

## Rolling Truck Age Program – revised implementation plan consideration memo

Implementation of the Vancouver Fraser Port Authority's Rolling Truck Age Program will begin in 2022, with the oldest trucks in the Truck Licensing System (TLS) fleet aging out between September 15, 2022 and July 1, 2023.

This document provides background about the development of the Rolling Truck Age Program, a summary of additional engagement activities undertaken by the port authority in early 2022, and documents the port authority's consideration of engagement input as it developed a revised implementation plan for the Rolling Truck Age Program.

### **1. Background: development of Rolling Truck Age Program**

The drayage sector—made up of independent operators, their representatives, trucking companies and salaried drivers—is a vital stakeholder in the success of the Western Canadian supply chain. We acknowledge and thank all in the sector for partnering with us to reduce emissions and to achieve our vision.

All container trucking companies and their trucks desiring to serve the port's marine container terminals must meet certain criteria to be eligible for an Access Agreement under the Truck Licensing System (TLS) to gain access to federally-owned port property. Criteria includes minimum truck age for new entrants, safety and environmental requirements.

We began engaging the drayage sector in 2012 toward the development of a defined rolling truck age program. In 2013, the port authority sought feedback from industry regarding the specific features of the program. We considered several approaches in consultation with industry.

In response to industry input, what was originally contemplated as a seven-year rolling truck age program to be implemented in 2019 was modified on several occasions to a 10-year rolling truck age program to be implemented in 2022. The program was announced in 2015 with a scheduled implementation date of January 1, 2022. Reminders of the implementation date were provided to industry at key milestones between 2015 and 2021. In August 2021, the implementation date was amended to February 1, 2022.

We commend the many companies and truck owners who have taken steps to meet the requirements of the Rolling Truck Age Program.

Approximately 4 of every 5 trucks—80% of the 1,800 vehicles serving the port—are already compliant with the Rolling Truck Age Program. Since 2019, over 1,200 TLS trucks have been replaced with Rolling Truck Age Program-compliant trucks, as industry has been preparing for program implementation. At the current rate of approximately 25-35 truck replacements each month, almost the entire TLS fleet may be compliant before their technical age-out date.

The Rolling Truck Age Program will improve air quality and support cleaner, healthier communities in Metro Vancouver, while also helping to build a more reliable, stable, safe, and socially responsible truck fleet serving the Port of Vancouver.

The Rolling Truck Age Program will have several benefits:

- Reduces the likelihood of diminished productivity through service disruptions and congestion in the gateway created by truck breakdowns and unscheduled repairs.
- Improves the environmental performance of the TLS drayage fleet (truck engines and exhaust systems built in 2007 onwards produce 85 percent less particulate matter and from 2010 onwards produce 20 times less nitrogen oxides than their older counterparts).
- Encourages re-investment in equipment which may, in turn, create more industry stability.
- Enhances the safety of the driver and public through improved truck design and technology, including enhanced driver views, sensors, warning signals, etc., and greater operating reliability.

## 2. Deferral of implementation and additional engagement

On January 14, 2022, the port authority sent a letter to TLS participants, associations, and other industry stakeholders, deferring the implementation of the Rolling Truck Age Program, originally planned for February 1, 2022, for a period of no less than 90 days. This deferral allowed truck owners additional time to source and secure compliant trucks and for additional engagement with industry and community stakeholders to seek input to help inform a revised implementation plan for the program. It is important to note that 150 trucks have been replaced since the deferral was announced.

Engagement was undertaken in response to concerns that some truck owners expressed regarding the implementation timeline for the program. The port authority also acknowledged a letter from federal Transport Minister Omar Alghabra asking the port authority to consider a short delay to the implementation date and to provide a further opportunity for feedback regarding the implementation of the program.

In parallel with industry engagement, the port authority sought comments from Indigenous groups, local governments, and community organizations who have an interest in the development of the Rolling Truck Age Program.

The additional engagement process was undertaken in two phases:

### **Phase 1: Comment period regarding issues, interests and suggestions – February 7-25, 2022**

During this phase, the port authority sought input to help inform a revised implementation plan. The port authority asked for input about issues and interests with the current implementation plan, proposed solutions to be considered in developing a revised implementation plan, and comments regarding any other aspect of the Rolling Truck Age Program. 37 pieces of feedback were received.

A summary of feedback received during phase 1 was provided in the [Phase 2 discussion guide](#).

### **Phase 2: Comment period regarding revised implementation plan – April 11-29, 2022**

During the second phase of engagement, the port authority presented a revised implementation plan for comment. The revised implementation plan was developed in consideration of input received during phase 1. Two virtual information and feedback sessions were held to provide an opportunity for participants to learn and ask questions about the revised implementation plan. Seven written submissions were received during this engagement phase.

The input received during phase 2 is summarized in this document.

### 3. Rolling Truck Age Program implementation plan

In response to input received during engagement, the port authority has finalized a revised implementation plan for the Rolling Truck Age Program.

The following outlines some of the key elements of the revised implementation plan:

- Moving to a 12-year rolling truck age, still achieving benefits of the program, and adding two years of service for trucks
- Deferred implementation date by 7-17 months (now September 15, 2022 to July 1, 2023 for oldest trucks) to allow more time for operators to obtain compliant trucks
- Provided independent operators with trucks aging out in 2022 with an additional 60 days to switch to compliant trucks
- Retained exception program but applied it to trucks older than 12 years, which could result in 1-2 additional years of service based on environmental performance
- Formalized a grace period to account for delayed delivery of brand-new truck orders

More details about the Rolling Truck Age Program and implementation plan are below.

#### Implementation dates

Effective September 15, 2022, trucks will begin to age out of the port authority's Truck Licensing System according to the dates in the table below. As of February 1, 2024, the 12-year rolling truck age will apply.

Truck model year <sup>1</sup>	Effective date
2006 and older	Companies: September 15, 2022
	Independent operators: November 15, 2022 <sup>2</sup>
2007 <sup>3</sup>	February 15, 2023
2008 and 2009	July 1, 2023
2010	February 1, 2024
2011+	February 1, 2024  (As of this date, 12-year rolling truck age applies and trucks age out annually on each subsequent February 1)

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<sup>1</sup> Truck model year is not the only consideration factor for conforming trucks. All TLS requirements for Approved Vehicles continue to apply.

<sup>2</sup> The port authority is providing an additional 60-day grace period for independent operators with trucks that are 2006 and older to acquire a compliant truck, in recognition of the complexity of acquiring a replacement vehicle while maintaining daily driving activities

<sup>3</sup> If an owner of a 2007 truck provides satisfactory evidence that the truck has a fully operational 2007 engine and exhaust system, it will age out as a 2008 truck

**Temporary truck exception application process**

In the final implementation plan, the port authority has maintained a truck exception process, which will allow TLS holders in good standing with Non-Conforming Trucks to apply for a conditional exception for those trucks that meet or exceed port authority established safety, environmental and aesthetic standards for conforming trucks. With the move from a 10-year rolling truck age to a 12-year rolling truck age, the exception process would be available for trucks older than 12 years and will grant extensions of up to two years.

*As an example, based on the implementation plan, a 2010 truck will age out on February 1, 2024, when it would be 13 years old. Should a 2010 truck apply and obtain an exception for two years, it could then age out at 15 years old on February 1, 2026. As advances in environmental technologies and standards do not occur in every manufacturer year, it is expected that approval of exception applications and the term of that approval will vary, depending on the age of the truck. This will allow some trucks as old as 15 years to continue to operate in TLS.*

As of January 1, 2023, new or replacement trucks added to TLS must be 2016 or newer.

**Temporary grace period for delayed delivery of brand-new trucks**

The port authority is introducing a temporary grace period for applicants that have ordered a brand-new truck for which delivery has been delayed.

The grace period will be considered on a case-by-case basis and will factor in considerations such as the irrevocability of the contract to purchase the new truck, the age and condition of the aging-out truck, and the duration of the grace period sought.

Applicants granted a grace period extension for a brand-new truck will lose the opportunity to replace their truck with a used truck instead.

## 4. Consideration of input

Below is a table outlining the port authority's consideration of the input received during 2022 engagement.

Topic	Summary of issue or interest	Vancouver Fraser Port Authority consideration of input
<b>Rolling truck age</b>	a. Suggestions that the maximum truck age should be extended to 15 years	<p>The port authority has revised the program from a 10-year rolling truck age to a 12-year rolling truck age. This will still allow the program to achieve its objectives and benefits, while responding to feedback from industry.</p> <p>In making this change, the port authority acknowledges that when the program was first contemplated in 2012, the milestone improvements in environmental technology in trucks was very significant. In newer trucks, more recent improvements have been more incremental and are not as significant from year-to-year.</p> <p>In the final implementation plan, the port authority has maintained a truck exception process, which will allow TLS holders in good standing with Non-Conforming Trucks to apply for a conditional exception for those trucks that meet or exceed port authority established safety, environmental and aesthetic standards for conforming trucks. With the move from a 10-year rolling truck age to a 12-year rolling truck age, the exception process would be available for trucks older than 12 years.</p> <p>In addition, the next generation GPS system will also plug directly into a truck's engine control module and provide reporting data to the port authority, including environmental performance.</p> <p>In consideration of these factors, the port authority has determined a 12-year rolling truck age to strike an appropriate balance between the benefits of the program and commercial interests of industry.</p>
	b. Suggestions that the maximum truck age should be maintained at 10 years	
	c. Suggestion that the maximum truck age should be less than 10 years and 1,000,000 km mileage	
	d. Suggestion to consider safety and environmental testing/monitoring and eliminate an age-based measure	
<b>Availability of compliant trucks and implementation timeline</b>	a. Comments about price increases and reduction in supply of trucks	<p>In the final implementation plan, the port authority has deferred implementation dates for the first trucks to age out by 7-17 months (from February 1, 2022 to starting September 15, 2022 to July 1, 2023) to allow more time for operators to obtain compliant trucks. This includes a further deferral from September 1, 2022 start (as outlined in phase 2 engagement) to September 15, 2022.</p> <p>In addition, responding to feedback about challenges for independent operators, the port authority is providing independent operators with trucks that will age out in 2022 an additional 60 days to switch to compliant trucks, as compared to company trucks.</p> <p>With the revised implementation plan, the port authority has also formalized a grace period for those owners who have placed orders for brand new trucks and are facing delivery delays.</p>
	b. Impact of chip shortages and supply chain impacts on supply of trucks	
	c. Delays in ordering or delivery of new trucks of up to 1-2 years	
	d. Compliant trucks are still widely available	
	e. Suggestions to delay the implementation of the Rolling Truck Age Program to allow more time to source compliant trucks (e.g., 1-3 years)	

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		<p>It is important to note that approximately 80% or 4-out-of-5 TLS trucks are already compliant with the Rolling Truck Age Program. Approximately 1,200 compliant trucks have been added to the TLS fleet over the past 36 months, including 150 since the deferral in January 2022.</p> <p>The port authority commends those owners who have already taken steps to obtain compliant trucks and who are doing their part to ensure movement of goods in the Port of Vancouver is done in a sustainable way.</p>
<b>Truck exception process</b>	<ul style="list-style-type: none"> <li>a. Exception process should be extended to two years to alleviate supply chain issues</li> <li>b. Too few inspection locations available</li> <li>c. Cost has been a barrier in the application process</li> <li>d. Consider reducing or removing the fees associated with the exception application process</li> <li>e. Cost and effort required are not worth the one additional year of equipment use</li> </ul>	<p>In the revised implementation plan, the Truck Exception Application process now applies to trucks over 12 years old. This provides owners with a presumption of two additional years of service (12 years instead of 10 years) and with the opportunity for an additional term of up to two years of service based on an approved Truck Exception Application. Exceptions will be determined by environmental and operational performance.</p> <p>For details of the exception process, please see the <a href="#">Truck Exception Application</a>.</p> <p>Truck owners who previously paid a TEA exception fee in 2021 or 2022 will receive a rebate, as their trucks would no longer age out under a 12-year rolling truck age.</p> <p>With respect to inspection locations, the port authority has contracted with factory authorized dealerships that have the required skills, experience and equipment to properly assess the functionality of emissions control equipment on specific truck models.</p>
<b>Registration process and GPS installations</b>	<ul style="list-style-type: none"> <li>a. Suggestions that GPS installation appointments should be available more than one day per week</li> <li>b. Comments that the registration process works well</li> <li>c. Comment that length of the registration process and GPS installation leads to lost revenue</li> </ul>	<p>Based on feedback around the TLS registration process, the port authority will increase the availability of GPS installation and service appointments.</p>
<b>Fairness for truck owners who proactively complied with Rolling Truck Age Program</b>	<ul style="list-style-type: none"> <li>a. Move ahead with the program as planned, allowing those who proactively complied to reap the benefits</li> <li>b. Relaxing the program would penalize those who already made moves to comply</li> <li>c. Port authority should consider reimbursements for those who already complied</li> </ul>	<p>The port authority recognizes the importance of fairness, especially for the majority of operators who have already complied with the program, and as such has not fundamentally changed the program in a way that would disadvantage those that have already complied.</p> <p>Changing to a 12-year cycle for the rolling truck age program means that, for operators that have already complied, their replacement vehicle is approvable for at least two years longer.</p> <p>In addition, the port authority will be reimbursing the exception fee to any operators that have already secured an exception which is no longer required for their model year of truck during the implementation period.</p>

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<b>Expressions of opposition, support and application of environmental programs to other sources of emissions</b>	a. Drayage trucks are being singled out with this program, but there are other sources of emissions elsewhere in the port	Protecting the environment and mitigating the impacts of trade activities in the communities in which the port operates is critical to our federal mandate as a Canada Port Authority. We do this through a suite of climate action programs as outlined <a href="#">here</a> .
	b. Expressions of opposition to the Rolling Truck Age Program from industry associations, labour organizations and truck owners, and suggestions to eliminate the program	The drayage sector is an important part of the supply chain and has a close relationship with the communities in which we live and work. Today the drayage fleet numbers approximately 1,800 local and long-haul trucks and generates an average of 30,000-35,000 truck trips per week within Metro Vancouver. The size of the drayage fleet and number of trips made by this sector means that it is an area of focus for us to mitigate the trade and environmental impacts within Metro Vancouver communities.
	c. Expressions of support for the program from industry associations, Indigenous groups, local governments, terminal operators, community associations, and members of the public, citing environmental benefits for communities	<p>The environmental benefits of the Rolling Truck Age Program are significant. As of July 1, 2023, when 2009 and older trucks have been removed from the fleet, the program would result in the following annual reductions:</p> <ul style="list-style-type: none"> <li>• Reduction of 15,000 tonnes of greenhouse gases (CO<sub>2</sub>e) – the equivalent of removing 3,000 passenger vehicles from the road each year</li> <li>• Reduction of 575 tonnes of nitrous oxides (NO<sub>x</sub>) – the equivalent of removing 80,000 passenger vehicles</li> <li>• Reduction of 37 tonnes of particulate matter 2.5 (PM<sub>2.5</sub>), a known carcinogen – the equivalent of removing 200,000 passenger vehicles</li> </ul> <p>The environmental impacts and the volume of other types of truck traffic regularly and directly serving port related interests is significantly smaller and much less impactful. In addition, the common business model for local drayage, of acquiring retiring long-haul trucks and adopting them into the local market makes the port's focus on drayage that much more important.</p>
<b>Alternative fuel sources and technological advances</b>	a. Rolling Truck Age Program should align with availability of electric trucks	The port authority recognizes the benefits of zero emission vehicles and looks forward to needing to adapt the Rolling Truck Age Program when those are widely adopted. However, there is a recognition that the price differential between zero emission trucks and conventional diesel trucks will likely remain very significant over the next decade.
	b. Port authority should look at hydrogen fuel cell or battery powered trucks, in collaboration with leading North American companies	
	c. Newer trucks would reduce downtime, maintenance costs and have a lower environmental impact	The port authority will adapt the program to account for zero emission vehicles when it makes sense to do so.

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<p><b>Other</b></p>	<p>a. The Government of Canada, Province of BC and port authority should provide subsidies and financial incentives to support independent operators with replacing trucks</p>	<p>Unlike American ports, Canadian port authorities cannot raise revenues through taxes. Under the <i>Canada Marine Act</i>, the port authority must generate the funds it requires through revenue sources such as rents, charges and fees.</p> <p>Rebate programs such as the Non-Road Diesel Emissions Program are fundamentally forced savings programs. Operators pay fees and are rebated at a portion of the fees at a later date. Given the complex and varied structure of ownership of drayage assets, the movement of truck owners from company to company and the volume of vehicle owners, such programs do not translate well to the drayage industry.</p> <p>The port authority is also balancing fairness for the 4 out of every 5 trucks who are already compliant with the program.</p>
	<p>b. Requests for additional engagement led by Transport Canada</p>	<p>The port authority acknowledges this request.</p> <p>Additional engagement in 2022 was undertaken in response to concerns that some truck owners expressed regarding the implementation timeline for the program and in acknowledgement of a letter from federal Transport Minister Omar Alghabra asking the port authority to consider a short delay to the implementation date and to provide a further opportunity for feedback regarding the implementation of the program.</p>