



March 15, 2018

Mary Nichols, Chair
California Air Resources Board
1001 "I" St.
Sacramento, CA 95814
Submitted via www.arb.ca.gov "freightfacilities18"

Re: Advanced Materials (As Revised) "Update on Concepts to Minimize the Community Health Impacts from Large Freight Facilities"

Dear Chair Nichols and Board Members:

On behalf of BizFed, a massive and diverse grassroots alliance that unites and amplifies the voice of business, **we are writing to express our concerns regarding the "Cargo Handling Equipment Regulation" to transition to zero emissions.**

BizFed advocates for policies and projects that strengthen our regional economy. Together, we stand with more than 160,000 business organizations that represent 325,000 employers with three million employees throughout Los Angeles County. As a united federation, business leaders in Los Angeles County are able to more efficiently collaborate and mobilize to advance a shared agenda on local, regional, state and national issues. BizFed members are force multipliers who mobilize and empower their communities to take action on policies and projects that affect our economy.

CARB staff's Concept would amend existing Best Available Control Technology (BACT) regulations for cargo handling equipment. These industry-supported BACT regulations have been successful at reducing emissions in a cost-effective manner. Staff's Concept would replace these regulations with unknown rules, uncertain technology and unrealistic initial timelines at a cost of untold billions of dollars.

Worse still, this costly, unproven regulatory scheme would likely produce only marginal air quality improvements in the short-term when compared with existing Diesel Particulate Matter reductions, with little demonstrated likelihood of improvements in public health or community impacts, negligible improvements in state greenhouse gas reduction and no significant contribution toward federal Clean Air Act attainment in impacted regions of the state.

With the above in mind, BizFed strongly urges CARB staff to consider the following priorities in any discussion about Cargo Handling Equipment (CHE).

- 1. Acknowledge the maritime industry's significant progress in emissions reduction and the almost negligible remaining emissions from CHE at the ports.** Under CARB's existing BACT for intermodal CHE, significant emissions reductions have occurred over a 10-year period. As the latest Port of Los Angeles 2016 Air Quality Report Card shows, when compared to 2005, CHE emissions reductions are as follows:

BizFed's Member Alliance
Action Apartment Association
AIA - Los Angeles
Airlines for America
Alhambra Chamber
American Beverage Association
American Hotel & Lodging Association
Antelope Valley Board of Trade
Apartment Association, California Southern Cities
Apartment Association of Greater Los Angeles
Arcadia Association of Realtors
Asian American Business Women Association
Asian Business Association
Association of Independent Commercial Producers
Azusa Chamber
Beverly Hills Chamber
Beverly Hills / Greater LA Association of Realtors
BNI/SUCCESS
Burbank Association of Realtors
Building Industry Association, LA / Ventura Counties
Building Owners & Managers Association, Greater LA
Business & Industry Council for Emergency Planning & Preparedness
CalAsian Chamber
California Apartment Association, Los Angeles
California Asphalt Pavement Association
California Business Roundtable
California Cannabis Industry Association
California Construction Industry and Materials Association
California Contract Cities Association
California Employers Association
California Fashion Association
California Grocers Association
California Hotel & Lodging Association
California Independent Oil Marketers
California Independent Petroleum Association
California Life Sciences Association
California Metals Coalition
California Restaurant Association
California Small Business Alliance
California Sportfishing League
California Trucking Association
CALInnovates
Carson Chamber of Commerce
Carson Dominguez Employers Alliance
CDC Small Business Finance
Central City Association
Century City Chamber of Commerce
Cerritos Chamber
Citrus Valley Association of Realtors
Construction Industry Air and Water Quality Coalitions
Consumer Healthcare Products Association
Council on Trade and Investment for Filipino Americans
Culver City Chamber
Downey Association of Realtors
Downtown Long Beach Alliance
Downtown Pomona Owners Association
El Monte/South El Monte Chamber
Employers Group
Engineering Contractor's Association
F.A.S.T. - Facing Angelinos Stuck in Traffic
FilmLA
Foreign Trade Association
FourPorts
Gateway to LA
Glendale Association of Realtors
Glendale Chamber
Glendora Chamber
Greater Antelope Valley AOR
Greater Lakewood Chamber
Greater Los Angeles African American Chamber
Greater Los Angeles New Car Dealers Association
Harbor Association of Industry and Commerce
Harbor Trucking Association
Hollywood Chamber
Hong Kong Trade Development Council
Hospital Association of Southern California
Hotel Association of Los Angeles
Independent Cities Association
Independent Manufacturers Council
Inglewood Airport Area Chamber
International Warehouse Association
Inglewood Airport Area Chamber
Investing in Place
Irwindale Chamber
Japan Business Association of Southern California
LA Canada Flintridge Chamber
LA Media Lab
LAX Coastal Area Chamber
Leadership for Urban Renewal Network
League of California Cities
Local Search Association
Long Beach Area Chamber
Los Angeles Area Chamber
Los Angeles Black MBA Association
Los Angeles CleanTech Incubator
Los Angeles County Bicycle Coalition
Los Angeles County Board of Supervisors Estate
Los Angeles County Waste Management Association
Los Angeles Gateway Chamber of Commerce
Los Angeles Gay & Lesbian Chamber of Commerce
Los Angeles Latino Chamber
Los Angeles Parking Association
Maple Business Council
Motion Picture Association of America
MoveLA
NAIFA - OC
NAIOP Southern California Chapter
National Association of Royalty Owners
National Association of Tobacco Outlets
National Association of Women Business Owners
National Association of Women Business Owners, LA
National Hispanic Medical Association
National Latina Business Women's Association
Nederlands-America Foundation
Orange County Business Council
Pacific Merchant Shipping Association
Pacific Palisades Chamber
Panorama City Chamber
Pasadena Chamber
Pasadena-Foothills Association of Realtors
PRMA
Planned Parenthood Southern California Affiliates
Pomona Chamber
Rancho Southeast Association of Realtors
Recording Industry Association of America
Regional Black - San Fernando Valley Chamber
Regional San Gabriel Valley Chamber
Rosemead Chamber
Rotary Club of Los Angeles
San Gabriel Chamber
San Gabriel Valley Civic Alliance
San Gabriel Valley Economic Partnership
Santa Clarita Valley Chamber
Santa Clarita Valley Economic Development Corp.
San Pedro Peninsula Chamber
Santa Monica Chamber
Santa Monica Junior Chamber
SCALE LA
Sherman Oaks Chamber of Commerce
South Bay Association of Chamber Owners
South Bay Association of Realtors
Southern California Contractors Association
Southern California Golf Association
Southern California Grantmakers
Southern California Minority Supplier Development Council Inc.
Southern California Water Committee
Southland Regional Association of Realtors
Torrance Area Chamber
Town Hall Los Angeles
Tri-Counties Association of Realtors
United Chambers San Fernando Valley
United States-Mexico Chamber
Unmanned Autonomous Vehicle Systems Association
Valley Economic Alliance
Valley Economic Development Corp.
Valley Industry & Commerce Association
Vernon Chamber
Vietnamese American Chamber
Warner Center Association
West Hollywood Chamber
West Los Angeles Chamber
West San Gabriel Valley Association
West Valley/Warner Center Chamber
Western Manufactured Housing Association
Western States Petroleum Association
Westside Council of Chambers
Westwood Village Rotary Club
Wilmington Chamber
World Trade Center
Young Professionals in Energy - LA Chapter

- 91% reduction in DPM
- 88% reduction in PM_{2.5}
- 88% reduction in PM₁₀
- 72% reduction in NO_x
- 82% reduction in SO_x

Ports, the maritime industry and its supply chain partners operating at California ports have made significant investments to achieve these reductions. As a result, CHE represents a very small part of the overall emissions at ports today and emissions will continue to decline under the existing regulation (see attached graphic). However, under a new regulatory scheme, the industry would be required to invest tens of billions of dollars in transitioning to Zero-Emissions CHE and supporting infrastructure – costs not borne by any other North American ports. These costs are significant when compared to the incremental emissions reduction benefits that may be achieved.

- 2. Future regulatory efforts must ensure that California ports remain competitive and strive to avoid further cargo diversion.** As you are well aware, the Ports of Los Angeles and Long Beach just recently surpassed cargo volumes they had not seen since 2006 – more than 10 years ago¹. This reflects more than 10 years of no growth. These two ports continue to lose market share in an increasingly competitive global shipping environment. Governor Brown has addressed the importance of port competitiveness -it is essential for the state that our ports remain competitive with global shippers. Therefore, CARB staff’s Concept must include an evaluation of the cost and benefit of any proposal to fully understand impacts on future competitiveness. If we were to lose this competitiveness, it would not only harm California economically, but it would also slow the transition to Zero-Emission CHE.
- 3. Ensure “flexibility” as ports move toward zero-emissions.** The transition to zero-emission Cargo Handling Equipment will be more complex, expensive and port-infrastructure-dependent than the existing BACT fleet roll-over compliance model. These uncertainties demand that ports and the maritime industry be given the widest possible latitude, including flexibility to use Near-Zero Emission technology as they transition toward Zero-Emissions.

If CARB wishes to pursue additional emission reductions from CHE, now is the time to conduct diligent evaluation and planning of the possible pathways, rather than launching into a regulatory process that presumes the outcome. Both near-zero technologies and mature electrification options exist today, though at wildly different cost structures. Other electrification solutions, such as electrifying existing equipment, are not currently feasible. CARB should evaluate both known and speculative pathways for further emission reductions and cost-effectiveness before initiating the regulator process.

California can continue its environmental leadership while simultaneously finding the most cost-effective and economically competitive path forward to ensure investment in the state’s ports in order to achieve the successful transition to zero-emission port operations. We cannot afford to fail in this all-important endeavor.

Should you have any questions or need any additional information, please feel free to contact Sarah Wiltfong who is the policy manager on this issue at sarah.wiltfong@bizfed.org.

Sincerely,



Hilary Norton
BizFed Chair
(F.A.S.T)



David Fleming
BizFed Founding Chair



Tracy Hernandez
BizFed Founding CEO
Impower, Inc.

¹ Source: American Association of Port Authorities (AAPA), NAFTA Port Container Traffic Data