

Mission: To enhance the region's economy and quality of life by providing efficient cargo and air passenger access to national and global markets.



March 8, 2017

The Honorable Michael Dembrow, Chair
Members of the Senate Environment and Natural Resources Committee
900 Court St. NE, S-407
Salem, Oregon 97301

Subject: Port of Portland Comments on Senate Bill 1008

Dear Senator Dembrow and members of the Committee:

Thank you for the opportunity to provide these comments on SB 1008. The Port appreciates the leadership of Senator Dembrow on the issue of diesel emissions and the opportunity to participate in the Clean Diesel Workgroup. The Port supports the overall objective of SB 1008 and offers specific feedback on the bill below.

Background

The Port recognizes that actions are needed to reduce emissions from diesel engines to reduce health impacts and help the Portland metropolitan area maintain air quality standards for particulate matter. We are working cooperatively with the City of Portland, Multnomah County, Metro, and Clackamas County to explore the feasibility of developing an effective and uniform clean diesel construction specification that could be adopted by participating jurisdictions in the Portland-metro region.

The Port has also undertaken actions to reduce emissions from its own operations. The Port's Commission set an ambitious goal in 2009 to reduce diesel particulate matter from Port-controlled operations by 25 percent from 2000 baseline levels by 2015, which was met and surpassed through the Port's investment in cleaner engines, alternative fuels, anti-idling programs, and repowering the Dredge Oregon which maintains the Columbia River navigational channel.

Comments on SB 1008

Requirement for 1% contract set aside for public improvement contracts.

Comment: This provision, which requires funds be set aside to improve third party contractor equipment through retrofits and/or engine repower, could be problematic for the Port if the project is financed in whole or part by airport revenues. *FAA Policy and Procedures Concerning the use of Airport Revenue* prohibits the diversion of airport revenue for purposes other than the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport or operator directly and substantially related to the air transportation of passengers or cargo.

Recommendation: First, we ask that language be included clarifying how this provision interacts with the FAA restriction. We are happy to work with the Committee on language. Second, the Port believes there is a more direct means to accomplish the goals of the 1% provision. The Port recommends further consideration of a mechanism, similar to California's Carl Moyer program, which, through consumer fees, has allocated over 1 billion dollars to date for cleaner engines and equipment.

Restrictions on the operation of nonroad diesel engines in Oregon without first registering with DEQ and paying fees.

Comment: The Port understands that there is very little information on the nonroad construction fleet mix operating in Oregon and that a registration program will assist the state in understanding current conditions, provide valuable information in future emission reduction efforts, and provide funding for construction equipment retrofits and engine repowers. However, the Port believes the bill defines nonroad engines too broadly; we are particularly concerned about the impact on international marine vessels.

There are approximately 10,000 bulk / breakbulk vessels available in the world fleet, any one of which may call on a particular terminal, which would make registration very difficult. Most of the marine vessels visiting the Port of Portland facilities are single visits (over 80%) from foreign flag ships.

Unlike nonroad construction equipment, the characteristics of visiting marine vessels and their engines are well understood. Detailed information on each vessel (including engine characteristics) that visits Oregon is available through the Merchant's Exchange and Lloyds Registry. The Port of Portland utilizes this information in its emissions inventories.

March 7, 2017

Page 3

Under Federal regulations, the nonroad diesel emission regulations are not applicable to all nonroad diesel engines. Exempted are locomotives and marine engines which are subject to separate EPA regulations or international agreements such as MARPOL Annex VI which regulates emissions from international ships.

Recommendation: The Port recommends the bill limit the requirement for registration and fees to focus on construction equipment. Addressing construction equipment separately in this manner would be consistent with the structure of the Federal nonroad diesel regulations.

We appreciate the opportunity to provide comments and look forward to continuing to work with the Chair and the Committee on the issue of diesel reduction strategies in Oregon.

Sincerely,

Phil Ralston
Director, Environmental Operations & Policy
Port of Portland

May 21, 2010
Page 4

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