



May 29, 2026

Mayor Karen Bass  
City of Los Angeles  
200 N. Spring St.  
Los Angeles, California 90012

Mayor Rex Richardson  
City of Long Beach  
411 W. Ocean Boulevard  
Long Beach, California 90802

Chair Michael Cacciotti and Members of the Governing Board  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, California 91765

**Subject: Comments on the Proposed Addendum to the Cooperative Agreement**

Thank you for the opportunity to provide these comments on behalf of the members of the Pacific Merchant Shipping Association (PMSA), the ocean carriers, marine terminal operators, harbor craft operators, and other maritime interests operating in the Ports of Long Beach and Los Angeles. Representing these companies, PMSA has a significant stake in a positive and productive outcome of the negotiation of the Cooperative Agreement and the development of the "CAAP-Plus Measures." PMSA would also like to applaud the Port of Long Beach (POLB), the Port of Los Angeles (POLA), and the South Coast Air Quality Management District (SCAQMD) for implementing an inclusive, deliberative, and serious process for developing the CAAP-Plus Measures. The proposed Addendum is an important step in completing this process.

PMSA respectfully submits for your consideration the following comments and recommendations on ways to strengthen the feasibility and efficacy of the proposed Addendum, elevate these deliberations, and ultimately accelerate the transition to a zero-emissions future. This letter builds on our letter of May 5<sup>th</sup> and responds to the specific language of the proposed Addendum. PMSA requests that the two letters be considered together with respect to the proposed Addendum.

**The Ports Cannot Delegate Determination of Consistency with the Tidelands Trust**

As you know, PMSA has a long and strong history of defending the Tidelands Trust doctrine against incursions and interpretations that seek to shift funding or responsibility from the Trust's grantee agencies. The Trust's requirements are no less important in the implementation of the Cooperative Agreement or this proposed Addendum.

As the proposed Addendum makes clear, the Ports of Los Angeles and Long Beach have sole responsibility to determine compliance with the Tidelands Trust (Attachment A3, Section A, Paragraph 5). However, the very next sentence implies that SCAQMD will determine compliance subject to a list of criteria prepared by the ports. Such an approach would effectively delegate Tidelands Trust compliance to SCAQMD staff and their interpretation of the list of criteria. This is unacceptable. The ports cannot delegate their authority through any mechanism to SCAQMD. The second sentence of Paragraph 5 must be deleted and only acknowledge that “[e]ach Port is solely responsible in determine that any funded project complies with the Tidelands Trust doctrine.”

#### **\$4 Million in Funding to Administer a Handful of Infrastructure Projects is Excessive**

Under the proposed addendum, the ports will contribute a combined \$40 million to support off-port infrastructure. This will likely result in between one or two dozen projects at most. Yet, the proposed addendum is proposing \$4 million in administrative funding for SCAQMD staff to be taken from the \$40 million. The \$4 million in administrative funding would cover one full-time person for 20 years. This is excessive, as there is no circumstance that would require that level of effort for overseeing a dozen or so projects. Worse, that amount of administrative funding will reduce the effective amount of funding available for real projects that would provide real benefits to the trucking community and local neighborhoods that otherwise will not be funded.

A truly just outcome would see SCAQMD fund the administrative expenses as an in-kind contribution to a project that would benefit the entire region from its \$225 million budget and 1,030 staff positions. If the ports are expected to contribute fund to support the one full-time person necessary for five years, the term of the agreement, this could be done in a manner which is more reasonable. To meet that potentially excessive level of \$1 million in funding, the current proposed funding must be cut by 75%. That would mean more funding for projects and reasonable and also be a more fiducially-responsible level of funding, and a clear nexus to the ports’ offsite funding. Further, since funding one person for 20 years cannot be justified in any circumstance for the proposed 5-year project that funding would also likely not be consistent with the ports’ Tidelands Trust responsibilities. Without a clear justification for the funding, there is no nexus for Tidelands funds to be transferred. Instances where similar transfers happened in the past were determined to violate Tidelands Trust requirements. For example, in 1996, the City of Los Angeles was successfully sued after it attempted to divert funding for non-port uses.

#### **PMSA Supports and Recommends Improvements for an Enhanced Clean Ship Incentive Program**

PMSA supports an Enhanced Clean Ship Incentive and the programs described in the preamble, including a Clean Marine Fuel Pilot Project and a study of low-speed vessel emissions. Incentives for the cleanest ships serve the needs of alternatively-fueled vessels and are important to increase visits.

In addition, an enhanced vessel incentive should consider ocean carriers participation in existing and future green shipping corridors (GSCs) that serve the San Pedro Bay ports. Participation in GSCs are a strong indication of organizational commitment to decarbonization and reducing emissions. Holistic actions that move an organization to greater commitments should be acknowledged in assessing whether individual vessels qualify for Clean Ship Incentives. Similarly, the incentive should also take into

account the entire scope of an ocean carrier's global deployment of clean ships. The greater number of clean vessels globally will translate into a greater likelihood of clean vessels being deployed to San Pedro Bay. Ocean carriers should be incentivized to grow their fleet of clean vessels.

#### **The Proposed Addendum Fails to Include Targets for Utility Action**

Throughout the development of the Cooperative Agreement, it has been clear that the single most important critical variable in the transition timeline for a zero-emissions future is the question of when the necessary supporting utility infrastructure will be in place. As a result, PMSA proposes a Facilitating Measure in the proposed Addendum that would require SCAQMD, POLA, and POLB to solicit timelines from the utilities for detailed targets for the utilities' actions which are identified as necessary for the zero-emissions transition, with regular updates. While the Cooperative Agreement requires infrastructure plans, those will be reasonably centered on port actions that are important but not a substitute for the development of utility infrastructure. Through this proposed Facilitating Measure, the ports and the District can share with us and the public where the utilities actually are in delivering the needed infrastructure.

#### **Improved Port Support for Zero-Emission Infrastructure in the Port Complex**

It is concerning that \$40 million have been identified for off-port infrastructure, but no port funding has been identified in the proposed Addendum for on-port infrastructure to support the CAAP Plus measures. It is critical that the ports identify funding for infrastructure to support on-port improvements.

#### **Include Incentives for the use of Clean Alternative Fuels**

The proposed Addendum includes incentives for ZE truck utilization but does not do the same for other port sources, including oceangoing vessels. This is an oversight. As a result of policies, California has the highest energy costs in the nation. Whether it is electricity or conventional fuels, California is unsurpassed for unaffordable energy that hampers the transition to new technologies. A critical step that the District and the ports could take would be to provide an incentive that would buy down the price of electricity, green hydrogen, green methanol, and green liquefied natural gas, and potentially other fuels. Such an incentive could bring several benefits. First, since it is a use-based incentive, the benefit accrues with every dollar spent. Second, a fuel incentive would encourage equipment operators to prioritize the use of clean technologies over conventional technologies in mixed fleets. Finally, there are existing situations where green fuels could be used in dual fuel technologies but are not, particularly as a marine fuel.

#### **ZE Truck Utilization Incentive**

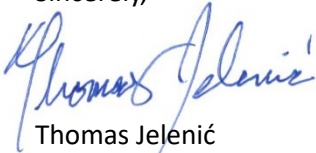
PMSA is pleased that the ports and SCAQMD have proposed the ZE Truck Utilization as a port-level trip-based incentive rather than attempting to develop programs that focus on the interface between on-road trucks and marine terminals. Every terminal in San Pedro Bay has significant differences in operations and no single program would likely meet the operational needs of the various terminals and achieve the goals of increasing ZE truck utilization. In fact, a terminal-focused approach could potentially increase idling and emissions if it unintentionally interferes with terminal operations. A trip-based

approach administered by the ports is the right approach. It provides a consistent approach across all terminals and does not implicate specific terminal operations.

**Conclusion**

PMSA looks forward to continuing to work through this process and the successful adoption of the proposed Addendum with the recommendations noted above. With those changes, the Addendum should move swiftly to the respective Boards of the SCAQMD, POLA, and POLB in August.

Sincerely,

A handwritten signature in blue ink that reads "Thomas Jelenić". The signature is fluid and cursive, with the first name being more prominent.

Thomas Jelenić  
Vice President

cc: Port of Los Angeles Board of Harbor Commissioners  
Port of Long Beach Board of Harbor Commissioners  
Gene Seroka, Port of Los Angeles  
Noel Hacegaba, Port of Long Beach  
Wayne Nastri, South Coast Air Quality Management District