

FINAL REPORT OF THE COMPLIANCE AUDIT OF EVERPORT FOR THE PORT OF LA

MARCH 26, 2026

LOS ANGELES, CA

MATRIX
CONSULTING GROUP

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EXECUTIVE SUMMARY

OBJECTIVES:

To evaluate compliance with the permit (lease) between the Port of LA (Port) and the lessee (Everport or Tenant), focusing on the following key areas:

1. Review payments to the Port, including the accuracy of their self-reporting over the last two years and the Port's timely collection of any monies due.
2. Review the tenant's environmental compliance with the permit and other governing agencies.
3. Review the tenant's safety practices, including determining whether they have had any unsafe practices or accidents. Matrix will review available tenant reports to outside agencies to determine whether they have exercised due care in preventing and/or minimizing the risks of leaks, fires, explosions, and other industrial accidents.
4. Review the tenant's cybersecurity plan to ensure it incorporates the 14 elements as identified in 33 CFR Part 101.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FINDING #1: THE TENANT (EVERPORT) IS IN COMPLIANCE WITH THE FINANCIAL TERMS OF THE PERMIT.

Criteria: Section 4 of Permit No. 888.

Cause: The internal control process design and the Port's Annual Reconciliation process.

Result:

- All payments were issued within the required 30-day window.
- There were no issues with TEU self-reporting (data is scanner-generated by the Port).
- Annual calculations for efficiency brackets and Minimum Annual Guarantee (MAG) were accurate.

Recommendations: There are no formal recommendations related to the financial terms of the permit.

FINDING #2: EVERPORT IS IN COMPLIANCE WITH APPLICABLE ENVIRONMENTAL COMPLIANCE REQUIREMENTS RELATED TO THE USE OF THE SITE, CHANGES TO THE SITE, AND HAZARDOUS MATERIALS.

Criteria: The following federal, state, or site-specific safety regulations were used as baseline per Amendment 6 Language dated January 1, 1997, and deemed applicable to the Terminal:

- State of California Environmental Quality Act (CEQA);

- CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act) and its implementing regulations;
- RCRA (Resource Conservation and Recovery Act) and its implementing regulations;
- Federal Clean Water Act (33 U.S.C. Sections 1251-'1376, et seq.) and its implementing regulations;
- The California Porter Cologne Water Quality Control Act (California Water Code, Division 7) and its implementing regulations;
- Federal Clean Air Act(42 U.S.C, Sections 7401-7601) and its implementing regulations;
- California Clean Air Act of 1988 and its implementing regulations;
- The State Lewis Air Quality Act of 1976 and its implementing regulations;
- and any other applicable federal, state, or local law, regulation, ordinance or requirement (including consent decrees and administrative orders imposing liability or standard of conduct) now or hereinafter in effect which concerns hazardous materials of the Agreement, the Premises and/or Tenant's use and/or occupancy thereof.

Cause: Documentation of environmental compliance and permits.

Result: The Tenant (Everport) was determined to be in compliance. that all parties involved have satisfactorily completed and/or met compliance on the required items.

Recommendations: There are no recommendations regarding the Tenant's environmental compliance with the permit.

FINDING #3: EVERPORT IS IN COMPLIANCE WITH APPLICABLE SAFETY REQUIREMENTS AND REGULATIONS IN THE IMPLEMENTATION OF ITS ON-SITE SAFETY AND INCIDENT MANAGEMENT PROGRAMS.

Criteria: The following federal, state, or site-specific safety regulations were used as baselines and deemed applicable to the Terminal:

- Occupational Safety and Health Administration (OSHA) Standards and Regulations:
 - 29 CFR 1910 – General Industry Standards
 - 29 CFR 1917 – Marine Terminals
- Pacific Maritime Association
 - Pacific Coast Marine Safety Code – 2022 Edition
- State of California, Department of Industrial Regulations
 - Cal/OSHA Title 8 Regulations

Cause: Adequate policies, procedures, and inspections.

Result: The lessee was determined to be in compliance. A change in process to increase oversight and reduce risk to the Port of LA is recommended.

Recommendations: There are no recommendations to the Safety Review.

FINDING #4: BASED ON THE INFORMATION PROVIDED BY THE TENANT, THERE WERE NO FINDINGS OF NON-COMPLIANCE IN THE REVIEW OF CYBERSECURITY DOCUMENTATION.

Criteria: The following federal, state, or site-specific safety regulations were used as baselines and deemed applicable to the Terminal:

- Code of Federal Regulations (CFR) related to Cybersecurity:
 - 33 CFR 105.400–105.415 and 101.600–101.615.

Cause: The Facility Security Plan (FSP) contains Sensitive Security Information (SSI) and is subject to protection in accordance with 49 CFR Part 1520. In adherence to those protections, the FSP was not provided for review. Everport did provide approval letters from the U.S. Coast Guard that demonstrates a path to complying with 33 CFR 105.400–105.415 and 101.600–101.615 as well as ongoing compliance with any required submissions to the U.S. Coast Guard.

Result: Everport did not provide the full FSP, but they did submit approval letters from the U.S. Coast Guard that demonstrate a path to complying with 33 CFR 105.400–105.415 and 101.600–101.615, as well as ongoing compliance with any required submissions to the U.S. Coast Guard. In reviewing this documentation as well as gaining an understanding of the systems of both organizations, it was determined that there are no integrated systems and no shared access to critical systems between the tenant and Port of LA. Based on this, the following recommendation is provided.

Recommendations: There are no formal recommendations related to compliance with cybersecurity regulations.

INTRODUCTION

The following analysis is submitted in response to Task Order #24-002 Compliance Audit of Permit No. 888 and is done in accordance with Personal Services Agreement #23-9949. This audit has been performed based on the Institute of Internal Auditors' International Professional Practices framework, or Red Book.

BACKGROUND

Evergreen Marine Corporation is a Taiwanese corporation with a long history with the Port of Los Angeles, stretching back to September 1985 under Permit No. 572, which was superseded by Permit No. 888 in May 1998. Permit No. 888 is a 32-year lease for the use of premises as a container terminal with a term ending in December 2028 and a 10-year option to extend. Under Permit No. 888, the tenant has preferential "right to use" of several berths and secondary right of use of additional berths, with a minimum amount of linear feet and backlands acreage. Evergreen Marine Corporation is the parent company of Everport Terminal Services, Inc., which has operated as the tenant since December 2014.

METHODOLOGY

To meet the audit objectives the audit team:

- Conducted a planning meeting with Internal Audit staff and an entrance meeting with Audit staff and representatives from multiple Bureaus with staff involved with Permit No. 888.
- Collected data related to the lease terms, invoicing, and payment activity of the tenant to review the financial lease terms and payment activity. Compared the tenant's financial and payment activity against the lease terms.
- Collect data related to the environmental compliance terms and submittals to ensure compliance and mitigation with requirements related to the use of the site, changes to the site, and hazardous materials. The team compared the data against documentation regarding use and change of use of the site to determine if the appropriate environmental clearances are being obtained and if the regulatory requirements are being implemented and followed.
- Reviewed the tenant's safety practices, including determining whether they have had any unsafe practices or accidents. The project team reviewed available tenant reports to outside agencies to decide whether or not they have exercised due care in preventing and/or minimizing the risks of leaks, fires, explosions, and other industrial accidents. A project team member conducted a walk-through of the site, accompanied by tenant staff, to observe site conditions.
- Reviewed the tenant's cybersecurity plan to ensure it incorporates the 14 elements as identified in 33 CFR Part 101.
- Conduct interviews with staff and the tenant to understand processes and note any issues.

AUDIT RESULTS – FINANCIAL REVIEW

Objective 1 of this audit focused on compliance with the financial terms of the Permit:

Review payments to the Port, including the accuracy of their self-reporting over the last three years and the Port's timely collection of any monies due.

METHODOLOGY

Matrix Consulting Group reviewed documents provided by both the Port and the Tenant to verify the accuracy of amounts billed and credits issued to the Tenant, as well as the timeliness of payments and consistency of records. For the audit period, the analyzed documentation included:

- Annual reconciliation spreadsheets from the Accounting and Debt and Financial Analysis divisions;
- Receipts data from the Port's financial system and the associated remittance advices;
- Accounts receivable data, including invoices issued, payment dates, and credits issued and applied; and
- Tenant records of the credit amounts issued and associated invoices to which the credit was applied.

Using this data, the project team verified whether records were consistent across Port divisions and between the Port and the Tenant. The project team also performed an independent calculation of the amounts due to ensure Permit terms were applied appropriately during the audit period. All payments made by the Tenant were checked for timeliness and for any under- or over-payments. The project team also selected a subset of invoices to confirm that sufficient backup documentation is maintained to substantiate financial system records.

APPLICABLE PERMIT TERMS AND CONDITIONS

Section 4 of Permit No. 888, as amended, addresses the compensation payable to the Port from the Tenant. Compensation includes container charges, wharfage and dockage on non-containerized cargo, and rent for use of the TICTF facility and any City-owned equipment. This analysis focused on container charges, as this represents the largest portion of the payments made by the Tenant.

Charges for containerized cargo are based on the number of twenty-foot equivalent units (TEUs) brought to the terminal area by the Tenant. TEU charges are "inclusive and in lieu of all wharfage, dockage, storage, and demurrage charges otherwise chargeable upon containerized cargo by the Tariff" (section

4(c)). The rate charged per TEU is based on the total number of TEUs handled per acre by the tenant annually on the assigned premises (the “efficiency bracket”).¹

The Permit requires the Tenant to make a minimum annual payment, regardless of the number of TEUs processed through the Port (the “minimum annual guarantee” or MAG). MAG is based on the amount payable for 2,612 TEUs per acre annually, using the rate of the 2600-2699 TEU efficiency bracket and the number of acres currently allocated. If fewer TEUs are processed in a given year, the Tenant owes the difference in compensation to the Port. If more TEUs are brought in, the Port will issue a credit during the annual reconciliation process.

During the year, the Tenant is charged for containerized cargo at the 2600-2699 efficiency bracket rate, the rate required based on MAG. At year’s end, the Port reviews the number of applicable TEUs processed per acre and determines the appropriate efficiency bracket. If MAG has been met, the total amount due is calculated based on the efficiency bracket rate associated with the number of TEUs per acre for the year, and a credit for any amount paid above the amount due is issued to the Tenant. If MAG is not met, the Port bills the Tenant for the additional amount. The associated invoice or credit is to be issued by the Port within 60 days of the end of the compensation year or as soon thereafter as practicable, and the Tenant must pay any charges due within 30 days.

Amendment 3 to Permit No. 888 provides a discount to the Tenant for any transshipped merchandise. The rate for any transshipped merchandise is to be 50% of the otherwise applicable charges. This discount remains in effect until the Board issues a decision to terminate such discounts; as of the end of the audit period, this discount was still active.

FINANCIAL ASSESSMENT RESULTS

Overall, this audit found that the Tenant complied with the lease's payment terms, and there were no identified problems with the Tenant's self-reporting.

TIMELINESS AND SELF-REPORTING

The project team found no instances of non-compliance with the payment terms of the lease. The Tenant issued all payments within 30 days of the invoice date.

The Port issued annual CPI adjustments within 45 days, as required by the Permit.

Per Port staff, the TEU counts are not self-reported by the Tenant but are generated by a scanner that logs each container that enters or leaves a berth into a database; this data is later sent to Finance. Consequently, no issues with Tenant self-reporting were identified.

¹ Efficiency bracket rates are adjusted annually based on CPI, with a maximum adjustment of 3% and a minimum adjustment of 0%. Additional adjustments based on Tariff changes may also be included. These adjustments are to be made within 45 days of compensation year end.

ANNUAL RECONCILIATION

While reviewing the Tenant's compliance with the financial terms of the lease, the project team did not identify any material weaknesses in the annual reconciliation process.

As previously discussed, the Port verifies annually whether the Tenant has met MAG and issues an invoice or a credit, as appropriate. The Tenant exceeded MAG for all years included in the audit period. As such, the Port needed to determine the appropriate efficiency bracket, calculate the amount due, and compare the amount due to the amount paid to issue an appropriate credit to the Tenant.

This audit found that the calculations of the efficiency bracket and the amount due were in accordance with the permit terms during the audit period. Once the amount due is calculated, the Section 4(h) of Permit 888, as amended, stipulates that the Port is to issue an invoice or credit for the difference between the amount due, as calculated at year end, and the amount paid by the Tenant for TEU charges during the compensation year. Currently, the Port is using the amount billed as a proxy for the amount paid, and there is no comparison of the amount billed to the amount paid during the annual reconciliation process.

Although there is no comparison of the amount billed to the amount paid during the annual reconciliation process, the Port does have a monthly process to reconcile any amounts due in their Collections department. Credits are issued to the Tenant if there is an overpayment, but the Tenant must indicate to which invoice those credits are to be applied. This can result in outstanding credits that remain on the accounting records for multiple years. One instance of this was discovered during the audit, in which a credit of \$1,948 from compensation year 2022 was still due to the tenant at the end of compensation year 2024.

The project team recommends that the Port consider adding any such outstanding credits to the annual reconciliation process to reduce the number of long-term outstanding credits and better comply with best practices. Because the risk is sufficiently mitigated, however, there is no formal finding issued herein.

SUMMARY/RECOMMENDATIONS

Based on the completed assessment, Everport complies with the financial terms of the Permit and there are no formal recommendations related to the payments to the Port. However, the Port could consider adjusting some of its current processes to improve the timeliness of credit issuance related to Permit No. 888.

AUDIT RESULTS – ENVIRONMENTAL REVIEW

Objective 2 of this audit focused on environmental compliance:

Review the tenant's environmental compliance with the permit and other governing agencies.

METHODOLOGY

The tenant's lease terms include environmental compliance requirements related to the use of the site, changes to the site, and hazardous materials. These terms include compliance with regulatory agencies and their policies.

Matrix Consulting Group reviewed documents provided by both the Port and the lessee to determine whether or not the tenant is in compliance with environmental regulations and requirements.

APPLICABLE STANDARDS AND REGULATIONS

The following federal, state, or site-specific safety regulations were used as baseline per Amendment 6 Language dated January 1, 1997, and deemed applicable to the Terminal:

- State of California Environmental Quality Act (CEQA);
- CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act) and its implementing regulations;
- RCRA (Resource Conservation and Recovery Act) and its implementing regulations;
- Federal Clean Water Act (33 U.S.C. Sections 1251-'1376, et seq.) and its implementing regulations;
- The California Porter Cologne Water Quality Control Act (California Water Code, Division 7) and its implementing regulations;
- Federal Clean Air Act(42 U.S.C, Sections 7401-7601) and its implementing regulations;
- California Clean Air Act of 1988 and its implementing regulations;
- The State Lewis Air Quality Act of 1976 and its implementing regulations;
- and any other applicable federal, state, or local law, regulation, ordinance or requirement (including consent decrees and administrative orders imposing liability or standard of conduct) now or hereinafter in effect which concerns hazardous materials of the Agreement, the Premises and/or Tenant's use and/or occupancy thereof.

The primary purpose of Amendment 6 was to allow for additional improvements to be constructed by the City on berths 226-236. These improvements were the City's responsibility to design and construct. The City, the contractor, and the tenant share in the environmental regulations and responsibilities.

The following table is a summary of the environmental compliance status report. This report was current as of the time of the audit data collection, December 2024.

SUMMARY ENVIRONMENTAL COMPLIANCE STATUS REPORT

Req#	Title	Responsible Party	Due Date	Status
1	MM AQ-1: Harbor Craft Used During Construction	Contractor	N/A	Completed
2	MM AQ-2: On-road Trucks Used during Construction	Contractor	N/A	Completed
3	MM AQ-3: Non-Road Construction Equipment (except vessels, harbor craft, on-road trucks, and dredging equipment)	Contractor	N/A	Completed
4	MM AQ-4: Cargo Ships Used During Construction	Contractor	N/A	Completed
5	MM AQ-5: General Construction Mitigation Measure	Contractor	N/A	Completed
06A	MM AQ-6: Vessel Speed Reduction Program (VSRP)	Tenant	12/31/24	Compliant
06C	MM AQ-6: Vessel Speed Reduction Program (VSRP)	Tenant	N/A	Not Yet Required
07A	MM AQ-7: Alternative Maritime Power (AMP)	Tenant	12/31/24	Compliant
07B	MM AQ-7: Alternative Maritime Power (AMP)	Tenant	1/1/26	Not Yet Required
08A	LM AQ-1: Replacement of Equipment and Review of New Technology	Tenant	12/31/24	On Track
08B	LM AQ-1: Replacement of Equipment and Review of New Technology	Tenant	6/13/27	Compliant
9	LM AQ-2: Priority Access System	Tenant	N/A	Completed
10	MM BIO-1: Protect marine mammals	Contractor	N/A	Completed
11	MM CR-1: Historic Resource Recordation	LAHD	N/A	Completed
12	MM CR-2: Completion of Phase I Cultural Resource Investigation	LAHD	N/A	Not Yet Required
13	MM CR-3: Pre-construction Worker Training	LAHD	N/A	Completed
14	SC CR-1: Stop Work in the Area if Prehistoric and/or Archaeological Resources are Encountered	Contractor	N/A	Completed
15	SC CR-2: Unanticipated Discovery of Paleontological Resources	Contractor	N/A	Completed
16	MM GHG-1: LED Lighting	LAHD	N/A	Completed
17	MM GHG-2: Solar Electricity	Tenant	N/A	Not Yet Required
18	LM GHG-1: GHG Credit Fund	Tenant	N/A	Completed

Req#	Title	Responsible Party	Due Date	Status
19	MM NOI-1: Noise Reduction during Pile Driving	Contractor	N/A	Completed
20	MM NOI-2: Utilize Temporary Noise Attenuation Curtain Adjacent to Pile Driving Equipment	Contractor	N/A	Completed

The report shows that all parties involved have satisfactorily completed and/or met compliance on the required items.

The Port also provided supplemental data regarding compliance with the Statewide Storm Water Industrial General Permit. The Port has developed a Tenant Outreach Program to provide assistance to tenants in compliance with the following two National Pollutant Discharge Elimination System (NPDES) permits, as applicable to each area of a tenant’s facility (or facilities):

- Los Angeles Regional Water Quality Control Board (LARWQCB) Waste Discharge Requirements for Municipal Separate Storm Sewer System (MS4) Discharges within the Coastal Watersheds of Los Angeles County (Order No. R4-2021-0105) Permit; and
- State Water Resources Control Board (SWRCB) NPDES General Permit for Storm Water Discharges Associated with Industrial Activities (Order 2014-0057-DWQ), the “Industrial General Permit”.

The Port provided documentation of the Tenant Outreach Program site visits conducted at Everport in 2022, 2023, and 2025. The Port uses a series of checklists broken down into the following core areas:

- | | |
|---|--------------------------|
| Office & Grounds | Fueling |
| SWPPP Evaluation | Wash Rack |
| General Industrial | Crane Maintenance |
| M & R (Monitoring & Reporting) | Roadability |

Along with the completed checklists, each site visit resulted in a summary of deficiencies detailing the description, recommended corrective action, and level to be addressed by the Tenant.

The Tenant responded in writing, detailing the improvements completed along with photo documentation of the completed items.

SUMMARY/RECOMMENDATIONS:

The review of the provided environmental documentation did not reveal any instances of non-compliance with applicable environmental regulations or permit requirements. Additionally, the Port has not received any additional documentation from the Tenant or any regulatory agencies indicating any areas of noncompliance. Therefore, no recommendations are required for Objective 2.

SAFETY REVIEW

Objective 3 of this audit focused on the safety procedures, protocols, and recent incidents at the Everport leased berths and terminal:

Review the tenant's safety practices, including determining whether they have had any unsafe practices or accidents. Matrix will review available tenant reports to outside agencies to determine whether they have exercised due care in preventing and/or minimizing the risks of leaks, fires, explosions, and other industrial accidents.



METHODOLOGY

Matrix Consulting Group reviewed documents provided by the Tenant (Everport) as well as performed an on-site inspection of the terminal to determine if safety procedures outlined in the documents provided were being implemented to reduce risk and manage potential incidents on-site.

The following documents were provided to the project team for review:

- A Roster of Employees
- Employee Safety Training Log
- A map of the Terminal documenting Safety Equipment Locations and Signage
- The current Safety Manual provided to all employees
- A list of awards received by Everport for Safety and Incident Management

- The Everport Incident Report Form Template
- Incident Reports from the previous Calendar Year (2024) – 3 in Total

Upon review of these documents, the project lead consultant was provided access for an inspection of the terminal by the lessee on September 10, 2025, to verify documented standards and procedures.

APPLICABLE STANDARDS AND REGULATIONS

The following federal, state, or site-specific safety regulations were used as baselines and deemed applicable to the Terminal:

- Occupational Safety and Health Administration (OSHA) Standards and Regulations:
 - 29 CFR 1910 – General Industry Standards
 - 29 CFR 1917 – Marine Terminals
- Pacific Maritime Association
 - Pacific Coast Marine Safety Code – 2022 Edition
- State of California, Department of Industrial Regulations
 - Cal/OSHA Title 8 Regulations

The documentation provided by the Tenant and the required safety procedures on site were reviewed against these primary sources to determine compliance or needed improvements based upon Objective 3 of this audit.

SAFETY ASSESSMENT RESULTS

Overall, the results of this review are that Everport currently complies with applicable safety requirements and regulations in the implementation of its on-site safety and incident management programs.

SAFETY MANUAL/POLICIES

Based on the Everport Safety Manual 2024, the procedures and programs in place generally demonstrate compliance with applicable OSHA and California Division of Occupational Safety and Health (Cal/OSHA) rules for marine terminals. Here are the key points:

HAZARD COMMUNICATION (HAZCOM)

The manual establishes a Hazard Communication Program consistent with OSHA's Hazard Communication Standard (29 CFR 1910.1200) and Cal/OSHA equivalents.

It requires:

- Container labeling (identity of chemicals, hazard warnings, manufacturer information).
- Maintenance of Material Safety Data Sheets (MSDS)/Safety Data Sheets.
- Employee training on detection, hazards, protective measures, and emergency response .
- Responsibility for compliance is assigned to Site Management, as OSHA requires a designated "responsible party" .

**EVERPORT TERMINAL RESPONSE PROCEDURES
FOR CALIFORNIA OPERATIONS**

PURPOSE:

This Safety Manual establishes comprehensive procedures for responding to a hazardous materials incident and any other related incidents at Evergreen America Corporation (Everport Terminal Services) container terminal, Los Angeles Berth 233.

SCOPE:

This procedure includes the following:

- Notification
- Evacuation
- Medical Assistance
- Control of Area/Assessment
- Mitigation/Abatement
- Response Training
- Checklists/Attachments

RESPONSIBILITY:

Container Yard Department

PROCEDURAL STEPS:

1. NOTIFICATION:

1.1 Employees designated to provide required notifications on a 24 hour basis are the security lead officer and ETS management.

2.1 If there is an injury, fire, or likelihood of injury or additional significant property damage, the security lead officer will call the security manager who will make the necessary notifications.

1

Compliance status: Meets OSHA and Cal/OSHA HazCom requirements.

EMERGENCY RESPONSE & SPILL CONTROL

Detailed notification chains for spills/releases (fuel, hazardous substances, cargo, sewage).

Immediate notification obligations to Cal OES, U.S. Coast Guard, Regional Water Quality Control Board, and EPA, depending on type/quantity of spill .

Procedures include:

- Evacuation routes and assembly points (upwind, designated safe areas).
- Medical assistance protocols (local hospitals, 911, ambulance).
- Mitigation/abatement measures (absorbents, certified contractors).
- Training requirements for responders and security staff .

Compliance status: Aligns with Cal/OSHA Title 8, §5162 (Emergency Eyewash/Shower), §3220 (Emergency Action Plans), and federal EPA/USCG spill reporting rules.

FALL PROTECTION

Everport applies OSHA's definition of fall hazards: any unprotected edge ≥ 8 feet.

Implements a Fall Arrest Multi-Tier Response System (self-retracting lifelines, safety baskets, ladders).

- Workers trained to use and inspect this equipment .

Compliance status: Consistent with OSHA 29 CFR 1917.112 (Marine Terminals – Fall Protection) and Cal/OSHA Construction Safety Orders.

BLOODBORNE PATHOGENS

The manual addresses OSHA's Bloodborne Pathogens Standard (29 CFR 1910.1030) by:

- Training supervisors in CPR/First Aid with modifications for BBP protection.
- Stocking first aid kits with PPE (gloves, masks, shields, goggles).
- Post-exposure procedures (medical evaluation, testing, confidentiality per HIPAA) .

Compliance status: Adequate for marine terminal setting where occasional first aid/medical exposure could occur.

SAFE WORK PRACTICES & PCMSC INTEGRATION

The manual references the *Pacific Coast Marine Safety Code (PCMSC)*, requiring compliance with its rules for:

- Rail operations, vehicle operation, crane safety, and container handling .
- Prohibits unsafe acts: horseplay, alcohol/drugs, improper PPE use, and distracted operation.
- Requires seatbelt use, equipment inspections, and safe distances in yard and vessel operations .

Compliance status: Consistent with OSHA's Marine Terminals Standard (29 CFR 1917) and Cal/OSHA equivalents.

OVERALL COMPLIANCE ASSESSMENT

The Everport Safety Manual 2024 includes programs, responsibilities, and procedures that meet or exceed OSHA and Cal/OSHA requirements for marine terminals, specifically:

- Hazard Communication
- Emergency Action & Spill Response
- Fall Protection
- Bloodborne Pathogens
- Safe Work Practices and PCMSC integration

SAFETY TRAINING

Based on the Everport Safety Logs provided, the training complies with applicable standards and offers regular updates to employees, as well as complies with the 2024 Safety Manual.

EMERGENCY RESPONSE & SITUATIONAL PREPAREDNESS

Manual Requirement: Emergency Action Plan, active shooter response, spill control, situational awareness.

Training Evidence:

- *Situational Awareness Training (2019–2024)* – reinforces vigilance against unsafe conditions, trespassers, and breaches.
- *Active Shooter Training (2021–2024)* – directly supports OSHA 1910.38 (EAP) and Cal/OSHA §3220.
- *See Something/Say Something (2020, 2022)* – builds a reporting culture for suspicious activities.

Assessment: Training logs confirm repeated coverage; matches plan commitments.

HAZARDOUS MATERIALS & SPILL CONTROL

Manual Requirement: Hazardous substance spill response, reporting chain (Cal OES, USCG, RWQCB, EPA).

Training Evidence:

- *Hazardous Material/Spill Training (2019–2024)* – includes placard reading, containment procedures .

Assessment: Employees trained in core competencies identified in manual.

MEDICAL & FIRST AID / BLOODBORNE PATHOGENS

Manual Requirement: First aid kits, BBP protocols, CPR, AED use.

Training Evidence:

- *First Aid Training (2019–2025)* – multiple refreshers recorded.
- *CPR Training (2023, 2025)* – includes AED operation.

Assessment: Matches OSHA 1910.1030 & Cal/OSHA §5193; records support compliance.

FALL PROTECTION / MAN-OVERBOARD

Manual Requirement: Fall arrest systems, procedures for working at heights and over water.

Training Evidence:

- *Man-Overboard Training (2019, 2023)* – live rescue drills .

Assessment: Reinforces manual's fall protection/marine terminal safety commitments.

HEAT ILLNESS PREVENTION

Manual Requirement: Align with Cal/OSHA §3395 (outdoor) and §3396 (indoor, effective 2024).

Training Evidence:

- *Heat Illness Prevention Training (2023–2025)* – training on prevention, recognition, and response.

Assessment: Consistent with new Cal/OSHA mandates.

DRUG/ALCOHOL & IMPAIRMENT RECOGNITION

Manual Requirement: Safe work practices, PCMSC integration, and prohibiting impairment.

Training Evidence:

- RSA Training (2022, 2023) – impairment recognition, concussion/trauma awareness.

Assessment: Strengthens the manual's zero-tolerance safety provisions.

OVERALL TRAINING COMPLIANCE ASSESSMENT

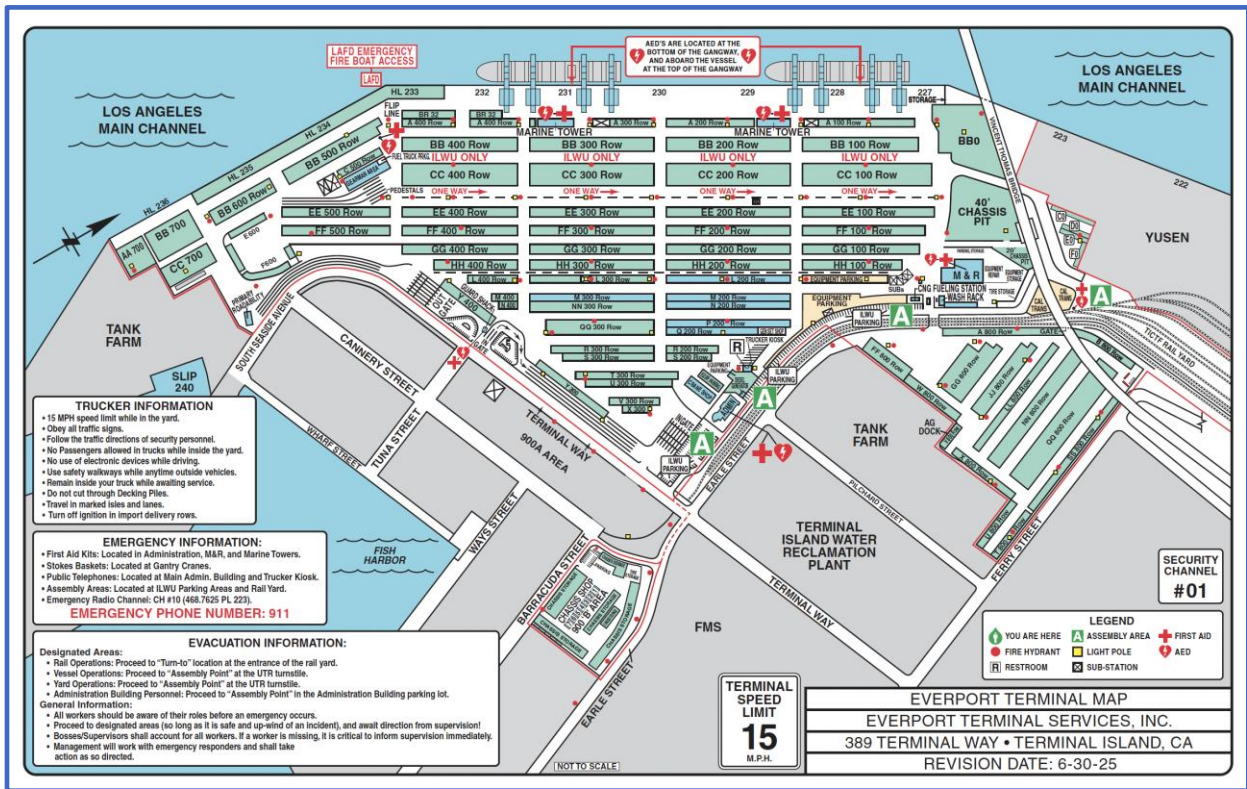
- Training is recurring (multi-year coverage).
- Covers all major hazards cited in the Safety Manual (EAP, HazCom, BBP, fall protection, spill response, heat illness).

ON-SITE ASSESSMENT

The project consultant who performed the on-site assessment focused on the following objectives for the inspection:

1. Confirm manual practices visually
2. Review any noted items that were not incorporated from regulations into the Safety procedures provided
3. Review safety signage and provisions on site.
4. Note any areas of concern for future safety improvements that are in line with audit objective.

The following map of the Everport site was provided prior to the on-site assessment to document safety equipment and supply locations:



ASSESSMENT DOCUMENTATION PHOTOS

The following photos document various safety requirements and their status per the objective:

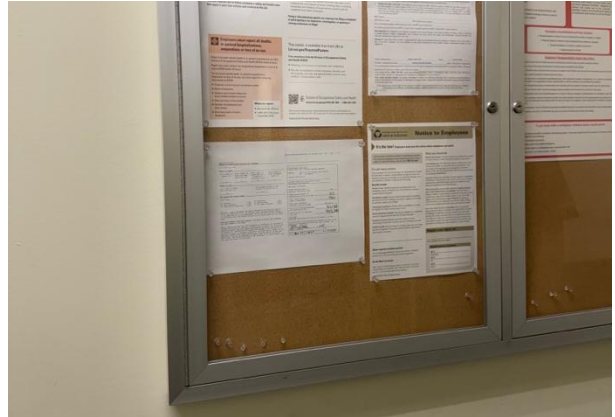
Assembly Areas on Site

- **Compliant**



OSHA 300 Required Incident List

- Compliant



LA Harbor Fire Department Access Area

- Compliant



Emergency Eye Wash Stations Provided

- Compliant



Fire Extinguishers Maintained

- Compliant (Expected this week)



Automatic External Defibrillators (AEDs) Maintained

- Compliant



Homeland Security Information Posted

- Compliant



Lockout / Tagout Systems Provided

- Compliant (through Contractor)



PPE Requirements for Site Clearly Marked

- **Compliant**



ASSESSMENT OF INJURY REPORTS

Everport supplied the project team with the three (3) incidents reported in the previous calendar year (2024) for review. The following is a base summarization of these reports:

1. UTR DRIVER 226 – MARCH 12, 2024

- **Location:** CC200 area, southeast toward Vincent Thomas Bridge
- **Incident:** Driver of UTR 226 collided with a protective bollard.
- **Cause:** Driver admitted to being on the phone while operating equipment, leading to loss of control.
- **Actions Taken:** Incident reported; unsafe driving and disregard for company interest noted; directive given to terminate employment of driver.
- **Damage:** Damage to bollard and UTR equipment.

2. UTR DRIVER 263 – FEBRUARY 15, 2024

- **Location:** Vessel Corral
- **Incident:** Driver tripped and fell while climbing UTR steps.
- **Cause:** Shoe caught on step during ascent.
- **Other Notes:** RSA (reasonable suspicion assessment) was conducted with negative results.
- **Damage:** None reported.

3. OUTSIDE TRUCKER VS. CLERK VEHICLE 243 – OCTOBER 28, 2024

- **Location:** FF400 aisle way, near FF416 parking spot
- **Incident:** Outside trucker struck stationary clerk vehicle #243 while maneuvering into a parking spot.
- **Cause:** Trucker stated he did not see the clerk’s vehicle in the aisle.
- **Damage:** Rear bumper, left rear quarter panel, and tail light of clerk vehicle #243 damaged.
- **Statements:** Outside trucker acknowledged impact but denied seeing the clerk’s vehicle beforehand.

OVERALL OBSERVATIONS

Human Factors: Two incidents were linked to operator error/inattention (phone use, failure to see the vehicle). One was a slip/trip accident during equipment access.

Damage: Property damage occurred in 2 of 3 cases (UTR collision with bollard, outside trucker vs. clerk vehicle).

Corrective Action Trends: Emphasis needed on distraction-free driving, safe vehicle entry/exit procedures, and situational awareness in yard traffic areas.

Summary: The facility has a minimal incident record for the previous year, and appropriately managed all three incidents using personnel or safety/incident procedures required. No recommendation necessary.

OVERSIGHT AND REVIEW

The use of the terminal by Everport is managed and regulated through Permit No. 888 and its amendments to guide and assign responsibility to both the Port of Los Angeles and to the Tenant. The following table breaks down these assignments:

Category	Port of Los Angeles (City)	Everport (Tenant)
<i>Construction & Design</i>	Construct City Improvements to meet federal, state, and local safety standards; retain final design approval; inspect completed works.	Review designs, request modifications, ensure tenant-installed improvements meet safety regulations; install cranes, pipelines, telecom systems to code.
<i>Structural & Fire Safety</i>	Maintain wharf structures (beams, girders, piles), roofs, building exteriors;	Maintain portable fire extinguishers; certify operability; maintain tenant-

Category	Port of Los Angeles (City)	Everport (Tenant)
	maintain fire sprinkler, hydrant, standpipe, and fire alarm systems.	installed systems, paving, fencing, signage, lighting, landscaping.
<i>Dredging & Navigation</i>	Dredge and maintain berths/channels to -45 ft MLLW; conduct depth soundings every 2 years; coordinate permits for dredging.	Notify Port of high spots discovered; cooperate with dredging operations.
<i>Maintenance & Repairs</i>	Perform structural and fire protection maintenance at Port expense; may repair tenant defaults and bill tenant.	Perform all other maintenance (paving, striping, relamping, fencing, drainage, landscaping, signage, tenant-built structures); conduct inspections.
<i>Hazardous Materials</i>	No direct handling, but oversight role; approve remediation plans submitted by Tenant.	Handle, store, remediate hazardous materials from operations; test soil/groundwater if contamination suspected; maintain records of disposal.
<i>Accident Reporting</i>	Receive reports from Tenant; may investigate.	Report in writing any accidents causing death, injury, or >\$10,000 damage within 15 days to Executive Director.
<i>Compliance with Laws</i>	Ensure City-built facilities meet laws; enforce compliance through Harbor Engineer permitting & inspections.	Comply with OSHA, EPA, Coast Guard, state & local safety/environmental regulations in operations.

Based on the assessment completed, Everport is compliant with the safety items listed in the previous table.

SUMMARY/RECOMMENDATIONS

Based on the objectives of the Safety Review, Everport complies with the outlined safety practices, and no recommendations are required.

CYBERSECURITY REVIEW

CYBERSECURITY RESULTS

Objective 4 of this audit was to review the tenant's cybersecurity plan to ensure it incorporates the 14 elements as identified in 33 CFR Part 101.

Review the composition of the plan to ensure it aligns with the 14 required components outlined under 33 CFR Part 101, examine the Plan of Action and Milestones to ensure the adequacy of meeting timelines to comply with the final rule, and identify and document gaps in the plan and provide recommendations for remediation

METHODOLOGY

Matrix Consulting Group requested Everport's Facility Security Plan (FSP) to verify the following:

- The plan meets the cybersecurity requirements of 33 CFR 105.400–105.415 and 101.600–101.615,
- Incorporates findings from the facility's Cybersecurity Assessment (CSA),
- Includes procedures to prevent, detect, respond to, and recover from cybersecurity incidents, and
- Demonstrates readiness for U.S. Coast Guard inspection or reapproval.

CYBERSECURITY ASSESSMENT RESULTS

The FSP contains Sensitive Security Information (SSI) and is subject to protection in accordance with 49 CFR Part 1520. In adherence to those protections, the FSP was not provided for review. Everport did provide approval letters from the U.S. Coast Guard that demonstrates a path to complying with 33 CFR 105.400–105.415 and 101.600–101.615 as well as ongoing compliance with any required submissions to the U.S. Coast Guard. Samples of these letters are included on the following pages.

U.S. Department of
Homeland Security

United States
Coast Guard



Commander
United States Coast Guard
Sector Los Angeles – Long Beach

1001 S. Seaside Ave. Bldg. 20
San Pedro, CA 90731
Phone: (310) 521-3745
Email: sectorlalbfac@uscg.mil

LOSMS112
16671/123-2025
February 24, 2025

Everport Terminal Services
Attn: Peter Hsia
389 Terminal Way
San Pedro, CA 90731

Dear Mr. Hsia:

This letter acknowledges receipt of your submission notifying the Captain of the Port Los Angeles – Long Beach of your actions to meet the requirements of MARSEC Directive 105-5, Cyber Risk Management Actions for Ship-to-Shore Cranes Manufactured by People's Republic of China (PRC) Companies. Based on our review, your submission successfully meets the MARSEC Directive requirements. Continued compliance may be verified by Coast Guard inspectors during future facility inspections.

If you have any questions, please contact my Facilities/Containers Branch at (310) 521-3745 or at Sectorlalbfac@uscg.mil.

Sincerely,

A handwritten signature in blue ink that reads "T. P. McNamara".

T. P. McNamara
Commander, U.S. Coast Guard
By direction of the Captain of the Port
Los Angeles – Long Beach

U.S. Department of
Homeland Security

United States
Coast Guard



Commander
United States Coast Guard
Sector Los Angeles – Long Beach

1001 S. Seaside Ave, Bldg 20
San Pedro, CA 90731
Phone: 310-521-3606
E-mail: Sectorialbfac@uscg.mil

16611
June 29, 2023

Everport Terminal Services
Attn: Mr. Peter Hsia
389 Terminal Way
Terminal Island, CA 90731

Dear Mr. Hsia:

Your request to amend your Facility Security Plan (FSP) to incorporate a cyber-security annex is approved.

Commencing from the date above, Everport Terminal Services must operate in compliance with its approved amendments. Your facility is subject to inspections by Coast Guard personnel to verify compliance with your FSP. Failure to comply with the requirements of 33 CFR Part 105, including those specific requirements outlined in your FSP, may result in suspension or revocation of this FSP approval, thereby making this facility ineligible to operate. Your FSP is sensitive security information and must be protected in accordance with 49 CFR Part 1520. A copy of your FSP and any amendments must be made available to Coast Guard personnel upon request.

This letter shall be retained with the FSP and the plan approval letter and expires upon the date issued on the original FSP approval letter. You must review your plan annually and submit any amendments to this office for approval as required by 33 CFR 105.410 and 105.415. Please ensure that all parties with responsibilities under this plan are familiar with the procedures and requirements contained therein. If you have any questions, please contact my Facilities Branch at (310) 521-3745 or at sectorialbfac@uscg.mil.

Sincerely,

CRECY.STAC
EY.L.103384
2259

Digitally signed by
CRECY.STACEY.L.1033
842259
Date: 2023.06.29
18:17:11 -0700

S. L. Crecy
Captain, U.S. Coast Guard
Acting Captain of the Port
Los Angeles – Long Beach

Regulation surrounding Cybersecurity is relatively new. The U.S. Coast Guard's final rule on maritime cybersecurity became effective on July 16, 2025. As such, the Port could consider amending lease agreements to incorporate language to ensure tenants comply with cybersecurity regulations and best practices. For tenants such as Everport that do not have any integrated systems or shared access to critical systems of the Port, the Port could consider adopting permit amendments that require Everport to collaborate with the Port on cybersecurity. However, because there are no integrated systems or shared access to critical systems, there is no formal finding issued herein.

SUMMARY/RECOMMENDATIONS

Based on the completed assessment, Everport complies with federal regulations surrounding cybersecurity, so there are no formal recommendations related to the Port. However, the Port could consider incorporating language to ensure tenants comply with cybersecurity regulations and best practices in future amendments to Permit No. 888.