Port Trucking, Shorepower and Slow Steaming: The Impact of Climate Change-Related Regulations on Ports, Terminals and Carriers

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Port Trucking

- The role of CARB
- The phase out of older trucks
  - 2007 new truck standards by 2014
- Economic consequences in CA ports, including LA/LB and Oakland
  - Higher costs for equipment/retrofits vs. restricted access
  - Truckers and ports requesting funding
Port Trucking (cont)

- Success stories
  - Major reductions in GHGs and other pollutants
  - Intended to reduce GHG emissions to 1990 levels by 2020
  - Reductions in fuel costs
Port Trucking (cont)

• Me too – things move North and East
  ▪ Seattle (100% of trucks must meet 2007 standards by 2017)
  ▪ Port Authority of NY/NJ (same as Seattle & first come/first serve)
  ▪ Massport (modeled after LA/LB and NY/NJ)
Port Trucking (cont)

- The “jobs” issue and the BlueGreen Alliance
  - 14 unions and environmental groups advocating for cleaner, “fairer” green jobs
  - Pushed for clean trucks program in LA/LB
  - Other union objectives
  - Historical background
Port Trucking (cont)

• Shipping Act issues and the involvement of the FMC
  ▪ FMC investigated whether LA/LB clean trucks program violated Shipping Act by imposing unfair regulations and fees on truckers and shippers
  ▪ FMC loss of injunction case
  ▪ ATA litigation versus POLB/POLA
Shorepower

• How shorepower works
• CA: 50% of fleet requirement by 2014
  ▪ Applicable to cruise ships and refrigerated container ships
  ▪ The penalties for non-compliance
  ▪ How ports and marine terminal operators are responding
Shorepower (cont)

- Need for a global uniform standard for equipment
  - Different ships use different voltage and cables
- Financing major infrastructure – ports, terminals and carriers
  - Great Recession has depleted available funds
  - Ports and others looking for State funding
Slow Steaming and GHG Issues

• Slow steaming as a response to rising fuel prices
  ▪ Shippers requesting to share in the savings
• Shipper complaints and Shipping Act issues
  ▪ Shipping prices rose in 2009 even as demand dropped and industry capacity expanded
Slow Steaming and GHG Issues (cont)

- Environmental considerations of slow steaming
  - Reduction in fuel consumption reduces GHG
- Clean fuel switch in coastal waters
Conclusion

• What does this all mean and where is it going?
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