8. PUBLIC POLICY ISSUES

During the process of developing the draft Compendium of Control Measures, the Task Force identified several issues that were determined to be larger public policy issues. While the Task Force members recognized these as important issues intimately related to the No Net Increase goal, it was decided by the Co-Chairs that these issues ultimately lie beyond the purview of the Task Force. These are briefly described below.

8.1. Other Measures

The Technical Working Group drafted four potential control measures, which were not placed for vote by the Task Force. These measures, classified as “Other Measures” (O-x) included:

- **O-1 – Terminal Efficiency Improvements** - This measure briefly discusses opportunities for improving terminal efficiency and throughput through use of new technologies and improved logistics, generally related to enhanced coordination and optimization of all aspects of terminal operation – linking terminal gates, container yards and vessel operations through the terminal’s computerized operating system, and automatically tracing the container’s movement through the terminal.

- **O-2 – New Source Review** - This measure would establish conditions for approval by the Port of terminal expansions and other facility modifications that might cause increased emissions. The measure is based on “New Source Review” rules currently applicable to stationary sources such as factories and power plants. Such rules allow construction and modification of facilities that emit air contaminants, but require that such new and modified facilities not cause net emissions increases that could interfere with progress toward attainment of air quality standards.

- **O-3 – Growth or Emissions Cap** - Cargo throughput dictates the activity levels and associated emissions for all source categories operating in the Port. If the rate of reduction in emissions is not sufficient to achieve or maintain NNI attainment levels, this control measure would invoke a “cap” on cargo throughput or emissions at the Port-wide or terminal scale. The “cap” could be in the form of a reduced annual rate of throughput growth or an indexing of throughput or emissions to a specified year. Implementation of an emissions “cap” at the terminal scale would provide flexibility to operators to identify their own strategies for operating under their assigned “cap” levels. It is possible that highly efficient operators could generate excess emissions reductions that could then potentially be traded to other terminal operators that may not be able to achieve their apportioned reductions.
Alternatively, the “trigger” for the “cap” could be the inability to achieve or maintain OGV baseline emissions levels. This may make sense due to the dominance of the OGV source category in the aggregated Port-wide emissions growth.

- **O-4 – Port-Related Construction Emissions Limitations** - This measure suggests specific construction-related mitigation efforts to minimize the emissions impacts of construction projects within the boundaries of the Port. This measure includes the application of dust suppression measures provided in the SCAQMD CEQA guidelines, use of construction equipment employing the newest engines and verified emissions reduction technologies where possible, and a provision to limit project equipment to equipment that minimally meets EPA’s Tier 1 standards retrofitted with controls to achieve 85 percent or greater PM reductions, such as diesel particulate filters (DPFs). Additionally, equipment idling time will be limited to five minutes or less barring safety constraints, and no construction should occur on any days that violate or are expected to violate air quality standards.

In May 2005 a New Source Review subcommittee was formed to explore the potential application of the drafted New Source Review control measure. This committee met twice before deciding consensus could not be reached during the short timeframe available.

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**Stakeholder Comments Received:**

**Dave Howekamp**

*Public Policy Issues* - The paragraph after O4 “In May 2005 a New Source Review .....short timeframe available should either be replaced or followed by sentences that reflect the outcome of discussions at the taskforce meeting on June 7 and June 21. There were initial discussions on June 7 to include a broad policy recommendation regarding application of controls and offsetting of emissions from new terminals. If the Task Force agrees to such a policy and it is stated in the recommendations section, then this section should at least refer to it so the reader does not become confused about the new source topic.

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**8.2. Trucking Industry**

Trucks that service both the Port of Los Angeles and the Port of Long Beach are predominantly independent operators under contract with a brokering firm that in turn contracts directly with shipping companies. In this system, the independent operator receives a flat rate for freight movement, regardless of time expended performing this service. During the stakeholder meeting, participants expressed frustration over the large time fluctuations a driver may encounter while servicing the ports. Given these unpredictable circumstances, frequently those who service the ports are poorly compensated in comparison to drivers servicing different sectors of the trucking industry. Stakeholders also shared frustration with current Federal laws prohibiting shipping companies from contracting directly with the independent operators.
8.3. Potential Negative Impact of Cargo Diversion

Industry representatives requested that the Task Force explore possible negative economic consequences associated with the implementation of any Plan that results in cargo diversion away from the Port. While several Task Force members requested this issue be further explored, particularly in association with the Financial Analysis, this issue was not analyzed by this Task Force. In the event mandatory control measures and significant pollution controls are only required of tenants of the Port, the potential or likelihood of tenant withdrawal from the Port remains a significant concern.

Stakeholder Comments Received:

Rail Industry
Chapter 8 – Public Policy Issues - An additional section should be added:

Potential Negative Impact of Modal Shift

From the perspective of both air emissions and fuel consumption, the rail mode is the most efficient form of land transportation. U.S. EPA has observed that locomotives are “three times cleaner than trucks on an emissions per ton-mile basis.” 62 Fed. Reg. 3268 (1997). A study for the U.S. Department of Transportation found that rail double-stack transportation of containers is approximately three times more fuel efficient than truck transportation, as measured on the basis of gallons consumed per ton-mile. Furthermore, to the extent goods are transported by rail instead of by motor vehicle, highway congestion and roadway wear and tear are reduced. A single train consisting of twenty-eight cars, each car consisting of five platforms which, in turn, can each hold two forty-foot containers, is capable of displacing 280 trucks which would move on the public highways.

The TWG’s failure to treat trucks and rail the same in their analysis and its selection of regulatory control strategies for rail that will make rail less efficient and place rail at a competitive disadvantage is very harmful because it creates the potential for lessening the overall environmental efficiency of goods movement operations, increases the potential of “negative” modal shift from rail to truck, and increases freeway congestion. The potential for these unintended consequences of “negative” modal shift has not even been addressed in the NNI process.