



The American Companies

"NEWS-UPDATE"

October 2, 2008

Updates on California Container Fee and Southern California Port's Clean Truck Program

California Container Fee Bill

Also known as the Lowenthal bill, named after State Senator Alan Lowenthal, the author of the bill, has officially been vetoed by California Governor Arnold Schwarzenegger, late on Tuesday, September 30th. This will again avoid a proposed \$30 per TEU (twenty foot equivalent unit), surcharge for containers moving through the ports of Los Angeles, Long Beach and Oakland. It is the third failed attempt of the bill over a period of four years and various versions that have been supported by environmental and pro-growth interests. This bill has been a topic of debate which has been strongly opposed by the shipping and logistics industry.

Southern California Port's, Clean Truck Program, to start Today

Enforcement will begin today on the truck regulation plan known as the Clean Truck Program that will ban all pre-1989 model trucks as well as trucks that do not meet the 2007 Environmental Protection Agency (EPA) standards. The plan will regulate trucking companies to have the newly port issued licenses upon compliance that will be required to enter the ports of Los Angeles and Long Beach container terminals. The plan has been implemented to modernize an estimated 17,000 trucks specific to container drayage, with 2007 or newer truck models by the year 2012 and will be a major step in the attempt to improve the environmental issues of improving air quality in the area.

There are still plans to implement a \$35 per TEU (twenty foot equivalent unit) fee in efforts to help provide funds and subsidization of replacing older model trucks however the fee collection system called PortCheck, is not ready and will hopefully be operational within several weeks, according to port officials.

It has also been noted by port officials that over 500 trucking firms have been provided with compliance stickers and will be used as a temporary measure until the PortCheck system is in place. While this plan is being adopted by both ports, it has been noted that both plans have slight different versions which will require truckers to receive separate concession agreements from each port.

As the Clean Truck Program is implemented today, the Federal Maritime Commission (FMC) has started an investigation as posted this past Monday, citing possible violations under the Shipping Act of 1984 and plans to hold a public hearing before the commission's Office of Administrative Law Judges. A time and place have not been set for either hearing.

If you have any questions with regards to the above topics, please feel free to contact your Account Representative or local handling office.

Sincerely,

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250 Moonachie Road (HQ Office - Full Service)
Moonachie, NJ 07074 (201-478-4600)

400 Oceangate, Suite 1106 (Full Service)
Long Beach, CA 90802 (562-435-2327)

881 Route 83 (Full Service)
Bensenville, IL 60106 (630-860-0782)

Domestic USA Ground Operations
Domestic USA Air Operations
Asheville NC 828-974-3001

3PL Locations
Fairview, NJ
Santa Fe Springs, CA