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BAY AREA COUNCIL



Serving the U.S. Food Import Sector



Strengthening the Voice of Business



August 25, 2023

Honorable Karen Bass
Mayor
City of Los Angeles
200 North Spring Street
Los Angeles, California 90012

Honorable Rex Richardson
Mayor
City of Long Beach
411 West Ocean Boulevard
Long Beach, California 90802

**Re: South Coast Air Quality Management District (SCAQMD)'s Proposed Indirect Source Rule (ISR)-
OPPOSE**

Dear Mayors Bass and Richardson:

The undersigned organizations, representing industry and labor sectors involved in all aspects of goods movement, request your immediate attention to the potential implementation of an Indirect Source Rule (ISR) by the South Coast Air Quality Management District (SCAQMD) that will limit the import and export of goods from the Ports of Los Angeles and Long Beach. We strongly believe that the ISR, if approved, will have a devastating impact on:

- California jobs,
- the national supply chain,
- the state and local economy,
- the ability of the state to transition to zero emission infrastructure and equipment, and
- the competitiveness of the Ports of Los Angeles and Long Beach (Ports),
- the economic vitality of Port-adjacent communities.

The initial SCAQMD staff proposal essentially establishes volume caps on port activities, which will restrict the delivery of critical imported goods including essential construction, manufacturing, and automobile components, as well as medical supplies and halt the export of California's manufactured goods and agricultural products to foreign markets.

The proposed rule will damage the success created by the partnership between the cities of Los Angeles and Long Beach through their respective Harbor Departments, and the maritime labor and goods movement industry. That partnership has successfully competed for hundreds of millions of dollars in State and Federal incentive funding and reduced toxic-related emissions by 85%. Future funding and the basis of that partnership is jeopardized by this proposed ISR.

The proposed ISR would also impact port jobs and revenues. The Port of Long Beach alone supports \$11.9 billion in federal, state, and local taxes. The Port of Los Angeles estimates that 1 in 12 jobs in Los Angeles and Long Beach, as well as 1 in 9 jobs in the counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura are connected to the Ports, and as many as three million jobs nationwide. The Ports are among the best sources of high-paying, secure jobs and our local communities, schools, hospitals and small businesses depend on the jobs that our vibrant port complex produces.

In addition, the proposed ISR would be counter-productive to additional zero-emission reduction-efforts and will actually increase greenhouse gas (GHG) emissions by forcing the diversion of cargo to other, less environmentally conscious, North American trade gateways. The ISR would also inhibit the ability of the local supply chain to finance the equipment and infrastructure upgrades necessary to transition to zero-emission infrastructure, defeating the purpose of California's zero-emission strategies and the Ports' Clean Air Action Plan (CAAP).

Furthermore, many of the gateways referred to above are located in states that directly compete with California economically, but do not share California's goals. The shifting of supply chains and the economic vitality that follows, from San Pedro Bay to other gateways will undoubtedly have numerous unintended consequences.

We urge the cities of Los Angeles and Long Beach to carefully analyze and oppose SCAQMD's proposed ISR and provide federal, state, and local elected officials with critical information about the operation and widespread negative impacts of the proposed ISR.

Sincerely,

African American Farmers of California
Agricultural Council of California
Agriculture Transportation Coalition
Almond Alliance of California
American Bakers Association
American Feed Industry Association
American Pistachio Growers
Associated General Contractors California
Association of American Railroads
Association of Food Industries
Auto Care Association
Bay Area Council
California Alfalfa & Forage Association
California Automotive Wholesalers
Association
California Building Industry Association
California Business Properties Association
California Business Roundtable
California Chamber of Commerce
California Cleaners Association
California Cotton Ginners and Growers
Association
California Fresh Fruit Association
California Grain & Feed Association
California Hotel & Lodging Association
California Manufacturers & Technology
Association
California Retailers Association
California Seed Association

California Short Line Railroad Association
California Trucking Association
California Warehouse Association
Central Valley Business Federation
Chicago Customs Brokers & Forwarders
Association
Construction Industry Air Quality Coalition
Dairy Institute of California
Family Business Association of California
Fashion Accessories Shippers Association
Fashion Jewelry & Accessories Trade
Association
Fresno County Farm Bureau
FuturePorts
Greater Ontario Business Council
Greater Los Angeles African American
Chamber of Commerce
Greater San Fernando Valley Chamber of
Commerce
Gemini Shippers
Greenabl
Harbor Association of Industry & Commerce
Harbor Trucking Association (HTA)
Hollywood Chamber of Commerce
ILWU Local 13
ILWU Local 63
ILWU Local 94
Independent Electrical Contractors
Inland Empire Economic Partnership

International Brotherhood of Teamsters –
Local 848
International Fresh Produce Association
International Warehouse Logistics
Association
International Wood Products Association
Latino Consumer Federation
Leather and Hide Council of America
Long Beach Area Chamber of Commerce
Los Angeles Area Chamber of Commerce
Los Angeles County Business Federation
Los Angeles Customs Brokers and Freight
Forwarders Association
Maryland Retailers Association
Meat Import Council of America
Milk Producers Council
Motor & Equipment Manufacturers
Association
NAIOP California
NAIOP-Inland Empire
NAIOP-SoCal
National Association of Chemical
Distributors
National Association of Egg Farmers
National Association of Waterfront
Employers
National Federation of Independent
Business
National Customs Brokers & Forwarders
Association of America, Inc.
National Retail Federation
New York/New Jersey Foreign Freight
Forwarders & Brokers Association
North American Association of Food
Equipment Manufacturers
North American Meat Institute
North American Renderers Association

Nisei Farmers League
Orange County Business Council
Orange County Taxpayers Association
Pacific Coast Council of Customs Brokers &
Freight Forwarders Association
Pacific Maritime Association
Pacific Merchant Shipping Association
Pasadena Chamber of Commerce & Civic
Association
Plumbing Manufacturers International
Propeller Club of Los Angeles and Long
Beach
Rebuild SoCal Partnership
Raisin Bargaining Association
Retail Industry Leaders Association
San Diego Customs Brokers Association
San Gabriel Valley Economic Partnership
San Joaquin Farm Bureau Federation
Specialty Equipment Market Association
Stanislaus County Farm Bureau
South Bay Association of Chambers of
Commerce
South Los Angeles Chamber of Commerce
Southern California Contractors Association
Southern California Leadership Council
Sports & Industry Fitness Association
The American Waterways Operators
Tulare County Farm Bureau
United States Chamber of Commerce
U.S. Meat Export Federation
Valley Industry & Commerce Association
Washington State Potato Commission
West Coast MTO Agreement
West Hollywood Chamber of Commerce
Western Agricultural Processors Association
Western Growers
Wilmington Chamber of Commerce

cc: Chris Thompson, Mayor Bass Chief of Staff
Rachel Freeman, Los Angeles Deputy Mayor for Business and Economic Development
Nancy Sutley, Los Angeles Deputy Mayor of Energy & Sustainability
Port of Los Angeles Harbor Commission
Gene Seroka, Port of Los Angeles Executive Director
Shwana Stevens, Mayor Richardson Chief of Staff
Lucius Martin, Long Beach Deputy Mayor of Economic Development
Paul Barragan-Monge, Long Beach Director of Policy and LGBTQIA+ Liaison
Port of Long Beach Harbor Commission
Mario Cordero, Port of Long Beach Executive Director