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March 13, 2018

Long Beach City Council
c/o City Clerk's Office
333 W. Ocean Boulevard
Long Beach, CA 90803
Email: cityclerk@longbeach.gov

Re: Appeal of Pier B On-Dock Rail Support Facility Final Environmental Impact Report, approved by Long Beach Board of Harbor Commissioners in January 2018

To the Honorable Long Beach City Council Members:

SA Recycling (SAR) is in support of the full build 12th-Street option of the proposed Pier B Rail Yard Project, which the City Council will be considering an appeal of the project's final Environmental Impact Report.

Approximately 40 percent of the waterborne container cargo destined for the US flows through the SP Bay complex. The two ports are also home to many breakbulk and other commercial operations. The use of rail constitutes a critical element of the Port's daily operations. For that reason, this proposed project is long overdue and is vital for keeping the Port of Long Beach competitive in the global market. The existing Pier B Railyard serves multiple port terminals and tenants, but the Yard's numerous physical limitations cause regular occurrences of service disruptions, operational inefficiencies, and added costs. In the absence of the proposed improvements, once the current limits of the on-dock rail facilities are reached, all additional intermodal cargo will have to be transported by trucks and handled by off-dock rail yards- an environmentally undesirable and costly option.

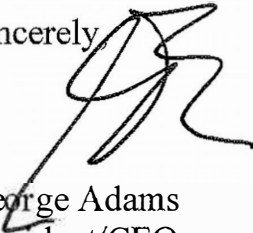
The present size and the configuration of rail-related operations throughout the port negatively impacted SAR, and other port tenants. These deficiencies affect not just container terminals but also the delivery of break bulk products via unit trains. Unit trains greatly assist SAR's operations by increasing efficacies and delivery of cargo for export. As long as these physical limitations continue with the projections of increased rail traffic, SAR will experience delays in the transportation of cargo; this

will ultimately equate to higher freight costs. Pier B's Railyard expansion will make possible more efficient localized train assembly/disassembly operations which presently require multiple cuts and pulls in and out of the container and breakbulk facilities utilizing multiple short length rail tracks as an assembly point of rail cars, to their desired and feasible unit train length, happen. Since SAR depends heavily on unit train operations, efficiency increases in this area would positively benefit SAR's ability utilize rail service in a significantly more reliable and cost-effective manner.

We are confident the Pier B Rail Yard Project will address three critical areas of port operations. 1. improve/ upgrade the efficiency of rail operations throughout the Port's complex, 2. alleviate the physical deficiencies and shortcoming of the existing Pier B Rail Yard's on-dock rail operations, and 3. upgrading numerous deteriorated and aged local roads and utilities.

Therefore, SAR strongly urges the City Council to move ahead with this long anticipated and much-needed project as we believe that without the Pier B facility upgrade, the Port will not be able to meet the near-term goal of moving 35 percent of containers via on-dock rail or reach an eventual goal of 50 percent. This Project represents the best option to accommodate future cargo growth and boost economic activity while sustaining 30,000 jobs in Long Beach that depend on the vitality and competitiveness of the city's port. We trust the Council will vote in favor of the Project to support the Port's future plans and work in the tenant's best interests.

Sincerely,

A handwritten signature in black ink, appearing to be 'G. Adams', written over a faint circular stamp or watermark.

George Adams
President/CEO