Background
The ports of Long Beach and Los Angeles are working on a rate structure to incentivize updating the San Pedro Bay truck fleet to further reduce air pollution. The 2017 Clean Air Action Plan (2017 CAAP Update) includes implementation of a rate in 2020 on all trucks entering marine terminals, with certain exemptions or rebates for trucks that meet near-zero or zero-emissions standards.

Trucks remain the Ports’ largest source of greenhouse gas emissions and second-highest source of nitrogen oxides (NOx), a contributor to regional smog formation. In order to reduce emissions to improve community health and to meet our pollutant and greenhouse gas reduction goals, the Ports are looking to implement a Clean Truck Fund (CTF) Rate that would generate a pool of incentive funds to assist in the purchase of cleaner, low-NOx and zero-emission heavy-duty trucks.

Process
As stated in the 2017 CAAP Update, implementation of this CTF Rate would be contingent upon the following factors:

• Completion of a Truck Feasibility Assessment to understand the current status of low-NOx and zero-emission heavy-duty truck technology development, including evaluation of availability of heavy-duty trucks meeting the lower emissions standards
• Completion of an Economic Study of the CTF Rate to understand the potential effect of the rate on cargo diversion and the local drayage truck industry
• Establishment of a CTF Rate collection mechanism
• Regulatory agency adoption of a heavy-duty low-NOx engine manufacturing standard

To date, the Truck Feasibility Assessment has been completed and is posted at www.cleanairactionplan.org/strategies/trucks. The Ports have conducted individual stakeholder meetings and held a public workshop on Aug. 1, 2019. A second public workshop is scheduled for November, and the Ports’ respective Harbor Commissions will consider the adoption of the proposed CTF Rate in December. Following the California Air Resources Board’s adoption of the heavy-duty low-NOx engine manufacturing standard (anticipated March or April 2020), the Ports will present the CTF Rate implementation tariff and incentive program structure to their Commissions for adoption. Implementation of the CTF Rate is likely to begin in fall 2020 and the incentive program could be initiated simultaneously.

Proposed Rate
The Ports are in the process of determining an appropriate CTF Rate based on the results of the Truck Feasibility Assessment, the Economic Study of the CTF Rate, and input from stakeholders. The proposed CTF Rate will be charged to the beneficial cargo owner (BCO) for the pickup or drop-off of loaded containers on a twenty-foot equivalent unit (TEU) basis, with rebates provided for loaded containers hauled by certified zero-emissions or low-NOx trucks. The BCOs 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 complete.

Participate
The Ports welcome stakeholder input, and encourage 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.