



June 7, 2007

Geraldine Knatz, Ph.D.
Executive Director
Port of Los Angeles
425 South Palos Verdes Street
San Pedro, CA 90731

Dear Dr. Knatz:

The National Industrial Transportation League (League) would like to express its concern and opposition to the San Pedro Ports Clean Air Action Plan (CAAP) as currently constituted. While the League is supportive of the Plan's stated goals and objectives of fostering a cleaner environment, we believe that it will unnecessarily increase costs, reduce competition, threaten vital operating capacity and most importantly will have a minimal effect toward improving the environment.

The League is an association of companies and individuals that conduct industrial and/or commercial operations throughout the United States and internationally. Our organization includes over 600 member companies that are involved with the transport of all kinds of freight in both domestic and international commerce. The members of the League include multinational corporations, as well as small to mid-sized companies that ship their products using all the modes of transportation. Many of our members are importers and exporters that use the Ports of Los Angeles and Long Beach in the shipment of their goods and materials, and would be directly impacted by the changes to drayage operations included in the CAAP.

The League strongly supports the need to reduce vehicle emissions and improve environmental conditions associated with port operations at Los Angeles and Long Beach. However, we are troubled by the CAAP proposals which would drastically restructure drayage operations at the ports and substantially increase operating costs, without ensuring that the proposals represent the least intrusive and disruptive approach to reducing vehicle emissions.

We understand that the CAAP would restrict access to the ports by truckers using older vehicles applying a "phase-out" approach, and would assess a fee in the range of \$34 to \$54 on all non-compliant trucks. The plan would also require that all drivers must be employees, rather than leased or independent drivers, within a five (5) year period.

We believe that there are serious questions concerning the legal authority of the ports to implement the CAAP under federal laws, including the Constitution. We are also troubled that sufficient details concerning the CAAP have not been shared with industry. The ports, and the state and federal governments have a shared responsibility with private industry to work together to achieve a cleaner environment. The League is deeply concerned that the CAAP seems to have been developed in a "vacuum" without industry involvement and that the impact of the plan has not been thoroughly analyzed. Despite the lack of a thorough vetting of the CAAP, the ports apparently desire to implement the plan in a matter of weeks.

June 7, 2007

Page -2 -

While effective methods for reducing vehicle emissions and pollution resulting from commercial operations in the ports should be aggressively pursued, the CAAP would impose another heavy financial burden on cargo operations in California, on top of PierPass, Alameda Corridor fees, and other proposed container fees and charges. The League believes that appropriate economic incentives provided to the private sector could achieve the goal of introducing new trucks producing cleaner emissions over a similar, or possibly a shorter period of time, than what is proposed in the CAAP. It is critical that a comprehensive analysis of the economic impact of the CAAP be conducted before additional, and potentially unnecessary, costs are imposed on industry.

Moreover, the requirement that all drivers must be employees, rather than independent contract drivers, will have absolutely no impact on the environment. This requirement will have the greatest negative impact on small and medium size companies currently performing drayage services at the ports, and could drive a number of such companies out of business. We do not believe that the ports should be determining which trucking companies will be permitted to use cleaner trucks and, in the process, excluding other companies that may not be able to meet the new standards.

Other adverse impacts of the CAAP may include reduced truck capacity, reduced availability of drivers, and reduced efficiencies. Accordingly, the League believes that the L.A./Long Beach Port Authorities must reevaluate the CAAP proposals, and should work closely with industry to develop an appropriate and non-discriminatory environmental mitigation plan for port operations.

The League stands ready to work with you to develop a more feasible and less disruptive approach to achieving the desired environmental improvements. In this regard, we believe that you should consider establishing a government industry task force to devise an acceptable approach to reducing emissions and fostering more environmentally acceptable conditions in the ports. We also support the development of a state-wide standard for vehicle emissions which would allow all trucking companies that could meet such standard access to the ports.

The League appreciates your consideration of the concerns expressed herein.

Sincerely,



Peter J. Gatti
Executive Vice President

cc: Mayor Anotonio Villaraigosa
S. David Freeman
Jerilyn Lopez Mendoza
Kaylynn L. Kim
Douglas P. Krause
Joseph R. Radisich