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April 22, 2002

Ms. Kathy Stevens, c/o Planning - CEQA  
South Coast Air Quality Management District  
21865 E. Copley Drive,  
Diamond Bar, California 91765-4182

SUBJECT: DRAFT ENVIRONMENTAL IMPACT REPORT (DEIR):  
ULTRAMAR INC. CARB PHASE 3 PROPOSED PROJECT

Dear Ms. Stevens:

We have the following comments in response to the DEIR for the Ultramar Inc. CARB Phase 3 Proposed Project, primarily with respect to the Ultramar Marine Terminal on Mormon Island in the Port of Los Angeles.

The proposed project includes replacing methyl tertiary-butyl ether (MTBE) with ethanol in reformulated gasoline. The project description refers to modification of the Marine Terminal facilities to handle gasoline and gasoline blending components, but did not specifically refer to ethanol. If the proposed project includes the possible addition of ethanol into the commodity throughput of the Marine Terminal, then, in addition to the perceived overall potential benefits of using ethanol as a gasoline oxygenate, the potential significant negative consequences of an ethanol release should also be considered in the EIR. The Lawrence Livermore National Laboratory report *Health and Environmental Assessment of the Use of Ethanol as a Fuel Oxygenate, Volume 4* (UCRL-AR-135949, 1999) indicates that significant unfavorable consequences are likely with releases of ethanol to the environment, including the potential for ethanol to significantly enhance the mobility of fuel hydrocarbons in soil and groundwater. While this may not be an issue at all project locations we believe it is a serious concern at the Marine Terminal.

We do not agree with the findings that there are no significant impacts from seismic events at the Marine Terminal simply because new construction will comply with the Uniform Building Code requirements. Furthermore, this does not address existing facilities that may not have been built to current seismic standards. Given that the Marine Terminal is located in a mapped seismic liquefaction area, and is adjacent to, if not within the Palos Verdes Fault Zone, there is potential for a significant release of product at the Terminal during a seismic event involving ground rupture and/or soil liquefaction. If this involves a release of neat or denatured ethanol product, this is a potentially significant impact that does not presently exist at this site. If ethanol is handled or stored at the Marine Terminal, the EIR should evaluate the impact

5-1

5-2

of a release of concentrated denatured ethanol product (not gasohol) on the fate and transport of existing vadose zone and groundwater contamination at this facility, and the potential for migration of fuel hydrocarbons to surface waters in the harbor.

5-2  
cont'd

The alternatives analysis appears to be incomplete. The delivery of gas blending components could also be accomplished by Rail or Truck delivery to the refinery. If this alternative was assessed and rejected in the previous EIR we would suggest a summary table of all assessed alternative and the reason for their rejection be included in the FEIR.

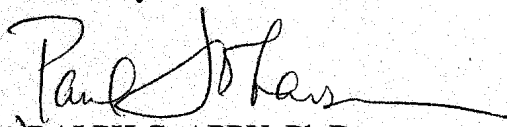
5-3

The lack of any air toxic modeling of diesel particulate is troubling given the SCAQMD MATES II study and some of the findings included. The increase of 65 marine vessels per day in addition to the increased number of truck trips to deliver product might be expected to be the largest air toxic impact. While we appreciate the difficulty in assessing the impacts of mobile source diesel emissions, the current public concerns are focused on this pollutant which is not addressed in the HRA included in the DEIR. This concern is increased by the fact that this project takes place in Wilmington, and area of minority and low-income communities that are already subject to disparate impacts and should be evaluated for environmental justice concerns.

5-4

If you have any questions regarding these comments, please contact Kenneth Ragland at (310) 732-3912.

Sincerely,

  
(for) RALPH G. APPY, Ph.D.  
Director of Environmental Management

RGAPJ:KR  
ADP NO: 010621-514

**COMMENT LETTER NO. 5**  
**LETTER FROM PORT OF LOS ANGELES**

Ralph G. Appy, Ph.D.  
April 22, 2002

**Response 5-1**

The proposed project does not include the transfer or storage of ethanol at the marine terminal. The gasoline blending components referred to in this comment and in the Draft SEIR are expected to include alkylate, isooctane and other similar components. Ultramar is proposing to use a third party for receipt of ethanol and is not proposing to use or store ethanol at its Refinery, marine terminal or storage tank farms. Therefore, a release of ethanol at the Ultramar Marine Terminal will not occur.

**Response 5-2**

CEQA analysis involves the following steps: (1) a discussion of the existing environment; (2) a description of the proposed project; (3) an analysis of the proposed project impacts by comparing the existing environment to the environment as it would exist following implementation of the proposed project to determine any incremental impacts. Significance criteria are used as a measure to determine if the project-related incremental change would be considered "significant." Incremental changes less than the significance criteria are not expected to be significant. The only modifications proposed for the Ultramar marine terminal are to install a secondary seal on the tank and change the service of the tank to allow the storage of naphtha and other organic liquids and will not result in increased geological hazards for the reasons discussed below; therefore, the proposed project impacts were considered to be less than significant. Further, CEQA does not require mitigation of existing hazards but requires mitigation of project-related impacts. The following provides more details that address the specific issues raised by the commentator on the potential geological hazards related to the existing environment and the proposed project impacts.

The SEIR indicates, as part of the environmental setting, that southern California is a seismically active area. The SEIR identifies the maximum credible earthquake along the Palos Verdes Fault Zone as a magnitude 7.0. The significance criteria indicate that the impacts on the geological environment will be considered significant if the proposed project results in the "exposure of people or structures to major geologic hazards such as earthquake surface rupture, ground shaking, seiche or tsunami."

For any new structures in a proposed project, the basis for the less than significant impact is that the construction of new structures must comply with the Uniform Building Code Zone 4 requirements. The Uniform Building Code is considered to be a standard safeguard against major structural failures and loss of life. The goal of the code is to provide structures that will: (1) resist minor earthquakes without damage; (2) resist moderate earthquakes without structural damage, but with some non-structural damage; and (3) resist major earthquakes without collapse, but with some structural and non-structural damage.

Because the proposed project does not involve the installation of new equipment at the Marine Terminal, no new geologic hazards to additional people or structures are expected to occur. The only change at the Marine Terminal is the installation of a secondary seal and a change of service on an existing storage tank. Therefore, the proposed project impacts on geological hazards are less than significant.

Ethanol will not be delivered, transferred, handled or stored at the Marine Terminal so the comment regarding ethanol and the potential for an ethanol release is not applicable to the Marine Terminal. See Response 5-1.

In conclusion, the geological impacts at the Marine Terminal are less than significant because: no new structures will be constructed at the site; no new people will be exposed to geological hazards at the site; and even though no new structures are included as part of the proposed project, any new structures require compliance with the Uniform Building Code which has been designed to account for development in seismically active areas.

### **Response 5-3**

The SCAQMD disagrees with the commentator's opinion that the alternatives analysis is incomplete. The proposed project evaluated in the previous EIR included the transport of ethanol via railcar. Alternatives to the proposed project evaluated in the previous EIR included the transport of ethanol via trucks and marine vessel (SCAQMD 2001). A brief description of the alternatives evaluated in the previous EIR and their reasons for rejection are summarized on page 6-2 of the Final SEIR.

### **Response 5-4**

The potential impacts of toxic air contaminant emissions associated with marine vessels were addressed in the SEIR (see 4-27). The SEIR includes an estimate of the increased emissions of TACs from marine vessel auxiliary engines during hotelling, air quality modeling to determine the ground level concentrations, and health risk concentrations to determine the potential health impacts. The cancer risk, acute health effects and chronic health effects associated with marine vessel emissions were determined to be below the significance criteria and less than significant.