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The Port of
LONG BEACH

The Green Port
November 9, 2010

Mr. Antonio Gioiello
Port of Los Angeles
425 S. Palos Verdes Street
San Pedro, CA 90731

Subject: Application for Placement of Dredged Material in the Port of Long Beach
Middle Harbor Fill Site – Main Channel Deepening Project

Dear Mr. Gioiello:

On June 29, 2010, the Port of Los Angeles (POLA) submitted an application to the Port of Long Beach (POLB) to place approximately 630,000 cubic yards (cy) of dredged material from the POLA Main Channel Deepening Project into the Middle Harbor Slip 1. After an initial review of the application and data provided, it was determined by POLB's technical review team that the material might not meet the objectives of the Middle Harbor Fill. Therefore, on August 26, 2010, a letter was sent to you requesting the following additional information/clarifications be provided by September 10, 2010:

- Clarification on whether the subject material had other approved placement/disposal options;
- A dredge design plan and corresponding geotechnical and environmental data that isolates the material with hazardous levels of contaminants at the Southwest Marine Slip site;
- Identification of the source locations (e.g. berths and sample identifications within the sediment characterization documents) for the 163,000 cy of material associated with the Main Channel Deeping project; and
- Additional geotechnical information for the China Shipping Surcharge Material.

On September 9, 2010, POLA submitted additional information/clarification in response to POLB's request. After reviewing the supplemental information, POLB's technical review team confirmed that the material (with the exception of the China Shipping Surcharge Material) does not meet the Middle Harbor Fill objectives for all of the reasons identified in POLB's letter dated October 18, 2010.

In response to a request from POLA staff to provide further clarification on the reasons for POLB's conclusion that the material would not be accepted, the reasons are restated below. To clarify, any one of the listed reasons would have individually been sufficient for POLB to determine that the material would not be acceptable in the Middle Harbor Fill project.

1. As stated in your letter dated September 9, 2010, "this material is fully permitted and entitled under the main Channel Deeping Project to be deposited in a CDF at the Berth 243-245 slips." Based on this information, it was determined that the material from the Southwest Marine Site and the Main Channel Sites has an available disposal option, with all entitlements. Acceptance of this material by POLB would displace other contaminated material in the fill, resulting in that other material remaining in the environment. Consequently, acceptance of this material would not be consistent with POLB's criteria and objectives for the fill, or consistent with the regional goals of the Contaminated Sediments Task Force. Therefore, the material was not accepted.
2. Further, based upon analysis of the chemical information provided in the application, it appears that samples throughout most of the Southwest marine site and at various depths contain Title 22 Hazardous Waste (TTLC) levels. As identified in POLB's selection criteria, the Middle Harbor fill site cannot receive materials classified as hazardous. POLA was given the opportunity to submit a dredge design plan that isolates hazardous materials in order for the material to be considered further. In your response letter of September 9, 2010, you stated that you expected to have the additional analysis completed by the end of 2010. While POLB understands that it takes time to conduct the required analysis, this time frame does not meet the Middle Harbor Slip One Fill Schedule and therefore, the material was determined to be unacceptable.

It should be noted that the technical review team did evaluate the Draft Sediment Characterization Sampling and Analysis Report (SAR) prepared by Pacific EcoRisk for Gambol Industries. While Pacific EcoRisk concluded that the material does not exceed Title 22 Hazardous Waste Levels based on their composite sampling program, the SAR failed to acknowledge or address the previous sampling results at multiple locations and depths, that identified material exceeding Title 22 Hazardous Waste (TTLC) levels. The Pacific EcoRisk information does not replace the previous analytical results for the site; all of the results were reviewed in total. Therefore, after reviewing the SAR, the material remains unacceptable for placement in the fill.

3. While additional geotechnical data was provided for the main channel material, the information regarding specific locations was not provided in a manner that allowed the technical review team to determine what material was proposed or to evaluate its suitability for placement in the fill within our schedule.

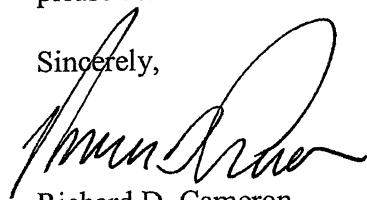
In summary, both the Southwest Marine Material and the Main Channel Material did not qualify for placement in the Middle Harbor Fill for several reasons, each of which individually would have been sufficient to disqualify the material from the fill.

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Finally, the China Shipping surcharge material, submitted as part of the Main Channel Deepening Project application, continues to be conditionally approved for placement in Layer 5 of the fill. This material is acceptable because it is of sufficient quality that it can be placed near the top of the fill, and therefore will not displace other contaminated material.

Thank you for your participation in the application process. If you have any questions, please contact Matt Arms at (562) 590-4160.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard D. Cameron". The signature is fluid and cursive, with a large initial "R" and "C".

Richard D. Cameron
Director of Environmental Planning

MA:s