



## South Coast AQMD Warehouse Indirect Source Rule Litigation FAQ

### What is the Warehouse Indirect Source Rule (ISR)? Am I impacted?

This rule impacts all warehouses above 100k square feet in the South Coast Air Basin, which covers most of Los Angeles, San Bernardino, Riverside and Orange County ([MAP](#)). It requires warehouse operators to track, in real time, and report all Class 2b-8 truck trips at its facility. These truck trips create an annual compliance obligation which must be satisfied by acquiring points or paying “mitigation fees” to the South Coast Air Quality Management District (AQMD).

More information can be found by visiting: [www.aqmd.gov/waire](http://www.aqmd.gov/waire)

### How do I comply? What will it cost?

The AQMD has published a menu of actions which are associated with a number of points. You may estimate your compliance obligation and the number of actions you must take to comply by visiting AQMD’s [Compliance Calculator](#).

You must comply every year. This rule has no sunset date.

This rule is estimated to cost up to \$0.90/sq ft (actual cost will vary depending on chosen compliance pathway & number of truck trips). So, for instance, a company with 2 million square feet of warehousing may face nearly \$2 million in liability every year. There are also extensive administrative recordkeeping requirements that must be incorporated into your warehouse’s operations.

### Who has the CTA retained as counsel?

CTA has retained [Holland and Knight](#) as counsel.



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### Why is the CTA planning to litigate this issue?

This billion dollar regulation will negatively impact Southern California's supply chain workforce. AQMD estimates up to 100,000 blue collar workers may lose their jobs by 2030. In adopting this rule, AQMD has exceeded its legal authority under both state and federal law.

Even worse, AQMD forecasts this rule to result in only 1-3 tons per day of NOx reductions, which will have virtually no clean air benefits.

If this rule is allowed to move forward, [expect to see similar rules pushed nationally](#), potentially creating a patchwork of costly local emission standards and rules related to motor carrier prices, routes & services.

### What is the basis for the lawsuit?

Rule 2305 is preempted by two federal statutes, the Clean Air Act and the Federal Aviation Administration Authorization Act (FAAAA). The AQMD also lacks authority under state law to impose ISRs on existing, unmodified warehouses and the mitigation fees contained in the rule constitute an improper regulatory fee.

More details are in our [comments](#).

### I don't operate a warehouse, but I do operate trucks in the South Coast. Does this impact me?

Yes. Local air districts, such as the South Coast AQMD, regulate stationary sources of pollution. This unprecedented authority grab over mobile sources already regulated by EPA and CARB could result in a regional patchwork of truck emission and operational rules.

### How can I contribute?

We cannot fight back against this regulation without your help! Scan this code with your phone app to visit the online donation portal at <https://bit.ly/3xvp3zK>.

