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COSTLY ENVIRONMENTAL POLICIES MAY RESULT IN INCREASED GREENHOUSE GAS EMISSIONS IF CARGO BYPASSES LA/LB PORTS FOR DISTANT EAST AND GULF COAST PORTS

LONG BEACH, CALIF. – An analysis released today that was commissioned by the Pacific Merchant Shipping Association (PMSA) and conducted by Starcrest Consulting Group demonstrates that greenhouse gas (GHG) may increase if cargo is diverted from West Coast ports. The GHG increases are dependent on a number of factors including port of origin, port of destination, inland destination and container vessel sizes moving the cargo.

Policy proposals at the ports of Los Angeles and Long Beach, as well as those introduced by the state of California, to reduce GHGs could have an opposite effect than intended. Shippers and cargo owners, in response to increased costs due to regulation, may divert cargo from higher-cost West Coast ports to lower-cost East Coast and Gulf Coast ports. The analysis tool can be used to illustrate numerous scenarios, and many of them result in increased emissions.

As the analysis highlights, regulations intended to reduce greenhouse gas emissions associated with the supply chain may increase operational costs for cargo owners. As a result, cargo owners may shift their products to less expensive gateways with longer transit times and distances. The Starcrest analysis found that GHG emissions may average up to 22 percent higher, when cargo originating from Asia bypasses the ports of Los Angeles and Long Beach in favor of ports on the East Coast and Gulf Coast, with final destinations of Chicago, St. Louis and Memphis.

The analysis highlights three important factors when cargo owners decide where to send shipments – destination, reliability and cost. California ports offer the most direct shipping route from Asia to the U.S., and to inland U.S. destinations given their proximity to infrastructure, logistics networks and population centers.

However, with the increased costs of proposed regulations, today's cargo owners have more gateway options and, as regulations increase prices, other gateways are becoming viable transit options.

“Cargo owners around the world make decisions based on their pocket-books,” contends PMSA President John McLaurin. “We urge policy-makers to take a more holistic view and include global competitiveness as a factor in developing regulations to clean the air – doing so is essential to keep cargo and jobs in Los Angeles and Long Beach, and to avoid unintended GHG emissions increases.”

A spreadsheet-based Greenhouse Gas Route Comparison Tool developed by Starcrest Consulting Group is being made publically available by PMSA. The GHG Route Comparison Tool analyzes emissions associated with trips from South Korea, China and Singapore to West Coast, Gulf Coast and East Coast ports via the Pacific Ocean, Suez and Panama canals.

“Ultimately, this analysis paints a cautionary picture of the unintended consequences that may result from policy proposals designed to reduce GHG emissions but which may actually increase them due to the many options which exist for cargo owners,” concluded McLaurin. “Look no further than the Clean Air Action Plan. This proposal would add more than \$14 billion in costs without counterbalancing programs or funding to increase efficiency or competitiveness.”

About the Pacific Merchant Shipping Association

The Pacific Merchant Shipping Association (PMSA) is an independent, not-for-profit association focused on global trade. PMSA operates offices in Oakland, Long Beach and Seattle, and represents owners and operators of marine terminals and U.S. and foreign vessels operating throughout the world. For more information, visit www.pmsaship.com.

About Starcrest Consulting, L.L.C.

Starcrest Consulting Group specializes in assisting port and maritime clients address their technical and policy related air quality, climate, sustainability, and data management needs. For more information, visit www.starcrestllc.com.

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Download a copy of the Pacific Northwest Greenhouse Gas Comparison Tool [here](#).

Download a copy of the California Greenhouse Gas Comparison Tool [here](#).