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SCAQMD Marine Port Committee Members
South Coast Air Quality Management District
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[submitted electronically to descontrias@aqmd.gov]

SCAQMD Marine Port Committee Members:

Over the past few months, the Port of Los Angeles (POLA) has engaged South Coast Air Quality Management District's (SCAQMD) staff in continued negotiations regarding the draft Memorandum of Understanding (MOU) between our respective agencies. Our common goal is to improve air quality in the Southern California Air Basin as effectively as possible. We remain committed to achieve this goal through actions implemented under our Clean Air Action Plan (CAAP). POLA is currently proceeding on the following CAAP programs, many of which still require consideration by our Board of Harbor Commissioners (Board):

- Collection of Clean Truck Fund (CTF) Rate will commence by April 1, 2022. All POLA proceeds – anticipated to be up to \$130M over the first three years (~\$45M in year 1) – will be dedicated to the purchase of zero-emission (ZE) trucks and associated infrastructure. Funding will be allocated at the time of truck purchase or as needed for infrastructure.
- Initial \$3M POLA Incentive Program RFP for 10 ZE trucks to be released 4Q 2021.
- Further \$20M POLA ZE truck program to occur in the first half of 2022 to complement CARB voucher programs.
- Developing an Incentive Spending Plan to detail spending programs for collected CTF Rate funds.
- Staff is currently analyzing an optimized Vessel Speed Reduction (VSR) program, including potential reduced speeds and further distances. These details will undergo a CAAP stakeholder review process before being brought to our Board for consideration.

- We are studying ways to modify POLA incentives amounts and scoring criteria in the Environmental Ship Index (ESI) program to encourage further NOx and greenhouse gas reductions. We look forward to working with international stakeholders, as well as SCAQMD and other CAAP stakeholders, on ESI program developments to maximize the emissions benefits of our participation in the ESI program before bringing this to our Board for consideration.
- We are coordinating with international stakeholders to develop an extensive voluntary Green Ship Corridor program, which is expected to include decarbonization of ship fuels, reduced carbon terminal operations, ZE tug prototype testing, and deployment of zero carbon ships by 2030.
- Ongoing support for ZE demonstration and pilot programs throughout the basin across all types of mobile emissions sources at POLA, including \$1.5M in POLA cost-share support for SCAQMD Joint Electric Truck Scaling Initiative (JETSI) Project, and testing of a prototype ZE locomotive.

As has been shared with SCAQMD staff over the course of our negotiations, the CAAP relies on a stakeholder process. Using the CAAP approach, POLA remains open to entering into an MOU; however, development of new measures takes time and requires Board approval, including the Charter-mandated Los Angeles City Council review period. For example, the process for our CTF Rate tariff was conducted over the last few months with stakeholder engagement, as directed by our Board, and led us to support the need to focus entirely on zero emissions development and deployment in order to concurrently achieve our climate goals, and continue to reduce criteria pollutant emissions and health risk. In fact, since commencement of the CAAP in 2006, we have reduced health risk associated with port related activities by approximately 85%. These reductions have helped to cause health risk impacts shown in the Multiple Air Toxics Exposure Study (MATES) assessment to decline substantially. Our ZE goals will make even more substantial reductions in health risk, which we expect will be reflected in future MATES assessments as our ZE programs are implemented.

While POLA is open to developing new measures, we remain supportive of the MOU concept from 2018 wherein the MOU parties worked together on a process for SCAQMD to obtain State Implementation Plan (SIP) credit for 2017 CAAP programs. SCAQMD agreed that any shortfall in SIP creditable emissions from CAAP programs would be made up by SCAQMD from other sources in the Southern California Air Basin (Basin). We continue to support this process as the ideal way to coordinate our efforts with SCAQMD to quantify emission reduction benefits in the Basin, within our respective legal authorities.

In addition, we understand the SCAQMD intends to initiate the rulemaking process for an Indirect Source Rule (ISR) or backstop rule, even if an MOU is agreed upon. If true, we do not believe this is within the spirit of the MOU negotiations. We have operated under

the belief that the MOU process was designed to allow the Port and SCAQMD to agree upon a way for SCAQMD to plan for CAAP program benefits in the SIP in lieu of a regulation. Some key stakeholders will find it difficult to support negotiation of an MOU if an ISR rulemaking is concurrently underway. More importantly, we believe the rulemaking process will make it challenging to develop and implement new CAAP programs, as we believe stakeholders will not participate to the fullest extent while rulemaking is underway, preferring instead to wait and see what requirements will be imposed beyond collaboratively developed CAAP programs.

We remain committed to working with SCAQMD to ensure the CAAP continues to support SCAQMD in achieving its goals. Together, we can work to add to measures currently underway or under development in order to achieve our shared goals with respect to local air pollution and global climate change.

Respectfully,



EUGENE D. SEROKA
Executive Director

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