COALITION FOR



September 14, 2017

President Lou Anne Bynum Harbor Commissioners Port of Long Beach 4801 Airport Plaza Dr. Long Beach, CA 90815

Ambassador Vilma Martinez & Harbor Commissioners Port of Los Angeles 425 S. Palos Verdes St. San Pedro, CA 90731

Submitted Via email, to caap@cleanairactionplan.org

Re: Comments on the Draft CAAP 2017 update

Dear Board of Harbor Commissioners;

On behalf of the Coalition for Clean Air, we thank you for the opportunity to provide comments on the "Draft Final Clean Air Action Plan" (CAAP).

There can be no doubt that the prior two CAAPs were important tools to clean up the San Pedro Bay, however as noted in this latest iteration we still have a long way to go. The current draft does identify the important goals to reaching zero emissions by 2030 for yard equipment and 2035 for drayage trucks but it does not provide the concrete interim milestones and actions necessary to ensure the successful implementation of the CAAP. This deferred lack of interim milestones and action will only serve to perpetuate environmental injustice in the surrounding port communities and allow freight owners and system operators to continue to external the public health costs associated with the air pollution they cause. China Shipping has shown us the need for enforceable milestones and auditing to make sure that the port pollution mitigation commitments are met.

We were pleased to see the initial CAAP "Discussion Draft" moving in the right direction and we had expected that this Final Draft would have had more substance specifically in the areas to address public health, clean up localized pollution and address the ports' significant contribution to regional pollution and reduce greenhouse gas emissions from operations. This Final Draft CAAP does not provide a credible path to the zero emission goals established by Mayor Robert Garcia and Mayor Eric Garcetti.

Last Saturday, California Governor Jerry Brown signed a budget bill that included \$140 million to clean up air pollution caused by port and freight transportation activities and another \$180 million

COALITION FOR



targeting heavy-duty diesel vehicle emissions. These funds allow the Ports a great opportunity to continue the success of the prior CAAPs to reduce significantly the air pollution that comes from the San Pedro Bay Ports.

We applaud the ports for continuing to update this important document and offer these recommendations.

1. Developing measurable and enforceable interim milestones and action items for heavy-duty trucks leading up to the 2035 goal of a 100% zero emission fleet.

2. Committing to transitioning by 2023 100% of the heavy-duty trucks serving the ports to emissions of no more than 0.02 grams per brake horsepower hour of oxides of nitrogen (i.e., that by 2023 all drayage trucks are at least 90% cleaner than those on the road today).

3. Implementing a 100 zero emission truck pilot program, in addition to the zero emission trucks being tested now on port property.

4. Working with the utilities to develop electrical infrastructure plans that can be considered by the Boards of Harbor Commissioners by July 2018.

5. Immediately adopting a port truck access fee that includes a strong economic incentive for clean emission trucks.

6. Ensuring that trucking companies doing business with the ports follow employment law, and treat drivers with dignity, respect, and fair compensation for their hard work.

7. Adopting interim milestones to achieve all zero emission cargo handling equipment by 2030, and a requirement that all new equipment purchased after 2022 be zero emission.

8. Requiring all ships use shore-power or an at-berth or on-board emissions capture and reduction technology by 2023.

9. Including representatives from community groups to be part of the CAAP Implementation Advisory Workgroup.

10. Ensuring that any mode-shifts that facilitate increased on-dock use are accompanied by the appropriate mitigations, including measures for near-dock railyards.

As the CAAP 2017 Update explains, "residents nearest the Ports still face higher pollution-related health risks than the rest of the Southern California population" and "[a]bout 15% of children in Long Beach suffer from asthma compared to 9% of children in the United States." (CAAP at 18-19). Further still, "asthma hospitalization rates are greater in West Long Beach near the Ports and the 710 Freeway than in East Long Beach." (CAAP at 19). This is unacceptable. The CAAP 2017 Update must serve as the template to make it safe to breathe in the harbor area.

The CAAP will guide port policy for decades to come, and we stand in strong support of this effort. We look forward to working closely with port staff and other stakeholders to ensure that this 2017 Update is the most successful CAAP update to date.



1. Public Health

As outlined in our comments on the CAAP discussion draft, air pollution generated by transportation system have been linked to many health effects ranging from increased incidents of asthma, to pregnancy complications, to increased cancer risk and premature death. We appreciate that the Draft CAAP acknowledges this connection and that the Port's request a "public health call to action" and provides health cost data that helps place the cost of implementing the CAAP in perspective . While the Ports estimate incremental costs of \$8.5 billion to as high as \$14 billion for new technologies, infrastructure investments and incentives to support the CAAP strategies, the Ports acknowledge that the costs of inaction are greater.

Statewide, the health effects associated with freight-related air pollution amount to approximately \$20 billion. (CAAP Appendix: Economic and Workforce Considerations at 17). Thus, an ambitious CAAP can result in enormous public health and economic benefits. Indeed, the State estimates that the annual economic value of avoiding such health effects would result in a savings of \$16 to \$24 billion today, and of \$7 billion to \$11 billion in 2030. (CAAP Appendix: Economic and Workforce Considerations at 17-18). We request that the Boards of both ports incorporate health costs and benefits as the driver of their decision making as they finalize the CAAP.

2. Rail

a. We have long been supporters of maximizing on-dock rail because it reduces truck trips and the associated air, noise, and traffic impacts, and we are happy to see the Ports' commitment here reaffirmed in the CAAP. (CAAP at 56). We applaud the Ports' new goal to handle 50% of all cargo leaving the port complex by rail. (CAAP at 56). However, the Ports must meet this increase in on-dock rail with an increase in clean air measures, to protect the adjacent communities that will see an increase in negative impacts as rail volumes increase. We do not want efforts to maximize on-dock rail to increase pollution for our neighbors along the rail corridor. The clean-up of pollution at the Ports must not come at the expense of other neighborhoods.

b. Further, while we acknowledge the progress that the Pacific Harbor Rail Line (PHL) has made in implementing cleaner rail technologies, we strongly urge that emissions-capture technology (such as the ALECS) be used for the PHL line, and that the line be electrified as soon as possible. The Ports need to correct their failure to include short-haul rail emission reduction requirements in the CAAP.

c. Unlike in prior CAAPs, the Ports here do not even mention cleaning up operations at the near dock railyards. This is a glaring omission. While we understand this is a hot button issue, it is still just as necessary as it was years ago, when outlined in previous versions of the CAAP. We urge the Ports to not abandon this effort as part of the CAAP process. This is more important as ever, as the Ports propose to increase to 50% on-dock rail, which would likely include a shuttle system to an inland port. Port regional benefits shouldn't come at increasing emissions in inland communities.

660 S. Figueroa Street, Suite 1140 Los Angeles, California 90017 (213) 223-6860 1107 Ninth Street, Suite 440 Sacramento, California 95814 (916) 527-8048



3. Emissions

In June 2017, Mayor Garcetti and Mayor Garcia, signed an Executive Directive confirming Los Angeles and Long Beach commitment to a transition to a zero emissions freight transportation system . That commitment aligned with similar proclamations from Governor Brown, the state legislature (SB 350), and state and local air quality regulators that California must transition to a zero emissions transportation system for passengers and freight to meet the state's air quality standards and greenhouse gas reduction goals.

To meet these critical goals, the CAAP 2017 must be improved to provide a viable path to implement the Mayor's forward looking Executive Directive.

4. Trucks

Our biggest concern with the proposed next chapters to the Clean Trucks Program is that it simply is not enough to get us to 100% zero emission trucks by 2035. Even the Port's' own estimates project that the proposed Clean Trucks Program will result in zero emission trucks by 2036 (CAAP at 34, table 1). The Ports must simply do more sooner and need to provide clear market signals for zero emissions truck manufacturers and retailers. The priority should be the oldest heavy-duty trucks serving the Ports. The Ports should either require or strongly incentivize the replacement of all 2007 to 2009 EPA compliant trucks within the next two to three years.

Importantly, recent evidence from the California Air Resources Board shows that battery electric drayage trucks have a lower life cycle cost than diesel trucks, with costs further declining in 2023. The data show that battery electric drayage trucks are cheaper than diesel on a life cycle basis next year – i.e. 2018. The numbers get even better in 2023 where it is much cheaper. Thus, battery electric drayage is the cheapest option when you take into account capital costs, fuel, and maintenance. This evidence should be incorporated into the CAAP's cost projections, and provides a strong economic case that investments should be made in electric trucks; not just near zero or diesel trucks.

While there are significant issues to address such as higher upfront costs for the truck itself, the Ports should explore how it can develop incentive programs and other strategies to catalyze the deployment of these trucks, which appears to make sense given their lower life cycle costs.

The previous chapters of the Clean Trucks Program were very successful in turning over the truck fleet. The strategies that worked were a truck ban and a truck rate, and the interplay between the two. The new proposal is only to have a rate. The success of the entire program thus hinges on what the rate will be. And while the CAAP asserts that the "amount of the truck rate will be established after the Ports conduct a comprehensive economic analysis prior to implementation," little explanation is given as to the philosophy behind how the rate will be established.

Finally, we request that the CAAP commit to finding new ways to help address the persistent and unequitable treatment of drivers in the drayage truck industry. As the Ports have previously

660 S. Figueroa Street, Suite 1140 Los Angeles, California 90017 (213) 223-6860 1107 Ninth Street, Suite 440 Sacramento, California 95814 (916) 527-8048



acknowledged, successful marine port operations require trucking operations that can meet environmental, safety, security, and labor standards. Accordingly, the Ports much commit to ensuring that trucking companies doing business with the ports follow the law, and treat drivers with dignity, respect, and fair compensation for their hard work. The Ports should also operate a program that ensures efficient operation of the port drayage fleet, including preventing work stoppage.

5. SB 1

The Ports cite Senate Bill 1 (SB 1) as one of the main reasons for abandoning the Clean Trucks Program strategy proposed in the CAAP Discussion Document; that is, "a continuous fee to take effect immediately on 10-year or older trucks with exemptions for near-zero and zero-emissions trucks." (CAAP at 30-31). It appears that the Ports interpret SB1 as limiting the strategies they can deploy to clean up older trucks. We disagree with the Ports' interpretation.

First, the text of SB1 at issue amended the portion of the Health and Safety code that pertains to CARB's authority to reduce in-use heavy-duty truck and bus vehicular pollution. This would be an odd placement of preemption language if it meant to restrict the ports. Second, section 43021(c) limits the reach of the statute to "laws or regulations." The cities and ports have always maintained that port truck bans are not regulatory in nature but stem from the ports' proprietary interests.

CARB also agrees that SB1 does not limit the Ports' authority. CARB released a discussion paper on September 6 clarifying that SB 1 does not prohibit the Ports from "establishing their own measures to accelerate the transition to a cleaner port truck fleet and to reduce emissions from trucks serving their facilities." And as to "voluntary incentive and grant programs"--which is exactly what the Ports were proposing with the continuous fee--the language of SB 1 expressly says the prohibition on in-use trucks does not apply. (Sec.18; Sec. 43021 (b) (2)). The Ports affirms and acknowledge this exemption to SB 1 ("The language does not prohibit voluntary incentive and grant programs . . .," CAAP at 9).

6. Vessel Speed Reduction

We applaud the Ports' creative approach to increasing the success of the existing Vessel Speed Reduction Program. Modifying the structure of the program, or allowing alternative speed compliance based on a particular ship, are all great ideas to expand compliance with the program.

7. Advance Cleaner Harbor Craft

We support the Port's' proposal to issue a Request for Proposals for harbor craft emission-reduction technologies, and to conduct periodic assessments of the status of harbor craft technology. (CAAP at 55). For other source categories, the Ports have identified the funding amount for an RFP and the schedule for conducting such assessments (such as every 3 years). We request that the Ports provide such information to flesh out the plans for advancing reductions from harbor craft as well. Such information is helpful to understanding what the Ports are proposing.

660 S. Figueroa Street, Suite 1140 Los Angeles, California 90017 (213) 223-6860 1107 Ninth Street, Suite 440 Sacramento, California 95814 (916) 527-8048

COALITION FOR



We also support the proposal to provide incentives for harbor craft operators to upgrade to the cleanest available engines and advanced technologies, through grants, financial rewards, and favorable lease terms. (CAAP at 55). And, as with other source categories, we support the Ports utilizing their unique expertise and role to "[identify operational changes that could reduce emissions." (CAAP at 55).

8. Efficiency

We support the proposal to adopt a universal appointment system, as well as the quick timeline of January 1, 2019. We urge the Ports to include incentives in the system to encourage turnover to zero emissions trucks to meet the goals set in the Final. As identified in the CAAP, the discussion draft included such an approach. (CAAP at 72). We request that the Ports not drop this important piece of the puzzle from its effort to accelerate deployment of zero emission trucks. We need every incentive available, and we urge the Ports to not miss this opportunity.

9. Develop Electrical Infrastructure Plans with Utilities

The CAAP should commit each port to developing an infrastructure plan, in consultation with the relevant utility, to bring back to their respective Board of Harbor Commissioners by July of 2018. As part of that plan, the Ports should seek to address resiliency of the power system for the harbor, which is an issue raised by industry for operations. In addition, the plan should assess maximizing clean energy resources and technologies that like wind and solar. Finally, the plan should contemplate how to integrate energy storage into port operations to not only make the port more resilient, but also capitalize on reducing energy costs. Each port should also establish a working group on electrification that includes the relevant utility, terminal operators, labor experts such as the International Brotherhood of Electrical Workers, environmental justice experts, renewable energy experts, and other relevant stakeholders to provide continuous input on the energy plan.

10. Implementation Stakeholder Advisory Group

In line with the Mayors' joint Executive Directive, we support the creation of a CAAP Implementation Stakeholder Advisory Group, and appreciate the Ports' commitment to create such a group. (CAAP at 67). In the Final CAAP, we request that the Ports incorporate the specific language on the composition and responsibilities of this work group, as detailed in the Mayors' Executive Directive. For instance, the Mayors envisioned that this group would provide quarterly and annual reports on the progress of CAAP implementation, and that the group would include utilities and other key partners.

We believe that consistent and regular reporting will enhance transparency and drive progress and accountability. To that end, we recommend that the group report directly to the Los Angeles and Long Beach Mayors, in addition to reporting to the Port Boards of Harbor Commissioners. Such reporting must include updates about CAAP and CEQA compliance and progress in reducing emissions, on at least an annual basis.

660 S. Figueroa Street, Suite 1140 Los Angeles, California 90017 (213) 223-6860 1107 Ninth Street, Suite 440 Sacramento, California 95814 (916) 527-8048

CLEANAR

We also support including Southern California Edison and Department of Water and Power on the stakeholder workgroup. The utilities must be engaged in the CAAP implementation process to ensure that the needed electrical infrastructure is in place to meet the Mayors' zero emissions goals.

Further, we request that state and local air quality regulators (California Air Resources Board and South Coast Air Quality Management District) be included within the work group as well as environmental justice communities and environmental organizations. One of the key strategies identified in the Draft CAAP includes both Ports supporting anticipated regional, state, and federal regulations that will reduce emissions from freight sources. Air quality regulators should be heavily engaged in CAAP implementation to promote the Ports' support for these important regulations, in addition to sharing their expertise on air pollution, health effects, and available technologies.

We want to emphasize that the Implementation Stakeholder Advisory Group must be inclusive to all the concerned stakeholders. We urge the Ports to make all the meetings public, and allow participation and comment from all attendees.

CCA believes that everyone has the right to clean air. CCA's priorities include ensuring that climate investments and benefit disadvantaged communities promoting zero emissions and near zero emissions technologies. Policies should spur the deployment of zero-emission vehicles and technologies wherever feasible; when zero-emission solutions are not feasible, policies should seek deployment of near-zero-emission vehicles and technologies operating with low-carbon renewable fuels.

Thank you for considering our comments.

Sincerely,

Unanceg

Nidia Erceg Deputy Policy Director

cc: The Honorable Eric Garcetti The Honorable Robert Garcia