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PORT OF LOS ANGELES HARBOR COMMISSIONERS CERTIFY ENVIRONMENTAL IMPACT REPORT WITH LANDMARK ENVIRONMENTAL MEASURES

Cleaner-Burning Ship Fuel and Other Requirements for Proposed Container Terminal Lease with P&O Nedlloyd Will Set a New Industry Benchmark in "Green" Initiatives

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SAN PEDRO, Calif. – The Los Angeles Harbor Commission Wednesday evening approved an Environmental Impact Report (EIR) that will outline the most environmentally stringent lease agreement ever executed between a U.S. port and a major shipping line. A groundbreaking component of the agreement is a requirement for cleaner fuels in the main and auxiliary engines of vessels calling at the new terminal.

The EIR for the Berths 206-209 Interim Container Terminal Reuse Project (site of the former Matson terminal) certifies that the container terminal operations by lease applicant P&O Nedlloyd will be compliant with the latest in maritime environmental technology. Most notably, the lease terms will require that container ships calling at the terminal switch over to low-sulfur (1.5 percent or less) fuel in their main and auxiliary engines when they are within 40 nautical miles (nm) of the Port.

"The agreement with P&O Nedlloyd to, among other things, reduce the pollution from their main engines steadily over the next five years is, indeed, a breakthrough in controlling the major source of pollution at the Port," said Harbor Commission President S. David Freeman. "If P&O Nedlloyd can accomplish these green measures as part of a five-year lease agreement, there's no reason why our other tenants with longer-term leases can't do the same, and that's what we'll be asking them to do."

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"The approval of this Environmental Impact Report by the Harbor Commission is the culmination of a great deal of hard work by all involved and we are pleased to see this important step in the process come to fruition," said Mike White, President P&O Nedlloyd.

Other Green Measures

P&O Nedlloyd ships calling at the terminal also will be required to utilize AMP (Alternative Maritime Power) or "cold-ironing" shore-to-ship electrical connections while at berth. The AMP requirements will need to be used by 30 percent of the ships calling at the terminal by the completion of the second year of the lease, and the AMP requirement will increase to 70 percent compliance by the end of the third year. All other non-AMP-powered ships will utilize low sulfur fuel at berth.

To further limit the discharge of polluting emissions that impact the quality of air in the Southern California basin, ships calling at the terminal also will be required to observe the Port's Voluntary Speed Reduction Program (VSRP) but do so at the 40 nm boundary of the Port (instead of the program's customary 20 nm boundary).

Greener ground operations are also required. The final EIR calls for the purchase of Liquefied Natural Gas (LNG) or other alternative fuel-powered yard tractors, coupled with the use of emulsified fuel and Diesel Oxidation Catalysts (DOCs) on all older yard tractors and other yard equipment, where feasible.

The final EIR also provides for an Environmental Management Policy, which the Port implemented in 2004; maximizing the use of on-dock and near-dock rail for longdistance cargo; replacing compounds in refrigerated containers with non-ozonedepleting compounds; and instituting housekeeping/maintenance procedures that limit water use in order to minimize potential discharge to storm drains and harbor waters.

The leasing terms being negotiated in conjunction with the final EIR and draft lease agreement between P&O Nedlloyd and the Port of Los Angeles are expected to be brought to the Harbor Commission for approval during its meeting on Wednesday, February 15, 6 p.m., at Banning's Landing Community Center in Wilmington.

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Formerly occupied by Matson Navigation Company, the 86-acre terminal located at Berths 206-209 was the first container terminal to open at the Port of Los Angeles in 1970. The terminal has been vacant since Matson moved out in 2003.

To review the final EIR for the Berths 206-209 Interim Container Terminal Reuse Project, visit <u>www.portoflosangeles.org</u>.

The Port of Los Angeles is America's premier port. As the leading container port in the nation and a critical hub in the international supply chain, the Port generates thousands of stable jobs and billions of dollars in annual wages and tax revenues. The Port of Los Angeles also places a high priority on responsible growth initiatives combined with high security, environmental stewardship and community outreach. The Port of Los Angeles is a proprietary, self-supported department of the City of Los Angeles. The Port of Los Angeles – A cleaner port. A brighter future.

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