

Federal Grant Application Request
Department of Environmental Quality
Reducing Diesel Emissions

Analyst: Paul Siebert

Request: Approve, retroactively, the submission of a \$2 million federal grant application to the U.S. Environmental Protection Agency to reduce diesel emissions associated with freight handling operations.

Recommendation: Approve, retroactively, the request to apply.

Analysis: The Department of Environmental Quality (DEQ) is seeking retroactive approval for the submission of a \$2 million federal grant proposal to the U.S. Environmental Protection Agency (EPA) for funding from the Diesel Emission Reduction Act to reduce emissions from diesel powered cargo handling equipment, locomotives, marine vessels, and trucks used in the movement of freight. DEQ worked with the Port of Portland and the Oregon Trucking Association on the grant proposal. The Department has proposed to use the grant funds to replace older trucks and install advanced exhaust controls on 20 to 25 private fleet vehicles operating in rail yards, fuel terminals, and intermodal freight facilities in the Portland area, including at the Port of Portland. There is a 50% match requirement for this grant to replace vehicles which would be paid by participating fleet owners.

The grant was due on December 11, 2014. On December 1, 2014, the Department sent the required 10 day notification letter signaling their intent to apply for the grant and their intention to seek retroactive approval during the 2015 legislative session because the grant request was submitted too late to be on the December 2014 agenda of the Emergency Board. DEQ reports the grant can be administered with existing staff. If the grant proposal is successful the Department may need to return to the Assembly for an increase in Federal Funds expenditure limitation.

The Legislative Fiscal Office recommends approval, retroactively, of the request to apply for a \$2 million grant to the Environmental Protection Agency to reduce diesel emissions from freight handling operations in the Portland area.