



MINIMIZING THE NEGATIVE IMPACT OF E-COMMERCE: WHY WE NEED AN INDIRECT SOURCE RULE

The “Indirect” Problem with Warehouses

Logistics warehouses are proliferating to get e-commerce purchases to customers faster. Due to increased expectations of fast delivery times, e-commerce companies are pressured to site these facilities closer to major population centers. Unlike traditional warehouses, e-commerce “mega

Studies project a 67% increase in truck volumes in New York City by 2045—about 75,000 more trucks per day—as a result of increasing e-commerce demand.

warehouses” can exceed several hundred thousand square feet – with many over 1 million sq ft. These facilities bring a lot of truck and vehicle trips.

Such facilities pose [unique risks](#) for local health and safety and are disproportionately entering environmental justice communities.

Public Health, Safety, and Quality of Life Impacts

- Each new facility can generate hundreds, even over a thousand, vehicle trips per day, including delivery vans and highly polluting, diesel-emitting trucks.
- These leads to increases in diesel emissions, noise pollution, and impacts on local roadways.
- Increases in asthma, chronic obstructive pulmonary disease, cancer, and premature death related to bad air quality for surrounding communities, schoolchildren, and workers.
- Greater congestion and safety risk for pedestrians and bicyclists.
- Increase in non-union, potentially hazardous jobs, and displacement of high-quality industrial jobs.

If left unmitigated, these facilities threaten to exacerbate air quality problems in disadvantaged communities and jeopardize attainment of economywide emission reduction mandates under

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the Climate Leadership and Community Protection Act (CLCPA).

In the Town of Montgomery, in Orange County, where there has already been a surge in warehouse development, local officials have enacted a [moratorium](#) on new warehouses, citing their health and safety impacts.

Disproportionate Impacts

Logistics warehouses are being built near [low-income communities and communities of color](#), where the cheapest and largest industrial space is available, and particularly in urban areas where other industrial facilities are clustered, compounding the impact on communities.

This threatens to exacerbate preexisting air quality problems in many of these communities. The siting of Amazon warehouses reveal a national trend of locating facilities near communities that have more people of color and low-income households than surrounding neighborhoods in the same urban area.

In many areas, these warehouses are being built with no public input or environmental review.

Case Study: Red Hook, Brooklyn

- Five logistics warehouses are currently under development in the Red Hook neighborhood of NYC.
- Red Hook is considered a “Significant Maritime Industrial Area” (a zone designated by NYC for heavy industrial and polluting infrastructure).
- Home to the largest public housing development in Brooklyn, with over 6,000 residents.

Take Action

New York State needs an Indirect Source Rule for warehouses. Without an ISR, these facilities will remain unregulated, at the direct expense of neighboring community members, in the air they breathe and health impacts they face.



THE SOLUTION: ADOPTING AN INDIRECT SOURCE RULE

The Clean Air Act authorizes states with poor air quality, like New York, to adopt Indirect Source Rules (“ISRs”) to **regulate pollution from “indirect sources”**

What is an Indirect Source?

When it comes to air pollution, states routinely regulate facilities like power plants and factories that emit air pollution directly. By contrast, the air pollution associated with warehouses is not from the facility itself, but from the trucks and other traffic *indirectly associated* with their operations. For this reason, a warehouse is an “indirect source” of air pollution. These facilities are generally unregulated—an ISR is a critical tool for states to be able to address these emissions.

Pushing for a Clean Energy Future

New York State has been a clean energy leader, passing the landmark Climate Leadership and Community Protection Act (CLCPA) in 2019 and adopting the Advanced Clean Trucks (ACT) Rule in 2021 to reduce emissions economywide and advance a just transition towards a zero-emission transportation sector. At the same time, major e-commerce giants have publicly supported a shift to eliminate emissions across their operations. The ISR is a necessary tool for eliminating diesel emissions in environmental justice communities by making sure these communities are the first in line for the benefits of clean technology.

A Model for New York State

In 2021, the South Coast Air Quality Management District (SCAQMD) adopted a groundbreaking Indirect Source Rule to address warehouse and distribution center-related emissions.

ISR LEGISLATION INTRODUCED IN NEW YORK

A recently introduced bill—[A.9799 \(Mitaynes\)](#)—would fill in this regulatory gap. This legislation would **hold warehouse operators responsible** for emissions from indirect sources, by creating a new permitting and oversight system administered by the Department of Environmental Conservation.

Some key provisions include:

- **A review** of emissions from all e-commerce warehouses exceeding 50,000 sq. ft.
- **An air emissions reduction and mitigation plan** requiring warehouse operators to demonstrate emission reductions efforts by:
 - acquiring zero-emission vehicles & charging infrastructure
 - installing solar panels on-site
 - using alternative transportation modes for incoming or outgoing trips
 - paying additional fees
- **Enhanced protections** for warehouses operating in disadvantaged communities or that impact schools and similar facilities
- **A permit requirement** for new warehouse developments or those proposing significant modifications
- **Ongoing reporting requirements** related to truck traffic and emissions mitigation measures
- **A zero-emission zones study** on the feasibility, benefits, and costs of implementing low- and zero-emissions designated areas for air pollution and congestion hotspots within New York State

There is an estimated 13.2 million square feet in the works to be developed across 30 facilities in NYC in the next 25-30 years.

We must continue robust stakeholder engagement across community groups, labor groups, and state agencies & support communities on the frontlines of these advocacy efforts to get New York to adopt an ISR as soon as we can!