



Fact Sheet

Clean Trucks Fee

Background: On November 5, 2007 the Long Beach Board of Harbor Commissioners approved a progressive ban on old, dirty trucks that call at the port. An identical ban has also been approved by the Port of Los Angeles. The action was a key step in the implementation of a Clean Trucks Program (CTP), a major component of the Clean Air Action Plan adopted in 2006. The CTP calls for the entire fleet of nearly 17,000 short-haul ("drayage") trucks serving the ports of Long Beach and Los Angeles to be replaced or retrofitted by 2012. The ports of Long Beach and Los Angeles are now preparing to take the next steps in financing and implementing the program.

Facts:

- In November the ports of Long Beach and Los Angeles approved a clean trucks requirement, in the form of a port tariff, which will ban old, dirty drayage trucks from the ports. The ban will result in an 80 percent reduction in emissions from drayage trucks by 2012.
- The ports are now preparing to take the next necessary steps to ensure the Clean Trucks Program is adequately financed through a Clean Trucks Fee.
- The ports do not own or operate the drayage trucks that serve port terminals. However, to achieve the aggressive clean-air goals outlined in the Clean Air Action Plan, the ports have determined that a progressive ban on dirty trucks, followed by the proposed Clean Trucks Fee, would be the most direct way to cut air pollution and reduce public health risks posed by dirty diesel trucks.
- To generate revenue to help fund retrofits or the replacement of trucks, the Long Beach Board of Harbor Commissioners on December 17 will consider adopting a Clean Trucks Fee of \$35 per twenty foot equivalent unit (TEU). The fee would be assessed on every loaded cargo container entering or leaving the Ports by drayage truck beginning June 1, 2008. The fee would not apply to containers entering or leaving the Ports by train.
- All funds collected would be used exclusively for replacement or retrofit of drayage trucks serving the ports of Long Beach and Los Angeles.
- The fee, as proposed, would generate a \$1.6 billion Clean Trucks Fund that the ports would allocate to the replacement of 16,800 trucks by 2012 with clean diesel, LNG, or other approved technologies that can achieve the 2007 standard adopted in the CAAP.
- The Clean Trucks Fund will also include \$143 million from the ports of Long Beach and Los Angeles; \$36 million from the South Coast Air Quality Management Board (SCAQMD); and an expected \$400

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million from the state Proposition 1B transportation bond approved by voters in 2006. In total, the Clean Trucks Fund will total about \$2.2 billion.

- The fee would be charged to cargo owners and would be collected by marine terminal operators. Terminal operators could use an optical character recognition device, radio frequency identification devices or other approved identifiers, to confirm compliance with program requirements.
- As proposed, fee collection would occur until such time as the fleet of drayage trucks meets CAAP requirements. Staff would evaluate the program parameters regularly, and could make recommendations for adjusting the fee on an annual basis.
- The fee would not apply to containers moved between container terminals or the Terminal Island Container Transfer Facility (TICTF) at the Port of Los Angeles.
- The fee would result in additional costs to cargo owners of both imports and exports and may ultimately increase slightly the cost of goods shipped in containers.
- Following the adoption of a Clean Trucks Fee, the Boards will consider in early 2008 a series of measures to establish a more specific framework for the implementation of the Clean Trucks Program. Staff will prepare information and recommendations to the Long Beach and Los Angeles Boards of Harbor Commissioners in early 2008. Those recommendations will cover the following program elements:
 - A program to register the Licensed Motor Carriers (LMC) that will provide drayage services at the ports;
 - Funding and financing options (i.e. grants, leasing programs, loans, bonds, loan guarantees) to help provide capital for truck retrofits or replacements;
 - A plan for the successful integration of the U.S. Department of Homeland Security Transportation Worker Identification Credential (TWIC) program;
 - An incentive program for companies that invest in 2007 compliant trucks with their own funds and which perform drayage in the ports consistent with CAAP requirements;
 - A cargo fee imposed by tariff that would generate revenue to support local and regional port-related goods movement infrastructure. The fee would be separate and distinct from the Clean Truck Fee.