



INTERMODAL ASSOCIATION OF NORTH AMERICA

Chairman
Frank J. Sonzala
Pressure Systems International, Inc.

President and CEO
Joanne F. Casey

June 20, 2007

Geraldine Knatz, Executive Director
Port of Los Angeles
425 South Palos Verdes St.
P.O. Box 151
San Pedro, California 90733

Richard Steinke
Port of Long Beach
925 Harbor Plaza
P.O. Box 570
Long Beach, California 90801

Dear Dr. Knatz and Mr. Steinke:

The Intermodal Association of North America (IANA) would like to provide the attached port trucking/air quality policy position statement on behalf of our members. IANA is the only trade association that represents the combined, multi-modal interests of ocean, motor and rail carriers, as well as industry suppliers and third party logistics companies, including the world's largest carriers in all transport modes. We respectfully request that our position receive most serious consideration as the Port's Clean Trucks Plan is developed further.

As noted in our statement, IANA supports multiple efforts to simultaneously enhance cargo shipping capacity and air quality. Our specific objection to facets of the Clean Trucks Plan results from our members' commitment to maintaining today's efficient intermodal network. We strongly believe that changing the business model under which drayage carriers have been operating for years, by forcing a conversion of independent contractor drivers to employees and levying concession fees would do nothing to further the laudable goals of improving Southern California's air quality and would instead raise costs, cause disruptions, and potentially reduce capacity and resources during a time when shortages already exist.

IANA stands ready to assist the ports and other industry stakeholders and to work constructively in the coming months to address these issues. If you require additional information, please contact the Association's President and CEO, Joni Casey at (301) 982-3400, ext. 349.

Sincerely,

Frank Sonzala
Chairman

cc: Hon. Antonio Villaraigosa, Mayor of Los Angeles
Hon. Bob Foster, Mayor of Long Beach
Dr. William Burke, Chairman, Governing Board, SCAQMD
Robert Sawyer, Chairman, State of California, Air Resources Board



Policy Statement: California Transportation/Air Quality Plans

A significant number of recent events relating to transport and air quality matters have drawn the attention of Californians, the companies doing business in the area and the associations that represent them. This Intermodal Association of North America (IANA) policy statement presents the views of the only trade association that represents the combined interests of every transportation mode operating in the region.

IANA supports and encourages innovative efforts to improve transportation and air quality in the United States, and particularly in Southern California. IANA endorses multiple capacity expansion steps to prepare for continued international trade growth and to address the region's serious emissions issues. IANA believes that effective capacity growth and significantly improved air quality must go hand-in-hand, and that projects which emphasize one of those goals without adequately addressing the other one face a very questionable future.

Examples of such positive programs are Governor Arnold Schwarzenegger's Goods Movement Action Plan, private sector proposals such as expansion of Union Pacific and BNSF Railway intermodal facilities, and the broad goals of the Clean Air Action Plan presented by the Ports of Los Angeles and Long Beach in November, 2006.

However, IANA cannot support the Clean Trucks program as currently structured for compelling legal and commercial reasons.

From a legal perspective, fundamental questions surround the plan to create de facto emissions standards by imposing fees on "non-compliant" trucks. The legal power to charge such a fee is even more questionable in light of recent federal court decisions that limit local jurisdiction over emissions issues such as locomotive idling. IANA urges that steps to impose such fees be suspended at least until legal questions are resolved on an expedited basis.

From a commercial standpoint, the proposal to convert port truckers from independent contractor to employee status is a questionable business model. Such a change would not ensure improvement in air quality, is unrelated to emissions issues and also poses serious legal questions. Transportation expenses would be increased significantly, adding hundreds of dollars to the cost of each shipment. The current, effective commercial system would be disrupted, and the higher expenses would adversely impact the development of innovative, private-sector solutions. Consequently, IANA urges port officials to immediately pursue different approaches to accomplish important emissions reduction goals for port truckers.

Approaches such as tax credits or a system of incentives or rebates that reward the acquisition of more fuel-efficient vehicles by companies and/or independent contractors should be evaluated since this approach could accomplish the same goal without posing grave legal questions, raising costs or damaging the commercial freight network. The statewide truck plan developed by the California Air Resources Board (CARB) is a promising alternative because it would set statewide standards and improve air quality by encouraging retrofits or replacements.

IANA urges that similar proposals from other transportation industry trade associations that promote substantial air quality improvements without uprooting the ports' commercial foundation also should receive serious consideration.

IANA appreciates the opportunity to present its views and welcomes the opportunity to participate further in the future as these issues, which are critical for the region in particular and the nation as a whole, are addressed and resolved.