

CARB's ZE Forklift Regulation Will Cost Local Communities, Small Businesses, Nonprofits, and Government Agencies \$27B

SACRAMENTO, CALIFORNIA, UNITED STATES, February 28, 2024 /EINPresswire.com/ -- The [Western Propane Gas Association](#) (WPGA) released today an [economic impact report](#) that found that the California Air Resources Board's (CARB) regulation to eliminate internal combustion engine

(ICE) forklifts will cost California forklift owners and operators up to \$27 billion. This includes increased costs and direct impacts to local communities, small businesses, food banks and nonprofits, state agencies, and local governments, throughout the state at a time of a large state budget deficit. While some costs and impacts can be anticipated with the passage of this rule, there are unintended consequences that have not been accounted for that would have a rippling economic effect across the state. Key findings from the report include:



- CARB vastly underestimated the number of forklifts that will be impacted by the rule
- CARB estimates 95,000 forklifts will be affected when in reality 220,000 (more than half of all forklifts in the state) will be impacted.
- \$10 billion will be spent on ICE forklift replacements
- Forklift owners will be required to replace ICE forklifts even if they are fully functional.
- Utilization loss caused by the proposed regulation will reach approximately \$4.6 billion by 2038.
- By 2038, forklift battery costs will exceed \$2.8 billion
- Charging stations will cost \$6.3 billion to implement
- This cost does not factor in the cost of building power supply upgrades, or infrastructure upgrades for the generation, transmission and delivery of electricity.
- Costs to the state government amount to \$33 million by 2038
- The State of California, not including the UC and CSU systems, currently owns and operates 581 affected ICE forklifts.

"Throughout the rulemaking process, CARB did not adequately account for the overwhelming

costs and impacts associated with its zero-emission forklift proposal,” said Colin Sueyres, President & CEO of the Western Propane Gas Association. “It’s critical that CARB take a hard look at the real-world impact of its proposal and work with small businesses throughout the state who have proposed a cheaper, more feasible, and more effective way to meet the state’s air quality goals. Additionally, local communities and others can’t afford to be hit with unintended consequences not accounted for.”

The total number of battery electric forklifts sold across North America (including the U.S., Canada, Mexico) in 2022 was approximately 225,000. If CARB’s rule goes into effect, the majority of battery electric forklifts being sold in North America would – out of necessity – need to be sold within California just to keep pace with the implementation phase-in of the rule. This also does not address manufacturers’ ability to scale battery electric production in a global marketplace where battery minerals become more coveted, expensive, and scarce.

“Many businesses like mine run 24-hour operations that require forklifts. If CARB’s proposed rule is adopted, we will have to purchase multiple EV forklifts to replace just one ICE forklift as battery electric forklifts require time to charge and cool and cannot run for 24 hours,” said Ron Brown, Senior Vice President of Freeman Decorating. “CARB’s rule imposes billions of dollars in replacement, maintenance, and infrastructure costs that we simply cannot afford.”

There is a cheaper, more feasible, and more effective way to meet the state’s air quality goals. An alternative pathway to compliance will ensure the state is meeting its greenhouse gas reduction goals while at the same time ensuring that the goods movement sector in critical industries such as food bank distribution is protected from untenable costs.

Please visit [//westernpga.org/forklift](https://westernpga.org/forklift) to read the economic impact report and the alternative pathway to compliance.

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