

California Clean-Trucks Program Ahead of Plan *Ports reaching environmental goals four years ahead of schedule*

June 9, 2009-- The ports of Los Angeles and Long Beach are on track to achieve many of the environmental goals in their clean-trucks program almost four years ahead of schedule, thanks to an aggressive strategy for replacing old polluting trucks.

Because of the cost of subsidizing truck replacements, however, clean-truck fees will probably be needed for the next 16 months, said Marcel Van Dijk, marketing manager at the Port of Los Angeles.

Motor carriers have introduced about 4,500 new clean-diesel and liquefied natural gas trucks into harbor service since the Southern California ports launched their clean-trucks program on Oct. 1, 2008. The clean trucks, which meet the emission standards set by the federal Environmental Protection Agency for 2007-model trucks, handle about 40 to 45 percent of the drayage moves in the harbor.

Van Dijk told the annual conference of the Agricultural Ocean Transportation coalition that a harbor fleet of about 9,000 trucks will be needed to handle the current cargo volume, according to a study by the Boston Consulting Group.

At least 5,000 trucks now operating in the harbor will be banned on Jan. 1, 2010, because they are pre-1994 models or they are 1994-2003 trucks that are not retrofitted with pollution traps.

If those trucks are replaced by an equal number of clean-diesel or LNG trucks, the ports by Jan. 1 will have a sufficient number of compliant trucks to handle cargo volumes. When the program began last October, the ports projected it would take five years to achieve that goal.

Also, the clean-trucks program is supposed to reduce truck pollution in the harbor by 80 percent over five years, but it looks like the pollution reduction will be met by the end of this year, Van Dijk said.

The ports had assumed that massive subsidies would be needed to help motor carriers purchase compliant trucks, but so far all but about 250 of the new trucks have been privately financed. Although the ports are willing to help motor carriers with up to 80 percent of the cost of a compliant truck, subsidized trucks incur a fee of \$35 per TEU every time they call at marine terminals.

To avoid paying the fee, cargo interests have agreed to pay higher freight rates to motor carriers that operate compliant trucks that are exempt from fees. Since most truck purchases have been privately financed, cargo interests now question the need for clean-trucks fees.

The ports in 2009 are implementing a new strategy of encouraging motor carriers to purchase LNG and electric trucks by waiving the cargo fee for all such vehicles, even if they are purchased with port subsidies. Alternative-fuel trucks cost at least twice as much as clean-diesel trucks, and the ports therefore anticipate that motor carriers will seek subsidies for those vehicles. Under this scenario, Van Dijk said the clean-trucks fees will probably be needed for at least the next 16 months.