



News Release

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Commission Approves Cargo Fee to Fund Clean Trucks

Container charges to generate \$1.6 billion for fleet turnover, air quality improvements

December 17, 2007

The Long Beach Board of Harbor Commissioners on Monday, December 17, 2007, approved a cargo fee that will generate about \$1.6 billion to help fund cleaner trucks and improve air quality.

The fee will help support the replacement of nearly 17,000 trucks in the short-haul (or "drayage") fleet that serves the ports. The Port will use the funds to ensure that the old, polluting trucks will be scrapped and taken out of circulation, rather than continuing to work outside the ports. The result will be an 80 percent reduction in air pollution from the drayage fleet in the next five years.

"Today's vote will help ensure that in a short time, only the cleanest trucks will operate at the ports," said Harbor Commission President Mario Cordero. "The next step will be to work with the trucking industry and other stakeholders to coordinate a smooth transition to a cleaner truck fleet."

In early 2008 the Port will consider additional clean trucks measures, including a possible incentive program for companies that invest in the 2007 compliant trucks ahead of schedule.

"This tariff is an important milestone for our community," said Long Beach Mayor Bob Foster. "It puts the costs for cleaner air where it belongs – on the price of goods sold. I congratulate the Port of Long Beach for taking this bold step for better air quality."

The fee will place a \$35 charge on every loaded twenty-foot equivalent (TEU) cargo container entering or leaving any terminal by short-haul (or "drayage") truck beginning June 1, 2008. The fee will not apply to containers entering or leaving the Port by train and will end when the fleet of drayage trucks meets Clean Air Action Plan (CAAP) requirements in about 2012.

The fees will be collected by the ports' shipping terminals, and the trucks will be monitored for compliance by radio frequency tracking devices or similar identification technologies. The Port

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of Los Angeles is scheduled to consider a similar fee December 20, which would apply the Clean Truck Fee to the entire San Pedro Bay.

In November the Long Beach and Los Angeles Boards of Harbor Commissioners approved a ban on old, dirty trucks that call at the ports. The Port requirement will result in an 80 percent reduction in air pollution from drayage trucks by 2012. The ban will be phased in, beginning October 1, 2008 with a ban on all trucks built before 1989. By January 1, 2010, only trucks built after 1993 will be allowed, and by January 1, 2012 all trucks must meet 2007 federal EPA standards.

While the ports do not own or operate the drayage trucks that serve port terminals, the Commission has decided that a progressive ban on dirty trucks, supported by the newly approved Clean Trucks Fee, will be the quickest way to cut air pollution and reduce public health risks posed by dirty diesel trucks.

All funds collected by the two ports would be used for the replacement of about 16,800 trucks by 2012 with clean diesel trucks, or trucks fueled by liquefied natural gas (LNG), or other approved technologies that can achieve the 2007 standard adopted in the CAAP.

The Commission acknowledged that the fee may result in minor additional costs to cargo owners and may ultimately increase the cost of goods shipped by container. However, commissioners said, the ports cannot continue to effectively move goods without reducing air pollution and public health risks.

Following final approval of the fee, the Long Beach and Los Angeles Boards of Harbor Commissioners will reconvene in early 2008 to consider a series of measures to establish a more specific framework for the implementation of the Clean Trucks Program.

Port staff will prepare recommendations on the following: A permit or license program; funding and financing options for truck retrofits or replacements; a plan for integration of the U.S. Transportation Worker Identification Credential (TWIC) program; an incentive program for companies that invest in 2007 compliant trucks; and a cargo fee to support port-related goods movement infrastructure. The fee would be separate from the Clean Truck Fee.

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