

DATE: NOVEMBER 13, 2025

FROM: EXECUTIVE OFFICE

**SUBJECT: RESOLUTION NO. _____ - COOPERATIVE AGREEMENT
AMONG THE CITY OF LOS ANGELES HARBOR DEPARTMENT, CITY
OF LONG BEACH HARBOR DEPARTMENT, AND THE SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT**

SUMMARY:

Staff requests approval of a proposed Cooperative Agreement (Agreement) among the City of Los Angeles Harbor Department (Harbor Department), City of Long Beach Harbor Department (Port of Long Beach, POLB) (collectively, the Ports) and the South Coast Air Quality Management District (South Coast AQMD). The Agreement will require the Ports to provide Port Zero-Emission Infrastructure Plans for the five major mobile source categories that operate in and around the Ports. The term of this Agreement shall be effective as of the date of the last Party's signature through December 31, 2030. The Agreement was approved by the South Coast AQMD Governing Board on November 7, 2025 and by the Long Beach Board of Harbor Commissioners on November 10, 2025.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is statutorily, categorically and generally exempt from the requirements of the California Environmental Quality Act (CEQA) under Sections 15262, 15306 and 15061(b)(3) of the State CEQA Guidelines as determined by the Director of Environmental Management; and
2. Approve the proposed Cooperative Agreement among Harbor Department, City of Long Beach Harbor Department, and the South Coast Air Quality Management District; and
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Cooperative Agreement for and on behalf of the Board; and
4. Adopt Resolution No. _____.

SUBJECT: COOPERATIVE AGREEMENT AMONG THE CITY OF LOS ANGELES HARBOR DEPARTMENT, CITY OF LONG BEACH HARBOR DEPARTMENT, AND THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

DISCUSSION:

Background: On November 20, 2006, the Los Angeles and the Long Beach Boards of Harbor Commissioners adopted the San Pedro Bay Ports Clean Air Action Plan (CAAP), a voluntary comprehensive strategy for dramatically reducing air pollution emissions from cargo movement by drayage trucks (trucks), cargo handling equipment (CHE), ocean-going vessels (OGV), harbor craft, and locomotives in and around the Ports. The Ports updated the CAAP in 2010 and 2017 with new strategies and emission-reduction targets including health risk reduction and greenhouse gas reduction. Each Port documents annual emissions progress through Port-wide Emissions Inventories. The combined emissions associated with port sources achieved a 90% reduction in diesel particulate matter (DPM), 73% reduction in nitrogen oxides (NOx) and 98% reduction in sulfur oxides (SOx) between 2005 and 2024.

The hallmark of the CAAP is its collaboration with stakeholders including air agencies, industry, environmental groups and community members alike, as well as use of expert studies to ground-truth all clean air strategies to facilitate operational success.

South Coast AQMD Rulemaking and Negotiations: In February 2025, South Coast AQMD published Proposed Rule 2304 - Marine Ports Indirect Source Rule (PR 2304) which required the Ports to submit Zero Emissions (ZE) Infrastructure Plans to the South Coast AQMD for approval and subsequently required the Ports to build the infrastructure. The Ports actively participated in South Coast AQMD rulemaking and provided comments expressing the advantages of a Cooperative Agreement, utilizing the collaborative approach of the CAAP, over PR 2304.

Development of the Cooperative Agreement: On July 18, 2025, the Ports sent a proposed Cooperative Agreement to South Coast AQMD, which South Coast AQMD posted on the PR 2304 comments web page. The proposed Cooperative Agreement was intended as a starting point for discussions and included a comprehensive set of new CAAP Measures ("CAAP Plus Measures"), as well as a placeholder for enforcement provisions. Notably, one of the six CAAP Plus Measures was a Ports Zero Emissions Infrastructure Plans Measure, which retained core elements of PR 2304 but better reflected the planning and project development processes of the Ports, preserved Ports' authority over their land use decisions, and maintained the Ports' ability to collaborate with their tenants.

SUBJECT: COOPERATIVE AGREEMENT AMONG THE CITY OF LOS ANGELES HARBOR DEPARTMENT, CITY OF LONG BEACH HARBOR DEPARTMENT, AND THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

On August 1, 2025, the South Coast AQMD Governing Board directed its staff to pause rulemaking and enter good faith negotiations of the Cooperative Agreement with the Ports. They further directed that should the parties fail to reach agreement by September 18, 2025, staff would recommence rulemaking with final consideration of PR 2304 by the Governing Board on December 5, 2025. Beginning on August 7, 2025, representatives from the ports of Los Angeles and Long Beach, the mayors offices of Los Angeles and Long Beach, and the South Coast AQMD met in more than two dozen meetings to negotiate the Cooperative Agreement. By September 16, 2025, the negotiators had reached agreement and a draft Cooperative Agreement was posted on the CAAP and South Coast AQMD websites. On September 19, 2025, South Coast AQMD staff advised the Mobile Source Committee that the parties had achieved agreement on the Cooperative Agreement, and recommended the parties continue negotiations to finalize the Cooperative Agreement and not resume the process to adopt PR 2304. Mobile Source Committee adopted staff's recommendation, and added that the Cooperative Agreement with the Ports Zero Emissions Infrastructure Plans Measure would be presented to the Governing Board in November 2025, to be followed by additional CAAP Plus Measures being negotiated and presented in Spring 2026. On October 3, 2025, the Governing Board accepted this plan. On October 10, 2025 an updated draft Cooperative Agreement and draft South Coast AQMD resolution was posted for public review and comment at an October 15, 2025 public workshop held at Long Beach City College and letters sent to the South Coast AQMD. Public comments were received through October 22, 2025, and considered in the revised Cooperative Agreement and draft South Coast AQMD resolution posted on October 30, 2025.

Purpose and Scope: In general, the Cooperative Agreement's core purpose is to outline how the Ports will implement new CAAP Plus Measures. This voluntary agreement – which the Ports and South Coast AQMD agree is not to be construed as a regulation, rule, or regulatory requirement of the South Coast AQMD – serves as an alternative to PR 2304 and has been adopted by a South Coast AQMD Governing Board Resolution that directs staff, during the five-year term of the Cooperative Agreement, to not pursue any new rulemaking that meets the objective of AQMP Control Measure MOB-01, including PR 2304, for sources at the Ports of Long Beach and Los Angeles that are covered under the Cooperative Agreement, unless the Cooperative Agreement is terminated before five years.. This Agreement specifically addresses the Port ZE Infrastructure Plans as the initial, fully-defined CAAP Plus Measure.

ZE Infrastructure Plans: Under the Cooperative Agreement, the Ports agree to prepare their respective ZE Infrastructure Plans in three phases that cover ZE infrastructure on port-managed properties:

SUBJECT: COOPERATIVE AGREEMENT AMONG THE CITY OF LOS ANGELES HARBOR DEPARTMENT, CITY OF LONG BEACH HARBOR DEPARTMENT, AND THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

<i>ZE Plan</i>	Port Sources	Due Dates
<i>Phase 1</i>	<ul style="list-style-type: none"> • Cargo Handling Equipment for Container Terminals • Drayage Trucks 	<ul style="list-style-type: none"> • Draft due 5/30/2027 • Revised Draft due 9/30/2027 • Final ZE Plan due 12/31/2027
<i>Phase 2</i>	<ul style="list-style-type: none"> • Cargo Handling Equipment for Non-Container Terminals • Harbor Craft • Rail Locomotive 	<ul style="list-style-type: none"> • Draft due 5/30/2028 • Revised Draft due 9/30/2028 • Final ZE Plan due 12/31/2028
<i>Phase 3</i>	<ul style="list-style-type: none"> • Ocean Going Vessels 	<ul style="list-style-type: none"> • Draft due 5/30/2029 • Revised Draft due 9/30/2029 • Final ZE Plan due 12/31/2029

ZE Plans must specify a Planning Target (approved by each Ports’ Board), provide an analysis of on-port infrastructure capacity, list anticipated site-specific projects, and detail project roles, responsibilities, and projected funding sources. The Ports agree to develop the plans using a robust public process, including release of the Draft ZE plan for at least 30 days of public review and consultations with the South Coast AQMD. South Coast AQMD will review and verify the Revised Draft ZE Plans for completeness. Each Ports’ Final ZE Plans will be approved by its respective Board of Harbor Commissioners.

Role of Grant Funding: The Cooperative Agreement recognizes that the development and implementation of the Port Zero-Emission (ZE) Infrastructure Plans will require substantial financial investment, likely extending beyond the traditional capital budgets of the Ports. The Agreement provides that the Ports and South Coast AQMD will actively collaborate to identify, seek, and support applications for state, federal, and private grant funding opportunities to accelerate the deployment of ZE infrastructure and equipment. Furthermore, the Agreement includes provisions for possible withdrawal or loss of grant funding.

While not explicitly stated in the Agreement, the Ports acknowledge certain legal restrictions on the use of public funds for ZE equipment, vehicles, and/or infrastructure. For example, there are both state and federal laws that either restrict the use of specific sources of public funding to projects using human-operated equipment (e.g., 42 USC 7433) or prohibit the use of specific sources of public funding from being used to purchase automated equipment (e.g., California Streets and Highway Code Section 2192(c)(3)). The Harbor Department’s recent \$411,688,296 EPA Clean Ports Program Grant

SUBJECT: COOPERATIVE AGREEMENT AMONG THE CITY OF LOS ANGELES HARBOR DEPARTMENT, CITY OF LONG BEACH HARBOR DEPARTMENT, AND THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Agreement No. 25-10083 limited funding to only human-operated, fully ZE equipment, vehicles, and/or infrastructure.

Enforcement: In the event of a Ports' "Default" – a failure to timely complete an action within their control that is subject to enforcement – the Ports agree to pay a specified amount into the Clean Air Mitigation Fund managed by the South Coast AQMD. The payment amounts escalate in tiers – Tier 1 (\$50,000), Tier 2 (\$100,000), and Tier 3 (\$200,000) – based on the type of default and number of occurrences. Funds from the Clean Air Mitigation Fund must be expended in compliance with Tidelands Trust requirements, consequently the agreement contains procedures to ensure conformity. To streamline the Tidelands Trust compliance process, the Ports will seek the Boards' pre-approval of a list of potential mitigation project types, which South Coast AQMD shall publish with their request for projects. If new projects are selected outside the scope of the pre-approved list, the Ports may consult with California State Lands Commission (CSLC) staff and seek Board approval if CSLC staff opines it is dissimilar to the Board-approved list.

ENVIRONMENTAL ASSESSMENT:

The proposed action is Board approval of a Cooperative Agreement among the South Coast AQMD, the Harbor Department and the Long Beach Harbor Department in which the two Harbor Departments (collectively, Ports) prepare and deliver Port Zero Emission Infrastructure Plans (Plans), which (1) is an information collection and analysis activity as described in 14 California Code of Regulations, Section 15306, and is categorically exempt from the California Environmental Quality Act (CEQA), and (2) is a feasibility and planning study as described in 14 California Code of Regulations, Section 15262, and is statutorily exempt from CEQA. The Ports' payment of funds to South Coast AQMD for Agreement defaults under the Agreement is not a project for CEQA purposes. It can be seen with certainty that there is no possibility that the Cooperative Agreement may have significant adverse effect on the environment as described in 14 California Code of Regulations, Section 15061 (b)(3), and the plan is therefore exempt from CEQA under the common sense exemption. Future projects involving implementation of the Infrastructure Plans delivered by the Ports would be subject to CEQA review before being approved by the Board.

FINANCIAL IMPACT:

The proposed action does not authorize any specific expenditures. Expenditures related to the preparation of ZE Plans through 2029 and any potential defaults will be budgeted as part of the Harbor Department's annual budgeting process. Funding for additional CAAP Plus Measures may require Board approval under separate future actions. More detailed financial impact will be provided through future amendments/other agreements.

DATE: NOVEMBER 13, 2025

PAGE 6 OF 6

SUBJECT: COOPERATIVE AGREEMENT AMONG THE CITY OF LOS ANGELES HARBOR DEPARTMENT, CITY OF LONG BEACH HARBOR DEPARTMENT, AND THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

CITY ATTORNEY:

The Office of the City Attorney has approved the Cooperative Agreement as to form and legality.

TRANSMITTAL:

1. Proposed Cooperative Agreement

FIS Approval: JS
CA Approval: JC

APPROVED:

for Michael DiBernardo
EUGENE D. SEROKA
Executive Director

Author: David Libatique