

TESTIMONY

OF

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THE PORT OF LOS ANGELES

ON

S. 1499

“THE MARINE VESSEL EMISSIONS REDUCTION ACT OF 2007”

BEFORE THE

SENATE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

THE HONORABLE SENATOR BARBARA BOXER
CHAIR

AUGUST 9, 2007

PORT OF LOS ANGELES
BOARD OF HARBOR COMMISSIONERS HEARING ROOM

Welcome

Senator Boxer (and members of the committee), thank you for scheduling this important congressional hearing today, and I want to welcome you back to the Port of Los Angeles, because I know you are no stranger to the Port. I appreciate you inviting me to participate in this field hearing on “The Marine Vessel Emission Reduction Act of 2007” and on behalf of the Los Angeles Board of Harbor Commissioners, I appreciate your leadership (and that of Congresswoman Hilda Solis) in introducing S. 1499 and H.R. 2548. I also want to thank Senator Dianne Feinstein for her sponsorship of this important legislation, and Representative Jane Harman for her support of H.R. 2548. The reduction of emissions from ships is a key component of the Port’s Clean Air Action Plan, which I will address in more detail in my testimony.

Port of L.A.’s Efforts to Green the Maritime Industry

Senator Boxer, your support of the California EPA waiver bill, which will help our state and twelve other states establish greenhouse gas emissions regulation on our own without waiting for the EPA to act on our behalf,

speaks to your recognition of the sense of urgency that we collectively need in order to reduce the adverse affects of air emissions that contribute to global warming. And I know that you are personally aware of the Port of Los Angeles' efforts to bring greener measures to the maritime industry because you have been our champion in Washington D.C. to push for the ratification of the MARPOL Annex VI treaty, which would allow the U.S. to establish a North American Sulfur Emissions Control Area to reduce ship emissions from ocean going vessels.

Changing treaties is a long, long row to hoe. And while the IMO is an honorable organization, waiting for the IMO to make these kinds of changes is like watching paint dry! But reducing harmful ship emissions is such a critical initiative that it's something that we need to pursue at all levels – through local and state actions, through our elected leaders in Washington D.C., and through international treaties. But that's not all, at the Port of Los Angeles we're aggressively campaigning for a greener maritime industry through collaborative efforts with other Ports around the world. Last December, the Port of Los Angeles -- with support from the U.S. EPA, the South Coast Air Quality Management District, the U.S.

Maritime Administration and the Shanghai Municipal Port Administration Bureau – hosted more than 25 Pacific Rim ports for the inaugural Pacific Ports Clean Air Collaborative Conference. The 3-day meeting here in Los Angeles was held to discuss challenges and solutions to air pollution created by port operations.

At this meeting we rolled up our sleeves and discussed technical, operational and even business challenges that are common to all ports in terms of trying to affect changes on-site and with the maritime industry at large. We wrapped up the conference with a ceremonial commitment among the participants to set future conferences so that we may continue to share intelligence about emerging technologies and best practices.

Sharing intelligence from port to port is especially critical. From our standpoint at the Port of Los Angeles, we have invested tens of millions of dollars into research to really delve into the measurement of emissions from all port-related sources and the impact of those emissions not only on the communities surrounding our ports, but the entire South Coast Air Basin. We have a monumental air quality problem here in Southern

California; and we have mobilized a monumental effort to improve air quality by reducing port-related air emissions. To that end, we don't see the need for other ports around the world to re-create the wheel. Instead, we are urging ports around the world to take pages from our air quality playbook – literally. For example, we are in the process of creating an Internet-based “Clean Air Tool Box” of air emission reduction strategies that ports worldwide can use to implement their own Clean Air Strategies.

This resource, which we also have just vetted with the AAPA -- American Association of Port Authorities --, is a focal point in our successful efforts to get the IAPH to adopt a resolution calling on ports internationally to create Clean Air Plans that will benefit their environments.

If all these efforts sound pervasive – like we're moving on all fronts -- well... it's because we are. You see, in order to affect change in an industry that facilitates global trade, you need to create a buzz. You need to practice what you preach, and preach every chance you get. You need to be a change agent – a catalyst not only for other ports, but for the industry. You need to crusade so passionately for cleaner air that it makes other

countries, other ports and other businesses want to be on your side. And if our efforts work, at the end of the day, who will want to be the port that dirty ships go to?

This industry needs monumental changes, and the time for change is now. International trade, especially from the Pacific Rim, is growing at an unprecedented pace, far exceeding economic projections. Over the past year alone, the amount of containers coming through the Port of Los Angeles has increased by 16 percent. By the year 2020, the ports of Los Angeles and Long Beach are expected to handle the equivalent of 36 million, 20-foot containers annually — more than twice the container volume flowing through our two ports today. Our prominent position in international trade and this projected growth creates major challenges for the Port and its infrastructure as well as major challenges in working with our international trading partners and their port facilities for seamless vessel and port operations.

Mayor Villaraigosa has stated many times that he wants to grow the Port of Los Angeles, creating new jobs and economic opportunity. But the Mayor

has been clear: the only way we will be able to accommodate the growth and continue to deliver goods to the state and the nation is to grow green. One of our first significant tests of the Mayor's policy will be the expansion of a major cargo shipping terminal operated by TraPac, Inc., where we are combining improvements in technology and environmental mitigation to handle two-thirds more containers than in the past while dramatically reducing the emissions of toxic pollutants and health risk impacts on the surrounding communities to below current levels. By combining new on-dock rail, fewer and more efficient loading cranes, on-shore power for container vessels (known as cold-ironing), along with cleaner-burning fuels and pollution control technologies, we can expand the TraPac terminal and other terminals in the future while reducing their negative impact on the quality of the air we breathe.

The Port of Los Angeles is a member of the California Climate Action Registry, which requires the Port to report Greenhouse Gas emissions from port operations. We will be working with CARB to do our part in capping greenhouse gas emissions from port-related sources. As part of this effort,

we believe that the TraPac EIR is also the first port project environmental document – perhaps even the first EIR in California – to undertake an assessment and provide mitigation for Greenhouse Gases.

Clean Air Action Plan

Mayor Villaraigosa has already spoken about the San Pedro Bay Ports Clean Air Action Plan, so I will abbreviate my points about our local strategy to “grow green.” While we take pride in saying that our joint Clean Air Action Plan is a local initiative, I think one of the most impressive aspects about the Plan is that it illustrates our commitment to work with the federal Environmental Protection Agency (EPA) Region 9, the California Air Resources Board (CARB), and the South Coast Air Quality Management District (AQMD).

The Clean Air Action Plan is an ambitious plan that will cut overall emissions in half even while we continue to grow our operations. Two strategic principles are driving our actions with regard to the Clean Air Action Plan. First, the Port believes it is essential that key infrastructure

projects and public health-related environmental improvements are implemented in an integrated and coordinated fashion. The state's goods movement action plan calls for "simultaneous and continuous" improvement in goods movement infrastructure and environmental mitigation. We will make this concept a reality at the San Pedro Bay Ports. In order for the ports to realize "green growth," we will pursue a sustainable and smart strategy of investment and use the leverage we have with our customers to assure that this happens.

Second, the Port is aggressively pursuing a common goods movement action agenda with our regional partners. Along with Caltrans, SCAG, Los Angeles MTA, and other regional agencies in the Inland Empire and Orange County, we are forging a cooperative vision and strategic program to move goods more efficiently, increase capacity and address the associated public health issues in Southern California. Our solution is a regional solution. For our part, the ports are working with customers to ensure they understand the important of their contribution to not only the projects in San Pedro Bay but to regional projects as well.

A primary of the Clean Air Action Plan is reducing the emissions from ocean-going vessels arriving and departing the San Pedro Bay Ports, and tied up at berths while they transfer cargo. To reduce transit emissions, the ports will utilize a combination of operational and technology strategies targeted at vessel speed reduction, cleaner fuels in auxiliary and main engines, and integrating emission reduction technologies. Today we have two terminals at the Port of Los Angeles where ships can plug into shore-side power while at berth. We should have our cruise ship terminal AMP-ready by the end of next year. Just recently, we signed off on plans to construct an AMP connection at a third container terminal; so this is a program that we are moving forward fairly aggressively as part of the Clean Air Action Plan.

But shore-side control of vessel emissions is not enough, and that's where the Marine Vessel Emissions Reduction Act comes in. Your bill can play a very important role in our Clean Air Action Plan by helping us draw attention to the emissions reduction elements of the ports' plan as they address ocean-going vessels. In terms of diesel particulate and sulfur oxides emissions, ocean-going vessels contribute 59% and 90%,

respectively of all port-related emissions. In fact, the emissions generated by one ship transiting weekly between Shanghai and Los Angeles is greater than all the emissions generated by all the sources in our port for an entire year. To that end, addressing marine vessel emissions must be a national priority.

The Marine Vessel Emissions Reduction Act goes beyond MARPOL Annex VI and puts the U.S. in the lead on establishing vessel emission reductions standards, sending a very important statement to the International Maritime Organization (IMO) that the U.S. is squarely on board with regard to managing the emissions affecting our ports and the region. It also would give the IMO more support as it works to bring all nations on board in strengthening the treaty, and it gives the U.S. EPA the backing it needs as our nation's representative to IMO.

Ultimately, we also believe that the federal application of lower sulfur fuel requirements will give shipping lines a greater incentive to accept rather than oppose these cleaner emission standards on an international basis, and this proposed legislation provides an alternative compliance

mechanism for industry innovation. We believe that comprehensive, nationwide standards benefit industry more than local standards imposed through a lease-by-lease approach we take with our customers because it levels the playing field as the shipping lines will all be obligated to switch to higher quality, lower sulfur fuel at the same time. To that end, the Port applauds your leadership in forging this aggressive standard for our nation. It's very complementary to the ambitious steps our two local ports are taking as we move toward implementation of our Clean Air Action Plan, and that is why we have endorsed your bill.

Summary and Close

In closing, we very much appreciate your coming to the Port of Los Angeles today. We are grateful for all your work on these issues, which are such a priority for us and our neighbors throughout Southern California, and we are glad to have had the opportunity to share with you how the Marine Vessel Emission Reduction Act can help our air quality and Clean Air Action Plan efforts here in Southern California.

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