor Commissioners ordains:

Section 1. The Board of Harbor Commissioners of the City of Long Beach
hereby adopts the findings set forth above and finds and determines that the following
additions to Ordinance No. HD-1357 are exempt from CEQA.

Sec. 2. Based on the findings set forth above, Ordinance No. HD-1357,
adopted by the Board of Harbor Commissioners of the City of Long Beach on
December 27, 1983, is further amended as set forth in Exhibit "A" attached hereto and by
this reference made a part hereof. The amended items shall be effective as of the
effective date of this ordinance.

Sec. 3. This ordinance shall be signed by the President or Vice President
of the Board of Harbor Commissioners and attested to by the Secretary. The Secretary
shall certify to the passage of this ordinance by the Board of Harbor Commissioners of
the City of Long Beach, shall cause the same to be posted in three (3) conspicuous places in the City of Long Beach, and shall cause a certified copy of this ordinance to be filed forthwith with the City Clerk of the City of Long Beach. This ordinance shall take effect on the 31st day after its final passage.

ATTEST:

President

Secretary

I hereby certify that the foregoing ordinance was adopted by the Board of Harbor Commissioners of the City of Long Beach at its meeting of August 18, 2008 by the following vote:

Ayes: Commissioners: Cordero, Sramek, Walter, Hankla

Noes: Commissioners:

Absent Commissioners:

Not Voting: Commissioners:

Secretary
Tariff No. 4, Section 10 Clean Air Action Plan

Item 1000 – Drayage Trucks – Definitions

For purposes of Section 10 the following definitions shall apply:

“ARB” means the California Air Resources Board.

“Alternative Drayage Truck” means a Drayage Truck with a heavy-duty engine that is designed to operate on liquefied or compressed natural gas, electricity or hybrid technology that meets or exceeds 2007 model year California or federal heavy-duty Diesel-Fueled On-Road emission standards.

“Authorized Emergency Vehicle” is as defined in Vehicle Code section 165.

“CARB Diesel Fuel” is Diesel Fuel certified by ARB as meeting the fuel specification standards set forth at Title 13, California Code of Regulations (CCR) section 2280 et seq.

“Compliance Label” is a tag issued by ARB under the Drayage Truck Registry for Drayage Trucks operated at the ports and intermodal rail yards that meet ARB requirements and compliance schedules.

“Concession” means a written agreement between the Port of Long Beach and a Licensed Motor Carrier to allow Drayage Truck access on Port Property.

“Dedicated Use Vehicles” are On-Road Vehicles that do not have separate tractors and trailers, including auto transports, fuel delivery vehicles, concrete mixers; mobile cranes and construction equipment.

“Diesel Fuel” means any fuel that is commonly or commercially known, sold, or represented by the supplier as diesel fuel, including any mixture of primarily liquid hydrocarbons – organic compounds consisting exclusively of the elements carbon and hydrogen – that is sold or represented by the supplier as suitable for use in an internal combustion, compression-ignition engine.

“Diesel-Fueled” means a compression-ignition engine fueled by Diesel Fuel, CARB Diesel Fuel, or jet fuel, in whole or part, including liquid natural gas engines using diesel-fuel for pilot ignition.

“Diesel Particulate Matter” or “PM” means the particles emitted in the exhaust of Diesel-Fueled compression-ignition engines.

“Drayage Truck” means any in-use On-Road Vehicle with a Gross Vehicle Weight Rating of 33,000 pounds or greater operating on property owned by the Port of Long Beach for the purpose of loading, unloading or transporting cargo, including containerized, bulk, break-bulk and neo-bulk goods. Drayage Truck does not include Dedicated Use Vehicles, Authorized Emergency Vehicles, Military Tactical Support Vehicles or Yard Trucks.
“Drayage Truck Registry” or “DTR” is a database that contains information on trucks that conduct business on Port Property at the Ports of Los Angeles and Long Beach, including:

Owner's name, address, phone numbers, email address, and fax number;
Dispatching Licensed Motor Carrier(s) and Concession number(s);
Drayage Truck and engine make, model, model year and fuel source;
Vehicle identification number (VIN), license number and state of issuance;
VDECS equipment

“Gross Vehicle Weight Rating” is defined in Vehicle Code Section 350.

“International Registration Plan” is a registration reciprocity agreement among states of the United States and provinces of Canada providing for payment of license fees on the basis of total distance operated in all jurisdictions.

“Legacy LNG Trucks” means Kenworth Model T-800 trucks equipped with Cummins ISX-G engines with emissions certified to 0.96 grams per brake horsepower hour (g/bhp-hr) for oxides of nitrogen (NOx) and 0.02 g/bhp-hr for particulate matter (PM), retrofitted with the Westport High-Pressure Direct Injection Liquified Natural Gas (LNG) conversion kit, funded by the Ports of Los Angeles and Long Beach under Cost Sharing Agreement No. 2588 and Los Angeles contracts numbered 2589, 2590, 2596, 2597, 2598, 2600, 2683, 2684, and 2685, when operated on LNG.

“Lessee” has the same meaning as in Vehicle Code section 371.

“Licensed Motor Carrier” means the permit holder on a Drayage Truck pursuant to California Vehicle Code Section 34601 and following or equivalent program.

“Military Tactical Support Vehicles” is as defined in Title 13, CCR, section 1905.

“On-road” means a vehicle that is designed to be driven on public highways and roadways and that is registered or is capable of being registered by the California Department of Motor Vehicles (DMV) under Vehicle Code sections 4000 et seq., or DMV’s equivalent in another state, province, or country; or the International Registration Plan.

“Optical Character Recognition” or “OCR” is a system designed to read and digitize existing On-road vehicle identifiers, such as state license plates, which will enable the Terminal Operator to access the Drayage Truck’s records in the DTR.

“Oxides of nitrogen” or “NOx” means compounds of nitrogen and oxygen, including nitric oxide and nitrogen dioxide.

“Ports” means all waterfront property owned by the Ports of Los Angeles and Long Beach and the Terminal Island Container Transfer Facility.

“Port Property” means all property owned by the Port of Long Beach within the Harbor District of Long Beach.
“Program Funds” means monies disbursed by the Ports of Long Beach and Los Angeles through the Clean Truck Fund or the Harbor Revenue Fund, including funds received for that purpose from South Coast Air Quality Management District and State Proposition 1B Bond funds.

“Terminal” is any facility on Port Property used for the transfer of cargo from one mode to another, including container terminals, break-bulk terminals, dry bulk terminals and railyards.

“Terminal Operator” is the entity with contractual authority from the Port of Long Beach to operate a Terminal.

“Radio Frequency Identification Device” or “RFID” is an electronic device with a unique identification number, installed on a Drayage Truck which will enable the Terminal Operator to access the Drayage Truck’s records in the DTR.

“Vehicle” is as defined in Vehicle Code Section 670.

“Verified Diesel Emission Control Strategy” or “VDECS” is an emission control strategy that has been verified pursuant to the “Verification Procedure, Warranty and In-Use Compliance Requirements for In-Use Strategies to Control Emissions from Diesel Engines” in Title 13, California Code of Regulations, commencing with section 2700, and incorporated by this reference.

“Yard Truck” means an off-road mobile utility vehicle used to carry cargo containers with or without chassis; also know as utility tractor rig (UTR), yard tractor, yard goat, yard hostler, or prime mover.

“2007 Drayage Truck” is a Drayage Truck that is equipped with an engine that meets or exceeds 2007 model year California or federal heavy-duty Diesel-Fueled On-Road emission standards.

Item 1005 – August 1, 2008 Gate Access Deadline

By August 1, 2008, at 8:00 a.m., all Terminal Operators shall have installed RFID or OCR readers at all truck processing gates or have obtained written consent from the Port of Long Beach to use an alternative means of accessing Drayage Truck records in the DTR before allowing Drayage Truck access to the Terminal. A Compliance Label issued by ARB is an acceptable alternative means of controlling truck access to any Terminal.

Item 1010 – October 1, 2008 Drayage Truck Deadline

Beginning October 1, 2008, at 8:00 a.m., no Terminal Operator shall permit access into any Terminal in the Port of Long Beach to (1) any Drayage Truck of model year 1988 or older, or (2) any Drayage Truck that cannot be verified as compliant with this Item 1010 deadline by reference to the Drayage Truck’s records in the DTR, as set forth in Item 1005.
Item 1015 – January 1, 2010 Drayage Truck Deadline

Beginning January 1, 2010, at 8:00 a.m., no Terminal Operator shall permit access into any Terminal in the Port of Long Beach to (1) any Drayage Truck that is not equipped with: (a) a 1994 – 2003 model year engine certified to California or federal emission standards, and a level 3 VDECS which achieves a minimum 85% reduction in PM emissions and a minimum 25% reduction in NOx emissions; or (b) a 2004 or newer model year engine certified to California or federal emission standards, or (2) any Drayage Truck that cannot be verified as compliant with this Item 1015 deadline by reference to the Drayage Truck’s records in the DTR, as set forth in Item 1005.

Item 1020 – January 1, 2012 Drayage Truck Deadline

Beginning January 1, 2012, at 8:00 a.m., no Terminal Operator shall permit access into any Terminal in the Port of Long Beach to (1) any Drayage Truck that is not a 2007 Drayage Truck or a Legacy LNG Truck, or (2) any Drayage Truck that cannot be verified as compliant with this Item 1020 deadline by reference to the Drayage Truck’s records in the DTR, as set forth in Item 1005.

Item 1025 – June 30, 2008 Drayage Truck Registry

1. Drayage Trucks seeking entry upon Port Property on or after October 1, 2008, shall have been registered on the DTR database by June 30, 2008, or thirty-one days prior to the date of entry, whichever is later. Registration on the DTR database shall be on forms and with supporting documentation as may be required by the Port to provide required information in verifiable form.

2. In the event of a change in the information provided for registration on the DTR database with respect to a Drayage Truck, the registration shall be amended within ten calendar days of the change on forms and with supporting documentation as may be required by the Port of Long Beach.

Item 1030 – Clean Truck Fee

Beginning October 1, 2008 at 8:00 a.m., a Clean Truck Fee of $35.00 per twenty foot equivalent unit shall be assessed on containerized merchandise entering or leaving the Ports by Drayage Truck with the following exceptions:

(1) The Clean Truck Fee will not be assessed on any containerized merchandise entering or leaving the Ports by rail.

(2) The Clean Truck Fee will not be assessed on any containerized merchandise moved between two terminals within the Ports.
(3) The Clean Truck Fee will not be assessed on any containerized merchandise entering or leaving the Ports by Alternative Drayage Truck purchased without Program Funds or a Legacy LNG Truck. If an Alternative Drayage Truck is registered in the DTR on or after October 1, 2008, this exception will only apply if the Alternative Drayage Truck replaced an existing Drayage Truck, the existing Drayage Truck was scrapped, satisfactory evidence of the scrappage was provided and qualification for this exception was recorded in the DTR database prior to the cargo movement.

(4) The Clean Truck Fee will not be assessed on any containerized merchandise entering or leaving the Ports by 2007 Drayage Truck purchased without Program Funds before October 1, 2008. If a 2007 Drayage Truck is registered in the DTR on or after October 1, 2008, this exception will only apply if the 2007 Drayage Truck replaced an existing Drayage Truck, the existing Drayage Truck was scrapped, satisfactory evidence of the scrappage was provided and qualification for this exception was recorded in the DTR database prior to the cargo movement.

(5) A Clean Truck Fee of $17.50 per twenty foot equivalent unit will be assessed on any containerized merchandise entering or leaving the Ports by 2007 Drayage Truck purchased without Program Funds on or after October 1, 2008. This fee exception will only apply if the Drayage Truck replaced an existing Drayage Truck, the existing Drayage Truck was scrapped, satisfactory evidence of the scrappage was provided and qualification for this exception was recorded in the DTR database prior to the cargo movement.

The Clean Truck Fee shall be paid by the cargo owner, notwithstanding anything to the contrary in Items 701 or 708 of Tariff No. 4.

**Item 1035 – Clean Truck Fund**

The first Terminal Operator to handle containerized merchandise subject to the Clean Truck Fee shall collect and remit the Clean Truck Fee to the Port of Long Beach, and the monies shall be used by the Board of Harbor Commissioners exclusively for replacement and retrofit of Drayage Trucks serving the Ports of Los Angeles and Long Beach.

**Item 1040 – Concession Fees**

The application fee for a Concession shall be $250, and the annual fee shall be $100 per Drayage Truck (collectively “Concession Fees”). Concession Fees shall be paid by the Licensed Motor Carrier applying for or holding the Concession.