



DECLARATION OF COOPERATION

Lane Clean Diesel Project: Declaration of Cooperation

March 2005

Oregon Solutions Project Convener:

Jack Roberts, Lane Metro Partnership, Executive Director

Local sponsor:

Lane Regional Air Pollution Authority

- Sharon Banks

Project staff:

Good Company

- Joshua Proudfoot
- Scott Dybvad

Purpose:

The Oregon Solutions project team will focus on an effort in Lane County to identify sufficient demand for low sulfur diesel fuel and clean diesel technology prior to the federal requirement in 2006 in order to provide incentive to suppliers and distributors to keep sufficient stocks on hand.

Project Description:

Research indicates diesel particulate is responsible for 70% of cancer risk from ambient air toxics. Diesel exhaust is listed among the five most hazardous pollutants to children. To begin to address this problem, beginning in September 2006, the EPA will require Ultra Low Sulfur Diesel (ULSD) fuel as the standard highway diesel fuel. ULSD addresses the most significant health-related issue surrounding diesel fuel by reducing particulate matter emissions from 500 ppm

sulfur to 15 ppm. Community benefits of ULSD include better health, room for growth in business and industry, reduced illness and cost of health care, and promotion of a sustainable environment and economy for Lane County and Oregon.

The Oregon Solutions Lane Clean Diesel Project seeks to organize large buyers (state agencies, city government, school districts and private companies) and distributors of diesel fuel in order to create sufficient demand to cost-effectively bring ULSD to Lane County in advance of EPA requirements. Refiners are currently producing this new mix, but it is only available, via pipeline, to the Tacoma area (distributors must haul truckloads of fuel to Lane County, which is expensive). During the process the group also identified biodiesel as an alternative with benefits similar to ULSD.

The group has identified sufficient demand (approximately 1.3 million gallons annually of ULSD or a ULSD and biodiesel mix) to provide incentive for local distributors to keep these fuels on hand. In addition, this increased demand has tipped the balance in favor of constructing SeQuential Biofuels' bio-diesel production facility in Portland. The EPA ultra-low sulfur mandate is encouraging other renewable biofuel efforts and creating a market demand for biodiesel that will help spur oil seed crop production and processing facilities in the Northwest. A marketing campaign, including a logo and media event, will promote participants in the project who will spend significant dollars in order to support the health of their communities.

Oregon Solutions Collaboration

Governor Kulongoski designated the Lane Clean Diesel Initiative as an Oregon Solutions project on May 7, 2004, and appointed Lane Metro Partnership Executive Director Jack Roberts to serve as the convener. Scott Dybvad and Josh Proudfoot were selected to serve as the project facilitator and staff and Sharon Banks at the Lane Regional Air Pollution Authority serves as project sponsor. The mission of Oregon Solutions is to develop sustainable solutions to community-based problems that support economic, environmental, and community objectives and that are built through the collaborative efforts of businesses, governments, and non-profit organizations.

The Oregon Solutions designation will help ensure successful implementation of the Lane Clean Diesel initiative. The Governor has assured participation of his staff and appropriate state agencies with other partners through the designation of this effort as an Oregon Solutions project. It is expected that the creation of an Oregon Solutions Team for this initiative will:

- help make efficient use of available resources,
- accelerate the pace of the initiative,



- overcome potential impediments early on,
- raise awareness of the initiative on a statewide level and
- bring effective partners to the table.

In this fashion, the Team will commit resources and time to develop and implement an integrated action plan focused on achieving a predictable and stable supply of ultra low sulfur diesel fuel.

Oregon Solutions Lane Clean Diesel Project - Agreements

The Oregon Solutions Team members recognize that using alternative diesel fuels, including ultra low sulfur diesel and biodiesel fuels, will have social and environmental benefits.

These commitments represent a public statement of intent to participate in the project, to strive to identify opportunities and solutions whenever possible, to contribute assistance and support within resource limits, and to collaborate with other Team members in promoting the success of the project.

The OS Project Team agrees to provide project policy oversight and to engage in efforts to enhance project visibility and acceptance.

The Project Team members make the following commitments to the success of the project:

4J School District

- The Eugene School District Board of Directors is supportive of the District's goal to reduce harmful fuel emissions from the District's fleet. The Board is actively supporting the District's efforts to seek grants and other financial resources to retrofit emission controls on the existing fleet and to procure lower emission fuel. The District is supportive of using modest District resources to currently procure lower emission fuel at a premium and to retrofit emission control devices. District staff will be assessing the appropriate blend of the limited dollars to achieve the greatest long term emission reduction. The District will commit to procuring approximately 140,000 gallons annually of lower emission fuel, at a premium to the District not-to-exceed approximately \$.05 per gallon. Based on current availability and pricing, the fuel to be procured in this manner would be some combination of Ultra Low Sulfur Diesel (ULSD) and/or 20% bio-fuel mixed with diesel (b20).


George Russell, Superintendent

3/31/05
Date

Bethel School District

- Use approximately 20,000 gallons of ULSD over the next year in School District buses.
- Promotion of the switch to alternative fuels and related benefits in newsletters, at staff meetings and through other internal and external groups including Rotary, Kiwanis, Chamber, City Councils and through regularly utilized media outlets.


Tim Keeley, Assistant Superintendent

APRIL 4, 2005
Date

City of Eugene

- Use approximately 165,000 gallons of ultra low sulfur diesel and biodiesel (b20 mix) per year in all diesel powered engines operated by the City of Eugene.
- Promotion of the switch to alternative fuels and related benefits in newsletters, at staff meetings and through other internal and external groups including Rotary, Kiwanis, Chamber, City Councils and through regularly utilized media outlets.

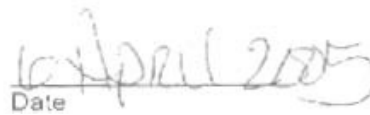

Jim Carlson, Assistant City Manager

4/4/05
Date

City of Oakridge

- The City of Oakridge is proud to participate in the Lane Clean Diesel Project, and will assist in the project through in the following ways.
 - First, and foremost, the City is dedicated to helping Staub Oil construct a facility here in Oakridge that will be the location of the fueling facility.
 - Secondly, the Public Works and Fire Departments use a large amount of diesel fuel, and are committed to using cleaner burning versions whenever possible and practical.
 - Lastly, through outreach that may include meetings with other organizations, information available on the website or at City Hall, and other media, the City will promote the use of ULSD and ULSD/biodiesel mix.

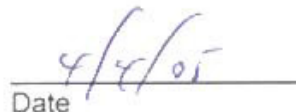

S. Sue Bond, Mayor


Date

City of Springfield

- Purchase approximately 47,438 gallons of ULSD per year
- Share information about the switch to alternative fuels and related benefits in staff meetings, newsletter releases, post on the City's website, and with other internal or external groups such as, Rotary, Kiwanis, Lions, Chamber of Commerce, City Council, and the media.
- Place decals for 'Clean Lane Fuel' on City diesel vehicles
- Continue in the future to look into alternative fuels, such as biodiesel.
- Consider a change in the City's contract wording to include the use of ULSD or other alternative fuels by vendors or contractors when awarding contracts.
- Continue to build the partnership by bringing in additional partners to the Lane Clean Diesel Project (LCDP).

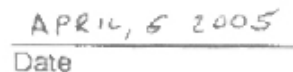

Sid Leiken, Mayor


Date

Cummins Northwest

- Offer Cummins Northwest as a marketing agent for promotion to any participants who need assistance or expertise in clean diesel fuels and exhaust after-treatment products.


JR Zunder, Branch Manager


Date



Eugene Water and Electric Board

- Purchase 60,000 gallons per year of ULSD
- Promotion of the switch to alternative fuels and related benefits in newsletters, at staff meetings and through other internal and external media outlets.

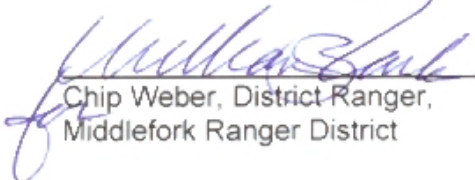


Randy L. Berggren, General Manager

4-4-2005
Date

USDA Forest Service – Middle Fork Ranger District

- Replace diesel fuel with ultra low sulfur diesel in all diesel powered engines operated by the Middle Fork Ranger District.
- Promotion of the switch to alternative fuels and related benefits in newsletters, at staff meetings and through other internal and external media outlets.




Chip Weber, District Ranger,
Middlefork Ranger District

4-4-05
Date

Good Company

- Promotion of the benefits of cleaner burning diesel fuels, including biodiesel, to clients, in newsletters and through other internal and external outlets.



Scott Dybvad, Principal

4/4/05
Date

The Jerry Brown Company

- Carry sufficient supply of ULSD to satisfy needs of customers once they make the switch to cleaner fuels.
- The Jerry Brown Company currently is able to supply our customers with full truck and trailer loads and by the end of April 2005, we will be able to supply the customers that need less than truck and trailer loads.
- On average, use 150,000 gallons per year of ULSD in Jerry Brown Company and Cascade Transfer, LLC vehicles once supply is on hand (estimated date May 2005).
- Provide tanks for customers in need of on-site storage of ULSD.
- Offer Jerry Brown Company as a marketing agent for promotion to any participants who need assistance or expertise in clean diesel fuels, including biodiesel.


Garry Likens, Vice President and Fuels Manager

4/4/05
Date

JH Baxter Company

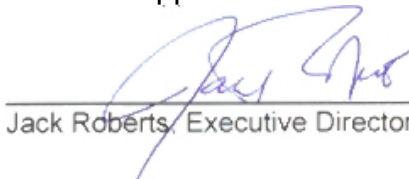
- Purchase approximately 40,000 gallons per year of an ULSD and biodiesel mix (b20) for use in company vehicles.
- Promotion of the switch to alternative fuels and related benefits in newsletters, at staff meetings and through other internal and external groups including Rotary, Kiwanis, Chamber, City Councils and through regularly utilized media outlets.


Gary Hunt, Plant Manager

4-4-05
Date

Lane Metro Partnerships

- Provide letters of support from the Lane Clean Diesel Project group for similar projects.
- Promote the benefits of ultra-low sulfur diesel, biodiesel and other alternative fuels in working with businesses, as well as public outreach through newsletters and appearances before community organizations and groups.

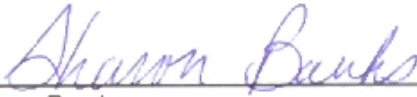

Jack Roberts, Executive Director

4/9/05
Date



Lane Regional Air Pollution Authority

- The Lane Regional Air Pollution Authority will educate public and private fleets on the health effects of breathing diesel exhaust and will continue to promote the use of cleaner fuels to the community.
- LRAPA will also apply for federal grant dollars to provide incentives to fleets for installing diesel retrofit exhaust after-treatment devices.
- LRAPA will add a signup form and the "Clean Lane Fuel" trademark to the LRAPA website and include the names of the participants.



Sharon Banks,
Manager of Administration and Planning

4/4/05
Date

Lane Transit District

- Purchase 36,000 gallons per year of ULSD for use in buses.
- Promotion of the switch to alternative fuels and related benefits in newsletters, at staff meetings and through other internal and external groups including Rotary, Kiwanis, Chamber, City Councils and through regularly utilized media outlets.



Ken Hamm, General Manager

4-4-05
Date

Northwest Youth Corps

- Transition to ULSD or b20 in our seven (7) diesel busses when available and if the price does not exceed 10¢ per gallon above the price of regular diesel.
- Promotion of alternative fuels and related benefits in newsletters, at staff meetings and as part of our Choices and Lifestyles program presented to all program participants.



Art Pope, Director

4/3/05
Date

Oakridge School District

- Purchase approximately 11,500 gallons of ULSD (or a ULSD/biodiesel mix) per year for school buses and other School District diesel vehicles upon completion of cardlock on Highway 58 in Oakridge.
- Share information about the switch to alternative fuels and related benefits in staff meetings, newsletters, post on the School District's website, and with other internal or external groups and the media.


Dennis J. Boyd,
Maintenance/Transportation Supervisor

4/7/05
Date

Oregon Department of Agriculture

- Assist, jointly with the OR Dept. of Energy (ODOE), in planning and conducting workshops and other educational activities to inform agricultural producers about renewable energy information, technologies, resources, and programs.
- Assist, jointly with ODOE, agricultural producers in evaluating project feasibility and eligibility for federal energy grants, ODOE tax credits, and other resources for renewable energy projects. Assist growers in applying for these resources as appropriate to the project.
- Work with Oregon State University to evaluate and disseminate information on production of bio-fuel crops for conversion to biodiesel and biolubricants.
- Assist growers in assessing the feasibility of grower-owned processing facilities, and work with parties interested in biodiesel production on business plan evaluation, plant development and siting, and identifying potential funding sources (in coordination with the Oregon Economic and Community Development Department (OECDD), ODOE, and local communities).
- Work with OECDD, ODOE and other appropriate entities to identify methods of branding and pump labeling for Oregon produced biodiesel to encourage consumer consumption of locally produced product.
- Assist growers and cooperatives, in coordination with Oregon State University research and extension programs and agricultural organizations, in the development of bio-fuel crops for ethanol production, including varietal development, growing and harvesting practices, development of business plans, facilities for processing, siting, market development and promotion.


Brent Searle, Special Assistant to the Director

April 6, 2005
Date

Oregon Department of Energy

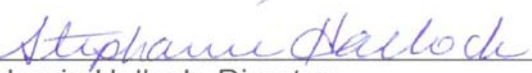
- Deliver technical and financial support that includes cost sharing for ultra low sulfur diesel (through September '06) and biodiesel projects through:
 - The Business Energy Tax Credit.
 - The State Energy Loan Program.
- Provide objective information on the benefits of biodiesel and ultra low sulfur diesel to public fleets and other consumers.
- Steadily increase the use of bio-diesel throughout the State.
- Work with the Oregon Department of Agriculture (ODA) in planning and conducting workshops and other educational activities to inform agricultural producers about renewable energy, technologies, resources, and programs.
- Promote the switch to alternative fuels and related benefits in newsletters, at staff meetings and through other internal and external groups including Rotary, Kiwanis, Chamber, City Councils and through regularly utilized media outlets.
- Promote the use of biodiesel and ultra low sulfur diesel to public fleets and assist with fuel acquisition.
- Assist, jointly with ODA, agricultural producers in evaluating project feasibility and eligibility for federal energy grants, State tax credits, and other resources for renewable energy projects. Assist growers in applying for these resources as appropriate to the project.
- Support growers in assessing the feasibility of grower-owned processing facilities (crushers), and work with parties interested in biodiesel production on business plan evaluation and identifying potential funding sources (in coordination with the Oregon Economic and Community Development Department (OECDD), ODA, and local communities).
- Assist growers and cooperatives, in coordination with Oregon State University research and extension programs and agricultural organizations, in the development of bio-fuel crops for ethanol production, including development of business plans, facility siting, market development and promotion.


Michael W. Grainey, Director


Date

Oregon Department of Environmental Quality

- Work to use ultra low sulfur diesel in all diesel powered engines operated by Oregon Department of Environmental Quality and biodiesel when available and appropriate.
- Promote the use of alternative fuels as an element of a comprehensive environmental and air quality protection strategy in outreach efforts.
- Provide technical assistance to diesel engine users for available cost effective strategies to reduce the impact of emissions from their engines while still being able to retain the operational strengths of diesel powered equipment. This would also include support for grant requests.


Stephanie Hallock, Director

4-14-05
Date

Oregon Office of the Governor

- The Lane Clean Diesel Project is an excellent example of a lasting solution that simultaneously addresses economic, environmental, and community well-being. The Governor's Office created the Oregon Solutions approach to help address complex issues with sustainable solutions. To this end, Governor Kulongoski's Office will continue to support the Oregon Solutions Lane Clean Diesel Project in concept and is interested in developing and coordinating policy to encourage the use of cleaner fuels.


Ray Naff, Intergovernmental Relations Director,
Governor Kulongoski's Office

3-30-05
Date

Oregon Toxics Alliance

- Promotion of the project and participants' actions to various community groups through the organization's networks

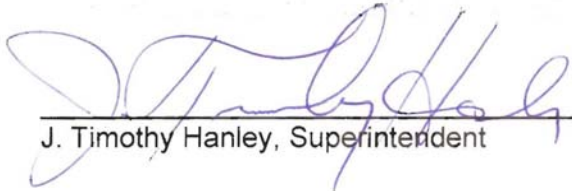

David Monk,
Oregon Toxics Alliance Board President

4/4/05
Date



Rainbow Water District

- Purchase approximately 402 gallons per year of ULSD for diesel vehicles.
- Share information about the switch to alternative fuels and related benefits in staff meetings, newsletters, and with other internal or external groups such as, Rotary, Kiwanis, and Lions.
- Place 'Clean Lane Fuel' decals on diesel vehicles.



J. Timothy Hanley, Superintendent

4/4/2005
Date

Rexius

- Purchase approximately 500,000 gallons per year of a mixture of ULSD and biodiesel if price premium over regular diesel does not exceed 20¢ per gallon.
- Promotion of the switch to alternative fuels and related benefits in newsletters, at staff meetings and through other internal and external groups including Rotary, Kiwanis, Chamber, City Councils and through regularly utilized media outlets.



Rusty Rexius, President

4/4/05
Date

Royal Caribbean Cruises Limited

- Purchase 12,000 gallons per year of virgin B100 Biodiesel for use in emergency backup generators for the Customer Contact Center being developed in Springfield beginning around August of 2005.
- Promotion of the decision to use B100 Biodiesel and related benefits in newsletters, at staff meetings and through other internal and external corporate communications and through regularly utilized media outlets.



Doug Cross
Information Technology Project Manager
Springfield Customer Service Center

March 17, 2005
Date

SeQuential Biofuels

- For the participants, serve as the link to developing locally sourced biodiesel.
- Provide a link from SeQuential's website to LCDP website.
- Distribute Clean Lane Fuel materials to our customer base.
- Provide participants in LCDP with a calculator of emissions reductions from the use of cleaner fuel as compared to the conventional.
- Represent biodiesel to the public and help fleets and individuals understand the difference that purchasing biodiesel can make.



Ian Hill, Managing Principal

4.4.5

Date

Springfield School District

- Purchase approximately 101,894 gallons per year of ULSD for diesel school buses.
- Share information about the switch to alternative fuels and related benefits in staff meetings, newsletter releases, post on the City's website, share with other internal or external groups such as, Rotary, Kiwanis, Lions, Chamber of Commerce, School Board, City Council, and the media.
- Place 'Clean Lane Fuel' decals on diesel vehicles.



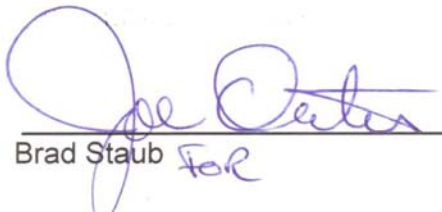
Steve Barrett, Deputy Superintendent

4/4/05

Date

Ed Staub and Sons Petroleum, Inc.

- Will install a tank at their cardlock facility on Highway 58 in Oakridge, Ore with a mix of ultra-low sulfur diesel and biodiesel for its customer base.




Brad Staub FOR

4-4-05

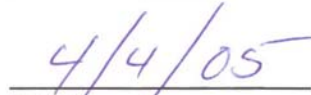
Date

Tyree Oil

- Use approximately 5,000 gallons of biodiesel per year in Tyree vehicles.
- Make every effort to always have sufficient stock of ULSD to meet customer needs until there is a consistent and steady supply of fuel in the region.
- Offer Tyree Oil as a marketing agent for promotion to any participants who need assistance or expertise in clean diesel fuels, including biodiesel.



Ron Tyree, President




Date

Willamalane Parks & Recreation

- Purchase approximately 2,759 gallons per year of ULSD for diesel vehicles.
- Share information about the switch to alternative fuels and related benefits in staff meetings, newsletters, post on the Park website, and with other internal or external groups such as, Rotary, Kiwanis, Lions, Chamber of Commerce, and Park Board.
- Place 'Clean Lane Fuel' decals on diesel vehicles.
- Continue in the future to look into alternative fuels, such as biodiesel.



Bob Keefer, Superintendent



Date

Project Implementation Plan

This section outlines the steps required, at a general level, to continue and enhance implementation of the Lane Clean Diesel Project. While most of the project has been implemented at this point, there are a few ongoing tasks, who is responsible for completion, and when each will be completed:

- Task: Ongoing promotion of the project and, in general, the benefits of cleaner diesel fuels, through both internal and external communication mechanisms
 - Responsible parties: Most participating organizations agreed to promote through means appropriate to their organization. See the signed commitments above for details.
 - Date Due: Ongoing

- Task: Serve as the main contact for questions and referrals related to the project. Also, provide a web site with a description of the project, a list of participants and a “home” for the log.
 - Responsible party: Lane Regional Air Pollution Authority (LRAPA), Sharon Banks
 - Due Date: Ongoing

- Task: Ongoing research to identify funding sources for vehicle retrofits. (Retrofitting is a necessary step before some vehicles can begin using ULSD).
 - Responsible party: LRAPA, Sharon Banks
 - Due Date: Ongoing

Lane Clean Diesel Project Team Member Ground Rules

The Project partners in the Oregon Solutions process are committed to the following “ground rules” for how they conduct their business with one another in this collaborative process. These ground rules will guide the process of achieving an integrated solution and the creation of a declaration of cooperation.

General Principles

- We agree to approach problems with humility and adaptability. We will inevitably make mistakes and we will learn from these mistakes, make corrections, and not place blame.
- We recognize that we each have a unique perspective and contribution to make, whether it is expertise, labor, money, in-kind services, etc.
- We recognize that we must endeavor to involve any person or group who could help or hinder us to achieve our goals.
- We agree to focus on taking incremental “do-able” steps towards success.

Ground Rules

1. We recognize that the best outcome depends upon cooperation and collaboration by all entities at the table.
2. We commit to openly communicate ideas, potential contributions, and concerns, and also commit to engage in respectful, active listening to each other.
3. We are willing to creatively explore solutions.
4. We agree to commit to the agreed-upon solution, in whatever way we can. If we, individually, are unable to make a commitment for our organization, we will work to identify the person that can and determine if the commitment is possible.
5. We commit to building trust by doing what we say we will do, over and over.
6. We agree to notify each other before taking outside actions that might impact the process. (This does not mean that we will provide information that it would be inappropriate to share in a public venue.)
7. We agree that everyone shares in the solution, everyone shares in the credit.
8. The convener and project staff commit to ensuring that this process does not result in “just a bunch of meetings” by documenting agreements at the end of each meeting.