



September 16th, 2025

Chair Delgado and Members of the Governing Board
South Coast Air Quality Management District (South Coast AQMD)
21865 Copley Drive
Diamond Bar, CA 91765

Subject: Comments Relating To Pivot to MOU

Dear South Coast Air Quality Management (South Coast AQMD) Staff and Governing Board,

In a period of just two weeks, the San Pedro Bay ports derailed a multi-year public rulemaking process by submitting a self-serving proposal packed with pre-existing contract obligations disguised as new commitments. In their proposal, they promise to do what they are already committed to do and demand that you get in line and cheer them on. This maneuver abruptly shifted the process from a transparent public engagement to an opaque, closed-door negotiation. As a result, we now risk losing the first-ever enforceable regulation holding the ports accountable under the district's authority to control indirect sources of air pollution. This reversal undermines the integrity of the district's decision-making. It sets a bad precedent, both in terms of substance as well as process.

It is important to note that community members, public health experts and environmental and environmental justice advocates have participated in both the indirect source review (ISR) rule and, to the greatest extent possible, closed-door memorandum of understanding (MOU) processes. Over the years, our organizations have provided suggestions and constructive feedback to South Coast AQMD through extensive written and verbal testimony. We have participated in nearly every public hearing, working group meeting and community outreach session related to the ports. This is despite many of these meetings taking place during working hours and many of our allied organizations representing low-income and monolingual residents.

We have been consistent and clear in our desire for enforceable emission reductions and accountability to portside communities. History has shown that a significant portion of the emission reductions the ports take credit for can be attributed to statewide [CARB rules and enforcement](#) rather than voluntary efforts. Yet, we have also been willing to accept compromise and incrementalism, such as South Coast AQMD's "infrastructure first" ISR proposal. This stands in sharp contrast to rule opponents, who have moved goal posts, sprung last minute demands and counter proposals and sought statewide legislation to undermine South Coast AQMD's ability to reduce air pollution.

That the ports recently threatened to leave negotiations with the district if it does not completely capitulate and drop any regulatory framework should be alarming to the AQMD board. The district should not acquiesce to the ports' ultimatum by abandoning the Indirect Source Rule. The ports and

AQMD have gone through two previous unsuccessful MOU processes; with the most recent having failed in part due to the ports' insistence on punitive language aimed at the district and restrictions on AQMD's ability to ensure emission reductions beyond partial implementation of the San Pedro Bay Ports 2017 Clean Air Action Plan.

The ports' July 18th 2025 MOU proposal (the most recent publicly available proposal) presents major substantive problems. First and foremost is that the "cooperative agreement" would strip South Coast AQMD of its rulemaking authority for 10 years. Instead, the ports would follow a plan of their own design and have complete control over how, when or even *if* it is implemented. In other words, all "commitments" in the proposed MOU are voluntary, which is completely unacceptable considering that the ports are the region's largest emitter of NOx in the smoggiest air basin in the country. While the ports tout their significant emission reductions since 2005, the vast majority of those reductions took place over a decade ago.

Further, the proposed MOU explicitly shields the ports from any accountability to communities, as well as provides no details on how South Coast AQMD would be able to enforce it. Under this proposal, South Coast AQMD would merely be an observer and the people who must contend with the impacts of air pollution would have no ability to compel compliance with the agreement. Lastly, the MOU proposal also does not address how either it or its port projects will comply with the California Environmental Quality Act (CEQA) and the district's obligation to implement "all feasible measures" as required by state law.

Additionally, the proposed MOU's process is fundamentally flawed. It cannot be forgotten that the current MOU proposal essentially hijacked the ISR rulemaking process. How can impacted communities and the broader public participate when negotiations between the district and the ports are behind closed-doors? That a polluter can upend a multi-year public rulemaking process with a last-minute MOU offer is worrying both in terms of protecting public health as well as basic good governance.

While the proposed Indirect Source Review Rule is focused on infrastructure, it would at least ensure some level of accountability. Moreover, should the ISR become a [State Implementation Plan \(SIP\)](#) requirement in the future, it will also become publicly enforceable. Including emissions reduction measures as a part of this plan would make it even more robust. The proposed rule takes an incremental approach and would only require an infrastructure plan, which both ports already have underway as demonstrated by the EPRI 2023 Technical Assessment for Zero-Emission Planning and Grid Assessment for the Port of Los Angeles, the ENGIE Impact Assessing Reliability and Resilience of Power Systems Study at the Port of Long Beach and a ZE Infrastructure Master Plan for Terminal Equipment mentioned in the March 2024 CAAP update for both ports. Rule opponents have failed to demonstrate how putting together a plan would cause economic and job losses.

Let us not scuttle the Indirect Source Review Rule in favor of closed door deals. Whatever the district decides on will establish a precedent - will AQMD craft a modest, incremental rule or will you go with the self-policing scheme the ports sprung at the last moment? SCAQMD must fulfill its responsibility to provide public accountability, transparency, and most importantly, to reduce air pollution.

Sincerely,

Dori Chandler
Policy Advocate, Coalition for Clean Air

Chris Chavez
Deputy Policy Director, Coalition for Clean Air

Cc:
Members of the South Coast AQMD Governing Board
Wayne Nastri, Executive Officer, South Coast Air Quality Management District
Sarah Rees, Deputy Executive Officer
Ian MacMilan, Assistant Deputy Executive Officer