



Western States Petroleum Association
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Joe Sparano
 President

July 28, 2008

Dr. Ralph G. Appy
 Port of Los Angeles
 425 South Palos Verdes Street
 San Pedro, CA 90731

RE: Support for Prompt and Balanced Review of the Pacific LA Marine Terminal Crude Oil Terminal Project

Dear Dr. Appy,

The Western States Petroleum Association (WSPA) urges you and the US Army Corps of Engineers to provide a prompt and balanced review for the Pacific LA Marine Terminal Crude Oil Terminal Project on Pier 400. We request that you publish the final Supplemental EIS/EIR as soon as possible.

WSPA is a non-profit trade organization representing 26 companies that explore for, produce, refine, distribute and market petroleum, petroleum products and natural gas in California and in five other western states. WSPA members own and operate marine facilities and also depend on marine terminals at the ports of Los Angeles (POLA) and Long Beach (POLB), as well as on facilities in other California ports.

California is facing an increasingly urgent need to upgrade and expand essential energy infrastructure – both to ensure continued delivery of reliable and affordable energy supplies and to ensure the state’s continued economic vitality.

There is a delicate balance in the demand for and supply of transportation fuels in California. This, along with California’s unique gasoline blend and the fact our state is not linked to any other refining centers by pipelines, results in our greater vulnerability to supply disruptions and price spikes, according to the U.S. Energy Information Administration and the California Energy Commission.

These factors make California an “island” for transportation fuels and heighten the importance of California’s marine facilities for ensuring adequate supplies.

Our growing reliance on imported crude oil and finished gasoline, diesel fuel and other petroleum products – 60 percent of which enter the state through marine terminals at or near the ports of Los Angeles and Long Beach – requires that we maintain and expand our state’s energy infrastructure.

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Marine infrastructure projects like the Pier 400 project are important to meeting California's future energy demand. The proposed liquid bulk offloading and storage facility, including plans for a deep water marine dock designed to accommodate offloading of large ocean-going oil tankers, will help provide local refining facilities with much needed levels of raw materials for their operations.

The California Energy Commission, in its 2007 Integrated Energy Policy Report, states, "Californians used almost 16 billion gallons of gasoline and over 4 billion gallons of diesel in 2006, and a growing population is feeding that demand. The state cannot reliably meet its increasing fuel demand without a robust petroleum infrastructure that includes refineries, storage, pipelines, distribution terminals, *and marine facilities.*" (Emphasis added.)

The draft Supplemental EIS/EIR recognizes that "the proposed Project would help meet California's stated needs for transportation energy facilities by providing critical infrastructure called for in the CEC's Integrated Energy Policy Reports since 2003."

Approval of new marine infrastructure projects will enable the movement of critical energy supplies. And, such projects can be done in ways that are environmentally responsible and sensitive to the needs of neighboring communities.

New marine infrastructure facilities like the Pier 400 project will also contribute to the growth of the Southern California and national economies, and will create new jobs and provide for increased tax revenues. It is also important to note that the Pier 400 project is being planned with environmental sensitivity.

The Port should pursue new marine infrastructure projects like the Pier 400 project to ensure the continued economic development of Southern California in an environmentally responsible manner. We urge you to provide a prompt, balanced review of this critical energy infrastructure project.

Sincerely,

A handwritten signature in black ink that reads "Joe Sparano". The signature is written in a cursive, flowing style.

Cc: Los Angeles Board of Harbor Commissioners
President, David S. Freeman
Vice President, Jerilyn Lopez Mendoza
Kaylynn L. Kim
Douglas P. Krause
Joseph R. Radisich
POLA Executive Director, Geraldine Knatz, Ph.D.

JES/jlm