

September 29, 2017

Mr. Gene Seroka  
Executive Director  
Port of Los Angeles  
425 South Palos Verdes Street  
San Pedro, California 90731

Dear Mr. Seroka:

Thank you for providing the California Air Resources Board (CARB or Board) staff the opportunity to comment on the Draft Supplemental Environmental Impact Report (DSEIR) for the City of Los Angeles Harbor Department (Port) China Shipping Container Terminal (Terminal) for Berths 97-109 (Revised Project). The DSEIR evaluates the continued operation of the Terminal under modified mitigation measures, collectively referred to as the Revised Project. These changes encompass modifications to previously-approved mitigation measures that were analyzed in the 2008 Environmental Impact Statement/Environmental Impact Report Terminal Expansion Project (2008 Approved Project).

The mitigated DSEIR concludes that the Revised Project would result in significant and unavoidable air quality and health impacts, as well as cumulative impacts, to nearby communities. We believe the Port can and must do more to lessen these impacts.

CARB recognizes that the Port of Los Angeles has been a worldwide leader in reducing harmful emissions from maritime operations and your continued commitment to this effort. However, given the air quality and health impacts from the Revised Project, we strongly urge you to further accelerate the use of zero and near-zero emission technologies at the Terminal to more fully mitigate potential harm to the surrounding community. The Attachment describes a combination of approaches to accomplish this.

We acknowledge the ambitious targets that the Port set forth as part of the 2008 Approved Project mitigation measures. Those measures for the Terminal included full (100 percent) use of: shore-based electrical power for vessels, Vessel Speed Reduction, liquefied natural gas (LNG) fueled heavy trucks by 2018, and liquefied petroleum gas (LPG) yard trucks, as well as progressively cleaner terminal equipment. The Port, terminal operator, and ocean carrier fully or partially implemented a number of the measures, but could not complete all of the 2008 Approved Project mitigation measures associated with air quality. As a regulator that often sets bold standards based on anticipated technology development, and then adjusts the specifics over time, we understand the need to modify the strategies for mitigation.

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However, the Revised Project proposes a suite of mitigation measures that are projected to be less effective overall than the original commitments to reduce harmful emissions from operations at the Terminal. The DSEIR also projects an increase in container volumes by the outyear of 2045. With higher activity and less effective mitigation, the Revised Project would increase the air pollution burden on nearby disadvantaged communities.

The State of California has recently placed additional emphasis on protecting local communities from the harmful effects of air pollution through the passage of Assembly Bill (AB) 617 (Garcia, Chapter 136, Statutes of 2017). AB 617 is the most significant piece of air quality legislation in decades and highlights the need for further reductions in communities with high exposure burdens. This legislation requires even greater focus on the cleanest technologies (and zero-emission where available) in the most impacted areas of the State, including communities near the Port of Los Angeles.

CARB staff recommends that the Port strengthen the proposed mitigation measures by including more zero and near-zero emission technology requirements. We also recommend that the Port make whole the original commitment for emission reductions that were to be achieved through the 2008 Approved Project's mitigation measures, albeit through a different mix of strategies. We believe this outcome is technically feasible.

Please include CARB on your State Clearinghouse list of selected State agencies that will receive the Final Environmental Impact Report as part of the comment period.

We appreciate the opportunity to comment on the DSEIR, and CARB staff stand ready to consult, if requested. If you have any questions, please call me at (916) 445-4383 or have your staff contact Richard Boyd, Chief, Risk Reduction Branch, at (916) 322-8285 or via email at [Richard.Boyd@arb.ca.gov](mailto:Richard.Boyd@arb.ca.gov).

Sincerely,



Richard W. Corey  
Executive Officer

Attachment

cc: Continued next page.

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cc: (continued)

Elizabeth Adams  
Acting Director  
Air Division, Region 9  
U.S. Environmental Protection Agency  
75 Hawthorne Street  
San Francisco, California 94105

Wayne Nastri  
Executive Officer  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, California 91765-4182

Christopher Cannon, Director  
City of Los Angeles Harbor Department  
Environmental Management Division  
P.O. Box 151  
San Pedro, California 90731

State Clearinghouse  
P.O. Box 3044  
Sacramento, California 95812-3044

Richard Boyd, Chief  
Risk Reduction Branch  
Transportation and Toxics Division

## **ATTACHMENT**

### **California Air Resources Board Staff Comments on Draft Supplemental Environmental Impact Report for China Shipping Container Terminal**

#### **Background**

In March 2001, the City of Los Angeles Harbor Department (Port) issued a permit to construct the Berth 97-109 Container Terminal (Terminal) and entered into a lease with the China Shipping Line Company to occupy the Terminal. As part of the lease, West Basin Container Terminal LLC, a subsidiary of China Shipping, owns and operates the equipment used onsite. Cargo containers at the Terminal are moved off terminal by both rail and truck. In the 2008 Approved Project, container throughput estimates were projected to be 1,164,000 twenty-foot equivalent units (TEUs) in 2015 and 1,551,000 in 2045. However, actual throughput in 2014 (baseline for the DSEIR), was 1,088,639 TEUs and projected to be 1,698,504 TEUs by 2045. The 2008 Approved Project included an evaluation of the environmental impacts of the construction and operation of the Terminal at Berths 97-109. Construction of the 2008 Approved Project was completed in 2013.

#### **Results of the DSEIR Analysis**

The Draft Supplemental Environmental Impact Report (DSEIR) analyzes the estimated increase in throughput over the 2008 projected assumptions and modifications to eleven of the 2008 mitigation measures not yet completed because of technological, economical, and operational constraints. The DSEIR analyzes the environmental impacts of these modified mitigation measures under the assumption that the modifications would be implemented in 2018 and continue until the lease ends in 2045. The mitigation measures proposed under the Revised Project were part of the larger suite of measures identified in the 2008 Approved Project to address operational air quality and health impacts.

The 2008 Approved Project determined that these impacts would remain significant and unavoidable, even with mitigation. Similarly, air quality impacts from operations of the mitigated Revised Project would exceed thresholds for toxic air contaminants and criteria pollutants. Furthermore, results of the health risk assessment indicate the Revised Project will exceed the South Coast Air Quality Management District's (SCAQMD) cancer risk threshold of 10 chances in a million, as did the 2008 Approved Project.

The mitigated DSEIR concludes that the Revised Project results in significant and unavoidable air quality and health impacts as well as cumulative impacts to nearby communities. Nevertheless, even where impacts will remain significant and

unavoidable after mitigation, CEQA requires that all feasible<sup>1</sup> mitigation measures be incorporated. (See Cal. Pub. Resources Code § 21081; 14 CCR § 15126.2(b).) Furthermore, the 2010 Clean Air Action Plan (CAAP) includes Project Specific Standard language that requires proposed projects that exceed the applicable and appropriate CEQA significance thresholds for criteria pollutants to implement the maximum available controls and feasible mitigations for any emission increases. Port staff has clarified that the Draft Final 2017 CAAP continues those requirements, and the Revised Project should be held to those standards.

### **General Recommendations**

CARB staff finds that the mitigation measures proposed in the DSEIR do not adequately minimize or eliminate the increases that directly affect nearby disadvantaged communities. The Port should aggressively deploy the lowest emission technologies possible. This deployment should include those technologies that are “capable of being accomplished in a successful manner within a reasonable period of time” (Public Resources Code §21061.1; California Code of Regulations, title 14, section 15364), such as zero and near-zero emission technologies that are expected to be commercially available early in the life of the project. With these technologies, CARB staff believes that the Revised Project’s air quality and health impacts can feasibly be further mitigated. To that end, CARB staff recommends that the Final SEIR include the additional mitigation measures and recommendations as outlined below.

### **Mitigation Measures**

- 1) Mitigation Measure (MM) AQ-9 requires that all vessels calling at the Terminal must use alternative marine power (AMP) while hoteling at the Terminal at a 95 percent compliance rate by January 1, 2018. CARB believes Berths 97-109 have sufficient AMP to meet a 100 percent use rate for vessels equipped with shore power capabilities, allowing for exceptions that meet CARB’s At-Berth Regulation.<sup>2</sup> Therefore, the Port should revise MM AQ-9 accordingly. In March 2017, the Board directed staff to expand the At-Berth Regulation to achieve up to 100 percent compliance by 2030. In anticipation of these amendments, the Port should expand MM AQ-9 to include a requirement that all vessels using the Terminal be AMP-ready or that the terminal operator provide for alternative capture and control systems for all ships that are unable to use shore-based electricity, by 2020. Furthermore, the Port should utilize mechanisms to incentivize or encourage China Shipping to bring the cleanest ships to the Terminal.

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<sup>1</sup>For the purposes of CEQA, “feasible” means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors. (California Code of Regulations, title 14, section 15364.)

<sup>2</sup>Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port, Title 17, California Code of Regulations, section 93118.3.

- 2) MM AQ-10 requires that 95 percent of all vessels calling at the Terminal participate in the expanded Vessel Speed Reduction Program (VSRP) (12 knots at 40 nautical miles) beginning January 1, 2018, or to implement an alternative plan approved by the Port. Given the 99 percent VSRP participation rate achieved at the Terminal in 2014, the Port should require that vessels calling at the Terminal continue to meet the higher rate of participation.
- 3) MM-AQ-15 requires that the terminal operator replace existing LPG yard tractors with new alternative-fuel equipment that achieves emission levels equal to or more stringent than the Tier 4 off-road engine standard. Yard tractors with zero-emission technology have been successfully demonstrated at ports, including the Port of Los Angeles, and are available and in-use at ports today. The Port should revise this measure to require that all yard trucks operating at the Terminal be replaced with zero-emission technologies by 2023. CARB's *Technology Assessment: Mobile Cargo Handling Equipment* provides information on current and projected development of CHE technologies. This assessment can be found at [https://www.arb.ca.gov/msprog/tech/techreport/che\\_tech\\_report.pdf](https://www.arb.ca.gov/msprog/tech/techreport/che_tech_report.pdf).
- 4) MM-AQ-17 requires that forklifts, top picks, and rubber-tired gantry (RTG) cranes be replaced with units that meet or exceed Tier 4 final off-road emission standards by 2019 and 2023 target dates. Broadly, these are the requirements for newly purchased equipment under CARB's existing CHE Regulation. Zero-emission electric forklifts that are five-ton or less, and electrified RTG cranes are commercially available now and therefore, the Port should require this equipment be replaced with zero emission versions between 2019 and 2023. Once heavier zero-emission forklifts are demonstrated and commercially available, all retired forklifts should be replaced with the zero-emission equipment. Once zero-emission top-picks are demonstrated and commercially available, all retired top picks should be replaced with the zero-emission equipment.
- 5) Under the 2008 Approved Project, MM-AQ 20 requires that 70 percent of all drayage trucks calling at the Terminal be LNG-fueled by 2017 and 100 percent, thereafter. This requirement has not been met nor is MM-AQ 20 included under the Revised Project, citing that "there is no feasible measure for reducing drayage trucks emissions by quantifiable amounts". CARB believes further reductions can be achieved by requiring that heavy-duty trucks entering the Terminal meet CARB's optional low-NO<sub>x</sub> standard of 0.02 grams per brake horsepower-hour or better by 2020. Trucks achieving this emissions performance are expected to become available in 2018.

Furthermore, given that nearly 100 drayage truck demonstration projects will be online by the end of 2018, with results from these projects expected to be available by 2019-2020, it is anticipated that zero-emission drayage trucks could begin deployment by 2023 or earlier in limited-range applications. Therefore, the Port should require that heavy-duty trucks calling at the Terminal and traveling within 100 miles of the terminal use zero and near-zero emission technology beginning in

2020. CARB's Technology and Fuels Assessments provide information on the current and projected development of mobile source technologies and fuels. These assessments can be found at <http://www.arb.ca.gov/msprog/tech/tech.htm>.

- 6) To reduce emissions from the increased activity of commercial harbor craft (CHC) expected at the Terminal, the Port should add a mitigation measure to achieve reductions from CHC, such as tugboats or tows, servicing the Terminal by requiring the use of the cleanest available CHC (LPG/LNG, biodiesel, electric hybrid), as well as limiting the idling time of CHC servicing the terminal. The *Technology Assessment: Commercial Harbor Craft*, prepared by SCAQMD, provides information on current and projected development of CHC technology. This assessment can be found at [https://www.arb.ca.gov/msprog/tech/techreport/draft\\_chc\\_technology\\_assessment.pdf](https://www.arb.ca.gov/msprog/tech/techreport/draft_chc_technology_assessment.pdf).
- 7) Under the 2008 Approved Project, Lease Measure (LM) 22 requires tenants to review the feasibility of emission reduction technologies and report findings to the Port during lease amendments or facility modifications and implement the new technology within seven years of the effective lease agreement. We expect the Port to use the additional yearly check-in requirement effectively. When the terminal operator seeks the required concurrence of the Port that any proposed purchases of new equipment represent the cleanest available technology, the Port should identify the zero-emission technology being demonstrated and require its use within two years of commercial availability. The Port should revise the mitigation measure to reflect this intention and include it in the Revised Project.
- 8) As a result of the Revised Project, direct intermodal containers to and from the Terminal would increase by 296,794 TEUs over the 2014 baseline condition to become 560,506 TEUs by 2045 with 77 percent of the TEUs handled by the on-dock intermodal yard facility. According to the DSEIR, neither the switching locomotives, owned by PHL, nor the line-hauls servicing the intermodal yard facility, owned by Union Pacific and BNSF, are under the control of the Port or China Shipping and, therefore, the Port has not proposed further mitigation to address these impacts.

CARB staff disagrees with this approach. The Port should include a mitigation measure and identify specific mechanisms to accelerate the number of Tier 4 locomotives servicing the intermodal yard facility. To monitor this acceleration, LAHD should track the distribution of engine tiers used in determining the locomotive emissions for the baseline year (2014), the opening year (2018), and each year thereafter, and publicly report these data annually.