

September 18, 2017

Mr. Chris Cannon
Port of Los Angeles
425 South Palos Verdes Street
San Pedro, CA 90731

Ms. Heather Tomley
Port of Long Beach
4801 Airport Plaza Drive
Long Beach, CA 90815

Re: Draft Final 2017 Clean Air Action Plan Comments

Dear Mr. Cannon and Ms. Tomley:

On behalf of the undersigned organizations, representing manufacturers, farmers and agribusinesses, wholesalers, retailers, importers, exporters, distributors, and transportation and logistics providers who use the ports of Los Angeles and Long Beach, we are submitting the following comments on the Draft 2017 Clean Air Action Plan (CAAP) Update.

The Ports of Los Angeles and Long Beach have achieved large reductions in pollutants and greenhouse gases over past 10-plus years. The efforts by the ports and all parties in the supply chain have been commendable – as the Draft CAAP states. These efforts continue today.

While the ports and stakeholders must continue to build upon the successes achieved so far, we are significantly concerned with several aspects of the Draft Clean Air Action Plan Update. These include the lack of information with respect to the commercial availability of specified technologies, the uncertainty of the draft plan's cost, the absence of any analysis regarding the ports' future competitiveness, the exclusion of certain technologies and fuels, and the lack of a cost benefit analysis on the air quality benefits that would result from this program. Ironically, these are issues which are identified within the report, but for the most part deemed unimportant.

We believe the ports will face significant challenges as indicated in the Draft Final Clean Air Action Plan Update document itself. Some examples of these challenges are noted below:

- “Keeping the Ports economically competitive amidst this transition to more sustainable goods movement will be challenging.” (*page 22*)
- “...and these strategies will place an enormous financial burden on the Ports and goods movement industry.” (*page 27*)
- “These costs represent a significant expense for the Ports and the industry. No one entity or organization appears able to fund or finance that expenditure.” (*page 9*)

In comparison to other North American port gateways, Los Angeles and Long Beach have lost market share during the past decade. The reasons for the loss of market share and stagnant growth are many. Layering tens of billions of dollars in costs on the supply chain without any corresponding programs to offset the additional cost will be disincentive for shippers and cargo owners to use these gateways.

Indeed, the only affirmative response to the billions of proposed cost increases in the draft document is to seek limited state or federal funding to help minimize the \$14-plus billion in cost

impacts or to expand the CAAP's requirements and associated costs onto the Ports of Los Angeles and Long Beach's competitors through "... state or federal mandates, in order to minimize impacts to economic competitiveness for our customers." The net effect would be to increase the cost on a national basis for all importers and exporters.

While the CAAP's goals are laudable and well intentioned, given the hyper-competitive nature of global commerce, we would recommend the following actions by the Ports of Los Angeles and Long Beach be taken before adoption of these new programs:

- Conduct a thorough evaluation of the proposed measures' cost effectiveness and the CAAP's possible negative impacts on port competitiveness;
- Include the use of ultra-low emission technologies and all electrification options to achieve significant emissions reductions in a cost-effective manner;
- Receive firm commitments of state and federal monies for research and development options for zero and near-zero emissions equipment, without limitations, before moving forward;
- Fully analyze the significant burden on the Ports' energy system and cyber security threats to both Ports if they were to be fully electrified and the impact to the trade community in the event of power disruption.

Without these changes, alternative trade gateways will become more attractive to the international trade community.

We appreciate the past efforts to successfully reduce port-related emissions and look forward to working with all interested parties in making the ports more efficient, competitive and environmentally sustainable.

Sincerely,

Agriculture Transportation Coalition
Airforwarders Association
Almond Alliance of California
American Apparel & Footwear Association
American Association of Exporters and Importers
American Chemistry Council
American Cotton Shippers Association
American Home Furnishings Alliance
American Import Shippers Association
America Pyrotechnics Association
Association of Bi State Motor Carriers, Inc.
Auto Care Association
California Business Properties Association
California Class I Railroads
California Farm Bureau Federation
California Fresh Fruit Association

California Hispanic Chambers of Commerce
California Retailers Association
CAWA – Representing the Automotive Parts Industry
Corn Refiners Association
Fashion Accessories Shippers Association
Footwear Distributors & Retailers of America (FDRA)
Foreign Trade Association
Future Ports
Gemini Shippers Association
Global Cold Chain Alliance
Halloween Industries Association
Home Furnishings Association
International Association of Movers (IAM)
International Association of Refrigerated Warehouses
International Refrigerated Transportation Association
International Warehouse Logistics Association

Juvenile Products Manufacturers Association
Los Angeles Customs Brokers and Freight
Forwarders Association
Meat Import Council of America
NAIOP SoCal - the Commercial Real Estate
Development Association
National Association of Chemical Distributors
National Association of Egg Farmers
National Cattlemen's Beef Association
National Chicken Council
National Council of Farmer Cooperatives
National Customs Brokers and Freight
Forwarders Association of America
National Cotton Council
National Fisheries Institute
National Industrial Transportation League
National Latina Business Women Association-
Inland Empire
National Oilseed Processors Association
National Onion Association
National Pork Producers Council
National Retail Federation
National Shippers Strategic Transportation
Council (NASSTRAC)
New Jersey Motor Truck Association
North American Meat Institute
NYNJ Forwarders and Brokers Association
Oregon Dairy Farmers Association
Pacific Coast Council of Customs Brokers and
Freight Forwarders
Pacific Merchant Shipping Association
PPAI - Promotional Products Association International
Retail Industry Leaders Association
Specialized Furniture Carriers
Tea Association of the U.S.A., Inc
The Hardwood Federation
Travel Goods Association
USA Poultry & Egg Export Council
U.S. Fashion Industry Association
U.S. Hide, Skin and Leather Association
Vinyl Institute
Western Growers
Western States Petroleum Association
Western States Trucking Association

CC: The Honorable Eric Garcetti, Mayor of Los Angeles
The Honorable Robert Garcia, Mayor of Long Beach
Gene Seroka, Executive Director, Port of Los Angeles
Mario Cordero, Executive Director, Port of Long Beach
Port of Los Angeles Harbor Commission
Port of Long Beach Harbor Commission