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Executive Director

June 20, 2016

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, California 95814
Via email: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Dear Members of the California Air Resources Board:

SUBJECT: PORT OF LOS ANGELES COMMENTS ON FISCAL YEAR 2016-17 LOW CARBON TRANSPORTATION INVESTMENTS/AIR QUALITY IMPROVEMENT PROGRAM FUNDING PLAN

The City of Los Angeles Harbor Department, commonly referred to as the Port of Los Angeles (Port), appreciates the opportunity to comment on the California Air Resources Board's (ARB) FY 2016-2017 Funding Plan for the Low Carbon Transportation Investments and the Air Quality Improvement Program (LCTF/AQIP). The Port has worked aggressively, in partnership with our terminal operators, the Port of Long Beach, and the maritime goods movement industry, to reduce emissions from port-related operations, and funding assistance programs such as LCTF/AQIP are critical to help transition to cleaner equipment that will reduce greenhouse gas (GHG) emissions and advance our clean-air goals.

In looking ahead to the next fiscal year, we see a significant opportunity to push the pace of zero- and near-zero emissions (ZE/NZE) technology development and deployment particularly related to cargo-handling equipment (CHE). As evidenced by recent grant applications and technology demonstrations, we believe there is a very real, near-term opportunity to begin to transform the approximately 3360 pieces of CHE that operate at the Ports of Los Angeles and Long Beach in close proximity to disadvantaged communities.

We are happy to see that ARB has given funding for this equipment in the LCFT/AQIP plan, and we hope as much money can be diverted to testing and development as possible in the coming years. We will certainly do our part to participate in this important work. As such, we offer ARB the following comments on the 2016-17 LCTF/AQIP funding plan.

1. Additional support for pre-commercial zero and near-zero emission heavy duty cargo handling equipment demonstrations.

Under the Advanced Technology Demonstration category, the LCTF/AQIP discussion document identifies \$18 million for off-road equipment, which includes seaport-related cargo-handling

equipment, automated port strategies, airport equipment, and locomotives. The Port believes this level of funding underestimates the near-term opportunities to accelerate ZE/NZE cargo-handling technologies. The Port strongly urges ARB to increase the proposed \$18 million for off-road advanced technology to provide near-term GHG reductions and air quality benefits to the communities surrounding ports.

Port CHE is a category ripe for ZE/NZE technology development, and initial demonstrations at the Port have shown great promise in proving the capabilities of battery-electric yard tractors. While capability is important, we also feel that durability and reliability are even more important. With the proper funding, the Port hopes to be able to demonstrate over the next few years that these advanced technologies can perform like their diesel counterparts and be shown to be both reliable and durable over time. To date, however, there has been relatively little funding for such demonstrations. The Port sees an opportunity to demonstrate different types of low-emission yard tractors to provide more options for end users, to pilot advanced logistics technologies, and to develop ZE top handlers, which make up 8% of our CHE inventory. Much of this technology development has already begun. Additional investments will encourage greater levels of investment and commitment by technology developers to advance more ZE options for cargo-handling equipment, including different technologies and types of equipment, and to move toward commercialization.

2. Additional support for commercially available zero and near-zero emission equipment.

The LCTF/AQIP discussion document identifies \$5 million for ZE Freight Equipment Pilot Commercial Deployment. The Port believes this amount significantly underestimates the opportunities for immediate deployment, as recent funding solicitations for ZE equipment have generated substantial interest. The Port believes that a concentrated investment in this equipment today could make substantial progress toward transforming the industry within the next five to ten years.

Light and medium duty electric and fuel-cell forklifts are commercially available, and with a variety of light, medium and heavy duty forklifts (approximately 542) operating at the Port – more than 25% of our CHE inventory – there is ample opportunity to take the initial steps toward replacement. Rubber-tired gantry cranes (RTGs) make up 4% of our fleets but represent nearly 17% of the CHE emissions; electrifying this equipment, which is possible today, would eliminate these emissions.

3. Extend HVIP incentives to off-road equipment.

The LCTF/AQIP discussion document identifies \$18 million for HVIP, which offers financial incentives to end users who buy zero-emissions vehicles. Only on-road trucks and buses, however, are eligible for HVIP funding. In keeping with the comments above, the Port urges ARB to make HVIP funds available for off-road equipment, which would give our terminal operators access to an additional \$18 million in incentives.

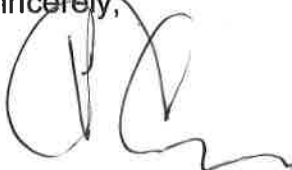
4. Additional support of deployment of zero and near-zero emission infrastructure.

The Port believes that infrastructure is fundamental to carrying ZE technologies to market and is pleased that charging stations are eligible for funding under LCTF/AQIP. The charging stations themselves, however, are often the least expensive component of charging infrastructure. Far more significant are the costs of upstream equipment, such as substations, transformers, electrical conduit, and lines to bring additional power down to port terminals and other charging facilities. Under the proposed LCTF/AQIP plan, infrastructure projects may compete against equipment projects for already scarce funds. So as not to hamper the pace of zero-emissions development, the Port recommends boosting the proposed funds for ZE infrastructure and allowing upstream equipment as an eligible expense.

Finally, the demand for development, testing, and commercialization of ZE/NZE CHE and associated infrastructure, the Port recommends that unallocated LCTF/AQIP FY 2015-16 funds be rolled over to this FY 2016-17 solicitation. This roll over would not only increase the amounts available in specific funding categories, but also offer the opportunity for all interested parties to compete for them. This will ensure that the projects with the most significant potential to reduce GHG emissions and improve air quality receive funding.

The Port appreciates the opportunity to provide comments on the FY 2016-17 LCTF/AQIP funding plan, and we thank you letting us provide input throughout this process. We look forward to continuing to work with you on advancing our shared clean air goals.

Sincerely,



CHRISTOPHER CANNON
Chief Sustainability Officer
Environmental Management Director

CC:LW:TD:aa
APP No.: 151123-322

cc: Eugene D. Seroka, City of Los Angeles Harbor Department, Executive Director
Michael DiBernardo, City of Los Angeles Harbor Department, Deputy Executive Director