

BOARD MEETING DATE: November 5, 2021

AGENDA NO. 27A

REPORT: Marine Port Committee

SYNOPSIS: The Marine Port Committee held a meeting remotely on Tuesday, September 28, 2021. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Joe Buscaino, Co-Chair
Rex Richardson, Co-Chair
Marine Port Committee

IM:de

Committee Members

Present: Council Member Joe Buscaino/Co-Chair
Vice Mayor Rex Richardson/Co-Chair
Senator (Ret.) Vanessa Delgado
Mayor Pro Tem Larry McCallon

Absent: Supervisor Lisa Bartlett
Board Member Veronica Padilla-Campos

Call to Order

Co-Chair Buscaino called the meeting to order at 2:00 p.m.

INFORMATIONAL ITEM:

1a. Background on South Coast AQMD Actions to Reduce Emissions Associated with Port Operations

Dr. Sarah Rees, Deputy Executive Officer/Planning, Rule Development and Area Sources, provided background on South Coast AQMD's previous efforts to develop control measures to reduce emissions from port sources, and most recently as part of the implementation of 2016 AQMP the development of a MOU with the Ports of Los Angeles and Long Beach (collectively "the Ports"). Dr. Rees summarized the Board's

direction to continue with the MOU-only approach, within four months from the August 2021 Board meeting.

1b. Port Perspective on the Ports MOU Discussion

Gene Seroka, Executive Director, Port of Los Angeles, and Mario Cordero, Executive Director, Port of Long Beach, discussed the San Pedro Bay Ports' perspective on the MOU discussion and process since August 2021.

Mr. Seroka stated that the main issue is that South Coast AQMD staff asked for emission reduction measures beyond the programs already authorized by the respective Boards of Harbor Commissioners to implement the 2017 Update to the San Pedro Bay Ports Clean Air Action Plan (CAAP). Referring to the July 27, 2021 redline version of draft MOU language, he described a stop light structure; green to distinguish authorized CAAP measures, yellow for measures needing more discussion and red for measures that required a new authorization and/or feasibility assessment. An example of yellow measures would be the disbursement of Clean Truck Program (CTP) fee revenue. He emphasized that the Ports may not be able to agree on red measures within the current MOU timeframe, but they are committed to continuing the discussion. He further emphasized the need to advance technology development and secure additional funding streams to fund advanced clean technology deployment. In conclusion, Mr. Seroka stated that the Port of Los Angeles is willing to commit to near-term actions and to continuing emission reduction discussions.

Mr. Cordero complimented the ongoing collaborative efforts between the Ports and South Coast AQMD. He cited various technology demonstration and implementation projects applicable to ports operations that the Ports have partnered with regulatory and other agencies to co-fund. He referred to the unprecedented port congestion as related to the pandemic-induced demand surge and that the Ports are actively working with the Biden Administration and industry partners to resolve the resultant supply chain issues. Specifically, the Port of Long Beach has recently begun a pilot program to extend truck gate hours to allow for additional cargo pick-ups. He emphasized the Ports' past track record in adopting cutting-edge green port policy and programs and stated that MOU process remained as the best approach to achieve near-term emission reductions. He added that under the current Administration, the Ports are well positioned to receive additional federal funding for sustainable port development. Mr. Cordero corroborated that Ports staff were unable to consider emission reduction measures beyond those already authorized by the respective Boards of Harbor Commissioners, but they were willing to continue discussing these measures beyond the MOU timeframe.

1c. Ports MOU Status Update

Ian MacMillan, Assistant Deputy Executive Officer /Planning, Rule Development and Area Sources, provided a status update on the Ports MOU progress since the August 2021 Board meeting. He presented the significant emission reductions needed from port

sources for the region to attain the National Ambient Air Quality Standards, provided reasons why the projected emission reductions from the authorized CAAP implementation programs have become increasingly diminished; and stated that additional and/or early emission reductions would be necessary for a successful MOU approach.

Co-Chair Buscaino asked the executive directors of both ports to provide an update on the status of tariff adoption for CTP fees by the respective Boards of Harbor Commissioners. Mr. Cordero responded that the Port of Long Beach authorized a contract with PortCheck to design and implement the CTP fee collection mechanism, with fee collection starting as early as Spring 2022. Mr. Seroka stated that the CTP-related tariff items would be brought to the November 4, 2021 meeting of the Los Angeles Harbor Commissioners, and fee collection could begin around April 1, 2022.

Co-Chair Buscaino asked the executive directors of both ports to provide an overview of both ports' plan to support fueling infrastructure for low NOx trucks while working towards the goal of fully transitioning to zero-emission (ZE) drayage trucks. Mr. Cordero responded that the Port of Long Beach is fully supportive of deploying near-zero-emission (NZE) drayage trucks via early actions. Mr. Seroka cited the Ports' past actions in supporting the demonstration and deployment of lower emitting drayage trucks. He stressed the need to accelerate the turnover to clean truck and the need to identify funding to support the turnover.

Co-Chair Buscaino asked the executive directors of both ports to address questions on the Ports' authority to control mobile source emissions associated with port operations. Mr. Cordero responded that the Ports do not have authority over vessels but have been successful in addressing the ship emissions with several CAAP measures including providing incentives for participation in the vessel speed reduction (VSR) program and for switch to alternative fuels such as liquefied natural gas (LNG). Mr. Seroka reiterated the Ports' lack of authority over mobile sources, and significant funding would be needed to turn over one-third of the drayage trucks and the majority of cargo-handling equipment (CHE).

Co-Chair Buscaino asked Dr. Rees to clarify whether the MOU discussion actually stalled in 2020 or paused by all parties with mutual consent. Dr. Rees responded that the discussion was temporarily paused due to pandemic-related economic uncertainties. However, as the Ports' throughput rebounded and the tariff to collect CTP fees remained not adopted, staff did not find it useful to continue the MOU discussion based on the pre-pandemic version of draft MOU language.

Co-Chair Richardson referenced the measures being explored to relieve the ongoing port congestion, and the key differences in the context of MOU discussion between early 2018 and now. He stated an expectation that the Ports MOU discussion would

need to move past authorized CAAP measures, and that the executive directors of the ports would need to seek authorization from their respective Board of Harbor Commissioners to include additional measures in the potential MOU. Mr. Seroka indicated that the Port of Los Angeles staff provided MOU updates at board meetings of Los Angeles Harbor Commissioners, during closed sessions. Mr. Cordero mentioned continual updates are provided to the Long Beach Harbor Commissioners, and the unprecedented number of ships at anchor due to port congestion.

Co-Chair Richardson asked Wayne Nastri/Executive Officer, about the port emission sources where more focus is required, and the plan to turn over approximately 6,000 diesel-powered drayage trucks. Mr. Nastri responded that the drayage truck category is a relatively easy category to address, since the Ports have committed to CTP as a major program of CAAP implementation. However, a successful MOU would need to go beyond what has already been committed. Mr. Nastri added that the Ports have certain authorities, including their landlord authority to renegotiate contract terms at the of the terminal lease, which could be used to accelerate the equipment turnover. Mr. Nastri contrasted the current MOU discussion to testimony he provided in support of the original CAAP in 2006, as the U.S EPA Region 9 Administrator. He acknowledged the ongoing partnership with the Port of Long Beach and the joint effort to secure additional federal funding for clean technology deployment. Finally, Mr. Nastri reiterated the critical importance of early emission reductions and the need for additional emission reduction measures in the potential MOU.

Co-Chair Richardson referenced the September Board Retreat discussion on the potentially devastating impacts of non-attainment on the regional economy. He asked for South Coast AQMD staff and Ports staff to collectively work to identify additional feasible measures to be included in the potential MOU. He expressed an interest in inviting ZE/NZE truck manufacturers for discussions on topics including truck order-to-delivery timeline. He stressed the need to ensure that any measure to accelerate clean technology deployment at the ports would not accelerate the pace of automation. He added that workforce skill training and infrastructure requirements would need to be evaluated and that turnover to clean technology should not exacerbate the issue of labor misclassification. He stated the potential MOU would need to address the near-term plan, including for the Ports to potentially add other funding streams in addition to CTP fee revenue to help co-fund the turnover of the 6,000 diesel-powered drayage truck fleet to ZE/NZE technologies, and to also develop the long-term framework necessary to adequately address issues. Finally, Co-Chair Richardson stated that a potential MOU, as a result of interagency partnerships and stakeholder input, is a path to CAAP implementation by the Ports.

Senator Vanessa Delgado agreed that the Ports staff need to go to their respective boards of Harbor Commissioners to ask for additional authorizations to implement measures that can achieve necessary emission reductions from port sources. She

emphasized the need to measure and track the progress of the implementation of each measure. Co-Chair Buscaino commented that the Port of Los Angeles has made significant investments in clean technology demonstration and deployment, including for clean trucks and CHE, shore power infrastructure, and vessel efficiency improvement, many of which were done through the Ports Technology Advancement Program. However, he stated that more needs to be done. Senator Delgado expressed her appreciation for the work that has been done by the Ports and ongoing partnerships with South Coast AQMD, as port emissions are the largest source in the region, so agencies need to continue working together to further reduce emissions.

Public comments:

Chris Chavez, Coalition for Clean Air, commented that the Ports remain the largest source of emissions in the region and that the emissions of diesel particulate matter from port sources continue to disproportionately impact the health of frontline port communities. He stated that the deployment of ZE/NZE trucks and equipment at the ports have been greatly delayed under a voluntary approach, resulting in diesel-powered trucks and equipment projected to remain in port operations beyond 2050. Mr. Chavez concluded by advocating for an indirect source rule (ISR) for commercial marine ports.

Yassi Kevezade, Sierra Club, echoed the support of an ISR and emphasized the need to go beyond CAAP. Ms. Kevezade cited the health impacts of port emissions on the surrounding communities and added that the Ports should be able to use the revenue generated from the recent high volume of container throughput to fund ZE trucks, equipment and infrastructure to reduce emissions from multiple port sources.

Fernando Gaytan, Earthjustice, supported an ISR because the 2017 CAAP updates no longer address the reality in 2021 and a CTP-only MOU would only produce a fraction of the turnover previously predicted. He called for air quality experts to take charge, as the draft MOU lacks actions on non-truck emission sources. Authority constraints, cited by the Ports staff, signals the failure of an MOU approach.

Jesse Marquez, Coalition for a Safe Environment, expressed full support for an ISR. He commented that a general fee should be charged to beneficial cargo owners. He further stated that currently there are 18 ZE truck models for short-haul operations available for order and delivery next year.

Ramon Ponce de Leon, International Longshore and Warehouse Union (ILWU), stated the need to increase on-dock rail usage. He stated that 75percent of ocean cargos could be transported out of the Ports on rail and 25percent via drayage trucks, which would reverse the current situation and help avoid the significant infrastructure investment needed to satisfy the energy demand from clean trucks. Rich Dines, ILWU, expressed support to transition to on-dock rail. He voiced concern that an ISR would take away good jobs and therefore should not be considered. In response, Adrian Martinez,

Earthjustice, commented that the Warehouse ISR rule and an upcoming major refinery rule were both shown to have little job impacts. He further commented that taxpayer money has gone to fund port operations and the funds need to be used in a way to achieve emission reductions for the ZE future.

Matt Schrap, Harbor Trucking Association, expressed willingness to help facilitate discussions with multiple truck manufacturers. He indicated the lead time from truck order to truck delivery is currently up to one year for all fuel types.

Jacqueline Moore, Pacific Merchant Shipping Association (PMSA), commented that PMSA is a member of the technical working group for the Ports MOU development. She urged the adoption of the original draft MOU (which comprised mainly of the Ports-authorized CTP), while stating that additional emission reduction measures can be discussed outside of the MOU framework, through a public process and under the constraint of the Ports' authority.

OTHER MATTERS:

2. Other Business

There was no other business to report.

3. Public Comment Period

There were no comments to report.

4. Next Meeting Date

TBD

Adjournment

The meeting adjourned at 3:42 p.m.

Attachments

Attendance Record

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MARINE PORT COMMITTEE MEETING**

Attendance – September 28, 2021

Council Member Joe Buscaino	South Coast AQMD Board Member
Senator (Ret.) Vanessa Delgado	South Coast AQMD Board Member
Mayor Pro Tem Larry McCallon	South Coast AQMD Board Member
Vice Mayor Rex Richardson.....	South Coast AQMD Board Member
Jacob Haik.....	Board Consultant (Buscaino)
Amy Wong.....	Board Consultant (Padilla-Campos)
Mark Abramowitz.....	Community Environmental Services
Terry Allen.....	CARB
Eric Anderson	Toyota
Matthew Arms	Port of Long Beach
Angie Balderas.....	Sierra Club
Clare Bachman.....	Public Member
Joe Calavita.....	CARB
Christine Batikian	Port of Los Angeles
Joe Calavita.....	CARB
Erica Calhoun.....	Port of Los Angeles
Todd Campbell.....	Clean Energy Fuels
Christopher Cannon	Port of Los Angeles
Chris Chavez.....	Coalition for Clean Air
La’Shaye Cobleby.....	CARB
Amber Coluso	Port of Los Angeles
Mario Cordero.....	Port of Long Beach
Ramine Cromartie.....	WSPA
Joy Crose.....	Port of Los Angeles
Vanessa Delgado.....	Azure Development
Tim DeMoss.....	Port of Los Angeles
Rich Dines.....	Public Member
Ana Dragin.....	City of Los Angeles
Tim French.....	CLP Chicago
Claire Garcia	Lion Electric
Fernando Gaytan.....	EarthJustice
Michele Grubbs.....	PMSA
Damon Hannaman	SoCal Edison
Jason Henderson	CCEEB
Joseph Hower.....	Ramboll
Lakshmi Jayaram	Ramboll
Jesica Johnson	CARB
Frances Keeler	Peacock Piper

Lee Kindberg	Maersk
Gideon Kracov	Board Member
Zin Lang.....	CARB
Nam Le.....	UFCW 770
Jon Leonard.....	Gladstein
Marcos Luna	Clean Energy Fuels
Stephanie Magnien.....	Port of Los Angeles
Kim Mak	EPA
Terry Maines	Orange EV
Jesse Marquez	Coalition for a Safe Environment
Erick Martell	Port of Los Angeles
Israel Martins	Orange EV
Eric Mathis.....	HTA
Dan McGivney.....	So Cal Gas
Dawn McIntosh.....	City of Long Beach
John McLaurin	PMSA
Jacqueline Moore	PMSA
David Pettit	NRDC
Marvin Pineda.....	Lobby California
Michael Podue	Public Member
Ramon Ponce de Leon	ILWU 13
Dinh Quach	CARB
Bethmarie Quiambao	So Cal Edison
Nadia Ramirez	Clean Energy Fuels
Leela Rao	Port of Long Beach
Stacey Rebaza	Port of Long Beach
Max Reyes	City of Los Angeles
Greg Roche	Clean Energy Fuels
Rohan Davis.....	Public Member
Matt Schrap.....	HTA
Gene Seroka.....	Port of Los Angeles
Chris Shimoda.....	Cal Trucking Association
J. Sidley.....	Port of Los Angeles
Farnaz Soheili	CARB
Margaret Stando.....	Peacock Piper
Till Stoeckenius	Ramboll
Rose Szoke.....	Port of Long Beach
Mark Taylor	Board Consultant (Rutherford)
Heather Tomley	Port of Long Beach
David Tong	Peacock Piper
Eleanor Torres.....	Port of Long Beach
Ivette Torres	Public Member
Nina Turner.....	Port of Long Beach
John Ungvarsky	EPA
James Vernon.....	Port of Long Beach
Cynthia Walaitis.....	Public Member

Peter Whittingham	Public Member
Ross Zelen.....	Board Consultant (Kracov)
Derrick Alatorre	South Coast AQMD Staff
Barbara Baird	South Coast AQMD Staff
Danielle Escontrias	South Coast AQMD Staff
Bay Gilchrist	South Coast AQMD Staff
Sheri Hanizavareh.....	South Coast AQMD Staff
Daphne Hsu.....	South Coast AQMD Staff
Aaron Katzenstein.....	South Coast AQMD Staff
Angela Kim.....	South Coast AQMD Staff
Ian MacMillan.....	South Coast AQMD Staff
Terrance Mann	South Coast AQMD Staff
Matt Miyasato	South Coast AQMD Staff
Wayne Nastri	South Coast AQMD Staff
Denise Peralta Gailey.....	South Coast AQMD Staff
Henry Pourzand	South Coast AQMD Staff
Pavan Rami	South Coast AQMD Staff
Sarah Rees.....	South Coast AQMD Staff
Aisha Reyes	South Coast AQMD Staff
Kathryn Roberts	South Coast AQMD Staff
Denny Shaw	South Coast AQMD Staff
Elaine Shen	South Coast AQMD Staff
Danielle Soto.....	South Coast AQMD Staff
Paul Stroik.....	South Coast AQMD Staff
Lisa Tanaka.....	South Coast AQMD Staff
Veera Tyagi.....	South Coast AQMD Staff
Vicki White.....	South Coast AQMD Staff
Alyssa Yan.....	South Coast AQMD Staff
Rainbow Yeung	South Coast AQMD Staff
Victor Yip	South Coast AQMD Staff