

Contact:
Thomas Jelenić
(310) 432-4043
tjelenic@pmsaship.com

EMBARGOED UNTIL JULY 19 AT 9 AM PST

PMSA PROVIDES INITIAL COMMENTS ON CLEAN AIR ACTION PLAN RELEASE

LONG BEACH, CALIF. – John McLaurin, president of the Pacific Merchant Shipping Association (PMSA), issued the following statements about the ports of Los Angeles and Long Beach’s release of the Clean Air Action Plan (CAAP), version 3:

General:

“The ports of Los Angeles and Long Beach will look fundamentally different in 2030 than they do today. It is essential that both ports approve an updated CAAP that smooths the transition toward zero-emissions technology but does so in a way that allows both ports to continue growing and to regain lost market share in an increasingly competitive global trade environment.

“We have one shot to get this right. If we miss the opportunity to balance on-going environmental progress with policies that increase throughput and ensure competitiveness, the region’s economy, businesses and residents will suffer – and emission reductions that are so important to communities surrounding the ports may prove illusive.

“We look forward to thoroughly reviewing the latest version of the CAAP. Once we do so, we will provide detailed comments about the plan and its impacts on the shipping industry.”

Terminal Equipment:

The document released by the ports proposes to move all cargo handling equipment (CHE) in San Pedro Bay to zero-emissions electric by 2030. The document does not explain why such drastic cuts need to occur over such an aggressive schedule nor does it adequately address several issues that include:

-MORE-

Competitiveness

“Although the San Pedro Bay is a major gateway for containerized trade between Asia and the United States, the ports of Los Angeles and Long Beach have been consistently losing market share to other ports domestically and internationally. The CAAP’s stringent policy proposals, specifically its sole focus on cargo handling equipment (CHE) electrification, will yield small emissions gains but do so at enormous costs to shippers and in turn, a long list of supply chain members which are critical to the region’s economy.

Cost & Cost-Effectiveness

“Assuming a \$1.8 billion cost to replace existing terminal equipment with zero-emissions equipment – which does not exist today – is pie-in-the-sky budgeting. CHE costs will run higher than estimates. Equally troubling, these dramatically higher costs will not occur with a corresponding increase in shipping container volume or efficiency.

“To date, the only substantive cost estimate of moving to zero-emission technologies across San Pedro Bay is the Moffat & Nichols [study](#) commissioned by PMSA. That analysis put the additional cost of moving to automated zero-emission technologies (the only zero-emission technology available today) at tens of billions over 30 years plus billions in additional operating costs.

No Available Technology

“The CAAP puts all its eggs in one basket by unrealistically assuming that non-existent non-automated zero-emissions electric CHE technology will be developed, tested, work as planned and be affordably mass produced to meet the ports’ rigid timelines. That’s a pretty big assumption with no margin for error and no Plan B if and when something goes wrong.

“The CAAP ignores the success of commercially available electric equipment in use at the ports today – Long Beach’s Middle Harbor project – because it is a fully automated terminal and that causes political indigestion for both ports.

Planning & Permitting

“Terminal operators don’t have the luxury of CAAP’s ‘wait, see and hope’ approach. Plans need to be developed, permits approved, financing arranged, and construction needs to occur to meet the Plan’s tight deadline, and all this needs to be accomplished while terminals continue to operate.

-MORE-



PACIFIC MERCHANT SHIPPING ASSOCIATION

Green Ship Incentives:

Vessels represent one of the most challenging emissions sources at the ports. As we have seen in the past decade, vessels rotate into and out of different services depending on economic conditions and trade flows. As such, PMSA supports strategies that provide more operational flexibility and can be harmonized with international efforts.

“The ports of Los Angeles and Long Beach removed language from earlier drafts that called for fees targeting their own customers. As we said then and reiterate now, an incentives-based approach, if properly implemented, will encourage ships with cleaner engines to call on the ports. We look forward to working closely with leadership and staff to design these incentives.”

#