

Date of Hearing: August 20, 2025

**ASSEMBLY COMMITTEE ON APPROPRIATIONS**

Buffy Wicks, Chair

SB 34 (Richardson) – As Amended July 16, 2025

Policy Committee:	Natural Resources	Vote:	10 - 1
	Transportation		14 - 0

Urgency: No      State Mandated Local Program: Yes      Reimbursable: Yes

**SUMMARY:**

This bill imposes specified conditions and limits on actions by the South Coast Air Quality Management District (SCAQMD) to reduce emissions from sources of air pollution associated with the operation of the Port of Long Beach and the Port of Los Angeles.

Specifically, this bill, among other things:

- 1) Requires SCAQMD, if it takes an action (defined below) on or after July 1, 2025, to ensure the action fulfills both of the following conditions:
  - a) The action shall do all of the following:
    - i) Recognize the contributions of sources of air pollution outside of the control of the ports.
    - ii) Require the ports to prepare assessments of energy demand and supply, cost estimates, and funding source, workforce, and environmental impacts associated with the action.
    - iii) Use the assessments prepared by the ports to determine the timelines for achieving the action's targets.
    - iv) Create a process by which the ports may request extensions to the timelines developed to achieve the action's targets.
  - b) The action shall not do any of the following:
    - i) Impose a cap on cargo throughput or cruise ship passengers at the ports.
    - ii) Use public funds or grants, as specified, to require, incentivize, encourage, or otherwise promote the use of automated, remotely controlled, or remotely operated equipment, or infrastructure to support automated, remotely controlled, or remotely operated equipment.
- 2) Provides that the action may result in the procurement and operation of human-operated, zero-emission equipment and infrastructure to support human-operated, zero-emission equipment at the ports.

- 3) Defines “action” as the adoption or amendment of a rule or regulation that imposes new or additional emissions reduction requirements on sources of air pollution associated with an operation at the ports.
- 4) Sunsets on January 1, 2031.

**FISCAL EFFECT:**

- 1) The Air Resources Board (ARB) asserts it cannot estimate the costs associated with this bill, but warns they may be significant given what ARB sees as the legal ambiguity of what constitutes “imposing a cap” on cargo throughput at the ports. ARB contends that in the event this bill effectively stalls SCAQMD’s indirect source rule (ISR) and the South Coast remains out of attainment for National Ambient Air Quality Standards for ozone and the strategies to reduce nitrogen oxides emissions in the region are further limited, the U.S. Environmental Protection Agency may, upon its review and disapproval of the updated State Implementation Strategy, impose highway sanctions, resulting in the loss of tens of billions of dollars of federal funding for highway projects. Additionally, ARB argues this bill may result in cost pressures on ARB in the millions to tens of millions of dollars to find equivalent emissions reductions from other sources in order to meet the state’s climate targets.
- 2) By imposing additional duties on SCAQMD and the ports, this bill imposes a state-mandated local program. If the Commission on State Mandates determines this bill’s requirements to be a reimbursable state mandate, the state may need to reimburse these costs – which may exceed \$150,000 – to local governments (General Fund).

**COMMENTS:**

- 1) **Purpose.** According to the author:

SB 34 is designed to protect jobs in local communities in addition to the local, regional, state and national economies, while continuing to improve air quality in the communities surrounding the San Pedro Bay Port Complex area. It does not prevent [SCAQMD] from proposing any action. It simply asks that certain criteria be considered when adopting an action. Given the current fluctuation of the economy, stubborn inflation, and the imposition of tariffs, now is certainly not the time to hinder productivity at our ports. SB 34 seeks to allow the Port of LA and the Port of Long Beach to continue to focus on its joint Clean Air Action Plan to meet 2030 and 2035 goals.

- 2) **Background.** The San Pedro Bay Ports (Los Angeles and Long Beach) are the busiest in the nation. As such, the ports are also major economic drivers through direct job creation and by supporting manufacturing and industry related to goods movement activity, generating employment for nearly three million Americans nationwide. The ports handle millions of tons of cargo every year worth hundreds of billions of dollars – 40% of the nation’s imports and exports of goods, from produce to electronics to pharmaceuticals.

These ports are also the region’s largest single sources of air pollution. Every day, their equipment, trucks, rail yards and ships emit 23 tons of smog-forming nitrogen oxides (NOx),

half a ton of fine particles, and nearly a ton of sulfur into the air, according to 2023 data from SCAQMD.

Recognizing the need for a comprehensive, far-reaching strategy to reduce port-related air pollution and related health risks, the ports developed and adopted the San Pedro Bay Ports Clean Air Action Plan (CAAP). Originally adopted in 2006, with updates in 2010 and 2017, the CAAP includes goals of achieving 100% zero-emission operations for cargo handling equipment by 2030, and drayage trucks by 2035. Though laudable, these two categories comprise only about 14% of total port emissions, combined.

Port emissions have declined substantially since 2005 and the ports have met the emission reductions goals established in their 2010 CAAP – which the ports elected not to revise in the 2017 CAAP. These targets, therefore, do not reflect the additional reductions still needed from port operations to meet air quality standards. Moreover, most of the emissions reductions to date at the ports have been from ARB regulations, including regulations covering heavy duty trucks and buses, drayage trucks, oceangoing vessel fuels, cargo handling equipment, and ocean-going vessel at-berth power.

The ports, SCAQMD, and other key parties were pursuing a memorandum of understanding (MOU) from 2018 to 2022 to achieve emission reductions, until negotiations broke down. Although the Port of Long Beach’s MOU proposal did include a number of clean air investments, the ports’ overall proposal did not provide sufficient measures to reduce emissions. The ports’ proposal also did not allow for enforceability should the agreed-upon actions not be implemented. According to a presentation to the SCAQMD board in August of 2021, the ports’ insistence that the MOU not be enforceable caused SCAQMD to pivot to an ISR rulemaking process.

An ISR rulemaking is a regulation aimed at reducing air pollution from sources not directly located within a facility but related to its operations, such as the vehicles it attracts. These rules target activities like truck traffic to and from warehouses, ports, and other facilities, focusing on reducing emissions from those sources.

On February 21, 2025, SCAQMD published its first draft of a proposed rule (Proposed Rule 2304) that would require the two ports to develop a plan by August 2027 to build charging and fueling infrastructure to transition equipment, trucks, and vessels to electricity, hydrogen and alternative fuels. The rule aims to ensure the two ports can achieve the clean air goals they set for themselves in the 2017 CAAP, which includes converting cargo handling equipment to zero emissions by 2030 and drayage trucks to zero emissions by 2035.

Proposed Rule 2304 is scheduled to go to the SCAQMD board for consideration in October 2025. If approved, the current rule language would require the plan be submitted two years after rule adoption, with implementation expected to take many years after that.

- 3) **Support and Opposition.** This bill is sponsored by the International Longshore and Warehouse Union (ILWU) Local 13, Local 63, and Local 94. ILWU argues, among other things, that it and numerous partners strongly prefer the “collaborative plan incorporating zero-emission infrastructure and human-operated equipment” as opposed to an ISR. ILWU contends SCAQMD staff assert the ISR will be enacted through an incremental approach that “many believe will ultimately lead to emission and cargo caps in future phases. This will

drive cargo to other ports across the country and to the neighboring countries of Mexico and Canada, with no comparable regulations exist.” ILWU also notes that “concerns about federal Clean Air Act sanctions are mere fearmongering.”

A coalition of organizations writes in opposition to the bill:

Not only would this bill hamper clean air regulations for this region, but its broad and precedent-setting language would have a chilling effect on air districts statewide, potentially tying the hands of local agencies working to address severe air pollution in their own communities. This comes at the worst possible time. As the federal government attacks California’s clean vehicle standards, it’s more critical than ever that we are using every tool available to clean up our air. Disrupting SCAQMD’s rulemaking process would set the region back in its progress toward meeting critical Clean Air Act attainment mandates and state air quality standards—increasing the risk of federal sanctions and further delaying long-overdue public health protections.

**Analysis Prepared by:** Nikita Koraddi / APPR. / (916) 319-2081