

Proposition 1B: Goods Movement Emission Reduction Program
STATUS OF PROJECTS AWARDED FY2007-08 FUNDS
July 2009 Semi-Annual Update to the Department of Finance

This status report provides an update on actions through June 2009 to implement Proposition 1B-funded incentive projects to reduce emissions and health risk from goods movement operations in California's four priority trade corridors. Executive Order S-02-07 requires agencies receiving proceeds from bonds approved in November 2006 to provide semi-annual reports to the Department of Finance to ensure that projects are being executed in a timely fashion and achieving their intended purposes. All of the documents referenced in this update are posted on the Program website at <http://www.arb.ca.gov/gmbond>.

Allocation and Implementation. The Air Resources Board (ARB or Board) allocated the first \$250 million in funding appropriated under the Fiscal Year 2007-08 budget to the local agencies listed below in the first half of 2008. ARB and local agencies actively implemented the Program in the second half of 2008. By December 2008, equipment owners had submitted over 9,500 applications to the local agencies for all project types, requesting over \$385 million in project funds. Local agencies requested and ARB disbursed over \$20 million in payments for three early grant truck projects, plus some initial local administrative costs.

Stop Work Order. All of these general obligation bond-funded projects were subject to the December 18, 2008 directive from the Department of Finance for local agencies to suspend entering into new contracts or expending funds for contracts already signed. In response, the local agencies stopped or minimized work during the January-June 2009 reporting period. The Finance directive also prohibits ARB from making new allocations for the second and third installments (\$250 million each) appropriated for this Program. ARB staff has continued to develop the planned updates to the Program Guidelines for these next installments of funding.

Bond Funding Received to Date. In April 2009, ARB received an installment of \$21 million as reimbursement for monies ARB paid to local agencies prior to December 2008. In May 2009, ARB received \$90 million from the sale of Build America Bonds to restart a subset of the local agency projects. The priority projects are trucks serving ports and intermodal rail yards in Los Angeles, Long Beach, Oakland, and San Diego; other trucks in the Central Valley and Imperial County; and shore power for two ship berths at the Port of Oakland.

Restart of Selected Projects. On May 28, 2009, the Board approved changes to the Program Guidelines and existing grants to support restart of projects, modify deadlines in response to the Program suspension, and resolve implementation issues. On June 26, 2009, ARB sent an initial set of letters to local agencies authorizing them to restart individual projects, up to specified funding amounts. Additional letters to the Ports of Los Angeles and Long Beach, along with the South Coast Air Quality Management District, will follow as we transfer administration of the \$98 million port truck grant from the Ports to the District. In July, all of the affected local agencies will restart their work to finish their evaluation of project applications and equipment, competitively rank equipment projects, and sign contracts to fund the highest ranked projects. We expect the majority of the truck projects to be completed in 2009.

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LOS ANGELES/INLAND EMPIRE TRADE CORRIDOR

Local Agency	Project Description	Grant Amount	Current Project Status
South Coast Air Quality Management District	Replace old dirty trucks serving the Ports of Los Angeles and Long Beach with new clean models.	\$6,930,000	Funds obligated via signed early grant agreement in June 2008. District selected projects for funding, signed contracts with truck owners, and clean trucks began operation prior to the Program suspension. District completed program temporarily using its own funds. 132 new natural gas trucks are now operating. On June 26, 2009, ARB authorized the District to resume any remaining work with the \$6,765,000 in project and administration funds previously received from ARB.
	Retrofit trucks with soot filters and replace old dirty trucks with new clean models.	\$6,877,500	Funds obligated via signed early grant agreement in June 2008. District selected projects for funding, signed contracts with truck owners, and clean trucks began operation prior to the Program suspension. 131 new diesel trucks in operation. On June 26, 2009, ARB authorized the District to resume any remaining work with the \$6,713,750 in project and administration funds previously received from ARB.
	Retrofit trucks serving the rail yards with soot filters.	\$2,625,000	Funds obligated via signed main grant agreement in June 2008. District was in the process of selecting projects for funding prior to the Program suspension. District held a second solicitation using its own funds in early 2009 and is in the process of selecting projects for funding. On June 26, 2009, ARB authorized the District to restart this project with up to \$2,500,000 in Program funds for projects.
	Retrofit trucks, replace old dirty trucks with new clean models, and install electric infrastructure at truck stops/etc. so trucks can plug and turn off their engines.	\$18,322,500	Funds obligated via signed main grant agreement in June 2008. District was in the process of selecting projects for funding prior to the Program suspension. This project remains suspended until more bond funding becomes available.
	Replace old dirty locomotives at rail yards with new clean models.	\$3,090,000	Funds obligated via signed main grant agreement in June 2008. District was in the process of soliciting locomotive projects prior to the Program suspension. This project remains suspended until more bond funding becomes available.
Ports of Los Angeles & Long Beach	Replace old dirty trucks serving the Ports of Los Angeles and Long Beach with new clean models.	\$98,000,000	Funds obligated via signed main grant agreement in June 2008. Ports selected the first round of projects for funding, signed contracts, and used own funds to get 47 new trucks in operation. ARB will transfer grant management from the Ports to the South Coast Air District, with the support of all parties. ARB will authorize \$49,000,000 to restart this project.
Corridor Total		\$135,845,000	

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CENTRAL VALLEY TRADE CORRIDOR

Local Agency	Project Description	Grant Amount	Current Project Status
San Joaquin Valley Air Pollution Control District	Retrofit trucks with soot filters and replace old dirty trucks with new clean models.	\$5,701,500	Funds obligated via signed early grant agreement in June 2008. District selected projects for funding and began signing contracts with truck owners prior to Program suspension. 34 upgraded trucks are now operating. On June 26, 2009, ARB authorized the District to resume the remaining work with the \$5,565,750 in project and administration funds previously received from ARB.
	Retrofit trucks with soot filters and replace old dirty trucks with new clean models.	\$40,530,000	Funds obligated via signed main grant agreement in June 2008. District began the process of selecting projects for funding prior to the Program suspension. On June 26, 2009, ARB authorized the District to restart this project with up to \$18,850,150 in Program funds for projects.
Sacramento Metropolitan Air Quality Management District	Replace old dirty trucks with new clean models.	\$840,000	Funds obligated via signed early grant agreement in June 2008. District had selected projects for funding prior to Program suspension, but not signed contracts. District requested that ARB defer distribution of available bond funding for projects until local administrative funding is also available. This project remains suspended until more bond funding becomes available.
	Retrofit trucks with soot filters and replace old dirty trucks with new clean models.	\$4,462,500	Funds obligated via signed main grant agreement in June 2008. District was in the process of selecting projects for funding prior to Program suspension. District requested that ARB defer distribution of available bond funding for projects until local administrative funding is also available. This project remains suspended until more bond funding becomes available.
	Replace old dirty long-haul locomotives with new clean models.	\$10,300,000	Funds obligated via signed main grant agreement in June 2008. District was in the process of selecting projects for funding prior to Program suspension. This project remains suspended until more bond funding becomes available.
Corridor Total		\$61,834,000	

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BAY AREA TRADE CORRIDOR

Local Agency	Project Description	Grant Amount	Current Project Status
Bay Area Air Quality Management District	Install grid-based shoreside electrical power at 2 ship berths at the Port of Oakland so ships can plug in and turn off their engines while docked.	\$2,856,000	Funds obligated via signed early grant agreement in June 2008. District had signed contract with marine terminal operator and work was underway prior to Program suspension. On June 26, 2009, ARB authorized the District to restart this project with up to \$2,800,000 in Program funds for projects.
	Retrofit drayage trucks serving the Port of Oakland or replace them with new clean models.	\$6,767,250 plus \$4,263,844 from harbor craft	Funds obligated via signed main grant agreement in June 2008. District was in the process of selecting projects for funding prior to Program suspension. On June 26, 2009, ARB authorized the District to restart this project with up to \$10,495,632 in Program funds for projects, including funds redirected from the harbor craft grant pursuant to the District's request and ARB approval in Resolution 09-40.
	Retrofit trucks with soot filters and replace old dirty trucks with new clean models.	\$17,377,500	Funds obligated via signed main grant agreement in June 2008. District was in the process of selecting projects for funding prior to Program suspension. This project remains suspended until more bond funding becomes available.
	Replace old dirty locomotives at rail yards with new clean models.	\$3,090,000	Funds obligated via signed main grant agreement in June 2008. District was in the process of selecting projects for funding prior to Program suspension. This project remains suspended until more bond funding becomes available.
	Replace old dirty engines in harbor craft with new clean engines.	\$4,263,844	Funds obligated via signed main grant agreement in June 2008. However, due to the low rate of equipment owner participation, the District requested and ARB approved the transfer of harbor craft funds to the District's existing port truck grant.
Corridor Total		\$34,354,594	

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SAN DIEGO/BORDER TRADE CORRIDOR

Local Agency	Project Description	Grant Amount	Current Project Status
San Diego Air Pollution Control District	Retrofit trucks with soot filters and replace old dirty trucks serving the Port of San Diego with new clean models.	\$651,000	Funds obligated via signed early grant agreement in June 2008. District was in the process of selecting projects for funding prior to Program suspension. On June 26, 2009, ARB authorized the District to restart this project with up to \$620,000 in Program funds for projects.
	Retrofit trucks with soot filters and replace old dirty trucks serving the Port of San Diego with new clean models.	\$2,362,500	Funds obligated via signed main grant agreement in June 2008. District was soliciting for truck projects prior to Program suspension. On June 26, 2009, ARB authorized the District to restart this project with up to \$2,250,000 in Program funds for projects.
	Retrofit trucks with soot filters and replace old dirty trucks with new clean models.	\$5,302,500	Funds obligated via signed main grant agreement in June 2008. District was soliciting for truck projects prior to Program suspension. This project remains suspended until more bond funding becomes available.
Port of San Diego	Install grid-based shore side power at a ship berth at the Port of San Diego so ships can plug in and turn off their engines.	\$2,500,000	Funds obligated via signed main grant agreement in June 2008. District was soliciting for shore power projects prior to the December 19, 2008 program suspension. This project remains suspended until more bond funding becomes available.
Imperial County Air Pollution Control District	Retrofit trucks with soot filters and replace old dirty trucks with new clean models.	\$3,748,500	Funds obligated via signed main grant agreement in June 2008. District was in the process of selecting projects for funding prior to Program suspension. On June 26, 2009, ARB authorized the District to restart this project with up to \$3,570,000 in Program funds for projects.
Corridor Total		\$14,564,500	

TOTALS

Total Grants	\$246,598,094	ARB has received a total of \$110,949,622 in bond funding to date for local agencies to support these projects, leaving \$135,648,472 in remaining funds needed to fulfill the funding obligations to local agencies under these existing grant agreements.
ARB administrative costs	\$3.4 million	ARB has not yet received any bond funding for staffing and administrative expenses.
Total FY2007-08 Funds	\$250 million	