

BOARD MEETING DATE: January 6, 2017

AGENDA NO. 16

REPORT: Marine Port Committee

SYNOPSIS: The Marine Port Committee met on Wednesday, November 30, 2016. Following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

Joe Busciano, Chair
Marine Port Committee

HH:ap

Attendance

Committee Chair Joe Buscaino and Committee Members Dr. Joseph Lyou, Judith Mitchell, and Dwight Robinson attended the meeting held at the Doubletree by Hilton Hotel in San Pedro, CA. Chair Buscaino called the meeting to order at approximately 3:35 p.m.

INFORMATIONAL ITEMS:

1) Update on the 2007 and 2012 AQMP Backstop Measures for Indirect Sources of Emissions from Ports and Port-Related Facilities

Henry Hogo, Assistant Deputy Executive Officer/Science & Technology Advancement, presented an overview of the two port-related measures provided in the 2007 AQMP (Control Measure MOB-03) and 2012 AQMP (Control Measure IND-01) and the proposed port-related measure in the Draft 2016 AQMP (Control Measure MOB-01). Mr. Hogo provided background information on each of the measures and their current status. Mr. Hogo began with a discussion of the 2007 AQMP Control Measure MOB-03, which would require the ports to meet certain emission reduction targets by 2023. If the targets are not met, the ports would need to identify actions to achieve further emission reductions to make up for any shortfalls. The measure also contained provisions to reduce diesel particulate matter

and set CEQA project-level standards. The measure was approved by the SCAQMD Board as part of the Board's adoption of the 2007 AQMP and submitted to CARB for their approval and subsequent submittal to U.S. EPA. In U.S. EPA's action on the 2007 AQMP in March 2012, U.S. EPA did not take action on MOB-03.

2012 AQMP Control Measure IND-01 was designed to ensure that the ports met emission reductions projected to occur in 2014 to meet the federal 24-hour PM_{2.5} air quality standard. There were no requirements relative to the 8-hour ozone air quality standard since the 2012 AQMP focus was on attainment of the 24-hour PM_{2.5} standard. IND-01 would require the ports to submit an emissions control plan if the emission reductions were not met. In February 2013, the Board adopted IND-01 to be included in the 2012 AQMP (which was adopted in December 2012) and the measure be submitted to CARB and subsequently to U.S. EPA for approval. In U.S. EPA's action on the 2012 AQMP in April 2016, U.S. EPA did not include IND-01 in their action, but indicated that they will take separate action on the measure.

Mr. Hogo discussed the development of Proposed Rule (PR) 4001 – Maintenance of AQMP Emission Reduction Targets at Commercial Marine Ports, which implements IND-01. The proposed rule would require the ports to submit a plan to meet the targets if the specified targets were not met. Rule development was placed on hold with the development of the 2016 AQMP and the ports' plan to update their Clean Air Action Plan (CAAP).

Mr. Hogo provided an overview of the NO_x, SO_x, and PM_{2.5} emission reductions that have occurred since 2005. The actual emission reductions exceeded the targets projected for Control Measures MOB-03 and IND-01 for 2014. The ports have provided a projection of the NO_x, SO_x, and PM_{2.5} emissions for 2023 with no further actions to reduce emissions. The projections exceed the emission reduction targets for the two control measures.

For the development of the facility-based measure MOB-01 proposed in the Draft 2016 AQMP, staff considered several factors: 1) U.S. EPA's comment that a backstop rule may be redundant since CARB has committed to meeting the SIP emission reductions through adoption of regulations and only voluntary actions needed to be "backstopped" if emission reductions are not realized (there is only one voluntary action that the ports are implementing – the vessel speed reduction program); 2) PR 4001 process would have allowed the ports to implement their actions which are voluntary in nature relative to the SIP and would only require the ports to submit a plan if emission reduction targets are not met; 3) the timing for near-term emission reductions to meet the 2023 ozone air quality standard; and, 4) near-term availability of near-zero and zero emission technologies. Taking these factors into account, 2016 AQMP Control Measure MOB-01 proposes a process

similar to PR 4001, i.e., to work collaboratively with the ports, industry stakeholders, and the public to identify actions that the ports could take (primarily, through their CAAP update) to help meet emission reductions provided in the State SIP Strategy “Further Deployment of Cleaner Technologies” measures for on-road heavy-duty vehicles, off-road equipment, and federal/international sources. SCAQMD staff would establish a working group to identify actions that would potentially result in emission reductions. If the emission reductions meet U.S. EPA’s SIP crediting requirements, the emission reductions would be credited to future Rate-of-Progress reporting and in future AQMP revisions. MOB-01 does not contain any specific emission reduction targets, but Mr. Hogo indicated that the ports could use the 2016 AQMP’s overall emission reductions needed for attainment as a goal in their CAAP update. Progress in identifying actions would be reported to the Board on a routine basis. After one year from the date of adoption of the 2016 AQMP, staff would report to the Board on progress and if sufficient progress is not made, a recommendation to proceed with formal rulemaking or to develop other enforceable mechanisms that may be brought forward for the Board’s consideration.

Regarding proposed measure MOB-01, the ports and industry stakeholders commented that the measure is not necessary, questioned the SCAQMD’s legal authority, and expressed concerns regarding setting emission caps, and urged that the focus should be placed on incentive funding as opposed to regulations. The environmental and community organizations commented that the voluntary approach is not sufficiently aggressive, and expressed the need to initiate rulemaking and not lose time, and the need to establish requirements to reduce emissions.

Mr. Hogo concluded with next steps. He indicated that staff will continue to take public comments on proposed measure MOB-01 and to continue to work with the ports to develop a strong CAAP update to help meet the region’s air quality standards.

During the presentation, Dr. Joseph Lyou noted that the ports’ NOx emissions are projected to increase by 14 percent in 2023 and expressed concerns over how the region would attain air quality standards with the projected increase. Mr. Hogo indicated that the projections assume no further actions to reduce emissions. The CAAP update will provide additional emission reductions to help the region meet air quality standards.

Councilmember Robinson commented that the ports have done an admirable job and have taken a leadership role. Councilmember Robinson asked for an elaboration on U.S. EPA’s comment that a backstop rule may be redundant. Mr. Hogo indicated that U.S. EPA approves additional or surplus emission reduction commitments. A backstop measure would consider emission reductions already committed by another

entity, namely the regulations that CARB has adopted and committed to achieve. The backstop measure would not result in further emission reductions.

Councilmember Robinson asked whether the increase in NO_x emissions in 2023, is due to economic development or aging of the fleet. Mr. Hogo indicated that it is in part economic growth and fleet age, but also that there are no new actions (regulatory or voluntary) that will result in further emission reduction.

Councilmember Robinson commented that we need to focus on further actions to reduce emissions by 2023 and that the ports have done a good job and their focus is on doing more in the CAAP update.

Dr. Lyou asked if the new growth projections for the ports are being used for the 2016 AQMP. Staff indicated that the AQMP contains the latest growth projections. Dr. Lyou expressed concern about how the region will deal with the increased container volume over the next 18 years. This is disconcerting not only from a logistic standpoint but also an air quality standpoint, and he wants to make sure that we do everything we can to address the growth.

Dr. Lyou mentioned in the latest in-use emissions testing of heavy-duty trucks that the NO_x emissions from diesel trucks operating in drayage mode are significantly higher than presumed and wanted to know if this has been accounted for in the AQMP emissions inventory. Mr. Hogo indicated that it is accounted for in the AQMP inventory through the latest revisions to the CARB emissions factor model (EMFAC). Dr. Lyou also noted that the near-zero natural gas truck engine tested operated well below the 0.02 g/bhp-hr standard (at 0.002 g/bhp-hr), and he favored incentives to move to the near-zero natural gas trucks.

Dr. Lyou wanted to confirm his understanding that Control Measure MOB-01 in the 2016 AQMP is seeking voluntary actions, but the possibility of formal rulemaking has not been ruled out. Dr. Lyou indicated that he understands why staff is proposing this approach, but expressed that he would feel better if there were more certainty about emission reductions because we're dealing with the most polluted area in our region. Part of the concern from members of the public is in how we are approaching this from an enforcement standpoint. The Clean Air Act provides for "enormous authority for the public" to act on measures that are quantified and placed into the SIP. Dr. Lyou wanted to be assured that if there are specific, quantifiable measures that can be put into the SIP, that they will be.

Mr. Nastri commented that we all share the responsibility to achieve clean and healthy air in the community. From a historical perspective, when Mr. Nastri was at U.S. EPA, U.S. EPA was supportive of the efforts from the original CAAP. The emissions reductions occurred through voluntary actions and were not included in the SIP at the time. Yet, U.S. EPA realized that those emission reduction benefits

actually occurred. From this perspective, there is a precedent for a voluntary approach. However, if the voluntary approach did not result in the stated emission reductions, then we do have an ability to step in to ensure the reductions are realized. In this particular case, the SCAQMD did not have to step in since the reductions did occur. We can go straight into a rulemaking process and set time frames or to derive the same benefits. What staff is proposing is putting in the time frames to judge performance. Staff would work collaboratively with the ports. However, if performance is not met, we can pivot to a regulatory approach. Mr. Nastri indicated his willingness to try this approach given the progress that has already been made. Realizing additional emission reductions will be harder and the proposed approach is a compromise, staff is willing to take this approach, as it gives staff the ability to use a regulatory approach if necessary.

Chair Buscaino commented that as a resident of the San Pedro area, as a Councilmember, and as a Governing Board member of the SCAQMD that if he sees any backsliding, he would be the first to begin rulemaking.

Councilmember Mitchell commented that she believes that the approach can work, but wants to see some strong specifics in the Plan. She would like to see the CAAP update strengthened. Stretching emission reductions to 2050 is not acceptable given the 2023 and 2031 ozone deadlines the region has to meet. Councilmember Mitchell noted that technologies are now available and are in place such as the zero emission technologies at the Long Beach Container Terminal. It would be good to include in the CAAP that the turnover of trucks would be to trucks that are cleaner than the 2010 standard because there are a large number of trucks older than the current 2010 standard. There is an opportunity for the ports to take another look at the cleaner technologies and take another look at the CAAP update and work with SCAQMD staff on strengthening the measures in the CAAP. Councilmember Mitchell indicated that she would support voluntary actions as long as they are backed up with strong interim timelines and benchmarks that quantify what will be done and move along that pathway.

Mr. Richard Havenick, a resident, commented that he was involved in the original CAAP development. Mr. Havenick stated that the low-sulfur content fuel voluntary action did not work through the Ports incentive program. He indicated that not all voluntary measure worked and regulatory action was required.

Mr. Rick Cameron – Port of Long Beach, commented that relative to the 2016 AQMP measure MOB-01, if the measure remains as currently written for the Final 2016 AQMP, the Port of Long Beach staff can support moving forward with the measure. Mr. Cameron caveated his comments indicating that if the proposed approach changes, they would need to review the changes and may not take the same position.

Mr. Jesse Marquez – Coalition for a Safe Environment, commented that while we need to plan into the future, we must also deal with today's reality. Mr. Marquez indicated that several of his family members are dealing with various forms of cancer. He indicated that long-term goals are important, but for the residents in the community, there are tremendous pressures because families are impacted by the pollution in the area. Mr. Marquez does support the backstop measure approach. He commented that the backstop rule is proposed to initiate actions in the event that the ports do not comply. He provided the State At-Berth Regulation as an example that the ports will need to comply with and asked for details on what the ports will be doing to comply with the regulation.

Mr. Christian Guzman – Central San Pedro Neighborhood Council, commented that he admired Ms. Mitchell's comments regarding greater electricity use at the ports and that such actions can be expanded to other areas in the ports including smaller actions that can happen immediately, such as installation of LED lights would be helpful.

Mr. James Stewart – Sierra Club, commented on the diesel trucks that are emitting higher levels of emissions than expected and felt that certification programs are not achieving their intended performance. Mr. Stewart wanted to know what is being done to clean up the area and make it as clean as other areas in the region.

2) Overview of the San Pedro Bay Ports Clean Air Action Plan 2017 Draft Discussion Document

Mr. Chris Cannon – Port of Los Angeles, and Ms. Heather Tomley – Port of Long Beach, provided an overview of the Clean Air Action Plan 2017 Discussion Draft that is currently released for public comments. Mr. Cannon emphasized that the current draft is a discussion document and it was deliberately developed to raise issues while developing new programs. The port staffs have had preliminary discussions with many stakeholders, but the real dialogue will occur over the next 90 days. The port staff will be setting up more meetings and welcome the opportunity to meet with the SCAQMD's Marine Port Committee to report back on progress. The CAAP is a good example of how public/private partnership can work. Mr. Cannon provided an overview of the emission reductions that have occurred with the implementation of the CAAP. Mr. Cannon indicated that the collaborative approach is the best way for regulations to evolve, starting off with industry consensus, then leading to implementation, and followed up with federal or state regulations. He stated that this collaboration is the only way dramatic success could have been achieved over the last ten years and it will be critical to achieving emission reductions in the coming years. Mr. Cannon concluded by commenting on the importance of infrastructure support, improving operational efficiencies, and energy planning.

Ms. Tomley provided an overview of the proposed strategies that the ports have released for public comments over the next 90 days. The proposed strategies are concepts that the ports will refine as they move forward before finalizing for their respective Boards to adopt. The proposed strategies are incremental changes to the original Clean Trucks Programs that will provide emission reductions out to 2035. Specifically, starting in 2018, any trucks that are ten years or older will be charged a fee to enter the ports. The level of the fee has not been set, but would disincentivize the use of such trucks at the ports. There will be an exemption for near-zero and zero emission trucks. Beginning in 2020, all trucks must meet the current 2010 engine emission standard. Beginning in 2023 or when a near-zero emission standard takes effect, new trucks entering the ports must meet the new standard. Beginning in 2035, all trucks must be zero emission. Any fee collected will be used to fund new trucks. In addition to the truck strategy, the ports are proposing green efficiency access to the ports that will give priority to near-zero and zero emission trucks.

For terminal equipment, the ports are proposing a transition to zero emission equipment by 2030 with procurement planning starting in 2020. A terminal equipment idling reduction program and development of electric vehicle charging standards are also proposed.

For ocean-going vessels, the ports are proposing to expand the vessel speed reduction compliance to 40 nautical miles from the current 20 mile distance, expand the use of at-berth emission reduction technologies, incentivize energy efficiency upgrades and clean technologies, and develop a clean ship program to transition the oldest vessels out of the fleet. For harbor craft, the ports propose to accelerate deployment of cleaner harbor craft and develop operational strategies to reduce emissions.

The ports are also proposing to maximize on-dock rail utilization to reduce the use of trucks entering the ports. Current plans are to build out the on-dock rail infrastructure to meet 35 percent usage and ultimately, 50 percent, which will require operational efficiency changes throughout the entire system. Other strategies include improving freight efficiencies through the development of a “green terminal” program and studying strategies to enhance system-wide efficiencies. As the ports move forward with implementation, there needs to be significant investment in building infrastructure to support advanced technology vehicles and equipment.

Mr. Cannon concluded the presentation with a note that public comments will be taken until February 17, 2017. A community meeting is tentatively scheduled for the second week of January 2017. The item will be brought to the Harbor Commissioners in Spring 2017.

Dr. Lyou commented that with commercial availability of near-zero natural gas trucks, he would like to see that the trucks entering the ports be turned over completely by 2023, ahead of the region's deadline to meet the federal ozone air quality standard. Dr. Lyou asked if the region can attain the standard without the near-zero trucks. Mr. Hogo responded that the AQMP calls for around 43% overall reduction in NO_x; based on CARB's estimate of the amount of NO_x reductions from heavy-duty trucks, staff estimates that around 80,000 trucks must be turned over to near-zero and zero emission trucks out of approximately 120,000 trucks operating in the South Coast Air Basin. In addition to the near-zero natural gas engine certified at 0.02 g/bhp-hr, there are diesel engines with certification levels at 0.06 g/bhp-hr and a smaller natural gas engine certified at 0.1 g/bhp-hr. Mr. Hogo indicated that all of these engines will help the region meet the 2023 air quality standards. Dr. Lyou hopes that everyone can work together to deploy cleaner trucks and that the proposed truck strategy can be amended to make this happen. Mr. Cannon commented that there is a question on federal preemption and the ports' ability to do some of these actions and this is a discussion that port staff would very much like to have. Dr. Lyou indicated that the SCAQMD Counsel can be of assistance in the discussions since SCAQMD Counsel has expertise on federal preemption.

Dr. Lyou expressed concern with the feasibility assessments that the ports plan to conduct and requested that there be conversations upfront on what specific criteria will be used to make feasibility determinations. The more specific we can be the better so that everyone will know what has to be met. Dr. Lyou asked what factors, besides economics and commercial availability, the ports are looking at. Ms. Tomley indicated that the main factors are status of the technology development and the state of infrastructure development. She indicated that they have received comments from many stakeholders on what the criteria should be, and mentioned that the port staffs want to develop more-specific criteria and get public input as early as possible. Mr. Cannon commented that it is a balance question, is there sufficient equipment available if the desire is to quickly turn over older equipment; if requirements are set will the equipment be built to meet the requirements. This is part of the discussion port staffs would like to have with the SCAQMD staff.

Dr. Lyou commented that there is expected to be consistent growth at the ports; and he asked how does the region grow and still meet air quality standards? Ms. Tomley commented that continued growth is something that the ports need to plan for while addressing the environmental impacts. Mr. Cannon added that planning and developing the supporting infrastructure are very important to the ports.

Ms. Mitchell expressed concerns regarding the heavy-duty drayage trucks and noted that CARB is moving ahead with rulemaking for a low-NO_x standard. She commented that we should be technology neutral and have performance standards and asked the ports to consider having this in the CAAP. Councilmember Mitchell

encouraged the ports to work with SCAQMD staff on the timelines for implementation and see if they can be moved up. Some of the actions may be implementable immediately since they do not require additional infrastructure. Also, there is more work that can be done on efficiency, and infrastructure planning which will be critical. Councilmember Mitchell reemphasized that the ports continue to work with SCAQMD staff and if necessary, she can facilitate having CARB staff provide assistance.

Mr. Thomas Jelenic – Pacific Merchant Shipping Association, commented that we should not take growth for granted given the recession that has occurred beginning in 2006. He indicated that the actual growth should be accounted for in the analysis. Relative to trucks, Mr. Jelenic noted that while the ports have banned trucks that do not meet requirements from entering the ports, it does not mean that the trucks are no longer operating in the Basin. If these trucks continue to operate in the Basin, the region may not attain air quality standards. Also, if the region supports trucks meeting only 50% cleaner emissions levels, these trucks may need to be replaced sooner leading to a two-step process and there may be significant costs that need to be considered.

Mr. Jesse Marquez commented that the public and the environmental justice community have supported demonstration of all new technologies with a recognition that some will be successful and some will fail. They also recognize that individual truck owners/drivers may not be able to afford to purchase new-technology trucks, and the voters approved Proposition 1B to provide the funding. Mr. Marquez discussed the fuel cell trucks that were demonstrated, but the company declared bankruptcy because they were not able to sell these trucks because the ports did not push for them. There are two companies with zero emission trucks that are being sold commercially. By next year, a total of four to five companies will be offering zero emission trucks for sale. He also noted that the alternative emissions capture system is available for ships at-berth. The ports should invest in these technologies and require their tenants through their lease agreements to invest in these technologies.

Mr. David Pettit – Natural Resources Defense Council, indicated that NRDC has submitted written comments (see Attachment) and wanted to add to those comments. He indicated that voluntary measures have been successful, but they have ended and this is the reason emissions are projected to increase. Mr. Pettit indicated that there are a couple of actions that the ports could take. First, regarding the proposals for fees on ten-years-and-older trucks, the ports could impose a fee on all trucks that do not meet the current 2010 emission standards rather than on the ten-years-and-older trucks. Second, there are proposals to establish “peel-off” yards that would feature zero emission technologies within the yard, that would be a positive step that the ports can take immediately. If this sort of urgency is not seen, the region will not

meet the air quality standard in 2023. Regarding feasibility, Mr. Pettit indicated that the ports can establish an emissions result and let the market provide the technologies to meet the result, and with the SCAQMD's help, the ports can do this.

Mr. Alex Spataru – The Adept Group Inc., commented on the work that has been done thus far. Mr. Spataru informed the Committee on a technology that is being demonstrated by the California State University Maritime Academy. Mr. Spataru indicated that it is a zero emission technology and a report will be released shortly.

Mr. James Stewart, Sierra Club, asked if the higher truck emissions are reported in the port inventory. He is excited that the ports are looking at climate change and zero emission technologies.

Mr. Vic LaRosa – Total Transportation Services, Inc. (TTSI), provided some background on TTSI's adoption of the first LNG and CNG trucks in drayage use. TTSI has experimented with fuel cell trucks and have taken delivery of the first 12 liter 0.02g/bhp-hr truck for testing purposes. TTSI is also testing battery-electric and battery-electric hybrid trucks. Mr. LaRosa commented that TTSI has made substantial investments in near-zero and zero emission trucks and does not want to see any type of backsliding. There is an opportunity to remove the 2007 through 2009 trucks from operating at the ports. The issue is that these trucks are inexpensive and are reentering the market and congesting the ports. On the issue of technology, we must be sensitive to the fact that not all technologies will work in every application. We must look at the application and the technology fit for the application. Lastly, Mr. LaRosa commented on Dr. Lyou's comments regarding growth, stating that the industry is not close to meeting the amount of growth that Dr. Lyou indicated. Mr. LaRosa stated that there are many ways to improve efficiency and half of the volume will be going by rail. Mr. LaRosa concluded that they will do everything they can to achieve a zero emission environment. Dr. Lyou thanked Mr. LaRosa and TTSI for their leadership role.

Mr. Greg Roche – Clean Energy Fuels, commented that the natural gas industry is committed to help the region. The near-zero emission natural gas truck will be available and if there is a need to replace the nearly 10,000 trucks that operate out of the ports, the natural gas industry will work to make this happen. The natural gas refueling infrastructure is continuing to expand and renewable natural gas is increasingly available.

OTHER BUSINESS:

None.

PUBLIC COMMENTS:

Mr. Jesse Marquez commented on the I-710 freeway expansion project. At the last California Sustainable Freight Advisory Committee meeting, he asked Mr. Kome Ajise, Chief Deputy Director, Caltrans, if the expansion will be capable of handling the volume of truck traffic, which is around 100,000 trucks per day, and Mr. Ajise answered “no”, it will not. Mr. Marquez expressed concern that such activity will impact and indicated the need for a health impact assessment in addition to a health risk assessment. No agency has been able to provide information on how many residents may have asthma or COPD or other forms of illness in the communities surrounding the ports. A health impact assessment would be able to provide such information. Chair Buscaino commented on the importance of infrastructure improvement that potentially can provide emission reduction benefits.

The meeting was adjourned at approximately 5:50 p.m.

Attachments

Attendance Roster

Natural Resources Defense Council November 30, 2016 Comment Letter

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MARINE PORT COMMITTEE MEETING
Attendance Roster – November 30, 2016**

Councilmember Joe Buscaino.....	SCAQMD Governing Board
Dr. Joseph Lyou	SCAQMD Governing Board
Councilmember Judith Mitchell.....	SCAQMD Governing Board
Councilmember Dwight Robinson.....	SCAQMD Governing Board
Board Consultant Jacob Haik	SCAQMD Governing Board (Buscaino)
Wayne Nastri.....	SCAQMD Staff
Barbara Baird	SCAQMD Staff
Matt Miyasato.....	SCAQMD Staff
Henry Hogo	SCAQMD Staff
Veera Tyagi	SCAQMD Staff
Naveen Berry.....	SCAQMD Staff
Adewale Oshinuga	SCAQMD Staff
Richard Carlson.....	SCAQMD Staff
Angelica Enriquez	SCAQMD Staff
Ana Ponce.....	SCAQMD Staff
Paul Wright.....	SCAQMD Staff
Sabiha Khan	Senator Diana Feinstein
Sarah Patterson	Assemblymember Patrick O'Donnell
Heather Tomley	Port of Long Beach
Rick Cameron.....	Port of Long Beach
Lisa Wunder	Port of Los Angeles
Tim DeMoss	Port of Los Angeles
Chris Cannon.....	Port of Los Angeles
Christian Guzman.....	Central San Pedro Neighborhood Council
Jesse Marquez.....	Coalition for a Safe Environment
Greg Roche.....	Clean Energy Fuels
Laura Cortez	Long Beach Alliance for Children with Asthma
Heather Kyczka	Natural Resources Defense Council
David Pettit.....	Natural Resources Defense Council
Nick Jiles	Pao Strategies
Thomas Jelenic	Pacific Merchant Shipping Association
Richard Havenick	Resident
Jim Stewart.....	Sierra Club
Tiffany Rau.....	Tesoro
Susan Stark	Tesoro
Vic LaRosa	Total Transportation Services, Inc.
Steve Faidney	Valero



November 30, 2016

Via Electronic Mail

AQMD Marine Port Committee
Joe Buscaino
Dr. Joseph Lyou
Judith Mitchell
Dwight Robinson

***Re: Marine Port Committee Meeting
November 30, 2016***

Dear Committee Members:

These comments are submitted on behalf of the Natural Resources Defense Council (NRDC) in connection with the November 30, 2016 meeting of the South Coast AQMD Marine Ports Committee.

THE AIR QUALITY CONTEXT

The gains from the 2008 Clean Trucks Program were substantial but are being lost. The Port of Los Angeles' 2015 emissions inventory shows that Port-related air pollution increased from 2014 to 2015 despite a 10% decrease in arrival calls and a 2% decrease in total TEUs. This negative trend is borne out by the Ports' air quality monitoring station in Wilmington that shows average daily high concentrations of PM 2.5 increasing from a low in 2014.

As this Committee well knows, the District is finalizing its 2016 Air Quality Management Plan but is still relying on unfunded and unidentified subsidies for the majority of the needed NO_x reductions. It appears that the federal DERA program on which AQMD and the Ports have relied in the past may not be reauthorized. Recent election results indicate that federal strategies for addressing the basin's NO_x emissions are unlikely to come to fruition (e.g., EPA adoption of a ultra-low NO_x standard).

The Ports are an enormous source of NO_x emissions in the District and although they have the ability to reduce NO_x emissions through fleet turnover and use of zero emissions technology, have no binding plans to do so and have strongly objected to those parts of the draft AQMP that may impose enforceable obligations on them. In addition, the Port of Los Angeles has proposed and is now defending in the appellate court the SCIG project, which by itself would make the

NATURAL RESOURCES DEFENSE COUNCIL

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federal NAAQS for ozone impossible to reach in the District; the District filed suit against the project for that very reason. The Port has also failed to comply with the legally-binding LNG truck mitigation measure in the 2008 China Shipping EIR, although compliance would reduce the NOx burden from the Port.

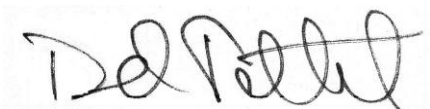
THE DRAFT CLEAN AIR ACTION PLAN 3.0

The draft Clean Air Action Plan 3.0 is an opportunity for the Ports to be good neighbors and live up to their boasts of environmental stewardship -- an opportunity that the Ports have failed to grasp in the draft. What is needed, and absent, is that each strategy must be backed up with enforceability, sustained funding, and measurable emissions reductions or the plan is meaningless. And even the projected improvements fail to take into account that older trucks will not be scrapped but allowed to stay in the District, spewing NOx and particulate matter. This is all the more troubling because there are zero-emission yard equipment and short-haul drayage trucks available now or in the near future that the Ports could--on a very quick timeline--require or incentivize by price signals without spending a dime. Yet the new draft CAAP puts such requirements and incentive programs on an unreasonably slow timeline with no consequences for failure.

THE OPPORTUNITY FOR AQMD LEADERSHIP

Despite the urging of the Long Beach and Los Angeles Mayors at the CAAP 3.0 rollout meeting to take strong measures, the existing draft will not get the job done. This Committee and the AQMD Governing Board have the chance now to step up in the AQMP, by implementation of a Ports backstop rule and other measures, to bring about substantial ozone reductions from Ports -- and must take this chance in the face of inaction by Port leadership.

Thank you for your attention to these comments.



David Pettit
Senior Attorney
Natural Resources Defense Council

Cc: Henry Hogo
Wayne Nastri
Dr. Phil Fine
Ana Ponce