

**ATTACHMENT TO APRIL 14, 2006 BOARD LETTER ON
GOODS MOVEMENT EMISSION REDUCTION PLAN**

*NRDC and Coalition for Clean Air Comments On Maritime Goods Movement
Coalition Trading Proposal*

The Maritime Goods Movement Coalition ("MGMC") has developed a trading concept for the goods movement system. Its proposal is extremely vague and abstract at this point, but even with the sparse amount of information provided, we have numerous concerns. We believe that the polluter should pay to reduce pollution, and instead, the MGMC promotes a program where industry can pay to pollute.

The MGMC trading proposal has serious environmental justice implications. We would not support a trading program for the goods movement sector because of concerns that local communities around goods movement corridors will receive the brunt of emissions impacts from the future dramatic increases in emissions. Trading of toxic pollutants simply does not make sense for the goods movement sector. In addition, trading programs generally limit or eliminate in whole public participation in environmental decision-making. In fact, the Goods Movement Authority (GMA) proposed by Appendix C of the Draft ERP would only include "representatives from agencies and entities with expertise in the goods movement sector," totally leaving out many of the people most affected by goods movement pollution.

Additionally, trading programs, if they ever make sense, only do so where an industry has a long history of regulatory control and environmental responsibility and where future reductions are incremental and may be relatively costly to achieve. Here, by contrast, the goods movement industry has largely remained unregulated. In fact, we believe California does not have a sufficient base of regulation of goods movement sources to even start thinking about a trading program. Moreover, the goods movement industry has not chosen voluntarily to reduce its impacts on nearby communities, and has externalized health and environmental costs, placing these costs instead on local communities. This is precisely why goods movement communities throughout the state currently face a human health crisis. In fact, it is only in the last few years (and after extensive litigation and advocacy) that any meaningful measures are being undertaken, and only at some ports.

Accordingly, as the Proposed ERP concedes, every single source of pollution from the goods movement system, including ships, tugs, yard equipment, trucks, and trains, must be cleaned up. We do not have the luxury to pick and choose those measures that might make better financial sense for the goods movement industries. Moreover, a fundamental flaw of the MGMC trading program is the fact that it is not confined to a single industry. The program calls for trading between goods movement sources and stationary sources. There are several concerns with mobile to stationary trading programs, including most fundamentally, the technological state of modeling to ensure equivalent reductions between these two types of sources. ARB surely must understand that beyond the other numerous flaws of this program is the fact that inadequate modeling will result in an ineffective program. Further, we are extremely concerned about stationary sources not

even associated with the goods movement system having the ability to violate air district rules by providing funding to the ports. This could result in a fleet of cleaner trucks, for example, and increasingly dirtier ships, trains and yard equipment, as well as dirtier stationary sources. Trading also does not make sense in this context because the proposal attempts to trade particulate matter, which has localized impacts.

We are also extremely concerned about the impacts this trading program would have on the CEQA process. The proposal clearly states that this trading program will subsume the CEQA requirements. (Draft ERP at C-6 ("participation in the GMAP market would be deemed to mitigate any project-related air quality impacts")). By allowing polluters to "pay to pollute," this would release them from any obligations for mitigation under CEQA and under leases – this is a "poison pill" akin to the one we have vigorously opposed in the Rail MOU. This would disrupt all of the important work at ports like the Port of Los Angeles, which has plans to aggressively mitigate impacts from ships and other port emissions through leases and the CEQA process. (See Draft ERP at C-6 ("projects that participate in GMAP market would satisfy the air quality-related conditions of any lease")). To deny them the ability to do so completely contradicts the conclusions of the Proposed Plan that all levels of government must do their part, including ports acting as landlords, in order to tackle this problem. We also fear that use of this trading program locks California into a definite course of action. This program does not provide room to change as new ideas and innovative transportation technology becomes available. In fact, it would impede local control of decisions over whether or not to move forward with an expansion proposal.

A trading program, by definition, allows entities to choose to clean up one source *instead of* another, or even worse, to pay to pollute and clean up none of its own sources. Under the vague parameters of the attached proposal, a shipping company could forgo cold ironing, for example, a feasible measure that must be implemented, if it is less expensive to replace a few trucks. Given how little has been done to control pollution to date, *both* measures must be required. We cannot reiterate strongly enough our opposition to use of a trading proposal to address goods movement pollution. A trading program—of any kind—simply is not the right fix for the goods movement system.