

## 1. INTRODUCTION

The Port was established in 1907 by a State Tidelands Grant to the City of Los Angeles for the benefit of maritime commerce, fisheries, navigation and (more recently) for recreation. The Port is administered for the City by the Los Angeles Harbor Department, which acts as a landlord and leases its property to various customers, who in turn operate their own facilities. The Port utilizes funds received from its customers for the maintenance and modernization of Port facilities and other activities consistent with the Tidelands Trust.

Today, due to its location adjacent to one of the nation's largest consumer economies and its deep draft marine facilities and connections to inland transportation systems, the Port is the busiest port in the United States. It includes 7,500 acres of land and water and 43 miles of waterfront. The Port currently houses 26 cargo terminals. These terminals handle import/export liquid bulk, dry bulk, break bulk, cruise passengers and containerized cargo. The Port serves as the Number One gateway for containerized cargo trade between Pacific Rim countries and the United States, and in calendar year 2004 the Port handled just over four million containers. This is equivalent to 7.3 million twenty-foot equivalent unit (TEU) containers<sup>1</sup>. Major trading partners include China, Japan, Taiwan and Thailand, and top imports from these countries include furniture, apparel, electronic products, toys, cars and computer equipment. The Port is a critical hub in the international supply chain, and an integral part of the local, regional and national economy. The Port generates 16,000 local, 259,000 regional, and more than a million national jobs. In fact, \$1 out of every \$23 in wages in Southern California can be attributed to the Port, totaling \$8.4 billion. Port operations also inject nearly \$1.5 billion into the regional and state economy in the form of tax revenue.

While a large portion of Port cargo is utilized in the local market area, nearly 50 percent of these containers are destined for locations east of the Rockies. When combined with the neighboring Port of Long Beach, the port complex is the fifth busiest container port in the world and approximately 40 percent of all the nation's import cargo passes through these two ports. Based on projections carried out on behalf of the Port, cargo volume received at the Port is expected to continue to increase and is expected to triple by 2020.

Associated with the significant success of the Port as an international gateway for commerce and a local economic engine are the increased environmental effects associated with air emissions from the predominantly diesel-fueled equipment used to transport this cargo. In 1990, the State of California listed diesel exhaust as a chemical known to the State to cause cancer. In 1998 the California Air Resources Board identified diesel exhaust as an air toxic. This was followed in 2000 with the release of the Multiple Air Toxics Exposure Study (MATES II) conducted by the South Coast Air Quality Management District, which attributed approximately 70 percent of the estimated cancer burden from ambient exposure to diesel particulate matter in the South Coast Air Basin. Other published research also documented an association of asthma and other acute and chronic respiratory impairments with diesel particulates. This growing knowledge on the significant effect of combustion particulates on public health resulted

in significant concern from community members, environmental groups, public agencies and political leaders in regard to the effects of Port operations.

Concerned about the effects of air emissions on the public, and on the local communities of San Pedro and Wilmington, which are immediately adjacent to the Port, the Los Angeles Board of Harbor Commissioners, acting on behalf of Los Angeles Mayor James K. Hahn, established a policy that there would be “*no net increase in air emissions*” from Port activities over October 2001 levels. Subsequent to this, the Mayor established a diverse stakeholder Task Force to develop a plan to achieve NNI. The Task Force convened in October 2004 and began work on the NNI objective.

The contents of this report are the result of eight months of work by the Task Force. Section 3 of the report summarizes 68 proposed emissions control measures for application to ships, cargo handling equipment, trucks and trains. Sections 4 and 5 include a preliminary analysis of the financial implications of implementing these measures and discussion of the legal issues relating to local (including the Port of Los Angeles), state and federal agencies to implement these control measures. Information on plan implementation and future review are contained in Sections 6 and 7. Finally, the last sections identify outstanding issues, report limitations and a summary with recommendations.

There are complex technical, legal, financial and policy issues associated with Port activities and air quality, and it is important to recognize that this NNI Plan (Plan) is a work in progress. In order to be accurate and effective, the Plan and its associated assumptions will require progress monitoring, and key parameters such as air emissions inventories, cargo projections and emission reduction technologies and strategies will need to be revisited to ensure that the intent of the Plan to achieve its stated goal will become a reality. In addition, prior to implementation of any proposed measures to be developed by the Port of Los Angeles, a rigorous and thorough technical evaluation to determine the technical feasibility, effectiveness and cost of each measure must be undertaken. Consideration must be given to stakeholder and community input prior to presenting the proposal to the Board of Harbor Commissioners.

This document is provided as a template for others to improve upon, to help achieve the balanced goal of economic prosperity in goods movement with a recognition of and commitment to the primary importance of protection of public health in any plans for continued Port operations and expansion.

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**Stakeholder Comments Received:**

**Pacific Energy Partners**

*Introduction, page 1, 3rd paragraph. The statement that cargo throughput will triple in this paragraph is inconsistent with the discussion on page 19 that says a 422% growth factor was used.*

*Introduction, page 2, paragraph beginning "There are complex..." Before last sentence add: Also, before some of the control measures can be considered, significant research is needed to determine if any state or local entity has the authority to implement these measures.*

*Introduction, page 6, top. Add new paragraph after run-on paragraph from previous page. "While efforts were made to obtain feedback from industry stakeholders, it is important to note that the task force included only two representatives from shipping and several railroad representatives. The task force did not include any representatives from the harbor craft, cargo handling and trucking source categories. Also, the stakeholder workshops occurred fairly early in the process and no additional meetings with industry groups were held as the control measures were refined. Thus, while there were opportunities for input from the industries to be regulated by the proposed control measures, the opportunities were somewhat limited and in most instances confined to task force members."*

### **Pacific Merchant Shipping Association**

*1. Introduction - The NNI plan is a complex and evolving process that must be open to future modifications. Significant areas of this report including the legal, financial and feasibility issues have not yet been completed. While it may not be possible to resolve all issues it is important to acknowledge the scope of uncertainties and to make commitments to fill these gaps. Following resolution of these issues within the taskforce and the NNI plan must be submitted for a full public review in compliance with CEQA before any approvals are given by the Port or the Mayor.*

*The proposed estimation of cargo tripling by 2020 is an unconstrained forecast that did not consider limitations resulting from limited terminal, roads, or railways. They also assumed continued growth of the Asian and U.S. economies that would be unabated. Many things have occurred since this forecast was originally completed in 1998, not the least of which was the disaster of September 11, 2001. In addition, fuel costs have more than doubled, congestion at the Port in 2004 has resulted in lower than expected throughput this year, and other ports are taking more market share than was expected under the Mercer study. All of this makes the Mercer projections uncertain and makes the case that an updated cargo forecast is long overdue.*

*While it is true that the State of California has designated diesel particulate as a cancer causing air toxic and has assigned a health risk factor the U.S. EPA has not yet done so and has stated that the available data does not support the assignment of a health risk factor.*

*The statement that "approximately 70% of the estimated cancer burden from ambient exposure to diesel particulate in the South Coast Basin" is wrong. The accurate statement is the MATES II study attributed approximately 70% of the cancer burden from air toxics to diesel particulates. In general the cancer risk in the U.S. is roughly 250,000 per million people exposed. The MATES II study found that the average cancer risk from all air toxics is roughly 1,400 per million people exposed. While we don't want to minimize the significance of the exposure to diesel particulates these types of characterizations of the risk must be corrected.*

*Sections 4 and 5, the financial and legal analysis are not complete or available for review at this time. This discussion must be changed to indicate that there has been no taskforce or public review of these sections prior to the deadline for comments on June 14, 2005.*

### **Rail Industry**

*Introduction - Due to complex technical, legal, financial, and policy issues associated with Port activities and air quality, this NNI response should be considered a work in progress. These fundamental issues must be resolved and the necessary work completed, including proper CEQA review, before the report can be used for any purpose by any governmental body. We concur, therefore, with the following comments California Air Resources Board submitted on May 23, 2005:*

- "The draft report does not reflect the fact that the list of measures is a starting point for further evaluation by the entities responsible for implementing them and that the Technical Working Group did not do the level of review necessary to assume each measure can be implemented as initially outlined. ... We suggest that the document be modified to ensure the*

*public understands that prior to implementation of any proposed measure additional evaluation and public process is necessary to ensure the proposed approach is technically and practically feasible for the application, can be implemented by adopting entity, is cost effective, and the impacts are fully understood.*

*There has not been consensus on both the process used to develop the NNI Plan and its content by all members of the NNI Task Force. This should be clearly stated in the Executive Summary and the Introduction.”*

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## **1.1. No Net Increase Definition and Policy Recommendations**

To address community concerns about air quality and other impacts, Mayor Hahn requested action by the Board of Harbor Commissioners. In response to that request, the Board of Harbor Commissioners first defined NNI in an environmental policy established for the Port of Los Angeles on October 10, 2001. Board President Nicholas G. Tonsich stated, “*The Board is proud to establish this new environmental policy which sets a goal that there will be no net increase in air emissions or traffic impact from future Port operations.*”<sup>ii</sup> Several months later, during the Port Community Advisory Committee (PCAC) meeting of March 21, 2002, Board President Tonsich stated the baseline date for NNI would be October 10, 2001.

To initiate action on meeting the goal, the Board of Harbor Commissioners directed Port staff to plan, schedule and carry out several environmental baseline studies to measure the impact of Port operations on the surrounding communities. The first step toward preparing a plan to meet the NNI goal was the completion of the Draft Port-Wide Baseline Air Emissions Inventory in June 2004, which established the baseline of Port-related emissions for 2001. The results of the first baseline Air Emissions Inventory for the Port of Los Angeles have been released, establishing the emissions from the Port for the NNI baseline year of 2001. An Executive Summary of the report is available in Appendix A.

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### **Stakeholder Comments Received:**

#### **Pacific Merchant Shipping Association**

*Section 1.1 - It is important to note that No Net Increase applies to both air quality and traffic congestion. Accordingly, this report is incomplete since the traffic congestion issue has not been resolved. Future efforts by the Port should include this important issue.*

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## **1.2. Task Force Mission and Goals**

When developing the Task Force, Mayor James K. Hahn and Councilwoman Janice Hahn recruited community, environmental, industry and regulatory stakeholders to work with Port staff collaboratively to prepare a Plan. In their introductory letter, Mayor Hahn and Los Angeles City Councilwoman Janice Hahn provided the mission of the Task Force “*...to build consensus on an innovative and realistic strategy to achieve ‘No Net Increase’ at the Port of Los Angeles.*”<sup>iii</sup>

While the original charge to the Task Force was to have a Plan developed by the end of 2004, it became evident that additional time was needed, and an extension into Spring 2005 was requested of and approved by the Mayor in January 2005. The purpose of this extension was to allow for technical, legal and economic review of the Plan recommendations.

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**Stakeholder Comments Received:**

**Pacific Merchant Shipping Association**

*Section 1.2 - We do not believe that this report accomplishes any of the stated goals of the Taskforce. There has not been adequate consensus achieved and many of the measures are not capable of being fully evaluated due to lack of financial, legal and implementation analysis. At this time we can only conclude that the goal for the Taskforce has not been met and we hope efforts to try and reach consensus on this important issue will continue. The original extension approved by Mayor Hahn was a response to the fact that the report could not be completed on the original schedule. For the same reasons we believe that this document should be delayed until the entire report is available for review by the taskforce and then submitted for public review in accordance with CEQA.*

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### **1.3. Task Force Members, Structure and Meetings**

The Task Force membership, appointed by Mayor Hahn and Councilwoman Hahn, included representatives from regulatory agencies, various community stakeholders, Port customers, Harbor Department staff and environmental experts. The Task Force was chaired by Harbor Commissioners Camilla Townsend and Thomas Warren. A list of the Task Force members and their respective affiliations is provided in Table 1-1.

The first meeting of the Task Force took place on October 7, 2004. The Task Force established a schedule of meetings and identified the milestone accomplishments for those meetings. Meetings were open to the public for observation. Minutes were kept for all Task Force meetings and are available for review upon request.

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**Stakeholder Comments Received:**

**Rail Industry**

*1.3 Task Force Members, Structure, and Meetings - While general Task Force meetings were open to the public for observation, much of the work was performed in a subgroup, the Technical Working Group ("TWG"), open for neither observation nor input by the public or affected stakeholders. While minutes were kept for all general NNI Task Force meetings and are available for review upon request, no such minutes were kept or exist for the TWG.*

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**Table 1-1. No Net Increase Task Force Members and Affiliation.**

<b>Task Force Members</b>	<b>Affiliation</b>
Camilla Townsend <i>Task Force Co-Chair</i>	Harbor Commissioner/Port of Los Angeles
Thomas Warren <i>Task Force Co-Chair</i>	Harbor Commissioner/Port of Los Angeles
LaDonna DiCamillo	BNSF Railway Company.
Miguel Lopez	International Brotherhood of Teamsters
Norm Tuck	International Longshore and Warehouse Union
Gail Ruderman Feuer	Natural Resources Defense Council
Sharon Rubalcava	Pacific Energy Partners
Andrew Fox	Pacific Harbor Line
Michele Grubbs	Pacific Merchant Shipping Association
Richard Havenick	Port Community Advisory Committee/ Air Quality Subcommittee
David Howekamp	Port Community Advisory Committee/ Consultant to Air Quality Subcommittee
John G. Miller, M.D.	Port Community Advisory Committee/ Air Quality Subcommittee
Noel Park	Port Community Advisory Committee/ Air Quality Subcommittee
David Mathewson	Port of Los Angeles, Director of Planning and Environmental Affairs
Ralph Appy	Port of Los Angeles, Director of Environmental Management
Barry Wallerstein	South Coast Air Quality Management District
Peter Greenwald (alternate)	South Coast Air Quality Management District
Zorik Pirveysian (alternate)	South Coast Air Quality Management District
Peggy Taricco	State of California, Air Resources Board
Lauren Dunlap	Take Note, Inc./Air Quality Consultant to the Port of Los Angeles
Carol Harris	Union Pacific Railroad Company
John Shiner (alternate)	Union Pacific Railroad Company
Deborah Jordan	United States Environmental Protection Agency
Bill Jones (alternate)	United States Environmental Protection Agency
Ed Avol	University of Southern California, Keck School of Medicine/Port Community Advisory Committee/Consultant to Air Quality Subcommittee

### **1.3.1. Technical Working Group**

The Technical Working Group (TWG) was established at the instruction of the Task Force Co-Chairs. The TWG provided a small group of technical experts in air quality mobile source issues, State Implementation Plans (SIP), and port-related mobile emissions sources. The TWG members included:

- U. S. Environmental Protection Agency (EPA);
- California Air Resources Board (ARB);
- South Coast Air Quality Management District (SCAQMD);
- David Howekamp, consultant to the PCAC Air Quality Subcommittee and former Director of Air Programs for the EPA-Region 9;
- Professor Ed Avol, USC Keck School of Medicine and consultant to the PCAC Air Quality Subcommittee;
- Port Environmental Management Division; and
- Starcrest Consulting Group.

The TWG agreed that the most appropriate approach to NNI was to handle the issue in a manner similar to a SIP. Complicating the process was the extremely short time schedule to accomplish appropriate technical analysis and quality assurance. Instead of a full year or two, the TWG had to meet schedules that were measured in days and at most, two months. Technical analysis was conducted from November 2004 through May 2005 at an accelerated rate. Several issues associated with a lack of data or understanding had to be resolved in order to develop these initial findings. The group agreed that for issues arising from information that was not available or not fully understood, the group would select by default the option/scenario that produced the highest emissions estimates. This is a common practice used by air quality planners and agencies to safeguard against under-predicting emissions which would lead to any plan's failure. TWG members conferred regularly, spending thousands of working hours in phone conference calls and face-to-face meetings. Due to the extensive amount of work that had to be prepared to provide materials to the greater Task Force to discuss and debate, the TWG worked on a consensus basis internally until draft materials were of sufficient quality to be presented to the Task Force for their review.

The TWG developed various preliminary draft works for the Task Force, such as extensive candidate control measure lists, emissions growth estimates, and control measure emissions reductions, that were the starting point for the greater Task Force to review, debate, and make additions and recommendations. The TWG incorporated feedback from the Task Force, adding new control measures, deleting some measures, and modifying several others. The TWG then incorporated the comments from the Task Force and prepared for a two-day stakeholder meeting to get a broader industry perspective (industry stakeholders representing the railroads, terminal operators, shipping lines, and tanker operations were members of the Task Force and had provided input through the Task Force meetings) on the candidate control measures. The TWG incorporated the feedback from the stakeholder meeting and again presented the revised control measures to the greater Task Force. Task Force comments and suggestions were again incorporated into the measures. In addition, the TWG worked with the railroads

and the Alameda Corridor Transportation Authority (ACTA) and their consultants to identify control efficiencies associated with the Alameda Corridor as well as to better refine rail growth estimates (discussed in Section 2.5).

It is important that the reader understands that the work products of the TWG were prepared to the best ability of the group with respect to a limited schedule and should be considered as a starting point for further evaluation by the entities responsible for implementing the various control measures identified and evaluated. This is due to the fact that the TWG did not have the time sufficient to do the level of review and quality assurance necessary to assume each measure can be implemented as initially and finally outlined. In addition, fundamental assumptions such as the relationship between cargo growth versus emissions growth are not clearly understood at this time and there are several sources that have their emissions growth tied to unrelated cargo types. The fact is that, for many measures, there are significant technical and logistical hurdles that need to be overcome prior to implementation. Many of these issues were outlined in the Implementation Issues section that was included in the control measure narratives. In addition, further refinement and study is needed to better predict how cargo growth and emissions growth by source category and cargo type are related. Prior to implementation of any of the purposed control measures, additional evaluation and public review is necessary to ensure that the proposed approach is technically and practically feasible, able to be implemented by the adopting entity, is cost effective, and that the impacts are fully understood.

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**Stakeholder Comments Received:**

**Pacific Merchant Shipping Association**

*Section 1.3.1 - The abbreviated time frame for the Technical Working Group (TWG) to complete its work cannot be used to justify the unsubstantiated conclusions included in this report. No amount of caveats will stop people from extracting inaccurate information from this report and using it to support political positions. The discussion in this section just highlights the need for much more extensive research before this report can be approved.*

*The TWG process was not open to the industry, nor was sufficient background information provided to properly vet the material produced. The absence of any records of the TWG did not provide insight to the decision making process and why some recommendations and comments were incorporated and others were ignored.*

*We would also recommend that representatives of the maritime industry and engine manufacturers be part of the TWG in the future. The TWG findings should be considered preliminary estimates that must be fully vetted by the appropriate agencies and topic experts prior to basing any public policy decisions upon their work.*

**Rail Industry**

*1.3.1 Technical Working Group - The creation of the TWG produced a team composed solely of Port management, air regulators, and two consultants who represented only PCAC. The TWG isolated itself from other Task Force members and did not consult them on technical matters. Industry stakeholders were not permitted to participate in the deliberations or to have input on technical or policy matters.*

**South Coast Air Quality Management District**

*Section 1.3.1 - Suggest to revise the last sentence to state that "Prior to implementation of any of the proposed control measures, additional review will be conducted to further refine the technical feasibility and cost analysis conducted by the TWG and FWG and address the implementation issues."*

**Ed Avol**

*Section 1.3.1, last paragraph (p.6) – This paragraph seems overly and unnecessarily apologetic, almost defensive, for attempting to deliver on the charge to develop a No Net Increase plan. While it is certainly true that there was very limited time and that additional review would be valuable, and that improved information will improve the product, the fact remains that at this point in time, we did what we could.*

*I think it would be best to just delete the last paragraph (beginning with "It is important that the reader understands...") entirely. Section 1.5 (Intended Use of the Report) talks about updating as improved information becomes available, so I think the dynamic nature of the document is conveyed.*

*My concern is that the current Section 1.3.1 final paragraph makes it sound as if this exercise was worthless because nobody knew what they were doing and did not have the time needed to figure out what to do...and that misrepresents and distorts the actual situation.*

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**1.3.2. Stakeholder Meeting**

The TWG conducted a stakeholder meeting on January 25-26, 2005 to provide a discussion forum for interested parties regarding the development and proposed implementation of NNI. Task Force members invited subject matter experts to discuss implementation of the individual draft control measures during the two-day meeting. Members from PCAC, San Pedro and Peninsula Homeowner’s Coalition, the Pacific Merchant Shipping Association (representing terminal operators and shipping companies), the Natural Resource Defense Council (NRDC), the Coalition for Clean Air, the Association of American Railroads, Union Pacific Railroad, BNSF Railway Company, and Pacific Energy Partners (pipeline transporter of crude oil), along with other interested participants – including an independent trucking operator and harbor craft companies and operators – attended this meeting. Meeting participants freely exchanged ideas and provided information to the TWG about actual operations experience, as well as potential obstacles and solutions for implementing the control measures in the Plan. In addition, the meeting provided an opportunity for all participants, who will play a major role in the implementation phase, to fully understand the scope and impact of the NNI strategy.

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**Stakeholder Comments Received:**

**Pacific Energy Partners**

*Section 1.3.2. Pacific Energy Partners should be described as a "proposed marine terminal operator, crude oil storage and transportation by pipeline".*

**Rail Industry**

*1.3.2 Stakeholder Meeting - Stakeholders' concerns regarding technological infeasibility, lack of jurisdiction, lack of cost effectiveness, and potential for adverse unintended consequences of control measures went unheeded. At the conclusion of the Stakeholders Meeting, the TWG recessed into closed session and revised and developed additional and even more extreme and controversial measures. The*

*new measures were presented for the first time at the general Task Force meeting on March 2-3, 2005. They were included in the draft NNI Plan without any opportunity for review or comment.*

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### **1.3.3. Financial Working Group**

During the March 2-3, 2005 Task Force Meeting, the Task Force Co-Chairs established an additional working group, the Financial Working Group (FWG). The FWG was established to conduct a financial analysis of each TWG control measure. The FWG includes participants from the Task Force and their respective stakeholder group(s), Port staff and expert consultants. During the initial meeting of the FWG, the participants decided that an additional subgroup should be formed in order to develop a preliminary analysis of the health-related cost benefits associated with implementation of the Plan. The Benefit Analysis Subgroup was then created to conduct this specific analysis. The financial analyses completed by the FWG and the Benefit Analysis Subgroup are provided in Section 4.

Similar to the TWG, the FWG had very limited time to compile cost data, and therefore it is important that the reader understand that the cost estimates should be considered as a starting point for further evaluation by the entities responsible for implementing the various control measures identified and evaluated. This is due to the fact that the FWG did not have the time sufficient to fully evaluate the cost impacts and implications for these measures. The costs are built on fundamental growth assumptions such as cargo growth that are not clearly defined at this time. The cost estimates should be viewed as order-of-magnitude preliminary estimates.

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#### **Stakeholder Comments Received:**

##### **Pacific Merchant Shipping Association**

*Section 1.3.3 - This section must be rewritten to indicate that at the time of this draft report none of the Financial Working Group (FWG) sections have been completed or submitted for review by the taskforce. There remain significant questions and issues associated with the Benefits Analysis. The financial analysis is still undergoing fundamental revisions and even the metric to describe the cost of the measures is uncertain but clearly is not a traditional cost/benefit analysis. Once completed the findings of the financial working group should be considered preliminary estimates that must be fully vetted by the appropriate agencies and topic experts prior to basing any public policy decisions upon their work.*

##### **Rail Industry**

*1.3.3 - Financial Working Group - During the initial meeting of the FWG, at the urging of PCAC representatives and over the stated concerns of other affected stakeholders regarding lack of expertise within the Task Force and lack of adequate time for a credible effort, the Port formed an additional subgroup regarding the alleged health-related costs associated with air contamination. It should be noted that as a result of pending and threatened litigation, any attempt to identify health-related costs should clearly contain disclaimers that the views expressed do not represent a consensus on the part of the NNI Task Force or an admission on behalf of any Task Force member.*

##### **Dave Howekamp**

*Section 1.3.3 - A paragraph should be added that describes the process for developing the benefits. This would parallel the paragraphs detailing how measure costs were developed. The paragraph would best be developed by CARB since they apparently are now going to produce the report on their letterhead.*

**Ed Avol**

*Section 1.3.3 – This paragraph seems overly and unnecessarily apologetic, almost defensive, for attempting to deliver on the charge to develop a No Net Increase plan. While it is certainly true that there was very limited time and that additional review would be valuable, and that improved information will improve the product, the fact remains that at this point in time, we did what we could.*

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**1.3.4. Legal Working Group**

The Legal Working Group (LWG) was also formed during the March 2-3, 2005 Task Force Meeting to address concerns raised about the scope of the Port’s authority to regulate or require customer implementation of the control measures discussed herein. Created from Task Force members and stakeholder counsel firms, the LWG collectively identified jurisdictional issues and issues relating to authority to implement the identified measures. Section 5 of this document contains a more complete discussion, including the work that has been completed thus far regarding the legal ramifications around the implementation of the draft Plan.

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**Stakeholder Comments Received:**

**Pacific Merchant Shipping Association**

*Section 1.3.4 - The draft legal analysis has only been made available to the Legal Working Group (LWG) and not to the full Taskforce for review and comment. We recommend that the Taskforce postpone any action on this report without at least having the opportunity to review and comment on this critical section. The results of this subgroup will almost certainly impact the list of measures that can be implemented and therefore the inclusion of the measures under review of the LWG should be withdrawn until this work is completed and incorporated into the report. The LWG findings should be considered preliminary and until they are fully vetted by the appropriate agencies and topic experts.*

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**1.4. Methodology Used to Develop Report**

The Task Force was presented with draft work products developed by the TWG. The subsequent discussions developed the content and implementation strategies for the Plan while providing a venue for resolution of difficult issues. During the meetings, Task Force members identified and discussed elements of the Plan. During the interim between meetings, the TWG worked through the steps necessary for development of the Plan. The Task Force members, representing the various stakeholder groups, worked to discuss issues and control strategies, provided feedback to the TWG, and invited others to the meetings for discussion of draft control measures –to expeditiously create a Plan while functioning in the most transparent process possible.

Subsequent to the stakeholder meeting in January 2005, the TWG revised the draft control measures. These were then presented a second time to the Task Force members for review, discussion, consensus and recommendations. The FWG and LWG then took this recommended work product of the TWG and developed the financial and legal analyses, as discussed in Sections 4 and 5, respectively. Minority and dissenting views expressed to Task Force are provided in Section 9, and the remaining unresolved issues and areas of concern are presented in Section 10.

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**Stakeholder Comments Received:**

**Pacific Merchant Shipping Association**

*Section 1.4 - This section needs to be revised to indicate the lack of Section 4 (Financial Analysis), Section 9 (Legal Analysis) and the incompleteness of Section 10. It is also our understanding that there will be no minority reports and reference to that section should be deleted. As stated at the last Taskforce meeting, all Taskforce comments are expected to be included in the body of the report.*

**Rail Industry**

*1.4 - Methodology Used to Develop Report - From Rail's perspective, there was absolutely no transparency in the TWG proceedings. They were conducted behind closed doors. There was also no effort made to address the very significant procedural and substantive concerns that had been raised in the industry comments and at the Stakeholders Meeting.*

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## **1.5. Intended Use of Report**

The draft Plan is intended to provide the Port of Los Angeles with a plan of defined implementation steps and goals to reduce emissions to 2001 levels, and ensure that future growth in Port operations is undertaken in compliance with the Plan. The Plan provides a roadmap of the identified measures potentially available to offset emissions related to Port operations, along with an estimate of the expected benefits associated with each measure.

This draft Plan is the first installment, initiating a systematic way to begin reducing emissions at the Port of Los Angeles. In order to remain effective, continual assessment will be required to check progress and improve the plan to ensure reductions are both achieved and then maintained. Revisions of the Plan will occur periodically to allow for adjustments based on current technology, new information and new emissions knowledge, as well as Port growth and the associated projections and emissions reductions.

This Plan is designed to respond to the changing climate and encourage innovation and technological development. An anticipated benefit is that the implementation of the Plan will also trigger operator innovation – that others will develop new methods, control techniques, or other ways to achieve the goals of the Plan.

The NNI initiative also has the potential to serve as a complementary effort to work underway by the Harbor Department, regulatory authorities and other governmental entities to reduce port-related pollution. Lastly, it is the hope of the Task Force that this Plan become a legacy document for the community and maritime industry, and chart the course for environmental stewardship in the Port.

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**Stakeholder Comments Received:**

**Pacific Energy Partners**

*Introduction, Section 1.5. Replace first sentence with the following: The NNI Plan is the task force's response to Mayor Hahn's letter of August 26, 2004, asking the task force to "build consensus on an*

*innovative and realistic strategy to achieve "No Net Increase" " and to include "specific initiatives and technologies". I think the report should use the Mayor's language in the letter. In the second sentence substitute "list" for "roadmap".*

**Pacific Merchant Shipping Association**

*Section 1.5 - The statement that the NNI Plan is intended to provide "a plan of concrete implementation steps" should be followed by acknowledgement that no implementation steps have been completed to date. In order to remain effective, continual assessment will be required to identify errors, incorrect estimates or assumptions, check progress and improve the plan to ensure reductions are both achieved and then maintained.*

**Rail Industry**

*1.5 - Intended Use of Report - The primary intended use of the draft NNI Plan is to respond to Mayor Hahn's request for no net emission increase goals which may be submitted to the City Council for its determination as to the next step to be taken, including CEQA.*

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<sup>i</sup> The TEU is the standard metric utilized in the container industry. It represents a twenty-foot container. Containers generally come in two sizes, twenty and forty feet. Therefore, a forty-foot container is equivalent to two TEUs. Approximately 20.5 percent of the containers are twenty foot. Therefore, 7.3 million TEUs is equivalent to 4 million containers.

<sup>ii</sup> Port of Los Angeles Press Release. October 10, 2001.

<sup>iii</sup> Letter to Mr. Larry A. Keller, Executive Director, Port of Los Angeles from Mayor James Hahn and Los Angeles City Councilwoman Janice Hahn, District 15. August 6, 2004.