



**South Coast
Air Quality Management District**
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MARINE PORT COMMITTEE MEETING

Committee Members

Council Member Joe Buscaino, Co-Chair
Vice Mayor Rex Richardson, Co-Chair
Supervisor Lisa Bartlett
Senator Vanessa Delgado (Ret.)
Board Member Veronica Padilla-Campos
Mayor Pro Tem Larry McCallon

November 19, 2021

**Immediately after Investment Oversight Committee and
Technology Committee, but no sooner than 1:00 p.m.**

Pursuant to Assembly Bill 361, South Coast AQMD Marine Port Committee meeting will be held no sooner than 1:00 p.m. on Friday, November 19, 2021, through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and/or virtual attendance via videoconferencing and by telephone.

Given health and safety concerns, auditorium seating availability may be limited, and the meeting format may be changed to full remote via webcast. Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

Proof of vaccination or a negative COVID test within 72 hours prior to the start of the meeting will be required for admittance into the auditorium.

Proof of COVID-19 Vaccination includes:

- COVID-19 Vaccination Record Card (issued by the Department of Health and Human Services Centers for Disease Control & Prevention or WHO Yellow Card1) which includes name of person vaccinated, type of vaccine provided and date doses administered); OR
- A photo of a vaccination card as a separate document; OR
- A photo of the vaccine card stored on a phone or electronic device; OR
- Documentation of vaccination from a healthcare provider; OR
- [Digital record](#) that includes a QR code that when scanned by a SMART Health Card reader displays to the reader: name, date of birth, vaccine dates and vaccine type

REMINDER: Mask wearing is required indoors during the meeting.

ELECTRONIC PARTICIPATION INFORMATION (Instructions provided at bottom of the agenda)

Join Zoom Webinar Meeting - from PC or Laptop

<https://scaqmd.zoom.us/j/98466767033>

Meeting ID: 984 6676 7033 (applies to all)

Teleconference Dial In +1 669 900 6833 or

One tap mobile +16699006833,,94589960931#

Audience will be allowed to provide public comment in person or through Zoom connection or telephone.

PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.

CALL TO ORDER

ROLL CALL

INFORMATIONAL ITEM

1. Update on Port MOU Process (20 mins)
(No Motion Required)

Staff will provide a status update on the Ports MOU progress since the previous Marine Port Committee meeting.

Ian MacMillan
Assistant Deputy
Executive Officer

OTHER MATTERS

2. Other Business

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Gov't. Code Section 54954.2)

3. Public Comment Period

At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.

4. Next Meeting Date: TBD

ADJOURNMENT

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Marine Port Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact Danielle Escontrias at (909) 396-2422 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to descontrias@aqmd.gov.

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Danielle Escontrias at (909) 396-2422 or send the request to descontrias@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chairman will announce public comment.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the “Raise Hand” button on the bottom of the screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the “Raise Hand” button on the bottom of your screen.

- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please dial *9 on your keypad to signal that you would like to comment.

Update on MOU Discussions with Ports of Los Angeles and Long Beach

Marine Port Committee

November 19, 2021

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Background

- In August 2021, the Board directed staff to continue pursuing an MOU with ports of LA and LB
 - After four months (December), staff should begin internal research on port Indirect Source Rule (ISR) concepts
 - If a MOU is not fully executed after six months (February), staff should pivot fully to developing an ISR
- Staff initiated weekly conference calls with POLA, POLB, and CARB to discuss potential MOU concepts
 - More discussions have occurred recently with POLB than with POLA
- Focus of staff's effort is to identify opportunities to reduce emissions

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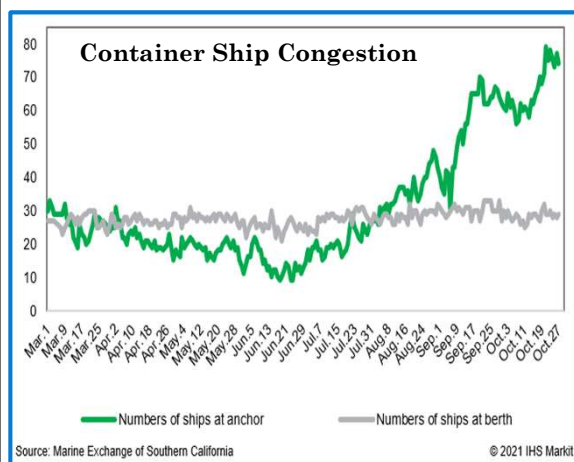
Status Update on MOU Discussions

- Port of Long Beach has described a potential proposal that includes additional measures beyond those in the previous draft MOU
- POLB's proposal addresses several key areas including:
 - Advancing funding to accelerate replacement of drayage trucks
 - Vessel and cargo handling equipment measures
 - Investments in On-Dock Rail
- AQMD and POLB staff are continuing to meet to discuss and evaluate the proposal
- To date, no draft MOU language has been agreed upon by staff from either port and South Coast AQMD, however discussions with both ports are continuing

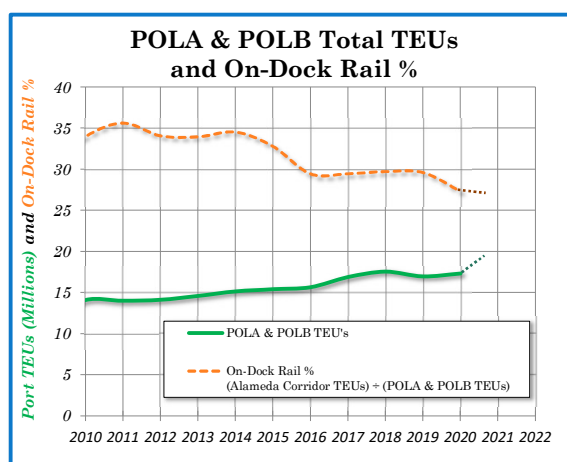
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Current Goods Movement Activity



More Ship Congestion = More Emissions



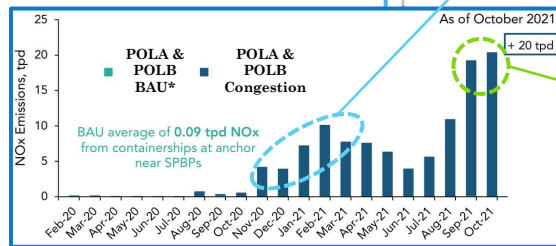
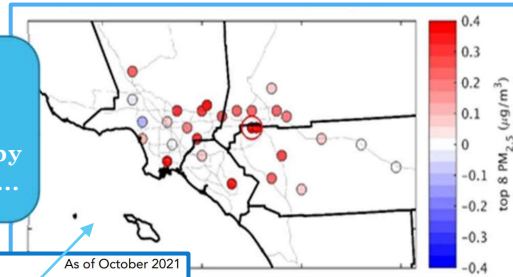
Less On-Dock Rail = More Trucking
= More Emissions

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Air Quality Impacts from Port Congestion

Previous staff modeling analysis found that additional emissions during springtime from vessel congestion increased PM2.5 levels by up to 0.5 ug/m³ in inland areas, but...



...CARB analysis shows that emissions levels are even higher today**

https://ww2.arb.ca.gov/sites/default/files/2021-11/SPBP_Congestion_Anchorage_Emissions_Final.pdf

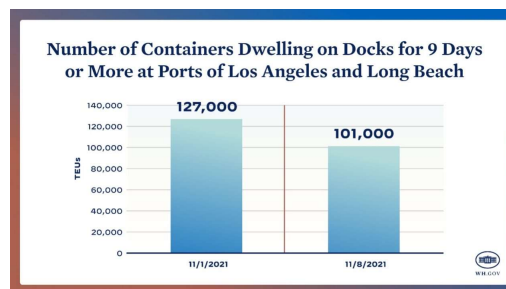
* BAU = Business As Usual

** Potential impact today may not be proportionally higher due to complex atmospheric chemistry and different season

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Recent Actions at the Ports

- POLA and POLB adopted \$100 per day fee for container demurrage in record time
 - Both ports used their tariff authority to charge ocean carriers for containers that exceed specified time limits on dock
 - Stated purpose of fee is to reduce container dwell time
 - Fees go into effect 11/15/2021
 - Financial windfall for ports from new fee uncertain
 - Spending plan for any revenues collected uncertain
- New queuing process for vessels
 - Put forward by PMSA, PMA, Marine Exchange
 - Arrival queue to be based on departure date from last port of call rather than current practice of first arrival to 20 nm boundary
- Both ports moving towards more 24/7 operations



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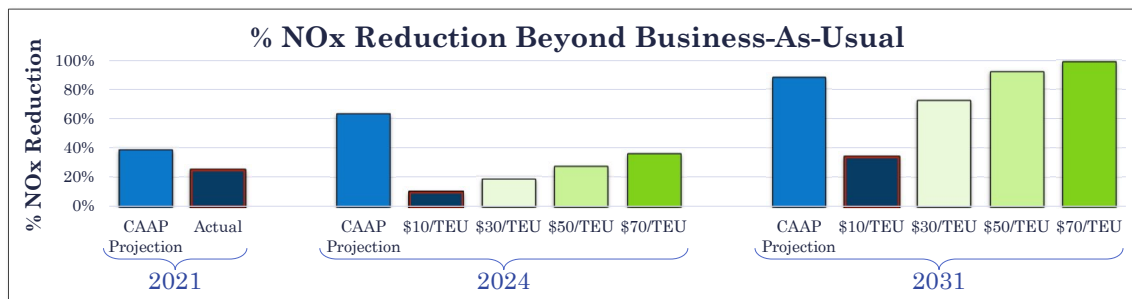
Recent Actions at the Ports (cont'd)

- Clean Truck Fund Rate adopted by both ports
 - \$10/TEU rate collection to begin at both ports 4/1/2022
 - ZE trucks exempt forever
 - Exemptions for low NOx natural gas thru 2031 (POLB) and 2037 (POLA)
- Fund usage
 - Ports expect to jointly collect ~\$90 million per year to start
 - POLA funds to be used solely for ZE trucks
 - POLB funds to be used for low NOx natural gas and ZE trucks (at least 10%) thru 2023, anticipating full funding for ZE trucks thereafter

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Preliminary Estimate of Anticipated Result of Clean Truck Fund Rate*



- Clean Air Action Plan (CAAP) projected that Clean Truck Fund (CTF) Program would result in at least **5%** turnover per year in worst-case scenario
- Staff projects that current CTF Program @ \$10/TEU will fund about **2%** turnover per year in optimistic scenario

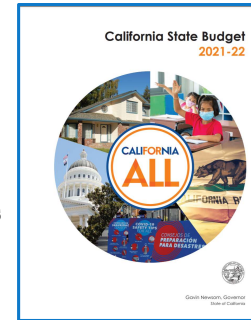
* Notes: CTF Program assumptions are optimistic while CAAP projections are worst-case scenarios presented in the CAAP.
 Estimate for CTF Program assumes current program design and:
 • \$125,000 incentive for Low NOx NG trucks
 • \$225,000 incentive for ZE trucks scaling down to \$50,000 by 2031 assuming optimistic price reductions
 • 800 extra ZE drayage trucks added in 2024 due to state budget/Project 800
 • Scenarios assume turnover based on funding, not on behavioral changes

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Recent State Actions

- State Budget (2021-2022)
 - \$1.3 billion for 1,000 each of drayage trucks, transit buses, and school buses
 - \$0.5 billion for trucks, buses, off-road equipment
 - \$0.2 billion for ZE charging/fueling infrastructure
 - \$0.045 billion for Low NOx NG trucks
- Partnership between CA and US Dept. of Transp. on \$5 billion loan program
 - Port-specific upgrades;
 - Expanding capacity for freight rail;
 - Developing inland port facilities for increased warehouse storage;
 - Railyard and truck electrification;
 - Highway upgrades to improve truck travel times;
 - Grade-separated crossings to reduce the number of rail-street intersections and improve safety and efficiency
 - Etc.

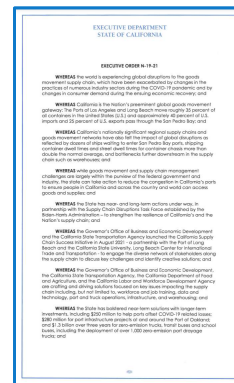


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Recent State Actions (cont'd)

- Governor's Executive Order (N-19-21)
 - Identify temporary new overweight limit truck routes
 - Identify and facilitate use of new locations for storage to help alleviate congestion
 - Continue workforce development for high-road jobs in this industry
 - Directs state agencies to assist in immediate efforts and to develop longer range proposals for next year's budget
 - Continue to partner with federal govt.
- In October 2021, the Port of San Diego adopted its Maritime Clean Air Strategy
 - Includes a health objective to collaborate on development of an ISR



Health Objective 4: Collaborate with the San Diego Air Pollution Control District (SDAPCD) as they evaluate and consider developing a new rule to control emissions from indirect sources, in accordance with the timelines and dates established by the SDAPCD.



Goes Beyond State Requirements



Improved Health



Education and Training

Note: On May 7, 2021, the SCAQMD adopted Rule 2305, which is an indirect source rule (ISR) that regulates warehouse facilities to reduce air pollutant emissions from the goods movement industry. New requirements under this rule include zero emission or near-zero emissions trucks and on-site zero emission charging or fueling infrastructure. The adoption of this ISR rule is expected to substantially reduce GHG emissions from warehouse operations and, in turn, protect the vulnerable disadvantaged communities near them. SCAQMD's Rule 2305 may be a useful rule to explore as the SDAPCD evaluates developing an ISR for the San Diego region.

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Recent Federal Actions

- Infrastructure bill
 - \$7.5B for charging/fueling infrastructure
 - \$455M for port infrastructure
 - \$80M for Department of Transportation program to lower truck emissions at ports
 - \$200M for Department of Energy demonstration to repurpose batteries
 - Funding for clean hydrogen programs and an expansion of Department of Energy loan program for light and heavy-duty vehicles
 - \$73B for energy infrastructure
- Potential additional actions in pending Build Back Better bill

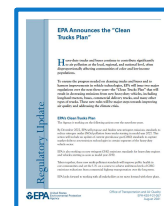


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Recent Federal Actions

- EPA Clean Trucks Plan
 - New truck standard expected in 2027
- Clydebank Declaration on Ocean Going Vessels
 - Partner countries will work together to invest in clean-energy infrastructure at partner ports to facilitate 'green corridors'
 - Current major trans-pacific shipping partners with U.S. are Japan and Canada
 - Aligns with South Coast AQMD work on PRIMER Initiative
- U.S. co-leading Zero Emission Shipping Mission as part of Global Mission Innovation Initiative
 - The goal: For ships capable of running on zero-emission fuels to make up at least 5% of the global deep-sea fleet by 2030 – and at least 200 of these ships to primarily use these fuels across the main deep sea shipping routes



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Next Steps

- Continue to identify potential opportunities to achieve significant emission reductions from port sources in collaboration with the ports
 - Current MOU effort and/or other opportunities
- Begin high level review of concepts provided by POLB
- Ensure that workforce and labor concerns are addressed
- Prioritize solutions for air quality impacts in disadvantaged communities
- Return to Marine Port Committee for an update in January