What is the purpose of the Clean Truck Fund (CTF) Rate?
In the 2017 Clean Air Action Plan Update, the ports of Long Beach and Los Angeles proposed modifying the Clean Trucks Programs to transition to a zero-emissions trucks fleet by 2035 and incentivize cleaner, low-nitrogen oxide (NOx) trucks in the near term. A critical element for implementing the Clean Truck Program is establishing a CTF Rate. The Clean Truck Rate is expected to generate a fund, which will be used by industry to assist in the purchase of near-zero or zero-emissions trucks.

How much will the CTF Rate be?
The Ports are undergoing a process to determine an appropriate CTF Rate that will reduce emissions to improve community health and to meet our emissions reduction goals, while minimizing economic impacts and disruption to the industry. The proposed CTF Rate will be based on the results of the Truck Feasibility Assessment to understand the current status of low-NOx and zero-emissions heavy-duty truck technology development, the Economic Study of the CTF Rate to understand the potential effect of the rate on cargo diversion and the local drayage truck industry, and input from stakeholders.

Who will be charged the rate?
Cargo owners will be responsible for the payment of the CTF Rate – not truck drivers or trucking companies. The two ports recently undertook a public procurement process, issued a Request for Proposals, and selected a vendor to develop a rate-collection mechanism. A contract with the successful proposer will be brought to the Harbor Commissions in a few months for consideration. The cargo owners will be required to pay the CTF Rate before a loaded container will be permitted to pass through a marine terminal gate. If the loaded container is verified to have been transported by a truck that is eligible for a rebate, the rebate will be applied after the transaction is completed.

When will the rate start being charged?
After commissioners identify a rate amount, port staff will focus on preparing the details for the truck incentive program and the tariff language to implement the CTF Rate. The incentive program details and the CTF Rate tariff are anticipated to be brought to the Boards for consideration in spring 2020, following the California Air Resources Board’s (CARB) action to adopt a manufacturing standard for low-NOx heavy-duty trucks. That is currently anticipated to occur in March or April 2020. Implementation of the CTF Rate is likely to begin in fall 2020 and the incentive program could be initiated simultaneously.

How will the incentive funds be distributed?
The structure of the incentive program is still being developed. Initially, it is anticipated that incentives will be provided to help offset some or all of the cost differential for heavy-duty low-NOx and zero-emissions trucks. In the coming years, it is anticipated that incentives will be offered only for the purchase of zero-emissions trucks in order to focus on achievement of the Ports’ 2035 zero-emissions goal for heavy-duty trucks. Eligibility for an incentive award will require the removal of an existing truck in the Port Drayage Truck Registry (through scrappage or movement of a CARB-compliant truck out of the South Coast Air Basin), as well as a commitment to use the newly purchased truck in port drayage operations. Additional input and analysis is needed to understand how to structure the incentive program for the best results. The specific details of the incentive program will be developed over the next few months, and submitted to both Commissions at the time when the CTF Rate-implementation tariffs are presented for consideration.

How can I provide my input into the process?
The Ports welcome your input, and encourage your participation in the process at public workshops discussing the CTF Rate development, in one-on-one meetings with Port staff, or by submitting written comments to trucks@cleanairactionplan.org. CTF Rate development updates are posted periodically to www.cleanairactionplan.org/strategies/trucks, where you can also subscribe to be notified when new information is posted.