

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.: 8D
Meeting Date: June 2, 2026

DATE: May 22, 2026

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Jason Jordan, Sr. Director, Environmental & Planning
Project Manager: Meghan Reckmeyer, Environmental Project Manager

SUBJECT: DERA Grant Amendment Authorization - Additional DERA Funding for Domestic Truck Scrapping Program

A. ACTION REQUESTED

Request the Managing Members to authorize the CEO or delegate to accept additional EPA DERA grant funds in the amount of \$221,166.61, for a total authorized amount of \$1,121,116.61 for the Domestic Truck Scrapping Program, Project Identification No. 201050.06(a).

B. SYNOPSIS

EPA Region 10 approached NWSA staff with an opportunity to add an additional \$221,166.61 in DERA funds (\$191k from 2021 DERA grant plus \$30,116.61 in unspecified EPA funding) to our 2023 DERA grant. This will enable approximately several additional pre-2007 diesel engine trucks to be scrapped and replaced with model year (MY) 2018 or newer vehicles for an incentive amount up to \$30,000.

The NWSA 2021 DERA grant, which ended September 30, 2025, did not use all of the available funding due to low driver participation rates and a lower (\$20k) available incentive amount. This resulted in \$191k in unspent funds being returned to the EPA. Through this grant amendment, this unspent funding will be added to the 2023 DERA grant. EPA has also added an additional \$30,116.61 to this new grant amendment as a result of NWSA's effective administration of the 2023 DERA grant. The grant agreement will also extend the grant performance end date from June 30, 2026 to June 30, 2027.

The Managing Members previously authorized acceptance of grant funds for this program in the amount of \$900,000 in September 2024. The \$221,116.61 funding increase brings the total authorized amount of NWSA's 2023 DERA grant award to \$1,121,116.61.

The 2023 DERA grant provides an incentive (up to \$30,000) to cover up to half of the purchase price of a 2018 MY or newer truck in exchange for scrapping the pre-2007 diesel engine truck. This advances NWSA's goal to implement Clean Truck Program requirements at the domestic terminals and eliminate the remaining pre-2007 engine trucks operating in our gateway.

C. BACKGROUND

Since 2015, NWSA has incentivized the scrappage and replacement of over 450 pre-2007 trucks in our gateway. These efforts support NWSA's 2019 Clean Truck Program rule that all trucks serving NWSA international container terminals must have a 2007 or newer engine or a certified equivalent emission control system. This rule was extended to the NWSA's domestic terminals as of January 1, 2026. The Clean Truck Program contributed to diesel particulate matter (DPM) emission reductions of about 87% between 2016 and 2021, and about 93% compared to a 2005 baseline. (Source: 2021 Puget Sound Emission Inventory)

Since the Clean Truck Program rule was first imposed at international terminals in 2019, the NWSA has focused its outreach and funding efforts on cleaning up the smaller truck fleet serving NWSA domestic terminals (i.e. approximately 500 trucks total serve the domestic terminals vs. approximately 5000 trucks serving the international container terminals). Camera data from 2025 indicate that fewer than 80 of these trucks are pre-2007, meaning that this fleet is overwhelmingly compliant with the 2007 engine requirement.

In recent years, NWSA has been awarded two EPA DERA grants to operate a Domestic Truck Scrapping Program: a 2021 DERA grant (which expired September 30, 2025) and this 2023 DERA grant, which expires June 30, 2026. These combined grants have helped scrap 59 pre-2007 trucks to date. However, drayage trucking companies were less interested in the \$20k incentive amount from 2021 DERA, and staff had to return \$191k in 2021 DERA funds to EPA last fall due to low participation rates. With this 2023 DERA grant amendment, staff can use the additional funds to offer up to \$30k in incentive amounts for truck scrapping. The 2023 DERA grant program has been more successful than 2021 DERA, with higher participation rates and only \$52k remaining as of May 2026.

Despite current economic conditions in the drayage market, staff have found continued interest from drayage truck companies in the 2023 DERA funding.

Table 1: EPA DERA Funding for Domestic Truck Scrapping Program

Grant	Funding Total	Number of Trucks Scrapped	Funding Remaining
EPA DERA (2021)	\$719,957	29	\$191,990.00 (<i>de-obligated 9/30/2025</i>)
EPA DERA (2023)	\$900,000	30	\$52,625.00
EPA DERA (2023) <i>(new authorized amount with this request)</i>	\$1,121,116.61	39 (estimated)	\$273,791.61 (\$52,625 + \$221,116.61)

The NWSA will be the recipient of this grant and will pass on EPA DERA funding to truck owners to purchase a MY 2018 or newer replacement truck. The grant will cover the lesser of 50% or \$30,000 of each replacement truck purchase, and the rest by the truck owner.

D. FINANCIAL IMPLICATIONS

This grant will have no impact on NWSA’s financials as the funds are a pass through to the truck owner.

E. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
September 4, 2024	Grant Agreement Approval: EPA DERA Funding for Domestic Truck Scrapping Program	\$900,000
November 22, 2021	Acceptance of EPA DERA grant for domestic truck scrapping program	\$719,957
February 25, 2021	Briefing Clean Truck Program Update on Phase 3 with City of Seattle	\$0
March 20, 2020	Briefing NWSA Domestic Truck Scrapping Program Launch	\$0
May 7, 2019	Briefing Clean Truck Program Implementation and Next Steps	\$0
TOTAL		\$ 1,619,957