



**COMMUNITIES
FOR CLEAN PORTS**

Documents to Accompany Testimony of

Ryan Wiggins

February 15, 2008

Mr. S. David Freeman
President
Port of Los Angeles
Board of Harbor Commissioners
425 South Palos Verdes Street
San Pedro, CA 90731

Mr. Mario Cardero
President
Port of Long Beach
Board of Harbor Commissioners
925 Harbor Plaza, PO Box 570
Long Beach, CA 90801

Re: Heavy Duty LNG Trucks for the Clean Truck Program

Dear President Freeman and President Cardero:

It was a great pleasure to join you both on the podium a few weeks ago on December 11th in Carson as we launched the Ports Clean LNG Truck Program. I believe that was an historic day for the Ports, for the people of Southern California, and for the future of cleaner goods movement.

Now, as your management teams wrestle with critical decisions around the pace and volume of ramping up the LNG clean truck program, decisions that I believe may impact the Ports environmental, fuel, and global leadership profile for years to come, I thought it would be timely to communicate and update our views regarding how we can support the Ports in the expansion of the LNG truck program.

As you know, we announced a major industry LNG heavy duty truck agreement with Kenworth Truck Company just three weeks ago. This agreement dramatically ramps up our ability to provide heavy duty LNG trucks to the Ports. Together with Kenworth, **we can provide truly large numbers of LNG trucks to the ports**, at a scale not previously possible, and at a quality backed by the world's preeminent trucking company.

As you know, the Westport Fuel System technology produces the cleanest and Best Available Control Technology heavy duty engine in its class. **NOx emissions are 33% lower and GHG emissions are more than 20% lower** than even the cleanest equivalent 2008 heavy duty diesel engines. In addition, the natural gas LNG fuel is primarily domestically produced, so it can help **reduce the Ports' dependency on foreign fuel**. And LNG is cheaper than oil.

We see this as a first step in **transforming the truck industry and**, more importantly, **our environment**. We believe these drayage trucks will be in operation for 10 years or more. Port decisions today will affect the Southern California environment and economy for decades. So it is important to optimize this **opportunity now** and **provide the cleanest and most advanced dependable trucks available**.

The Kenworth T800 tractors with the Westport LNG Fuel System technology and the Cummins ISX 15L engine are appropriate for any heavy haul port drayage application. Equally important, we believe that **the Kenworth T800's versatility, along with its undisputed reliability and high resale value**, will provide unmatched levels of **confidence and satisfaction** to Port drayage operators.

Production Capability

The Kenworth Truck Company has the capability to produce over 50,000 trucks annually. Westport and Kenworth are prepared to supply and meet the demand of the Clean Truck Program as proposed by the Ports of LA and Long Beach. As quick as the Ports can make firm financial commitments to a large scale expansion of the LNG truck program, Westport and Kenworth can mobilize the global supply chain providing Westport LNG Fuel Systems and components.

With the new Kenworth–Westport agreement now in place, we are now in position to support the production of **5,000 LNG trucks within 24 months and 10,000 trucks within 36 months of firm order commitments by the Ports**. We are capable to exceed these volumes should the Ports desire to do so and move immediately to make commitments. In summary, LNG heavy duty truck deployment capacity is no longer an issue. Our production agreement between Kenworth and Westport has resolved any production capability concerns.

LNG Truck Cost Reduction

Large, firm and early financial commitments by the Ports can also be expected to trigger significant cost reduction in LNG truck prices. This cost reduction is associated with movement from the first prototype trucks to volume production of trucks and supply chain components. Utilizing the above volume numbers along with in-plant integration, we believe we can achieve sizeable cost reductions aided collectively by Kenworth Truck Company, Inland Kenworth Dealer group, and Westport.

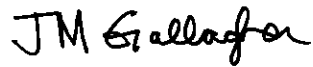
To give you some idea of the magnitude of possible cost reductions, and as we communicated to your staff on January 31st in Long Beach, Port scale-up of the LNG heavy duty truck program to the large numbers cited above, combined with the fact the Heavy Duty natural gas engine is so clean that the truck has a \$28,800 Federal Tax Credit available, may **reduce the cost of an LNG truck by as much as \$65,000-\$70,000** for a 2009 model compared to the 2006 model year hand built prototype trucks. Accordingly, **we may expect the BACT LNG truck costs to be reduced to somewhere in the range of \$114,000 to \$120,000**, excluding federal and state sales tax and applying the federal tax credits. The actual truck price quotations will of course be subject to the specifics of an actual Request for Quotation/Proposal from the Ports, including the number of trucks to be purchased, specific configurations, possible options required, timing of deliveries, and final pricing reviews and negotiation. We stand ready to work with the Ports and fleets to finalize the details of the program.

Summary

Given the emissions benefits and the advantage of using domestic fuel, the Kenworth LNG truck is a cost-effective and environmentally sound solution. We are working with many other customers in Southern California and elsewhere with a strong interest in LNG trucks. These companies are looking to the leadership at the Ports of Long Beach and Los Angeles to move forward with the LNG truck program in a big way. **Your leadership will pave the way for wide adoption of clean heavy duty natural gas trucks** throughout the state, the transportation industry, and in fact globally. Along with every LNG heavy duty truck deployed, the Ports will receive the cleanest heavy duty trucks in the world today.

We look forward to working with Port Leadership and Staff, the goods movement industry, and the people of Southern California to make the Port's Clean Truck Program a truly historic milestone in the world's search for cleaner energy sources and alternatives to oil. Please let us know if you have any further questions about our deployment capabilities and the potential cost reduction opportunities that will go hand-in-hand with full Port commitments to the LNG Truck Program. We stand ready and are absolutely committed to support the Clean Truck program, the Ports, and this world-changing initiative.

Sincerely,



J. Michael Gallagher, Ph.D.
President and Chief Operating Officer

cc: Harbor Commissioners, Port of Los Angeles
Mayor Bob Foster, Long Beach
Harbor Commissioners, Port of Long Beach
Mayor Antonio Villaraigosa, Los Angeles
Barry Wallerstein, D. Env., Executive Officer, AQMD
Geraldine Knatz, Ph.D., Executive Director, Port of Los Angeles
Richard Steinke, Executive Director, Port of Long Beach
Henry Hogo, Assistant Deputy Exec Officer, AQMD South Coast
Andy Douglas, Kenworth, Western Region Sales Manager
Mark Zucker, Director of U.S. Operations, Inland Kenworth Group
Andrew Littlefair, President & CEO, Clean Energy

:mg



Kenworth Truck Company
P. O. Box 1000
Kirkland, WA 98033
(425) 828-5000

November 4, 2008

S. David Freeman
President, Port of Los Angeles Harbor Commission
425 S. Palos Verdes St.
San Pedro, CA 90731

James Hankla
President, Port of Long Beach Harbor Commission
925 Harbor Plaza
Long Beach, CA 90802

Dear Presidents Freeman and Hankla:

Kenworth Truck Company supports the Ports' of Los Angeles and Long Beach goal to reduce harmful air pollution and eliminate dependence on imported oil. As you know, Kenworth was the first truck manufacturer that publicly supported the Ports' alt-fuel strategy by committing to produce natural gas trucks at our plant in Renton, Washington.


I would like to take this opportunity to update you on our production plans for natural gas trucks. As of this date, we have built, or are in process of assembling, a total of 165 natural gas trucks for Port applications. In addition, we are also finalizing 80 LNG orders through the CTP grants process.

Looking into 2009, Kenworth has made the necessary investments to produce a high volume of LNG trucks for the Ports. Our 2009 plan can ramp production capacity to 200 trucks per month by April with total capacity in excess of 2,000 trucks.

I previously extended the invitation to tour the Kenworth production factory in Renton, Washington. I would once again like to extend this invitation for you to see, first hand, Kenworth's commitment to alternative fuel trucks. The factory tour can be completed in one day including round-trip flights.

Thank you again for your leadership and we look forward to working closely with you to achieve your goals and objectives.

Sincerely,



Andy Douglas
National Sales Manager
Kenworth Truck Company



A PACCAR COMPANY

Kenworth Truck Company
P. O. Box 1000
Kirkland, WA 98033
(425) 828-5000

CC:

Port of Los Angeles Harbor Commission

Geraldine Knatz

John Holmes

Molly Campbell

Mike Christensen

Chris Cannon

Port of Long Beach Harbor Commission

Dick Steinke

Alex Cherin

Chris Lytle

Steve Rubin

Robert Kanter

**CLEAN TRUCK COALITION
COMMITTED TO A CLEAN ENVIRONMENT**



March 24, 2009

Mr. James Hankla
President-Harbor Commission
Port of Long Beach
925 Harbor Plaza
Long Beach, CA 90801

Dear President Hankla:

The Clean Truck Coalition (CTC) would like to recognize you for your leadership and thank you for moving forward with financing of Liquefied Natural Gas (LNG) vehicles.

The CTC is comprised of 11-family owned local businesses, specializing in harbor drayage for an average of 27 years per company and employing 2,000 local workers.

CTC will commit to the purchase of Five-Hundred (500) additional LNG vehicles.

The CTC has already significantly supported The Clean Truck Program with the purchase of a combination of 600 LNG & Diesel trucks during a very difficult economic climate the past few months.

Our group is comprised of quality Licensed Motor Carriers (LMC's) who have made the commitment to go 100% "green."

Best of all, we are local businesses, which represent the small business community.

Please contact Mike Fox at (909) 291-4646 at your earliest convenience so that we can move forward as quickly as possible.

Sincerely,

Members of the Clean Truck Coalition

cc: Christopher Lytle, Deputy Executive Director
Nick Sramek, Vice President-Harbor Commission
Dr. Mike Walter, Secretary-Harbor Commission
Mario Cordero, Assistant Secretary-Harbor Commission
Susan Anderson, Commissioner
Peter Grace, Clean Energy Fuels
Greg Roche, Clean Energy Fuels

CLEAN TRUCK COALITION
c/o Law Offices of Mark John Tundis
984 West Foothill Blvd. Suite #A
Upland, CA 91786



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**More Than 3,100 People Have Already Signed the Petition Below to
Support Alternative-Fueled Trucks**

Support Alternative-Fueled Trucks at the Ports

Each year, port pollution leads to more than 3,700 premature deaths in California -- and costs taxpayers over \$19 billion. That's why it was so important when the Ports of Los Angeles and Long Beach promised last year to replace half their fleets with alternative-fueled trucks that are the cleanest available -- and that slash deadly air pollution and the greenhouse gases that cause global warming. But time is running out, and industry is trying to kill the Clean Trucks Program. Please urge the Ports to keep their alternative-fuel commitment. Hardworking Californians can't afford to keep paying the billion-dollar costs of port pollution -- or to miss out on creating new green jobs -- especially in this economy.

Thank you for your support

Communities for Clean Ports

And Our Partner:

COALITION FOR
**CLEAN
& SAFE
PORTS**



Dear Harbor Commissioners and Staff at the Ports of Los Angeles and Long Beach:

Each year, port pollution leads to more than 3,700 premature deaths in California -- and costs taxpayers over \$19 billion. In this economy, we can't afford to keep paying the billion-dollar costs of port pollution -- or to miss out on creating new green technology jobs.

So I strongly support your commitment to replace thousands of dirty diesel port trucks with the alternative-fueled trucks that are the cleanest available. As you know, that commitment is also backed by the South Coast Air Quality Management District and the full range of public health, environmental and community groups working at the Ports.

But we're running out of time -- because almost the entire port truck fleet is being replaced this year. So if the Ports don't put thousands of alternative-fueled trucks on the road over the next 8 months, then it'll be too late.

Meeting the Ports' alternative-fuel promise would dramatically reduce the greenhouse gas emissions that cause climate change -- and the toxic pollution that leads to sky-high childhood-asthma and cancer-risk rates in Southern California communities. And, it would create the good, green jobs that are key to getting our economy going again.

I urge you to act now to deploy thousands of clean, alternative-fueled trucks this year.

Sincerely,





**COMMUNITIES
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Testimony of Ryan Wiggins, Communities for Clean Ports
“On Middle Harbor”

Good evening. My name is Ryan Wiggins and I'm here on behalf of ~~Communities for Clean Ports and~~ a Long Beach resident. The Middle Harbor project is a massive port expansion project that will have dramatic and lasting effects for decades. The Port's major claim is that in ten years or so this project will result in 50 percent less pollution – but in the meantime we can expect significant increases resulting from ten years of combined construction and operational activities. It is disturbing that the Port has moved forward with this expansion project without the San Pedro Bay Standards and has chosen not to include technologies that could immediately reduce emissions.

Public health, environmental and community groups have a number of concerns about this project.

And I certainly second ^{those} ~~the~~ comments of my colleagues. But given the limited time, I'll highlight just one example: This EIR's failure to include any commitment to alt-fuel trucks – which is especially necessary given the Port's failure to keep the promises it made in the Clean Truck Program just last year. Make no mistake, these trucks are an available, proven, and feasible mitigation method – the cleanest available technology for port drayage – that would reduce the toxic, smog-forming and greenhouse gas emissions at the tailpipe.

When pressed on this issue, the Port maintains it is not realistic to include a commitment to alternative fueled trucks in the EIR. The truth, however, is not that the Port can't, but that it won't. When it adopted its Clean Truck Program, the Port committed itself to a goal of achieving a 50 percent makeup of alternative-fueled trucks in the entire Port truck fleet. That would have been several thousand alt-fuel trucks. Since then the Port has backed away from that commitment stating that it only intends to ensure that 50 percent of the trucks it funds are alternative-fueled. Last year the Port of Long Beach funded 38 trucks – 19 alternative-fueled trucks is not a commitment.



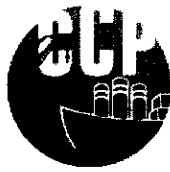
When pressed on this the Port will say that it is committed to alt-fuel but there are market barriers that hamper efforts to promote alt-fuel. They will say:

1. That the truck manufacturers aren't ready to roll-out sufficient numbers of trucks yet. This is contradicted by the letters before you from truck manufacturers, who have indicated that they have the capacity to produce thousands of trucks as soon as the Port commits to deploy them.
2. The Port will say that there is not enough fueling infrastructure in the region to service the trucks. But as you can see from the map before your, there is a significant amount of stations that are widely dispersed. Half of the containers taken by truck from the Port have final destinations that are within 25 miles of the Port. These trucks have a fuel range of several hundred miles. The Port's stance that there needs to be a complete fueling structure now before it will aggressively pursue alt-fuel trucks would be the equivalent of waiting to build the first automobile until there were gas stations on every street.
3. There is demand for these trucks. Both at Commission meetings we have attended and through letters we have seen - one of which is included - trucking companies have indicated their desire to collectively purchase at a minimum approximately 1,000 trucks.

Unfortunately – or, fortunately, if you can convince the Port to change – the barriers to including alternative-fueled trucks in this EIR really just amount to a lack of commitment. Just over a month ago the Port pulled \$72 million it had committed to alternative-fueled trucks off the table. That along with the revenue from the Clean Truck Fee would have been enough to put 1,000 trucks into the Port fleet creating new jobs and immediately reducing pollution.

Why does this matter to the people of Long Beach? Because truck traffic to Middle Harbor will increase to 10,000 trips per day as a result of this project. If the Port intends to move forward with this





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expansion project before releasing the San Pedro Bay Standards it should ensure that the best feasible and available technologies are used. Thank you.

