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Title: **California imposes strict emissions regulations**

Author: *Anna Vize, Product Manager, Avalon Risk Management, Inc.*

California is acting now to reduce emissions and public health risks associated with pollution. The regulations approved by the California Air Resources Board (CARB) apply to all heavy-duty commercial trucks operating in the state of California and eventually require trucks to meet 2010 engine emissions standards. CARB believes the regulations are necessary to meet federal air-quality standards and will provide health benefits of up to \$69 billion.

The Ports of Los Angeles and Long Beach are also enforcing emissions standards with a stricter timeline. Carriers working at the Southern California ports must meet 2007 Federal Environmental Protection Agency (EPA) emissions standards by 2012.

Both the Clean Truck Program and the new regulation from CARB offer financial assistance to carriers needing new equipment or vehicles to meet the new requirements. Additional states are expected to develop similar emissions standards since the emissions regulations from CARB are based on Federal EPA standards and apply to carriers outside of the state.

Emissions regulations for California operating trucks

In Dec. 2008, the CARB passed diesel emissions reduction regulations for commercial trucks.

Beginning in 2011, heavy-duty trucks operating in California will need to reduce emissions by installing a diesel soot filter, replacing the engine with a more recent model or purchasing a new vehicle. The next step requires all heavy-duty trucks to meet or exceed 2010 engine emissions standards by 2023.

The regulation also requires carriers to use fuel-saving equipment endorsed by EPA such as low-friction tires. About one million trucks will be affected by the regulations, costing the industry more than \$5 billion.

Small fleets with less than four heavy-duty trucks may be able to receive funding assistance from the Carl Moyer Incentive program. For more information on the incentive program, please visit: <http://www.arb.ca.gov/msprog/moyer/voucher/voucher.htm>.

Clean Truck Program

The Ports of Los Angeles and Long Beach began collecting the clean truck fee on Feb. 18, 2009.

The Clean Truck Program was developed to reduce diesel truck emissions from the ports by 80 percent in the next five years. As part of the program, cargo owners are required to pay a clean truck fee for each container transported by a truck that does not meet the 2007 emissions standards. Fee collection was

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originally scheduled to start on Oct. 1, 2008, but the Federal Maritime Commission (FMC) challenged the fee, which delayed the collection.

The clean truck fee is \$35 for each 20-foot container and \$70 for each container longer than 20 feet. The fees will be allocated to the Clean Truck Fund, which provides carriers with financial support for updating their trucks. For more information on financial assistance, please visit:
http://www.portoflosangeles.org/environment/ctp_grant.asp.

Currently, the Clean Truck Program has banned all trucks with a model year prior to 1989. The next step, effective on Jan. 1, 2010, bans model years 1989-1993 as well as model years 1994-2003 that have not been retrofitted. The final step requires all trucks to meet or surpass the 2007 Federal Environmental Protection Agency emissions standards by Jan. 1, 2012.

Protect your financial investment

As the Clean Truck Program imposes stricter requirements for emissions standards, more businesses will be required to purchase newer vehicles. Protect your new equipment investment by purchasing a comprehensive Truck Insurance program, which includes: Primary Auto Liability, Physical Damage, Non-Truck Liability, General Liability, Property, Warehouse coverage and Truckers' Bonds.

For more information, please contact your local Avalon office or Anna Vize, Product Manager at (847) 700-8154 or at avize@avalonrisk.com. A list of our eleven North American offices can be found at www.avalonrisk.com.

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