



San Pedro Bay Ports Clean Air Action Plan

For Immediate Release
March 24, 2008

San Pedro Bay Ports Approve Plan to Accelerate Use of Low Sulfur Fuel on Cargo Ships Calling at Nation's Largest Port Complex

Los Angeles, Long Beach harbor commissions approve plan to subsidize cost differential on clean fuel for one year to improve air quality through use of low-sulfur fuel

At a joint meeting held today in Wilmington, Los Angeles and Long Beach harbor commissioners approved an incentive program aimed at accelerating cargo vessel operators' use of cleaner-burning fuel when transiting within 40 miles of San Pedro Bay and at berth in either port.

As part of the program -- which will improve air quality by reducing toxic ship emissions -- the ports will earmark millions of dollars to pay vessel operators to use cleaner-burning, low-sulfur fuel in their main propulsion engines. Sulfur oxides, which contribute to the formation of health-threatening soot or particulate matter, will be cut by as much as 11 percent and particulate matter by 9 percent, accelerating air-quality improvements ahead of an already aggressive schedule set by the landmark San Pedro Bay Ports Clean Air Action Plan.

Cargo ships now generally use highly polluting bunker fuel, which generates the majority of sulfur oxide emissions in Southern California and makes ocean-going vessels the single largest source of air pollution at the two ports.

"This joint effort demonstrates once again that these two ports are world leaders in aggressively and dramatically advancing environmental protection," said Los Angeles Harbor Commission President S. David Freeman. "It's important that we continue to work together to clean the ports' air so that one of Southern California's biggest job generators is also known as its greenest."

"Ships are the No. 1 pollution source here at the ports and we don't want to keep waiting for state regulations to kick in," said Long Beach Harbor Commission President Mario Cordero. "This program will give us significant improvements in air quality and provide a much-needed bridge to the important state regulations on low-sulfur fuels that will start next year."

-more-

Port of Los Angeles • Environmental Management
425 S. Palos Verdes Street • San Pedro • CA 90731 • 310-732-3675

Port of Long Beach • Environmental Planning
925 Harbor Plaza • Long Beach • CA 90802 • 562-590-4160

The San Pedro Bay Ports Clean Air Action Plan was developed with the participation and cooperation of the staff of the US Environmental Protection Agency, California Air Resources Board and the South Coast Air Quality Management District.

Low-Sulfur Fuel Incentive Program

2-2-2

"This program will incentivize our customers to start the process of switching over to low-sulfur fuel well ahead of future state emissions rules," says Port of Los Angeles Executive Director Geraldine Knatz Ph.D. "It's a great example of how our ports and industry can work together cooperatively to start reducing ship emissions this year in anticipation of future regulations."

"At the Port of Long Beach we've proved that incentives work: Our Green Flag Program, which gives incentives for vessel speed reduction, has achieved more than 90 percent compliance," said Port of Long Beach Executive Director Richard D. Steinke. "I'm confident that the low-sulfur fuel incentives, with the two ports and maritime industry all working together, will see amazing results."

"This voluntary incentive-based program is the direct result of a coordinated public-private partnership with the ports to reduce ship emissions," said John McLaurin, President of the PMSA. "The bunker fuel replacement initiative builds upon other successful voluntary emissions reduction programs around the ports including the vessel speed reduction program which has demonstrated a 90% compliance rate."

Under the program, the ports will pay the difference between the price of bunker fuel and more costly low-sulfur distillate fuel for vessel operators who make the fuel switch within at least 20 miles - - and as far as 40 miles -- from the ports. Vessels also will be required to use low-sulfur fuel in their auxiliary engines while at berth in the port complex. To qualify for the incentive program, the ships must participate in the ports' voluntary Vessel Speed Reduction Program, limiting speeds to 12 knots during the switch to low-sulfur fuel. Most ships already participate in the speed reduction program, which also curbs emissions.

The incentive program is expected to cost the Port of Los Angeles as much as \$8.6 million and the Port of Long Beach as much as \$9.9 million annually. The one-year program will begin July 1 and expire June 30, 2009, unless extended by the two commissions.

On July 1, 2009, a pending California Air Resources Board regulation would require the use of low-sulfur fuel in cargo vessels' main propulsion engines within 24 nautical miles of the state's coast. The ports' Clean Air Action Plan also calls for the ports to accelerate ship-emission reductions by including lease-based limits on sulfur content in fuel. This is still planned. The incentive program is aimed at reducing more emissions on an even faster schedule.

#

For more information, contact:

Gordon Smith, Port of Los Angeles Director of Media Relations
(310) 732-3568, (310) 418-6131 (cell), or gsmith@portla.org

Art Wong, Port of Long Beach Asst. Director of Communications/Public Information Officer,
(562) 590-4123, (562) 619-5665 (cell), or wong@polb.com.