



System Efficiency – Harbor Performance Enhancement Center (HPEC)

Recommendation:

The SFAC recognizes that congestion and inefficiencies in the supply chain result in added costs and emissions. The elimination of this “friction” in the system can improve the operational and environmental performance of the goods movement system and provide benefits to all stakeholders. Therefore, the SFAC recommends to the Mayor and the Port of Los Angeles to continue to prioritize and advance projects that improve the efficiency and overall performance of the ports and the freight system.

One such project that has been proposed is the Harbor Performance Enhancement Center (HPEC). HPEC is effectively a “peel off yard” located in the Port of Los Angeles that will provide an outlet to relieve congestion on the docks in both ports. The project will increase efficiency and therefore reduce costs and emissions within the system. As the HPEC facility will be on Port of Los Angeles property, it will be subject to the provisions of the Clean Air Action Plan and Clean Truck Program, when adopted. This will help to ensure that the lowest emission equipment and fuels are being utilized at the facility.

The HPEC project will require significant public infrastructure improvements which will benefit the entire San Pedro Bay Port complex, and thus the national supply chain. HPEC will also include an educational component at an on-site facility that will be used as a laboratory to facilitate learning, collaboration and the pursuit of new innovative ideas among the world’s leading stakeholders in the goods movement industry, academia, and other related organizations. The facility will showcase and foster economic and environmental innovation within the supply chain.

Given the national significance of the Southern California Port Gateway, the SFAC recommends that the Mayor and the Port of Los Angeles work with officials at the local, state and federal levels to advance the development and implementation of the HPEC project. Additionally, the SFAC recommends that the Mayor and Port of Los Angeles explore and facilitate, as appropriate, the use of a public-private-partnership (PPP) model in order to maximize both private and public sector cooperation, support and investment in the project.

As part of the development of this project, the Mayor and Port of Los Angeles should ensure that the proposed project analysis demonstrates tangible environmental improvement and net environmental health benefits to the adjacent communities via increased efficiency and the use of zero emission and renewable energy technology. As peel off yards have the potential to add to the number of “touches” required to handle a container, there is the opportunity to increase emissions if such touches are with traditional diesel-powered container handling equipment. Therefore, the SFAC recommends that zero and near-zero emission technologies – such as battery electric trucks, solar panels, and others – be utilized to the greatest extent possible.



Ultimately, any assessment of the benefits of the HPEC must consider both the operational changes and the project's use low emission technologies to mitigate any impacts from additional touches.

The SFAC also strongly supports and recommends that the educational component of the HPEC project be aggressively pursued as part of this development effort in order to attract global thought leaders to Los Angeles and the Southern California goods movement industry.