



South Coast Air Quality Management District

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SENT VIA E-MAIL:

September 1, 2021

commissioners@portla.org

City of Los Angeles Board of Harbor Commissioners
425 South Palos Verdes Street
San Pedro, California 90731

RE: September 2, 2021 Agenda Item No. 9: Approval of Permit No. 953 with Everglades Company Terminal, Inc. (Everglades); Guaranty with Terminal investment Limited Holding SA

Dear Board of Harbor Commissioners,

South Coast Air Quality Management District (South Coast AQMD) staff is writing regarding the Notice of Exemption (NOE) that the City of Los Angeles Harbor Department (LAHD), as the Lead Agency under the California Environmental Quality Act (CEQA), intends to adopt for the approval of a three-year lease. South Coast AQMD staff disputes the determination that the approval is administratively and categorically exempt from the requirements of CEQA under Los Angeles City CEQA Guidelines, Article III Class 1(14), the Class 1, Existing Facilities exemption (CEQA Guidelines section 15301), and Article II Section 1, the General Rule exemption (CEQA Guidelines section 15061).

South Coast AQMD staff is concerned that reliance on the NOE is improper because the lease seems to contemplate growth at the Yang Ming terminal. Language in Exhibit C – Rent Exhibit to the three-year lease indicates a higher TEU rate when the throughput capacity in TEUs exceeds 4,999 TEUs per acre. However, the categorical exemption for Existing Facilities only applies where there is negligible or no expansion of existing use, and the three-year lease term does not include a condition limiting future growth increases at the Yang Ming terminal. We are aware that the Yang Ming and the adjacent China Shipping terminal are on a combined compensation agreement where the rate paid to the LAHD is based on the total throughput of both terminals.¹ The South Coast AQMD is aware that the environmental review for the China Shipping terminal identifies a previously unanalyzed growth at that terminal.² The South Coast AQMD staff believes it is highly likely that growth will similarly occur at this Yang Ming terminal and that this growth has never previously been analyzed. Second, it does not appear that this terminal has received site specific environmental review. Based on our knowledge, the last environmental review that analyzed operational impacts from the Yang Ming terminal was the 1997 Environmental Impact Report (EIR) for the West Basin Transportation Improvement (WBTI) Project. That review was prepared more than 25 years ago and, while not currently available for public review, likely did not analyze existing terminal operations or future growth. Also, Exhibit I of the lease does not identify any prior CEQA review and does not include any mitigation measures. Unless there is more information to disclose the potential environmental impacts from the terminal, which certainly generate significant air quality impacts, have been fully analyzed under CEQA, reliance on an NOE is improper. As acknowledged by the LAHD, the approval of the lease is a discretionary action, which means the agency has the authority to require mitigation to reduce or eliminate potentially significant environmental impacts. Lastly, Exhibit I of the three-year lease applies outdated environmental operating conditions, including dirty equipment. Cleaner technologies, including zero-emission technologies, must be included as project conditions or mitigation measures, and schedules must be required to ensure earliest implementation of these technologies at the Yang Ming terminal.

For these reasons, the South Coast AQMD respectfully requests that the LAHD Board refrain from taking any action on Permit No. 953 until further environmental review is conducted. Additionally, existing permits with Yang Ming, Permit No. 953, and the 1997 EIR for the WBTI Project, and any other applicable CEQA analysis, should be made publicly available to allow the public to examine them to better understand the potential implications of the Board's action on Permit No. 953. If you have any questions or concerns, please feel free to contact me at (909) 396-3308.

Sincerely,

Lijin Sun

Lijin Sun, Program Supervisor, CEQA-IGR

¹ Executive Director's Report to the Board of Harbor Commissioners, Cargo & Industrial Real Estate, Resolution No. – Order Resetting Compensation Under Permit No. 787 with Yang Ming Marine Transport Corporation (May 16, 2007). Accessed at: [060117 Special Agenda Item 8 \(portoflosangeles.org\)](http://060117.Special.Agenda.Item.8(portoflosangeles.org)).

² Recirculated Draft SEIR "assumes and analyzes impacts of an incremental increase in the Terminal's throughput level in future years, based upon a re-assessment of terminal capacity..." (China Shipping) Container Terminal Project Environmental Impact Statement/ Environmental Impact Report (the 2008 EIS/EIR) certified by the City of Los Angeles Board of Harbor Commissioners on December 18, 2008 (LAHD and USACE, 22 2008)." (LAHD, Berths 97-109 [China Shipping] Container Terminal Project, Recirculated Draft Supplemental Environmental Impact Report (DSEIR) (September 2018), pg. 2-1). Accessed at: [ramswp51p-inc%\\$R2DIR/config/letters/corps_logo2\(portoflosangeles.org\)](http://ramswp51p-inc%$R2DIR/config/letters/corps_logo2(portoflosangeles.org)).