

May 12, 2024

Chair Cacciotti and Members of the Governing Board  
South Coast Air Quality Management District  
21865 Copley Dr.  
Diamond Bar, CA 91765

**RE: CAAP Plus Measures Recommendations for Ports Cooperative Agreement**

Dear Chair Cacciotti and Members of the South Coast Air Quality Management Governing Board,

The San Pedro Bay Ports remain a major source of pollution and one of the largest single-fixed sources of smog-forming emission in California. To protect port communities and port workers' health, Pacific Environment offers the following recommendations on the Clean Air Action Plan Plus (CAAP) measures for inclusion in the Ports' Cooperative Agreement with the South Coast Air Quality Management District. These recommendations present an important opportunity to strengthen existing programs, accelerate emissions reductions, and advance zero-emission port operations in the San Pedro Bay, while delivering clean air and public health benefits to impacted communities.

Pacific Environment urges the Ports and the South Coast AQMD to adopt the following measures:

**Prioritize Operational Incentives, Including Green Docking Incentives.**

- Accelerate the adoption of limited, early-stage green fuels by granting operational priority—such as first-in-line berthing—to vessels that demonstrate near-zero or zero lifecycle greenhouse gas emissions. This operational incentive may directly address key priorities for ship operators, including schedule reliability, reduced waiting times, lower fuel consumption, and minimized opportunity costs.

- Encourage deployment of zero- and near-zero lifecycle emission fuels, such as green methanol, green ammonia, and green hydrogen, while ending incentives that prolongs reliance on fossil LNG.

### **Strengthen and Expand Financial Incentives and Program Investments**

- Include a commitment to allocate at least \$10 million toward enhancements to the Environmental Ship Index (ESI) “2.0” Program. These updates should account for the cost differential between conventional bunker fuels and green fuels and ensure that dual-fuel vessels are incentivized to call at the ports.
- Redirect any unused funds to the Technology Advancement Program for ocean-going vessels, harbor craft, and other zero-emission projects at the Ports.

### **Implement Progressive Port Fees to Accelerate Harbor Craft Transition**

- Adopt an escalating fee structure for higher-emitting vessels (i.e. Tier 0-II engines), building models such as the Clean Truck Fund. Revenues generated from these fees should be reinvested into clean technologies, electrification, and community air quality programs.
- Funds could support enhancements to ESI 2.0, incentives and rebates for vessels utilizing Tier III or cleaner technologies—including wind-assist propulsion systems—and other port electrification initiatives such as shore-power infrastructure.
- Increase fees over time with clear milestone years to encourage early retrofits, repowers, and fleet replacement. Additional measures could include operational restrictions or targeted fees for high-polluting repeat callers. At least a portion of revenues should support community air quality mitigation programs in impacted port communities.

### **Strengthen Green Shipping Corridor and Operational Measures**

- Use the Cooperative Agreement to further leverage and strengthen existing green shipping corridor partnerships. This could involve establishing minimum engine performance standards (Tier III or better), accelerating deployment of emissions-reduction technologies such as wind-assisted propulsion, and advancing more ambitious targets than those currently set by the International Maritime Organization targets.

- Operational incentives—including port fee reductions, priority berthing, and other preferential measures—should be used to encourage participation and accelerate compliance along these corridors.
- The Ports and the South Coast AQMD should also coordinate closely with the CARB as Vessel Speed Reduction enhancements are developed, particularly in light of CARB’s ongoing research with UC Riverside on Tier III OGV main engine emissions at low loads. Such coordination can help avoid duplication of effort and ensure that operational measures effectively reduce excess emissions impacting frontline communities.

To protect port communities and port workers, Pacific Environment supports policies and incentives to accelerate emission reductions from ocean-going vessels (OGV’s) and harbor crafts. The San Pedro Bay Ports play a critical role in this transition by providing the green marine infrastructure needed for zero-emission shipping, incentivizing the maritime industry to deploy their cleanest fleets here, and coordinating the diverse stakeholders needed to support this transition, including labor and environmental justice. Given the South Coast AQMD’s federal and state mandates to bring the region into compliance with air quality standards, the agencies involved are uniquely positioned to help drive and enforce these efforts.

Thank you for the opportunity to provide these recommendations. We appreciate your consideration and welcome the opportunity to discuss these ideas further.

**Sincerely,**

**Davina Hurt**

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Pacific Environment

**Cristhian Tapia-Delgado**

*Climate Campaigner, Southern California*  
Pacific Environment

**Reemah Bzeih**

*State Climate Manager*  
Pacific Environment

cc:

Los Angeles Mayor Bass

Long Beach Mayor Richardson

Los Angeles Board of Harbor Commissioners

Long Beach Board of Harbor Commissioners

Heather Tomley, Managing Director of Planning & Environmental Affairs, Port of Long Beach

Lisa Wunder, Director of Environmental Management, Port of Los Angeles

Ian MacMillan, Assistant Deputy Executive Officer, South Coast Air Quality Management District