

MINUTES OF A SPECIAL MEETING OF THE INTERMODAL CONTAINER
TRANSFER FACILITY JOINT POWERS AUTHORITY GOVERNING BOARD HELD AT
THE BANNING'S LANDING COMMUNITY CENTER AT 100 E. WATER STREET,
WILMINGTON, CALIFORNIA, ON WEDNESDAY, SEPTEMBER 3, 2008, AT 6:00 P.M.

Board Members present:

S. David Freeman, Port of Los Angeles
Geraldine Knatz, Port of Los Angeles
Nick Sramek, Port of Long Beach
Richard D. Steinke, Port of Long Beach

Board Members absent:

None

Also present:

Sam Joumblat, Port of Long Beach
Doug Thiessen, Port of Long Beach
Mike Christensen, Port of Los Angeles
Thomas A. Russell, General Counsel

CHAIRPERSON S. DAVID FREEMAN PRESIDED.

APPROVAL OF MINUTES

Board Member Knatz moved, seconded by Vice-Chairperson Sramek and
unanimously carried, the revised minutes of the special meeting of April 22, 2008, and
the minutes of the special meeting of June 24, 2008, were approved.

Minutes were approved without comment.

NEW BUSINESS

1. PROGRESS/STATUS REPORT ON ENVIRONMENTAL IMPACT REPORT FOR
THE PROPOSED ICTF MODERNIZATION PROJECT – RECEIVED AND FILED.

Mr. Joumblat informed Chairperson Freeman that most of the speakers wished to
speak regarding item numbers one and two on the agenda. Mr. Ed Rogan, President
of Essentia Management Services LLC (Essentia), was also present to give a status
update on the Environmental Impact Report (EIR) process. Chairperson Freeman
suggested that the presentation be given first, so that speakers may have the benefit of
the information provided before they make their comments.

Mr. Rogan, President of Essentia Management Services, gave a presentation on the progress/status of the Environmental Impact Report for the proposed ICTF Modernization Project.

Mr. Rogan explained that Essentia has been working with the Port of Long Beach and the Port of Los Angeles (the Ports) and the Joint Powers Authority (JPA) for approximately 6 months on expediting the EIR process, as well as managing the logistics and community outreach, including the new website. In response to Mr. Freeman's question regarding Essentia's relationship to the South Coast Air Quality Management District (SCAQMD), Mr. Rogan explained that Essentia represents the JPA in the day-to-day execution of the EIR and the SCAQMD is the consultant executing the EIR. Also in response to Chairperson Freeman's inquiries, Mr. Rogan explained that the SCQAMD has several subconsultants working for them; however, thus far the only direct contact Essentia has had with any of these consultants is through their participation in the weekly teleconferences. Finally, Chairperson Freeman asked Mr. Rogan if everyone involved is working with the appropriate intensity and strength of purpose to finish the project on schedule. Mr. Rogan assured him that this was the case.

Mr. Rogan then continued with his presentation. First he clarified that Essentia was conducting community outreach efforts on behalf of the JPA, not Union Pacific Railroads (UP). He explained that UP has their own community outreach activities and Essentia's efforts on behalf of the JPA are not meant to supplement those. He went over the items that he would cover in the presentation, including the JPA website created by Essentia and its current upgrades and the overall schedule for the EIR execution.

Mr. Rogan explained that community outreach is very important to the JPA and a key component of Essentia's responsibilities to the JPA. He explained that the JPA meetings have been held in a variety of locations in order to get as much public participation as possible. Essentia facilitates community outreach activities such as issuing notices for meetings and managing the website. Mr. Rogan asserted that Essentia's current priority was stakeholder identification; so that all interested parties might be supplied with information and that they are aware of information repositories such as the website. One of Essentia's current primary goals is to be proactive in making as much information accessible as possible, including publishing more of the Health Risk Assessment information for the ICTF and other facilities in the area in response to public interest on this information. Essentia also helps organize scoping and JPA Board meetings, including minutes.

Chairperson Freeman asked Mr. Rogan to be a little more specific regarding whether Essentia has held community meetings in order to inform the community. Mr. Rogan explained that such meetings had not yet been held; however, Essentia has been working on establishing linkages between the websites of the Ports and the JPA website, as well as merging email lists. Chairperson Freeman asserted that the community is not really interested in those types of things and that the public has not been given enough information about what exactly UP is proposing. Chairperson Freeman then recommended that Essentia conduct outreach meetings with the people

most affected by the facility so that the community could provide informed input to the JPA. Mr. Rogan said that, in his opinion, community outreach meetings were a second step, to be completed after the interested parties have been identified. He said that there is a scoping meeting for the Notice of Preparation (NOP) and the initial study (IS) that is currently targeted for October, which is intended to be the first public meeting.

Chairperson Freeman interjected that he expects Essentia to go beyond the public meetings required by law. Chairperson Freeman went on to explain that, in his opinion, the current situation at ICTF is very bad and that the proposed project offers an improvement of the status quo. However, because of the negative feelings that the community has toward the ICTF and the lack of information that they currently have about the project, more public outreach is required so activists and average community members alike are able to offer informed input on the project. Mr. Rogan assured Chairperson Freeman that community meetings are a key component of Essentia's overall plan; however, they are expected to begin in 2 or 4 more weeks. Chairperson Freeman recommended that Essentia not preselect interested parties because people are busy and may not have time to attend the Board meetings, but might still be very interested. Board member Steinke then asked if Essentia is available to community groups that may want to have someone come out and speak. Mr. Rogan assured them that his name and number are provided on the website for anyone to contact to arrange a presentation or any other information exchange. He also stated that Essentia shares Chairperson Freeman's goal to provide information about this project to as many people as possible.

Mr. Rogan then continued to describe the website, introducing the web master, Greg Alexander. He explained the website was created 4 to 5 months ago and is currently being upgraded. He also said that Essentia has been working on fully integrating with the communications departments at the Ports. On the website, several documents, such as the UP application and the Health Risk Assessment (HRA) have been posted. It also features a calendar to inform the public of meetings and a mailing list sign up form in order to receive notices.

Mr. Rogan went on to describe the overall schedule for the execution of the EIR. He started by summarizing what had been accomplished to date, mentioning that the JPA and the Air Quality Management District (AQMD) approved executing the memorandum of agreement (MOA) between the two entities at their previous meeting (June 2008) and at that time AQMD had already begun work on assembling their team and reviewing documents like the UP application. On August 14, 2008, the JPA received the draft NOP and the IS from AQMD and the JPA and the Ports have spent the previous few weeks reviewing these documents. The IS was returned to the AQMD in comment form a week ahead of schedule and the AQMD said they would return the revised version within the week. In regards to the NOP, Mr. Rogan explained that they had conducted a teleconference with staff from both Ports earlier that week and, as a result, were able to inform the AQMD of probable comments. Mr. Rogan said that the NOP should also be completed on schedule. Mr. Rogan also explained that based on a target completion date of November 2009 for the overall EIR process, both the NOP and IS should be revised by the end of the month, at which time a 30-day review period will begin. During this time, a public scoping meeting is planned and if all goes as well, the JPA will accept the NOP/IS as complete and formulate a comment summary by

November 2009. Mr. Rogan shared that the “meat” of the project has already started; the AQMD has assembled its team and anticipates that the bulk of the Draft EIR should be completed by December 2008. At this time, it is expected that the AQMD, the JPA, and both Port staffs will work together to complete a Draft EIR that will be made available to the public between April and May 2009. The response to comments is expected to occur during the summer of 2009; the finalization of the EIR will occur during September and October of 2009 and will be presented for approval at a JPA Board meeting in November of 2009.

Mr. Rogan then asked if anyone had questions for him. Chairperson Freeman asked when a complete draft of the EIR will be available for comment. Mr. Rogan said that by March 2009 there should be a completed draft (e.g., reviewed by the JPA and ready for public review). Chairperson Freeman then asked if it will take from March until November to decide if the EIR is any good. Mr. Rogan then explained the spring and summer schedule in detail; it is expected that April and May will be dedicated to public review and June and July will be dedicated to revising the document. Chairperson Freeman expressed a desire that the public voice their opinion throughout the EIR process so that when the Draft EIR is completed, it will already reflect the community's input. Chairperson Freeman also said that the project is not a mystery and that the fundamental aspects of the project can be explained in 10 minutes. He said that especially since the project promises/suggests/proposes significant reductions in pollution, there should be more of a sense of urgency in completing the environmental process for this project.

Chairperson Freeman warned that the environmental process in this country is on the verge of collapse because energy is becoming a crisis and good projects are treated the same as bad ones and take forever to be completed. He expressed a desire that everything possible be done to expedite the process. He hopes that the draft that will be completed in March will be close to everyone's liking and that the decision on the project is made long before November 2009. He said that, in his opinion, there is no other project in either Port that offers as significant of a change as the ICTF project and, therefore, requires a greater sense of urgency, particularly in the area of getting feedback from the community throughout the EIR process. He thinks more effort should be made from the beginning. Mr. Rogan assured Chairperson Freeman that Essentia has the same goals and is doing everything possible to expedite the process. Mr. Rogan also said that his primary role in the project is to manage the schedule and said that if the JPA is not happy with the way things are going that they should turn to him first. As an example of Essentia's efforts to keep the schedule on track, Mr. Rogan explained that the first draft of the NOP/IS was completed a month late by the AQMD due to factors beyond their control. Despite this unexpected delay, they are back on schedule with the help of the AQMD.

Ms. Joan Greenwood was the only speaker to comment on item number one. She is a resident of the Wrigley area of Long Beach. She first congratulated the JPA for suggesting greater outreach to neighborhood groups interested in the project. She agrees that the presentations only need to be between 10 and 20 minutes, as opposed to the 2 hour long JPA Board meetings. She said that she sees the commencement of the EIR process as a good step. She mentioned many different meetings that she

attends as an active community member and said that with so many meetings, she supports the JPA's goal to give presentations directly to community groups, at a level that they can understand. She argued that the EIR process is a project in word smithing and that the use of the term "modernization project" is misleading. In her opinion, the project would be more appropriately labeled as an expansion project because it would be possible for UP to keep the same workload and still implement the air quality improvements.

Chairperson Freeman thanked Ms. Greenwood for her comments.

Vice-Chairperson Sramek moved, seconded by Board Member Steinke, that the Progress/Status Report be received and filed. Carried by the following vote:

AYES: Members: Steinke, Knatz, Sramek, Freeman
NOES: None
ABSENT: None

The Board moved to the second item on the agenda without further comment.

2. UNION PACIFIC RAILROAD PRESENTATION ON PROPOSED MODERNIZATION PROJECT – RECEIVED AND FILED.

Mr. Andy Perez, Union Pacific Railroad Director of Public Affairs, gave a presentation on Union Pacific's community outreach efforts.

Mr. Barry Michaels, Union Pacific Railroad Assistant Vice President of Premium Operations, gave a presentation on air emissions, Health Risk Assessment, and a pilot electric truck program.

The following individuals spoke regarding the Union Pacific Railroad Proposed Intermodal Container Transfer Facility Modernization Project:

Mr. Tom Politeo, Sierra Club
Ms. Elina Green, Long Beach Alliance for Children with Asthma
Ms. Carla Truax, University of Southern California
Mr. Andrew Martinez, NRDC
Ms. Dora Jacildo, Children of Today
Mr. Dan Hoffman, Executive Director of the Long Beach Chamber of Commerce
Ms. Joan Greenwood, Wrigley Alliance
Mr. Angelo Logan, East Yard Communities for Environmental Justice
Mr. Jesse Marquez, Executive Director of the Coalition for Safe Environment
Ms. Evelyn Knight, Member of the Westside Neighborhood Association
Ms. Elizabeth Warren, Executive Director of Future Ports
Ms. Colleen Callahan, American Lung Association
Mr. Emanuel Gonzalez, resident of West Long Beach

The second item on the agenda was a presentation from UP. The first representative from UP to speak was Barry Michaels, the project sponsor from UP. Mr. Michaels started by introducing Andy Perez, Director of Public Affairs for UP, who would also be speaking. Mr. Michaels said that UP has listened to the Board closely and their requests from the previous meeting. These requests included a response to the truck issue now and in the future, as well as details about current mitigation of emissions and UP's community commitment. Mr. Michaels said that the senior team at UP has attempted to develop an action plan that addresses these specific requests. He said that Andy Perez would be the first to speak about UP's community outreach program and then Mr. Michaels plans to detail what UP is doing in regards to the environment and air emissions.

Andy Perez, the Director of Port Affairs for UP then spoke about UP's community outreach program. He first mentioned that he has lived in Long Beach for 20 years and grew up in Wilmington, attending local schools. He explained that he is in charge of the community giving budget and said he is always looking for innovative and creative ways to give back to the community. He said that UP has talked to local school officials, fence line neighbors, representatives from Natural Resources Defense Council (NRDC), the Coalition for Clean Air, the Coalition for a Safe Environment, Port staff, city staff and elected officials and many nonprofit organizations. Mr. Perez reported that when he started with UP in 2007, the community giving budget was \$92,000, which includes the community giving budget, the foundation grant program and the principals partnership program. Since then, the budget has increased 63 percent to \$150,000 and Mr. Perez said that it is going to get better. Chairperson Freeman asked "How much better?" Mr. Perez said that he is always looking for good opportunities to partner and said he was open to recommendations and proposals. Mr. Perez went on to list the various nonprofit organizations supported by UP, including Children Today, the Wilmington Chamber of Commerce, the Long Beach Boys and Girls Club and the Cabrillo Marine Aquarium, all of which had representatives present at this meeting.

Mr. Perez reported that since he came on board, UP has sought to increase its community presence by learning about the needs of the community and he believes they have succeeded. He said that one of their most recent contributions was proposed by Mayor Bob Foster, first to the Port of Long Beach, to save midnight basketball. UP was proud to report a \$30,000 contribution to the 2008-2009 season of midnight basketball. Chairperson Freeman interjected jokingly that the discrimination to the benefit of Long Beach has got to stop. Mr. Perez told him to wait, as he had more information to report. He then shared that UP is going to be the first private company in Long Beach to adopt a park by improving Silverado Park. Chairperson Freeman asked if UP was willing to support a daylight little league, stating that he knows of one in need. Mr. Perez responded saying that he thinks that he is already aware of the little league in reference and that if Chairperson Freeman would present him with a letter that, being a baseball fan himself, he would gladly consider it. He claimed that UP plans to change their ways a little bit by engaging with their fence line neighbors directly through a neighborhood cleanup, including bulky item pick-up by hosting a hazardous waste round-up. He also mentioned that UP is always open to hearing additional ideas from community members.

Mr. Barry Michaels began his portion of the presentation explaining UP's plans

regarding air emissions. He started by explaining that in 2006 and 2007, UP spent \$52,000,000, primarily replacing older locomotives with more efficient and environmentally friendly versions, in an effort to reduce air emissions. He showed the audience a chart detailing the emission reductions, including a 25-percent reduction in Diesel Particulate Matter (DPM). He also said that about 25 percent of UP's high horsepower diesel locomotives were replaced by tier two locomotives and 15 of the hosting tractors at ICTF have been eliminated. The total DPM reduction for 2006 and 2007 was 5.67 tons per year. And he said that UP is absolutely not done with making such improvements. Chairperson Freeman interjected saying that in the interest of full disclosure, he wanted to point out that these improvements were made in pursuant of decisions made by regulatory agencies. He said that despite this fact, the reductions are great and they are appropriate to mention; however, he believes that the entire story must be given, which includes the fact that these improvements were ordered by agencies such as the U.S. Environmental Protection Agency (EPA). Mr. Michaels said that they wanted to report this information in response to comments made by the public that UP has never done anything to clean up the yard, through regulation or otherwise. Chairperson Freeman said that he does think that this is relevant, however it is still important to note that the improvements were made under the force of law and not voluntarily. Mr. Michaels said that he agreed with Chairperson Freeman's point, although he did not believe it makes his point invalid.

Then Mr. Michaels covered the subject of HRA and UP's HRA Mitigation Plan, submitted in January 2006 and posted by California Air Resource Board (CARB) the week prior. He said that a community meeting to discuss the plan is expected to occur later in the month and that he would provide anyone interested with further information about this meeting. He claimed that UP is looking for input and suggestions from community leaders and members regarding the Mitigation Plan.

Mr. Michaels then shared what he believed was exciting information regarding the electric truck pilot program. He said that UP has met with electric truck manufacturers across the U.S. and the world to determine what is available. Based on what they found, UP plans to implement an electric truck pilot program by the end of 2008, which will include yard hostling at ICTF, as well as port drayage to and from ICTF. UP will also install a charging station at ICTF. The pilot program is designed to determine the feasibility and applicability of electric trucks for the ICTF modernization plan. He said that before the plan can begin, the electric truck must be approved by the U.S. Department of Transportation (DOT), which they expect to occur within 60 days. He said that UP has, as they have expressed in the passed, a desire to partner with the Ports on their electric truck pilot program in order to determine the feasibility for drayage between the Ports and ICTF.

Mr. Michaels then addressed UP's plans regarding "alternative container conveyance," which is better known as MagLev. He said that UP is working with two manufacturers and both Ports to determine the feasibility of this system. They said that they are working on technology that will be able to move a container on and off the system, which has yet to be developed. They are working with the Ports to secure financing for a pilot project to test this system once the necessary technology is developed. Chairperson Freeman asked if there is any type of timeline regarding the implementation of a MagLev pilot program. Mr. Michaels said that they hope that some

time in 2009, the necessary technology will become available, at which time they will begin the pilot program.

Board member Knatz then asked what Mr. Michaels means when he says that UP is working with manufacturers. Is UP funding their research, or providing a test site for new equipment, or what else is UP doing to work with the manufacturers? Mr. Michaels responded by saying that UP is providing expertise and knowledge in order to help with the design of technology that would process containers at either end of a MagLev system. He said that there is enough interest from the private sector so as to not require funding from UP. Then Board member Knatz asked Mr. Michaels to summarize UP's HRA Mitigation Plan posted on the Air Resource Board (ARB) website. Mr. Michaels said that he does not have that information readily available, but he offered that he could transmit that information to the Board.

Then Vice-Chairperson Sramek asked that if UP is able to start implementing electric trucks, if they had a schedule as to when this might occur and how many they expect to use. Mr. Michaels said that UP expects that they will be able to determine the practicality of the electric trucks within the facility within the first 30 to 60 days of the program and about 2 to 3 months to determine the practicality of the trucks for use in port drayage. Mr. Michaels said that beyond that, UP is not going to make any commitment as to when or how many trucks they plan to purchase. Mr. Steinke said that he understood, but was just curious how the program might be implemented with the shippers. Mr. Michaels said that they would work with their customers, i.e. the shippers, to implement the program and how this is done depends a lot on the results of the Clean Air Action Plan (CAAP) clean truck program, as they complement each other.

Mr. Michaels concluded his presentation with a summary of his main points. He stated that UP believes they have and will continue to support the communities in which they operate. He stated that UP has achieved a 25 percent reduction in DPMs, improving the air quality in the LA basin. And finally, he claimed that UP is committed to working the community, the Ports and government agencies to develop alternative systems to improve air quality. Then he invited any questions. Mr. Michaels was asked by Board member Steinke if UP has estimated any overall reductions in DPM as a result of the electric truck or MagLev pilot programs on the existing facility. Mr. Michaels said that UP plans to determine what emission reductions should be expected, but has yet to do so. Chairperson Freeman thanked Mr. Michaels for making a commitment to implement an electric truck pilot program. For clarification, Chairperson Freeman asked if the implication of UP's presentation was that they do not plan to accept the funds matching offered by the JPA to be put towards such initiatives. Mr. Michaels responded affirmatively.

With no further comment from the Board, the first speaker on agenda item two, Mr. Tom Politeo, was invited to address the Board.

Mr. Politeo is a resident of San Pedro. He reported that he has been asked by UP to speak with them on behalf of the Sierra Club, but they have not yet scheduled that meeting. He claimed that the best thing that UP can offer this community is a facility that is clean, quiet, dark and carbon neutral. He said that it is nice that a corporation is supporting community organizations, however the project is not going to be judged based upon these contributions; it will be based on the resulting operation. He claimed

that noise is a major factor and one of the best aspects of the electric truck is that it is not only clean, but also quiet. He said that 25 percent reduction in DPM is not enough and that the Sierra Club would like UP to move toward broader electrification, starting with switcher locomotives. He pointed out that many organizations represented at the meeting operate on a National level and suggested that this is a good opportunity to move the entire industry "into the twentieth century and out of the nineteenth."

The next speaker was Elina Green, representing the Long Beach Alliance for Children with Asthma. She said she wanted to address agenda item number two, as well as two additional issues from the last JPA Board meeting. She pointed out that ICTF is the fourth dirtiest rail yard of 18 assessed by CARB. She also pointed out that CARB's HRA reports that ICTF creates an elevated cancer risk for a large portion of the surrounding community, citing specific statistics from the HRA. The cancer risk, for example, does not fall below 10 in 1 million within 5 miles upwind and 8 miles downwind of the facility. Ms. Green said that her organization believes that mitigation must occur prior to discussion about expansion of the facility and that the discussion must include consideration of alternatives, including the MagLev system discussed earlier. She said that the mitigation suggested in the HRA mitigation is basically the modernization plan. She claimed that the 74-percent reduction in pollution promised by 2016 in the modernization plan is not enough. She also said that she and her organization believe that there are concrete mitigation measures that could be implemented today, outside of the expansion or modernization plan, such as the pilot programs already mentioned. She went on to say that she was very disappointed that UP did not take advantage of the JPA's offer of \$8 million to be used for implementing immediate improvements, proving their intent to be a good neighbor. Finally, Ms. Green said that she was pleased with the improvement in community outreach since the last meeting. She said that she hopes that the JPA bylaws, as well as the lease, will be posted online. Ms. Green then stated that at the last JPA Board meeting, it was suggested that the JPA's legal counsel review the lease to see if the JPA has any authority to demand that UP make immediate improvements. In conclusion, she read two lines of the lease that she believes gives the JPA this authority, particularly in relation to air quality.

Chairperson Freeman assured Ms. Green that the comment referring to the lease was not ignored. Thomas Russell with the General Counsel then explained that the lease had been carefully reviewed and that they determined that it would be very difficult to show that there had been a default on the lease due to diesel particulate matter. Board member Knatz and Mr. Rogan confirmed that the JPA bylaws, as well as the lease, are posted on the JPA website. Chairperson Freeman assured Ms. Green that if the JPA had authority to require the improvements that are included with the expansion, without the expansion then the situation would be very different and the JPA would be taking action. He reiterated the point that the lease does not give the JPA authority to demand that UP clean up and that the project is the only available mechanism to improve the status quo. Ms. Green said that her organization does not believe that the expansion project offers enough improvement.

Chairperson Freeman recommended that she make comments on the expansion project but cannot understand that logic behind delaying the EIR process because it does offer some improvement. Ms. Green responded by saying that her organization saw the \$8 million offered by the JPA for mitigating improvements as a feasible

alternative and submitted a letter to UP and the JPA stating this opinion. Chairperson Freeman then explained that the JPA is not a regulatory agency and that the regulatory agencies have not been successful in their attempts to clean up the ICTF. The Ports have decided to use the application for expansion as leverage to achieve improvements and invited Ms. Green and the public to point out other possible tools they could use as leverage. Meanwhile, he said he did not see delaying the EIR as appropriate punishment because inherent in the delay is a continuation of the unacceptable and harmful status quo. Ms. Green said that she will comment on the modernization project but as a community, she needs to see money going into facility improvements to reduce air emissions, just as money is going to the Boys and Girls Club.

Board member Steinke reinforced the value of comments and assured Ms. Green that, as landlords, the Ports are investing in technology development that could be implemented at ICTF. Ms. Green warned that if the EIR is approved without alternatives, like the MagLev system, being fully researched, then the community and the JPA might find themselves in the same situation in the future. Chairperson Freeman said that the Ports have invested heavily in electric truck development and that he is sure that the electric truck will be used because it is much cheaper than the diesel alternative. He gave her his word that once they are approved by the DOT and it is proven that they are able to effectively shuttle containers to and from the ICTF, that the diesel trucks servicing the ICTF will be eliminated. He claimed that it will not be hard to do through the clean truck program. In conclusion, he also encouraged her to keep up her comments.

Ms. Carla Truax from the University of Southern California (USC) was also present. She works with a team of scientists, including Andrea Hriko, who work on children's' health and air pollution issues. She attended the meeting on behalf of Ms. Hriko to present a report detailing the monitoring and the studies that have been conducted in the Harbor area. Ms. Truax shared a few highlights from the report, including the fact that monitoring activities in the Harbor area showed that the second highest concentration of elemental carbon was found around the ICTF. Diesel particulate matter (PM) was found to be twice as high compared to other areas of the Harbor. In addition, the area around the ICTF also had the second highest concentration of ultra-fine particle emissions. The report also includes the health effects of these emissions. USC and community groups have consistently counted over 500 hundred trucks an hour for 4 years on the Terminal Island Freeway, right next to Hudson Elementary and other area schools. Ms. Truax submitted the report, along with the HRA, to show that the existing yard is a threat to public health. She concluded by asserting that the modernization plan is not a substitution to a cleanup plan, and that she hopes to see the yard cleaned up to protect the health of the nearby residents.

Mr. Andrew Martinez then spoke on behalf of the Natural Resources Defense Counsel (NRDC). He began by stating that he has seen a major shift in the opinion of the electric truck since the last JPA meeting and those who were leery of the electric truck are now embracing it. He said that the pilot program is positive, as is UP's interest in partnering with the Ports on their Clean Truck Program; however, he would like more details about the proposed pilot program. He suggested that the pilot program and partnering efforts be added to the posted HRA mitigation plan for the benefit of other California railyards attempting to decrease emissions. He offered that the NRDC would

be willing to write to the CARB to request an updated mitigation plan. He said that, like the Board, the NRDC would like a more specific timeline on the MagLev system research and implementation. He informed the Board that NRDC had written a letter to UP with several other mitigation recommendations. He also pointed out that in the draft HRA Mitigation Plan, UP agreed to evaluate future mitigations. He said it would be useful for UP to review these recommendations and give them feedback as to the feasibility and status of these improvements, particularly since they have made such recommendations repeatedly. He said that some response by the next Board meeting would speed the EIR process. One of the recommendations was to provide funds to the technology advancement program, which could be put toward electric truck development and electrification of the facility.

Chairperson Freeman thanked Mr. Martinez for the brief he filed in the truck litigation. He also said that his view of his excellence as a lawyer has increased as a result.

Dora Jacildo, the executive director of Children Today, was the next speaker. Her organization provides child care and family support programs for children experiencing homelessness in the City of Long Beach. She said that she was there to speak about the community outreach component of UP's presentation. She said that nonprofit organizations are mission driven and often it is difficult to find funding. She said that through their partnership with UP, they were able to double their capacity. She said that Mr. Perez visited their facility giving them social support, as well as providing them with an unsolicited grant. She said that they greatly appreciate UP's contribution and that she believes that the unsolicited grant really shows that UP is concerned about its social responsibility as a neighbor. She said that the importance of supporting a nonprofit organization, which works so hard with so few funds, should not be minimized. She said that clearly there are other considerations when it comes to how funds should be allocated, but she said that funds like those provided by UP are vital to the continuation of their services. Chairperson Freeman thanked her for her comments.

Dan Hoffman, the executive director of the Long Beach Chamber of Commerce was the next speaker. After introducing himself, he said that the Chamber supports the ICTF project first and foremost because it improves the environment. They also support it because it improves the handling capacity and the efficiency of the facility, which is important to the Ports from a competitive standpoint. On a personal note, Mr. Hoffman said that he does not see any sense in delaying the project because that would also mean delaying the benefits. He pointed out that in the short run with the project, it is unlikely that UP will be able fill their doubled capacity. Mr. Hoffman sees this as just another reason why the project should not be delayed, so that everyone can enjoy its benefits. Chairperson Freeman also thanked him for his comments.

Ms. Joan Greenwood from the Wrigley Neighborhood Alliance was the next to speak. She pointed out that the HRA was developed to help regulators prioritize mitigation measures. She claimed that what really matters is the absolute emissions in tonnage. She argued that these numbers would seem much less impressive than reporting an 80-percent reduction. She expressed concern that by 2016, as good movement grows the decrease in risk will reverse and continue to grow. She also

pointed out that risk assessment is a probability number, but in reality a single exposure can trigger the downward spiral to cancer or asthma. She said that the HRA is not the best tool. She said that this is the reason why it is important to move forward with improvements as soon as possible. She also argued that air regulators are much more cautious compared to water and soil regulators when it comes to diesel PM. She said that even with the expansion and the improvements in air quality, there will still be a significant problem in the area. She argued that when it comes to community outreach, a lot can be done by simply helping people retrofit their air purifiers and air conditioning systems with particulate air filters. She said that their other programs are positive, but she thinks UP should directly address the health issue. She argued that even with the proposed emissions reductions, the PM will be around for a long time as it settles and then is picked up by the wind. She specifically mentioned Hudson Elementary School, pointing out that they had to apply for a grant in order to purchase an air purification system.

Angelo Logan from East Yard Communities for Environmental Justice was the next speaker. He said that he believes there are two issues that need to be addressed: a trust issue and specifics. He says that his experience in working with the railroad, has only led to increased distrust. He pointed out that HRAs conducted by the State of California have found many yards in Southern California to have increased health risks and the ICTF is the only proposed project that includes significant mitigation measures. He said that he believes that this contributes to distrust of the railroad on the part of the community. He said that in order to win the trust of the community, UP is going to have to clean up their existing operation. Pertaining to the specifics of the project, he believes that the expected health risk, after the project's completion, needs to be calculated and carefully considered. He said that this risk needs to be within the acceptable levels. He said it is the moral obligation of the JPA to ensure that there are not only reductions in emissions, but also that the improvements have an acceptable improvement in health risk.

Chairperson Freeman assured him that he feels the same way. He said that improvements cannot be made without the project and, with the help of the community, they will shape the project to achieve an acceptable risk and improve the status quo. He also reiterated that he would like there to be a sense of urgency to clean up the ICTF as soon as possible. He admits that the project is not perfect and said that he has no control of the trust issue; however, by applying for this project, the railroad has made themselves vulnerable to the rule of law. He insisted that this must be done with a sense of urgency. Mr. Logan commented that the JPA should not accept anything less than the best available. Chairperson Freeman continued by acknowledging that they must also address the green house gas (GHG) issue, which has not yet been the focus of the environmental community. He said that, possibly for the first time, this project presents an opportunity to address this larger issue. To the extent that they can reduce GHG, he believes that they are making progress. Mr. Logan emphasized that this is important, but should not be done at the expense of West Long Beach residents. Chairperson Freeman assured him that he was not implying this.

The next speaker was Jesse Marquez, the Executive Director of the Coalition for

a Safe Environment and lifetime resident of the Harbor. He complimented the Board and UP for looking into the MagLev system, which his organization has been supporting since 2000. They have spoken with every company that has or wants to create a MagLev type system and have kept in constant contact with a few specific companies. Mr. Marquez said that he would like to see UP implement the Advanced Locomotive Emissions Control System (the ALEC system), which they believe is viable technology that is applicable at ICTF. A study published in April shows that this system is 92 to 97 percent effective in capturing nitrogen oxide (NO_x), sulfur oxide (SO_x) and PM emissions. He said in regards to public health, he would like UP to establish a local health care fund to provide local clinics and hospitals with money to provide services to people negatively impacted by the facility. He said that this money could also go to medication and equipment for families in need. He said that they also support air purification systems and sound-proofing material being installed in schools and residences. Mr. Marquez said that brake dust and leaking antifreeze are also problems that need to be considered and addressed by UP. He recommended that UP also set up scholarships for children going into the medical and environmental fields in particular.

Ms. Evelyn Knight of the Westside Neighborhood Association was the next speaker. She said that she really appreciates some of the improvements that have been discussed, especially the electric trucks. She said she would also like to see a better design for outreach to the neighborhood residents who are affected the most by the pollution. She claimed that there are funerals in her community every week for people dying from cancer. Personally, her daughter suffers from asthma and her brother died from lung cancer. She said she would like to see UP give incentives directly to residents in order to mitigate the impacts of the pollution. She pointed out that the City of Long Beach has nuisance abatement programs and asked what is more of a nuisance than pollution negatively impacting people's health? She said that there needs to be a multi-programmatic strategy to address the health issues in the community. She said that anything that can be done to reduce the impact on people's health must be supported and that the people creating the problem should be held responsible for fixing it.

The next speaker was Elizabeth Warren, the Executive Director of Future Ports. She said that she welcomes the developments in the project, especially those presented by UP. She acknowledged that they are very aware of the negative impacts of Port operations particularly on the people's health and she believes that there is more that can be done to improve the environment. She claimed that Future Ports wants to see a change in the Ports, and that change would be balance. She explained that they want the Ports to continue to provide economic stability to the region by creating the necessary jobs and providing the necessary benefits. She said that the best strategy is to allow the Ports to build the necessary infrastructure, like the ICTF project, asserting that this project would allow them to upgrade their equipment and make their operations more efficient, while also reducing emissions. She said that they have heard the community say that the railroads have been bad neighbors and that the railroads have admitted to this. She said that now it is important to move forward, support the truck pilot program and complete the EIR. She said that she shares the Board's sense of urgency in expediting the EIR and she believes that the project will help prepare the

Ports for the inevitable upturn in imports, as well as clean up the air.

Colleen Callahan of the American Lung Association was the next to speak. She first admitted that there were some very good elements in the proposed ICTF modernization project; however the American Lung Association has a few concerns. She said that it is clear that UP intends to make progress in emission reductions, however, it is not evident what is being done beyond what the EPA or CARB is or will be requiring. She also said it was disturbing that UP plans to wait until 2012 to fully mitigate all their clean air plans and pointed out that most of the emission reductions will not occur until 2010 or later, after the release of the EIR. She said that it appears that UP has a willingness to be a good neighbor and that she hopes that as a part of this willingness, they will willingly expedite these measures. She said that what they need is clear; scientific studies have shown that exposure to high level of diesel emissions cause serious upper respiratory problems and the HRA reports an elevated cancer risk for nearly 600,000 residents. Ms. Callahan asserted that what is needed is a comprehensive cleanup plan that will attempt to eliminate all harmful emissions. She said that as a good neighbor, she hopes to see UP take advantage of the \$8 million offered by the JPA, implement the mitigation measure within 2 years and operate a facility that falls below the acceptable cancer risk levels. In conclusion, Ms. Callahan encouraged community members to stay engaged on this issue.

West Long Beach resident, Emanuel Gonzalez, was the last speaker on this item. He said he wanted to speak about the lack of trust between the community and UP. He said that he is very disappointed that UP turned down the \$8 million offered as a part of a fund-matching agreement to UP to be used to clean up the facility. He said that this further hurts the community's trust of UP.

The item was received and filed without further comment.

3. DISTRIBUTION OF FUNDS - APPROVED.

Communication from Sam A. Joumbat, Executive Director, dated August 29, 2008, recommending the Governing Board authorize distribution of \$8,000,000 to be shared equally by the Ports of Long Beach and the Port of Los Angeles was presented to the Governing Board.

Board Member Steinke moved, seconded by Board Member Knatz, that the item be approved as recommended. Carried by the following vote:

AYES: Members: Steinke, Knatz, Sramek, Freeman
NO: None
ABSENT: None

Distribution of funds was approved without comment.

4. LOS ANGELES HARBOR DEPARTMENT AND LONG BEACH HARBOR DEPARTMENT – MEMORANDUM OF AGREEMENT FOR CERTAIN ENVIRONMENTAL AND LEGAL EXPENSES – APPROVED.

Communication from Sam A. Joumbat, Executive Director, dated August 28, 2008, recommending the Governing Board approve the Memorandum of Agreement to reimburse the Port of Los Angeles a sum not to exceed ninety thousand (\$90,000) over a three-year period and reimburse the Port of Long Beach a sum not to exceed fifty thousand (\$50,000) over a three-year period for certain environmental and legal consulting expenditures incurred on behalf of the ICTF JPA, was presented to the Governing Board.

Sam Joumbat briefly explained that the Ports have been paying some expenses related to UP's application and related items and this MOA would approve reimbursement of these costs. The MOA was approved with no further comment.

Vice-Chairperson Sramek moved, seconded by Board Member Steinke that the item be approved as recommended. Carried by the following vote:

AYES: Members: Steinke, Knatz, Sramek, Freeman
NOES: None
ABSENT: None

5. ESSENTIA MANAGEMENT SERVICES LLC – AGREEMENT – APPROVED.

Communication from Sam A. Joumbat, Executive Director, dated August 28, 2008, recommending the Governing Board authorize the Executive Director to execute and the Board Secretary to attest to the execution of the proposed agreement with Essentia Management Services LLC, for program management services for a period of three years, commencing on execution by the Executive Director, for a not-to-exceed contract amount of \$471,605, was presented to the Governing Board.

Sam Joumbat briefly explained that approval of this item would authorize an agreement between the JPA and Essentia to provide program management and community outreach support to the JPA, as well as authorizing them to act as a liaison between the AQMD and the JPA in completing the EIR. He said that the amount authorized would be reimbursed by UP in the funds they have pledged toward the completion EIR. The item was approved with no further comment.

Board Member Knatz moved, seconded by Board Member Steinke that the item be approved as recommended. Carried by the following vote:

AYES: Members: Steinke, Knatz, Sramek, Freeman
NOES: None
ABSENT: None

6. THE SOHAGI LAW GROUP, PLC – AGREEMENT – APPROVED.

Communication from Sam A. Joumbat, Executive Director, dated August 28, 2008, recommending the Governing Board authorize the Executive Director to execute and the Board Secretary to attest to the execution of the proposed agreement with The Sohagi Law Group, PLC, for legal services for a period of three years, commencing on execution by the Executive Director, for a not-to-exceed contract amount of \$450,000, was presented to the Governing Board.

Mr. Joumbat again briefly explained that the last item is an agreement between the JPA and Sohagi Law Group, PLC to provide legal counsel to the JPA, also to be reimbursed by UP.

Mr. Thomas Russell, General Counsel, stated that there is a correction in the contract, which the term of the agreement shall be for a period of three years from today, September 3, 2008, not one year.

Chairperson Freeman asked if there would be oversight to ensure that the agreement was not treated like a blank check. Mr. Russell stated that he would personally provide oversight for the contract.

Board Member Steinke moved, seconded by Vice-Chairperson Sramek that the agreement with The Sohagi Law Group, PLC, be approved for a not-to-exceed contract amount of \$450,000, with a term of three years as corrected by Mr. Russell. Carried by the following vote:

AYES: Members: Steinke, Knatz, Sramek, Freeman
NOES: None
ABSENT: None

OTHER BUSINESS

There was no other business to discuss.

ADJOURNMENT

At 8:00 p.m., the meeting was adjourned sine die.