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12	COUNTY OF CONTRA COSTA, MARTINEZ DISTRICT		
13	FAST LANE TRANSPORTATION, INC., a California corporation,	Case No.: CIVMSN14-300 (Consolidated With:	
14		Case No. CIVMSN14-308;	
	Petitioner,	Case No. CIVMSN14-309;	
15		Case No. CIVMSN14-310;	
	v.	Case No. CIVMSN14-311;	
16	CITY OF LOS ANGELES of al	Case No. CIVMSN14-312;	
17	CITY OF LOS ANGELES, et al.,	Case No. CIVMSN14-313)	
17	Respondents.	PLAINTIFFS' OPENING BRIEF	
18	respondents.	(California Gov't Code Section 11135)	
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19	BNSF RAILWAY COMPANY, a Delaware	Dept. 17	
	corporation,	Judge: Hon. Barry Goode	
20		A .: E'l 1 I 24 2014 (I 5 2012 :	
	Real Party In Interest.	Action Filed: Jan. 24, 2014 (June 5, 2013 in	
21		LASC)	
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23	AND CONSOLIDATED CASES		
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25	V PLAINTIFFS' OPENING BRIEF (California Gov't Code Section 11135)

INTRODUCTION

2	The Port of Los Angeles (the Port) ¹ is the largest port in the United States by cargo
3	volume. AR H.6:86469. For nearby communities, the Port's heavy reliance on diesel-powered
4	trucks, locomotives, ships, and other cargo-moving equipment comes with a terrible price.
5	Diesel particulate matter pollution is a human carcinogen. AR H.6:78966; 79651. Exposure to
6	diesel emissions can increase adult and infant mortality as well as hospital admissions for
7	pulmonary illnesses, including pneumonia and asthma. See AR H.6:58622–58623; D:15444.
8	In this case, Plaintiffs East Yard Communities for Environmental Justice, Century
9	Villages at Cabrillo, the Natural Resources Defense Council, Coalition for Clean Air, and two
10	community members, Evelyn Deloris Knight and Elena Rodriguez, (collectively, Plaintiffs) ²
11	challenge the Port's approval of a new 185-acre railyard adjacent to a low-income, community of
12	color as a violation of California Government Code Section 11135(a) (hereafter, Section 11135).
13	That section prohibits the Port from taking any action that discriminates on the basis of race,
14	national origin, or ethnic group identification, as a condition of financial assistance from the
15	State of California. Section 11135(a)'s prohibition is not limited to intentional discrimination.
16	Darensburg v. Metropolitan Transp. Com'n (N.D. Cal. 2009) 611 F.Supp.2d 994, 1042 (hereafter
17	Darensburg I) aff'd, (9th Cir. 2011) 636 F.3d 511. State funds may not be used even indirectly
18	to support actions that have a disparate impact, regardless of intent. <i>Ibid</i> .
19	The proposed Southern California International Gateway project (SCIG or Project), will

fair hearing. Those claims are briefed separately.

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¹ The Port of Los Angeles includes the Los Angeles Harbor Department and its governing board, the Los Angeles Board of Harbor Commissioners.

² East Yard Communities for Environmental Justice, Century Villages at Cabrillo, the Natural Resources Defense Council, and Coalition for Clean Air also challenge the Port's failure to comply with the California Environmental Quality Act (CEQA), Public Resources Code § 21000 *et seq.* East Yard Communities for Environmental Justice, the Natural Resources Defense Council, and Coalition for Clean Air have an additional claim seeking a writ of mandate for a

1	be located in a community of color that already suffers from high levels of air pollution. The
2	Project would add over a million new truck trips and thousands of new train trips through this
3	community every year. The proposed site is across the road—and in some cases less than 500
4	feet—from residences, an elementary school, a junior high school, a high school, Plaintiff
5	Century Villages at Cabrillo (the Villages), and a park.
6	The Port's decisions ³ to certify the environmental impact report (EIR), approve the

The Port's decisions³ to certify the environmental impact report (EIR), approve the Project as currently designed and sited, approve the use of Port land for the Project, and approve the development permit violates Section 11135(a) and the civil rights of the community of color surrounding the Project. The Port's EIR and its data show that the construction and operation of the SCIG will create significant air quality and health impacts that will disproportionately burden the surrounding community of color.⁴ The Port has not demonstrated a substantial legitimate justification for the Project, and, even if it could, and a number of less discriminatory alternatives exist to achieve the Project's stated goals.

Accordingly, Plaintiffs seek declaratory and injunctive relief, enjoining the Project as currently proposed.⁵

STATEMENT OF FACTS

I. The Community of Color Surrounding the Project

Comprised of portions of West Long Beach and Wilmington, the community within one

³ See Petitioner's Opening Brief (California Environmental Quality Act) (hereafter Petrs. CEQA Brief) at pp. 11–12 for a summary of the approvals and decisions.

⁴ The Port's EIR uses the term "minority" to include "American Indian or Alaskan Native; Asian

or Pacific Islander; Black (not of Hispanic origin; or Hispanic." AR D:13146. Because the combined total of these groups does not represent a minority of the overall population, this brief (except when quoting other documents) prefers the term "communities of color" or "people of color" when referring to racial and ethnic groups other than non-Hispanic Whites.

⁵ California Government Code § 11139 (section 11135(a) "may be enforced by a civil action for equitable relief; which shall be independent of any other rights and remedies").

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mile of the Project is 93 percent people of color. AR D:13149; 13151. This community includes Plaintiffs the Villages, Evelyn Deloris Knight, and Elena Rodriguez. Decl. Brian D'Andrea; Decl. Evelyn Deloris Knight; Decl. Elena Rodriguez.

Elena Rodriguez is a Hispanic woman who lives less than half a mile east of the Project site. Ms. Rodriguez has been concerned about the area's air pollution problems since her children were in elementary school and were forced to spend recess indoors because of poor air quality. She is very concerned about the Project's negative health impacts on her and her community. Decl. Rodriguez.

Evelyn Deloris Knight is an African-American woman who lives less than half a mile east of the Project site. Ms. Knight is also very concerned about the Project's negative impacts on the air that she and her family breathe. Decl. Knight.

The Villages is a 27-acre nonprofit homeless services community, directly adjacent to the truck route to and from the Project site. The Villages provides housing to over 1,000 people each night, including veteran and non-veteran individuals, families, and children. Over half of the Villages' residents on any given day are African-American or Latino. Decl. Brian D'Andrea.

The community of color surrounding the Project is also home to groups (children, elderly, and ill) who are the most sensitive to the harmful effects of diesel exhaust inhalation.

AR D:12547; 12477. For example, the Cabrillo Child Development Center, the Bethune School, and the Elizabeth Hudson Elementary School⁶ are 460, 425, and 630 feet, respectively, from the Project's eastern boundary. Two convalescent homes are located within 1,500 feet of the Project boundaries. AR D:12477.

⁶ California Air Resources Board guidance instructs against locating a school near a railyard, because of the negative health impacts. AR H.6:58068; 58072; 58073; 58075; 58107; 58109; 58138; 58167.

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The maps below depict the one-mile area surrounding the Project site, as well as the community landmarks closest to the site.





Decl. Rowangould, exhibit 1, fig. 1.

II. The Port and BNSF Railway Company's $Project^7$

1	investment, and financial stake in the Project. The Project will be primarily on Port-owned land.
2	AR D:12208; 12318; H.8:220938. The Port is contributing \$29 million towards the Project.
3	H.8:220933–220934. Based on its investment in this Project, "[t]he Port expects to receive a
4	revenue rate of return for the 50-year lease term for the Permit between \$755,430,634
5	(9.8%) and \$792,376,429 (10.5%)." AR H.6:220934.
6	At full capacity, the Project would add over a million new truck trips and thousands of
7	new train trips annually to the community of color surrounding the Project. AR D:12216; 12402.
8	The projected truck traffic can conservatively be expected to generate 115 truck trips per hour, or
9	1.9 trips per minute, feet from the only entrance to Plaintiff Century Villages at Cabrillo. ⁸ AR
10	D:3939; 3917; 4455; 4583 (disputing accuracy of freeway ramp analysis); 12783–12784;
11	H.7:172672 (map of SCIG site, truck routes, and the Villages).
12	The SCIG also expects eight inbound and eight outbound trains per day, each powered by
13	three or four diesel-electric locomotives. AR D:12403. These trains will meet U.S.

The SCIG also expects eight inbound and eight outbound trains per day, each powered by three or four diesel-electric locomotives. AR D:12403. These trains will meet U.S. Environmental Protection Agency Tier 3 emissions standards, but not more the stringent Tier 4 emission standards. AR D:12527. The Project will also include diesel-powered cargo handling equipment and service and maintenance equipment, all emitting diesel exhaust. AR D:12495.

III. Health Impacts of Diesel Pollution

The harmful effects of diesel exhaust from trucks, trains, and equipment on human health are well-documented and indisputable. *See*, *e.g.*, AR H.6:78547. As noted above, inhalation of diesel particulate emissions can cause serious and terminal health impacts, including increased adult mortality from lung cancer, cardiopulmonary and other causes; increased infant mortality;

This number is based on 5,542 truck trips equating to 2,711 one-way trips per day entering the SCIG, divided by 24 hours, assuming an even distribution of trips throughout the day. AR D:3939.

and increased hospitalization for pulmonary illnesses, chronic obstructive pulmonary disease,
pneumonia, asthma, and cardiovascular illnesses. *See* AR H.6:58622–58623; D:15444. Diesel
particulates account for an estimated 84 percent of cancer risk in the South Coast Air Basin,
with "the highest risks from air toxics surrounding the port areas." AR H.6:90340.

The Port's own EIR explains that particulate matter less than 10 micrometers in diameter (PM10) and less than 2.5 micrometers in diameter (PM2.5) are "respirable" and "can accumulate in the respiratory system or penetrate the vascular system, causing or aggravating diseases such as asthma, bronchitis, lung disease, and cardiovascular disease." AR D:12547. "Numerous studies published over the past 15 years have established a strong correlation between the inhalation of ambient PM and an increased incidence of premature mortality from heart and/or lung diseases." *Ibid.* "Children, the elderly, and the ill" are "sensitive receptors" that are particularly at risk. AR D:12547; 12477.

IV. The Port's Analyses of the Project's Impacts on the Surrounding Community of Color

Pursuant to CEQA, the Port prepared an EIR for the Project, which purported to disclose the Project's environmental impacts including those related to air quality, traffic, greenhouse gases, and health, as well as cumulative impacts. Based on these analyses, there is no dispute that the Project will have significant negative air quality, health risk, noise, land use, aesthetic, and cultural resource impacts that will "fall disproportionately on minority . . . populations" located near the SCIG site. AR D:13156–13159.

To conclude that the Project's air quality and health impacts will be disproportionately

⁹ The South Coast Air Basin (SCAB), within which the Project is located, "consists of the non-desert portions of Los Angeles, Riverside, and San Bernardino Counties and all of Orange County. The SCAB covers an area of approximately 15,500 square kilometers (6,000 square miles) and is bounded on the west by the Pacific Ocean, on the north and east by the San Gabriel, San Bernardino, and San Jacinto Mountains, and on the south by the San Diego County line." AR D:12463.

1	borne by people of color, the Port's Recircu
2	on the demographics of the nearby affected
3	groups within one mile of the Project site ar
4	By way of comparison, Los Angeles County
5	Basin is 68 percent people of color, and the
6	AR D:13147; Decl. Rowangould, exhibit 1,
7	distinguishable: the City of Los Angeles is 7
8	Beach is 70.6 percent people of color. <i>Ibid</i> .

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e by people of color, the Port's Recirculated Draft EIR (RDEIR) analyzes U.S. Census data he demographics of the nearby affected populations. These data show that the Census block ps within one mile of the Project site are 93 percent people of color. AR D:13149; 13151. way of comparison, Los Angeles County is 72.2 percent people of color, the South Coast Air in is 68 percent people of color, and the State of California is 59.9 percent people of color. D:13147; Decl. Rowangould, exhibit 1, tbl. 1. Nearby cities are also demographically nguishable: the City of Los Angeles is 71.3 percent people of color, and the City of Long

The RDEIR concedes that the toxic air contaminants resulting from Project construction and operation will increase the surrounding community's cancer risk "above the [SCAQMD] significance threshold." AR D:13158 (AQ-7). Thus, the SCIG will "make a cumulatively considerable contribution to the significant health risk impact to the predominately minority . . . population in the Port region . . . [, and this impact] would constitute a disproportionately high and adverse effect on minority . . . populations." AR D:13158.

Even after mitigation, Project construction will generate emissions and local, off-site pollution concentrations that are significant (i.e., that exceed the South Coast Air Quality Management District's significance thresholds) for several harmful air pollutants, including PM10, PM2.5, NOx, and CO. AR D:13157-13158 (AQ-1 and AQ-2). These emissions and pollution concentrations "would constitute a disproportionately high and adverse effect[s] on minority . . . populations." Ibid.

The RDEIR similarly concludes that, even after mitigation, Project operation will generate significant local, off-site ambient pollutant concentrations and "constitute a disproportionately high and adverse effect on minority . . . populations." AR D:13157–13158

(AQ-4).

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Based on this record, the Port certified the final environmental impact report (FEIR), approved the Project as currently designed and sited, approved the use of Port land for the Project, and approved the development permit and site preparation (collectively, the "Project Approvals"). AR A:1; B:4–24; B:25–114.56.

V. State Financial Assistance to the Port

The Port of Los Angeles receives substantial financial assistance from the State of California, totaling more than \$50 million. For example, State grants received by the Port include: a \$750,000 grant from the California Office of Homeland Security (131213 LAHD Reponses to East Yard FRP No. 1, 2005 Security Grant: 1–14); a \$10,066,000 Proposition 1B grant from the California Office of Homeland Security (RFP No. 1, FY07 Award Notification 052008: 645); a \$9,925,927 Proposition 1B grant from the California Emergency Management Agency (RFP No. 1, FY08 Prop 1B Award Notification 041509: 654–664); \$20,000 in AB 118 grant funding from the California Air Resources Board (CARB) (RFP No. 1, Agreement_13-2920_CA_Air_resources_Board_AQIP_Amend_C: 283–374); an additional \$1,000,000 in AB 118 grant funds from CARB to promote the development of clean vehicles (RFP No. 1, Agreement_13-3145_AQIP_CAARB_Grant: 415–496); \$17 million in Proposition 1B grant funds for the South Wilmington Grade Separation project (RFP No. 1, Agr_13-3105_CA_Prop_1B_Wilmington_Grade_Sep_Proj: 399–413); and an additional \$12.705 million in Proposition 1B funds for the TraPac Terminal on-dock railyard (RFP No. 1, Agreement_13-3079_TracPac_Terminal_OnDock_Railyard_Amend_A: 375–384). In addition, the State previously granted the Port the approximately 107 acres of land that the Port plans to lease for the Project. AR D:12208; 12318; H.7:116572–116575.

STATUTORY FRAMEWORK AND STANDARD OF REVIEW

California Government Code § 11135(a) states, in relevant part:

"No person in the State of California shall, on the basis of race, national origin, ethnic group identification, religion, age, sex, sexual orientation, color, genetic information, or disability . . . be unlawfully subjected to discrimination under, any program or activity that is conducted, operated, or administered by the state or by any state agency, is funded directly by the state, or receives any financial assistance from the state."

Discriminatory intent is *not* required to sustain a Section 11135 claim; liability may be based on a project's disparate impact on a protected class. ¹⁰ Darensburg I, supra, 611 F.Supp.2d at p. 1042 (citing Griggs v. Duke Power Co. (1971) 401 U.S. 424, 432 [91 S.Ct. 849, 854] and Gamble v. City of Escondido (9th Cir. 1997) 104 F.3d 300, 306).

Disparate impact cases under Section 11135 are analyzed under a three-step burdenshifting framework. 11 First, the plaintiff bears the burden of establishing that the defendant's facially neutral practice causes a disproportionate adverse impact on a protected class. Darensburg v. Metropolitan Transp. Com'n (9th Cir. 2011) 636 F.3d 511, 519 (hereafter Darensburg II) (citing City and County of San Francisco v. Fair Employment & Housing Com. (1987) 191 Cal.App.3d 976, 984 [236 Cal.Rptr. 716, 721-722]) (hereafter San Francisco). This showing "involves a comparison between two groups — those affected and those unaffected by the facially neutral policy", ... "tak[ing] into account the correct population base and its racial makeup." Darensburg II, 636 F.3d 5 at p. 520-521 (quoting Tsombanidis v. West Haven Fire

F.3d 5 at p. 519 (citing *Larry P. By Lucille P. v. Riles* (9th Cir. 1984) 793 F.2d 969, 982 & n.9).

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¹⁰ Cal. Code Regs., tit. 22, § 98101(j) (prohibiting discrimination in licensing, site selection, or location of facilities); see Comunidad En Accion v. Los Angeles City Council (2013) 219 Cal.App.4th 1116, 1126 [162 Cal.Rptr.3d 423, 429], review denied (Dec. 18, 2013) (challenging disparate impact of the city's approval of three solid waste facilities in a Latino community). ¹¹ Because the language of Section 11135 parallels Title VI of the Civil Rights Act, "federal law

provides important guidance in analyzing state disparate impact claims." Darensburg II, supra, 636 F.3d 5 at p. 519 (citing San Francisco, supra, 236 Cal. Rptr. at p. 721-22). Courts also "look to Title VII disparate impact analysis in analyzing Title VI claims." Darensburg II, 636

Dept. (2d Cir. 2003) 352 F.3d 565, 575 and citing *Robinson v. Adams* (9th Cir. 1987) 847 F.2d 1315, 1318).

Second, if the plaintiff establishes a prima facie case of disparate impact, the burden shifts to the defendant to prove by a preponderance of competent evidence the existence of a substantial, legitimate, nondiscriminatory justification for its actions. *Darensburg I, supra*, 611 F.Supp.2d at p. 1051-1052 (citing *Albemarle Paper Co. v. Moody* (1975) 422 U.S. 405 [95 S.Ct. 2362] (hereafter *Albemarle*); *Watson v. Fort Worth Bank and Trust* (1988) 487 U.S. 977, 979 [108 S.Ct. 2777, 2780, 101 L.Ed.2d 827] (hereafter *Watson*) (specifying the burden as one of proof, not production).

Third, if the defendant successfully rebuts the plaintiff's prima facie case with a substantial legitimate justification, the plaintiff may still prevail by offering "an equally effective alternate practice which results in less racial disproportionality," as shown by a preponderance of the evidence. *Darensburg I, supra*, 611 F.Supp.2d at pp. 1042, 1060 (citing *Georgia State Conference of Branches of NAACP v. State of Ga.* (11th Cir. 1985) 775 F.2d 1403, 1417); *see also Albermarle, supra*, 422 U.S. 405; *Blake v. City of Los Angeles* (9th Cir. 1979) 595 F.2d 1367, 1383 (in the Title VII context). To escape liability, "there must be available no acceptable alternative policies or practices which would better accomplish the business purpose advanced, or accomplish it equally well with a lesser differential racial impact." *Officers for Justice v. Civil Service Com'n of City and County of San Francisco* (N.D. Cal. 1975) 395 F.Supp. 378, 383.

Thus, plaintiffs prevail if they demonstrate by a preponderance of evidence that *any* less discriminatory alternative would equally effectively accomplish the business purpose proffered.

As with the related CEQA claims, the factual determinations underlying the Port's Project Approvals must be supported by substantial evidence. *See Turlock Irr. Dist. v. Zanker*

(2006) 140 Cal.App.4th 1047, 1054 [45 Cal.Rptr.3d 167, 172] (citing *Horsford v. Board Of Trustees Of California State University* (2005) 132 Cal.App.4th 359, 390 [33 Cal.Rptr.3d 644, 668]). The "substantial evidence" test applies to the Port's EIR findings that various less discriminatory alternatives and mitigation measures are infeasible. Substantial evidence is "evidence of ponderable legal significance, reasonable in nature, credible, and of solid value." *American Canyon Community United for Responsible Growth v. City of American Canyon* (2006) 145 Cal.App.4th 1062, 1070 [52 Cal.Rptr.3d 312, 318].

ARGUMENT

I. The Port is a Program that Receives Financial Assistance from the State

Section 11135(a)'s prohibition against discrimination applies to "any program or activity that . . . receives any financial assistance from the state." Gov. Code § 11135(a). The term "program or activity" includes "any project, action or procedure" by recipients of "State support," whether undertaken directly or indirectly. Cal. Code Regs., tit. 22, § 98010 (emphasis added). A "recipient" includes any "public entity" employing "five or more" individuals and receiving more than \$10,000 per year in "State support." *Ibid.* "State support" is defined broadly to include "any grant, entitlement, loan, cooperative agreement, contract or any other arrangement by which a State agency provides or otherwise makes available aid." *Ibid.*

The state financial assistance need not be tied to the challenged project specifically; rather, if any part of the program or activity receives state funding, the whole program or activity is required to comply with Section 11135. Cal. Code Regs., tit. 22, § 98010 (State supported program defined as "any program or activity which receives State support, in whole *or in part*." (emphasis added); *see Committee for Immigrant Rights of Sonoma County v. County of Sonoma* (N.D. Cal. 2009) 644 F.Supp.2d 1177, 1207 (a recipient of state support may not discriminate in

any of its activities) (citing *Darensburg v. Metropolitan Transp. Com'n* (N.D. Cal., Aug. 21, 2008, C-05-01597 EDL) 2008 WL 3915349, at *14).

The Port is a recipient of State support for purposes of Section 11135. Cal.Code Regs., tit. 22, § 98010. The Port is a public entity with over five employees. *See, e.g.*, AR H.7:172787. The Port also receives numerous grants from the State of California, each well over the \$10,000 threshold. 131213 LAHD Reponses to East Yard FRP No. 1,1–14; 654–664; 283–374; 415–496; 399–413; 375–384 (describing over \$50 million dollars in State grants to the Port). Moreover, State grants to the Port will directly find the SCIG, including the 107-acre property that the Port received from the State and plans to lease to BNSF for the Project. AR D:12208, 12318; H.7:116572–116575; *see also* Cal.Code Regs., tit. 22, § 98010 (specifying that financial assistance can include "real property or any interest in or use of such property"). The site's current *rental* value alone is over \$6 million annually. AR H.8:220933.

Because the Port receives substantial financial assistance from the State, all of its projects and actions—including the Project Approvals for the SCIG—are subject to the constraints of Section 11135.

II. The Port's Project Approvals for the SCIG Impermissibly Discriminate on the Basis of Race

The Port's Project Approvals for the SCIG are a prima facie violation of Section 11135. The Port admits that the construction and operation of the Project will create significant air quality and health impacts that are adverse and that will disproportionately burden the surrounding community of color as compared to the general population. AR D:13156–131567.

A. The Port's Project Approvals for the SCIG Create Significant Adverse Impacts

The construction and operation of the Project, as the Port admits, will have significant

negative impacts on air quality and health.¹² AR D: 13156–13159 (AQ-1, AQ-2, AQ-4, and AQ-7). As described above, the Project's construction will generate significant new emissions of air pollutants, and the Project's operations will generate significant new concentrations of these air pollutants, such as PM10, PM2.5, NO₂, and CO, even after the planned mitigation efforts. AR D:13157–13158. The Project will also contribute to an increased cancer risk and a "cumulatively considerable contribution to the significant health risk impact" for community members. AR D:13158. The Port concedes that the surrounding community is likely to suffer from these negative health impacts. *Ibid*.

B. The Project's Adverse Impacts Disproportionately Burden the Surrounding Community of Color within One Mile of the Project

Based on the Port's admissions and data, the Project's adverse impacts will disproportionately burden people of color in the communities within one mile of the SCIG as compared to the general population of Los Angeles County, thus establishing a prima facie violation of Section 11135. *See* AR D:13157–13158 (AQ-1, -2, -4, and -7) (admitting that the Project's adverse impacts "fall disproportionately on minority . . . populations" located near the SCIG site as compared to the general population.).

The areas affected by the Project are disproportionately comprised of people of color as compared to the general population unaffected by the Project. The Port specifies that the appropriate affected area is a one-mile radius around the SCIG site. AR D:13146; 13148 (describing Figures 6-1 and 6-2); 13149 (Figure 6-1). The Port also specifies that the appropriate

¹² In addition, to the extent the Court finds the Port's EIR impacts analysis deficient as alleged in Petrs. CEQA Brief, the Project could have additional significant and unavoidable adverse impacts disproportionately injuring minority populations not identified by the Port, but that would be identified with the proper EIR analysis. Such impacts also would be relevant for purposes of discrimination under Section 11135.

1	unaffected comparison population is Los Angeles County. AR D:13156 ("the impact area
2	characteristics were compared to data for the general population (i.e., Los Angeles County)").
3	The data indicate that the population within the one-mile radius of impact is 93 percent people of
4	color. AR D:13149; 13151. In contrast, the unaffected population of Los Angeles County is
5	72.2 percent people of color. AR D:13147. This is a more than 20 percentage point disparity
6	between the affected and unaffected populations.

This difference is "sufficiently substantial" for liability under Section 11135(a). Watson, supra, 487 U.S. at p. 988 (statistical disparities "must be sufficiently substantial that they raise... . an inference of causation" as determined on a case-by-case basis); Darensburg II, supra, 636 F.3d at p. 519 ("The basis for a successful disparate impact claim involves a comparison between two groups — those affected and those unaffected by the facially neutral policy," "tak[ing] into account the correct population base and its racial makeup.") (citations omitted). The court in Darensburg I found that a 14.7 percentage point difference between the ridership of the bus system (66.3 percent people of color) versus the rail system (51.6 percent) was sufficiently substantial to establish a prima facie case. *Darensburg I, supra*, 611 F. Supp. 2d at p. 1042 (finding no violation, however, because appropriate less discriminatory alternatives were not adequately articulated) aff'd Darensburg II, supra, 636 F.3d 511 (finding no violation because bus versus rail ridership was not correct comparison, so not addressing the sufficiently substantial issue). Similarly, the appellate court in *The Committee Concerning Community* Improvement v. City of Modesto found that a 24 percentage point difference between the percentage of Latinos in areas served versus those in unserved areas "presented evidence of discriminatory impact." Modesto, (9th Cir. 2009) 583 F.3d 690 (9th Cir. 2009) (hereafter *Modesto*) (reversing district court on this point). Accordingly, the more than 20 percentage point

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difference between the community affected by the Project and the unaffected population of Los Angeles County is sufficiently substantial to establish prima facie case of disparate impact.

Furthermore, in this case, the racial disparity between the affected community of color and unaffected populations is not limited to Los Angeles County. As the table below demonstrates, people of color will disproportionately bear the impacts associated with the Project, as compared to the cities of Long Beach (in which part of the affected community is located) and Los Angeles (in which part of the affected community is located and within which the Port is a public entity), as well as compared to the greater South Coast Air Basin (many of the adverse impacts at issue are air quality-related). This is true even if the relevant geographic boundary around the Project site is narrowed to a half-mile.

	People of color	Total Population
Affected Areas		
1 mile around SCIG ¹³	93%	50,027
1/2 mile around SCIG ¹⁴	94%	23,551
Unaffected Populations		
Los Angeles County ¹⁵	72.2%	9,818,605
City of Los Angeles ¹⁶	71.3%	3,792,621
City of Long Beach ¹⁷	70.6%	462,257

¹³ AR D:13151 (based on a summation of demographic data presented in Table 6-2).

^{22 | 14} Decl. Rowangould, exhibit 1, tbl. 1.

¹⁵ AR D·13147

^{23 16} AR D:13147.

¹⁷ AR D:13147.

Decl. Rowangould, exhibit 1, tbl. 1.

Thus, the Port's Project Approvals for the SCIG create disproportionate adverse impacts based on race, establishing a prima facie case under Section 11135.

III. The Port Has Not Offered a Substantial, Legitimate Nondiscriminatory Justification for its Project Approvals

Given the Port's prima facie violation of Section 11135, the burden shifts to the Port to prove by a preponderance of evidence a substantial, legitimate, nondiscriminatory justification for its actions. *Darensburg I, supra*, 611 F.Supp.2d at p. 1051-1052 (citing *Albemarle, supra*, 422 U.S. 405; *Watson, supra*, 487 U.S. at p. 979 (specifying the burden as one of proof, not production)). Here, the Port has not justified the need for the Project.

Senior Port staff state that, "The people in Long Beach need to be told why they have to take a hit on localized impacts." AR H.7:104117–104118. Yet the only justification offered by the Port is that the Project is necessary to ensure that Port facilities have the rail capacity to accommodate anticipated growth in cargo throughout the region. *See* Petrs. CEQA Brief at pp. 21–26. In a number of other portions of the record, however, the Port concludes that existing facilities can accommodate *all* anticipated cargo growth for twenty more years. AR D:12338 ("the 2009 forecast predicts that 2035 is the last year in which the Ports will accommodate the actual demand"); 12337–12339 (showing rail capacity will not be exceeded until just before 2035, based on the 2009 cargo forecasts performed after the recession and actual cargo throughput in 2010 and 2011 exceeding that forecast); 15518 (2035 "No Project" scenario showing "Additional BNSF Yard Capacity Needed" as zero); H.6:78363–78364 (BNSF

¹⁸ Decl. Rowangould, exhibit 1, tbl. 1.

memorandum noting the existing Hobart railyard can accommodate the cargo that would be handled by the SCIG for the life of the Project, and further facility developments will allow the Hobart facility to "exceed[] the capacity the Port has determined will be necessary" under the No Project Alternative); C:3850 ("Physical modification and operational changes would be undertaken at Hobart Yard in order to accommodate the increased cargo."). The Port cannot have it both ways.

If the Project is built, the surrounding community of color will breathe dirty, polluted air for no legitimate reason. Because the Port has not satisfied its burden of demonstrating a substantial legitimate justification for approving the Project, its Project Approvals violate the civil rights of the community of color within one mile of the SCIG.

IV. Less Discriminatory Alternatives to the Project Exist that Equally Effectively Meet the Project's Goals

Assuming *arguendo* that the Port can demonstrate a substantial legitimate justification for the Project, the Port's Project Approvals nevertheless violate Section 11135 because a number of less discriminatory alternatives exist that would equally effectively accomplish the Project's stated goals. Where a less discriminatory alternative exists, Section 11135 prohibits the Port from proceeding with the more discriminatory Project.

The Port identified several objectives for the Project:

- 1. Provide an additional near-dock intermodal rail facility that would:
 - a) Help meet the demands of current and anticipated containerized cargo from the various San Pedro Bay port marine terminals, and
 - b) Combine common destination cargo "blocks" and/or unit trains collected from different San Pedro Bay Port marine terminals to build trains for specific destinations throughout the country.
- 2. Reduce truck miles traveled associated with moving containerized cargo by providing a near-dock intermodal facility that would:
 - a) Increase use of the Alameda Corridor for the efficient and environmentally sound transportation of cargo between the San Pedro Bay Ports and destinations both inland and out of the region; and
 - b) Maximize the direct transfer of cargo from port to rail with minimal

surface transportation, congestion and delay.

- 3. Provide shippers carriers, and terminal operators with comparable options for Class I¹⁹ railroad near-dock intermodal rail facilities.
- 4. Construct a near-dock intermodal rail facility that is sized and configured to provide maximum intermodal capacity for the transfer of marine containers between truck and rail in the most efficient manner.
- 5. Provide infrastructure improvements consistent with the California Goods Movement Action Plan.

AR C:3920; 3849-3850.

The Port has also identified as objectives the incorporation of advanced environmental controls and helping to convert existing and future truck transport into rail transport, thereby providing air quality and transportation benefits. AR D:5892.

There are at least four less discriminatory alternatives that meet the Port's objectives without rendering the surrounding community an environmental sacrifice zone. These include (a) a more fully mitigated project; (b) the Reduced Project Alternative identified in the EIR; (c) a delayed project; and (d) building the railyard on-dock rather than near-dock. Furthermore, a subset or combination of these alternatives, such as a more fully mitigated project adopted later in time (i.e., a delayed project), would also be less discriminatory. The Port considered aspects or the entirety of these alternatives during the CEQA process. All of them would accomplish the Port's goals as well as the SCIG but with less disparate racial impacts.

A. A More Fully Mitigated Project is a Less Discriminatory Alternative Achieves the Project's Goals

Several reasonable mitigation measures would significantly reduce the Project's adverse air pollution impacts on the surrounding community of color, while effectively achieving the Project's objectives. This mitigated project alternative would require: 100 percent of the trucks accessing the SCIG facility to use zero-emission technology by 2020; 95 percent of the trains

¹⁹ There are two "Class I" railroads that operate at the Port: BNSF and Union Pacific. AR D:12371.

accessing the SCIG facility to use Tier 4 low-emission technology by 2020; reconfiguring part of the designated truck route to the SCIG; and retrofitting nearby schools, residences, and other facilities with air filters and other air pollution control strategies. These measures would minimize the amount of air pollution generated by SCIG operations as well as reduce the community's exposure to Project emissions. Furthermore, a more fully mitigated project would not interfere with the SCIG's ability to meet the Port's goals. In fact, these measures would do *more* to meet the Port's goal of "incorporation of advanced environmental controls" than the proposed Project would. This alternative and its elements are not "speculative," but rather feasible and well-documented in the record. *Cf. Coalition of Concerned Citizens Against I-670* v. Damian (S.D. Ohio 1984) 608 F.Supp. 110, 127-28.

1. Requiring 100% Zero Emission Trucks by 2020 is an Effective, Less Discriminatory Option

Trucks travelling to and from the SCIG will contribute a large portion of the overall Project's air pollution and resultant health impacts. AR D:7089. According to the Port's Health Risk Assessment, 8.7 percent of the residential cancer risk and 61.7 percent of the non-cancer health risks from the SCIG will be caused by truck emissions. AR D:7089. Using 100 percent zero-emissions trucks is a less discriminatory alternative that would equally effectively achieve the Port's objectives with fewer negative impacts on the surrounding community.

Zero-emissions truck technology is viable and effective. The Port, recognizing that, committed in its 2012 Five-Year Strategic Plan to achieve "100% of the truck moves to proposed and existing near-dock railyards by zero-emission trucks by 2020." AR D: 3977; H.6:86476; H.7:163598. Now, the Port rejects requiring 100% zero-emission trucks, arguing that the technology is not proven for use today. AR D:3974. This position, however, is contradicted by the record. The Port's EIR quotes a CALSTART report stating that "technology is *not*

considered a barrier to a zero-emission freight truck." AR F:21132 (emphasis added); 2 3 5 6 7 8 9 11 13

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H.6:78480; 78456 (noting CALSTART's broad knowledge of technologies and the industry). In fact, as of 2013 when the Project was approved, zero-emission trucks for port service were built and being demonstrated. AR H.2:23557–23558 (SCAQMD comment letter). Furthermore, even if the record did not support the use of 100% zero emissions trucks by 2020, requiring use of such trucks even after 2020 but still relatively early in the life of the 50-year Project would provide an effective alternative that would reduce disparate impacts on the surrounding community of color. AR D:3913 (Project entails granting a 50-year lease to BNSF).

2. Requiring 95% Tier 4 Line-Haul Locomotives by 2020 is an Effective, Less **Discriminatory Option**

Emissions from locomotives are a major source of the SCIG's pollution and health impacts: 79 percent of the Project's expected residential cancer risk comes from the locomotives going to and from the SCIG site. AR D:7089. The Port could require that 95 percent of locomotives accessing the SCIG comply with the Tier 4 emissions standard (or an equivalent) by 2020 as part of a less discriminatory alternative that would achieve the Port's objectives with fewer negative impacts on the surrounding community. Emissions from Tier 4 line-haul locomotives are over 70 percent lower than the Tier 3 line-haul locomotives BNSF plans to use. AR H.6:81121; D:12527 (tbl. 3.2-27).

The Port's own Clean Air Action Plan identified requiring 95 percent Tier 4 locomotives as a measure to be imposed on new and redeveloped near-dock railyards, including the SCIG. AR H.6:81124–81127. Yet, while the EIR references this measure in Project Condition AQ-12, the Port declined to impose any actual requirements on the SCIG. AR C:3804–3805.

EPA regulations require that all locomotives available for sale after January 1, 2015 comply with a Tier 4 emissions standard. 40 C.F.R. § 1033.101(a). By 2020, Tier 4 locomotives will have been the only ones available for purchase by BNSF for five years. Under BNSF's existing plans, it will have enough Tier 4 locomotives in its national fleet by 2020 to use only Tier 4 locomotives in the South Coast Air Basin. AR H.2:23557. The South Coast Air Quality Management District explains that the number of locomotives needed for the SCIG is relatively small: 12 locomotives in 2020. This represents less than one percent of the 1,380 Tier 4 locomotives that BNSF will have in its national fleet by 2020. *Ibid*.²⁰ Furthermore, BNSF has previously entered into agreements to focus a certain percentage of cleaner locomotives in the South Coast Air Basin. AR D:12361; 12483; AR H.6:78844; 83562; 83684. A commitment to using 95 percent Tier 4 locomotives by 2020 could reasonably be part of a mitigated, less discriminatory alternative for the SCIG that equally effectively achieves the Project's objectives.

3. Reconfiguring the Truck Route is an Effective, Less Discriminatory Option

The Project's disparate impacts would be further mitigated by reconfiguring a short section of the designated truck route to the SCIG to avoid San Gabriel Avenue, the sole point of ingress and egress for the Century Villages at Cabrillo, while still equally effectively achieving the Port's objectives. *See* AR D:12783–12784. Several engineering designs could accomplish this reconfiguration, such as constructing a flyover or underpass where the northbound Terminal Island Freeway transitions to Pacific Coast Highway, so that the trucks accessing SCIG would not go on to San Gabriel Ave. This would distance the Project's expected thousands of trucks per day away from the Villages' entrance.²¹ These measures would not limit the Port's ability to meet the Project's objectives, and thus constitute an effective, less discriminatory alternative to the SCIG.

²⁰ According to the Port, BNSF's national fleet will have about 26.5 percent Tier 4 locomotives by 2020, equaling around 1,380 locomotives. H.2:23557.

For a thorough discussion on the impacts of the SCIG truck traffic on the Villages, *see* Petrs. CEQA Brief at pp. 52–54 and AG CEQA Brief at pp. 32–34.

4. Retrofitting Schools, Homes, and Other Facilities in the Community is an Effective, Less Discriminatory Option

Measures could also be undertaken to reduce the affected community's exposure to diesel emissions. Specifically, the schools, residences, the Villages, and other facilities serving sensitive receptors within one mile of the SCIG site could be retrofitted with air filtration technology to purify the outdoor air that enters buildings, and air conditioning systems so that windows and doors closed can be kept shut in the hot Southern California heat. *See, e.g.*, AR H.2:23546; 22680; *see* AR D:12645 (tbl. 3.8-1); 12477-12480; 3912; H.2:23778 (listing sensitive populations near the Project). Windows and doors could also be weather-proofed to increase the efficiency of the air filters. *See, e.g.*, AR H.2:22680. Additionally, the construction of an indoor recreation facility outfitted with air filters would provide a safe place for exercise in clean air for community members, students, and residents at the Villages. These measures would reduce health risks for community members and protect sensitive populations near the Project. Furthermore, these measures would not impact the operations of the SCIG railyard or undermine the Project's objectives.

B. The EIR's Reduced Project Alternative to the Project is a Less Discriminatory Alternative that Achieves the Project's Goals

The Reduced Project Alternative described in the EIR is another less discriminatory alternative that would achieve the Port's objectives with fewer negative impacts on the surrounding community. As part of this alternative, a railyard would be built at the same site to handle approximately 1.85 million twenty-foot shipping container units per year (instead of the 2.8 million units associated with the proposed SCIG Project). AR D:12992–12993.

The Port's EIR identified the Reduced Project Alternative as the Environmentally Superior Alternative. AR D:6567. The Port admits that the magnitude of significant, adverse impacts from the Reduced Project Alternative would be less severe than those from the selected

1	Project. AR D:13056; 6567; 13161. Furthermore, the Reduced Project Alternative would meet
2	all of the Port's Project objectives. See AR D:3919–3920; C:3849–3850. The Port's stated
3	goals include adding near-dock capacity to address projected demands, but do not specify a
4	minimum level of capacity. Furthermore, as discussed above, the Port concludes that no
5	capacity is needed for decades; thus, a reduced capacity would not be a limiting factor in
6	achieving the Project's stated goal of addressing projected cargo demands nor its other goals. ²²
7	C. A Delayed Project is a Less Discriminatory Alternative that Achieves the Project's Goals
8	The Port could also lessen the disparate impacts of the Project by delaying its
9	construction, while still achieving the Project's objectives. As noted above, the Port's future
10	throughput is not likely to exceed capacity until shortly before 2035. AR D:12337–12339.
11	Acting conservatively, the Port could delay construction of the SCIG until shortly before the
12	railyard is actually needed. AR D:12394 (construction would take 3 years). This would avoid
13	creating about almost two decades' worth of air pollution and associated health risks. Moreover,
14	cleaner technologies such as the Tier 4 locomotive and zero-emission trucks described above

will be even more fully integrated into the Port's and BNSF's operations by 2035, meaning that

once operational, the Project would have fewer adverse impacts. In addition, since this

capacity and achieving the other Project objectives.²³

alternative would simply delay the Project, it would be equally effective in increasing Port

The Port, however, disregarded this option and justified its decision by claiming that BNSF would not invest in the Reduced Project Alternative because it provides less return on BNSF's investment. AR C:3852. The relevant inquiry, however, is whether a less discriminatory alternative exists that would equally effectively achieve the Project's goals. If such a less discriminatory alternative exists, then the Port cannot move forward with the SCIG Project as currently designed.

²³ The Port claims that one of its objectives is to realize the efficiency benefits and claimed environmental benefits of a near-dock railyard, not just when the Port needs the additional (footnote continued on next page)

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D. Building a Railyard On-Dock is a Less Discriminatory Alternative that Achieves the **Project's Goals**

Building a railyard on-dock at the ports—instead of at the SCIG site—is another viable, less discriminatory alternative. Instead of trucks transporting cargo from port terminals to a railyard at the SCIG site and near the community, trucks would transport cargo within the port complex to an on-dock railyard. As noted above, 8.7% of the residential cancer risk and 61.7% of the increased chronic health index from the SCIG will be caused by emissions from Projectrelated truck traffic. AR D:7089. With an on-dock rail alternative, the impacts of this traffic and all the other air emissions from the Project would be farther from the community of color surrounding the Project.

On-dock rail would also meet the Project's objectives. It would "meet the demands of current and anticipated containerized cargo" and "provide maximum intermodal capacity," and result in significantly less air pollution and other harmful impacts. While narrowly viewed, the on-dock alternative would not meet the objective of "construct[ing] a near-dock intermodal rail facility" because it would be on-dock instead of near-dock, it would meet the underlying rationale for that stated objective, as well as *all* the other objectives. Thus, it should nonetheless be considered an effective less discriminatory alternative.

The record shows that the Port initially considered an on-dock railyard as an alternative

alternative of increased on-dock rail, is an effective, less discriminatory alternative to the Project.

⁽footnote continued from previous page) capacity in the future, but to also realize those benefits sooner, with existing cargo levels. AR C:3920; 3849–3850. It is clear, however, that the Project will not in fact result in the environmental benefits that the Port claims. See discussion above of disproportionate significant impacts on the local community; Petrs. CEQA Brief at pp. 31–35, 38–43. If there is a less discriminatory way to achieve the efficiency benefits, the Port is prohibited from moving forward with the Project. There are other approaches the Port can take to achieve these efficiencies in the near-term, such as increasing on-dock rail, including building an on-dock rail yard. See discussion below. Thus, a delayed project, on its own or in conjunction with the

to the SCIG. The Port's consultant conducted an initial analysis, comparing the on-dock railyard²⁴ with the SCIG. H.7:106115–106122; *see also* H.7 106606; 106592–106621 (Port study stating that the "TIJIT project appears to have merit in that it provides much needed intermodal terminal capacity in a location that potentially minimizes adverse environmental impacts."). The on-dock railyard would have a similar acreage and activity level as the proposed SCIG site, cost about \$180 million more than the SCIG (which costs \$500 million), and require a few additional years to comply with the applicable environmental laws (since federal environmental laws would apply) and construct. AR H.7:106116–106117; *see also* AR D:15371–15372 (TIJIG "would resemble the proposed Project in size and capacity (approximately 1.5 million containers per year)" and "operate in a manner similar to the proposed Project"). The TIIG analysis noted that the on-dock alternative, unlike the SCIG, "[w]on't have a West Long Beach community and several hot spots within 500 feet." AR H.7:106117.

Despite this promising analysis, the Port failed to move forward with a full evaluation of on-dock rail, apparently for political reasons. A letter from Port Commissioner Freeman asked the Mayor of Los Angeles for his help in convincing BNSF that the TIIG analysis was not an attempt to kill BNSF's SCIG project. This correspondence suggests that the Port had a political desire to accommodate BNSF's preference to move forward quickly with the SCIG, regardless of comparable project alternatives. H.7:110065–110066; 105392 (Port consultant noting "how stressful this was from both scheduling and from discomfort with the fear of having to support such an important decision on a less than ideal evaluation"). The Port's EIR, finalized years

The on-dock railyard is often referred to as the Terminal Island Intermodal Gateway (TIIG), Terminal Island Joint Intermodal Gateway (TIJIG), or Terminal Island Joint Intermodal Terminal (TIJIT). AR H.7:106197–99.

later, dismisses the TIIG and fails to fully analyze it as an alternative. AR D:3969.²⁵

The four less discriminatory alternatives discussed above meet the Port's objectives without rendering the surrounding community an environmental sacrifice zone. In addition, combinations or subsets of these alternatives would be less discriminatory. All would accomplish the Port's goals as well as the SCIG but with less adverse disparate impacts.

Because at least one equally effective, less discriminatory alternative exists, moving forward with the Project as proposed violates Section 11135.

V. Plaintiffs Have Standing

In the attached declarations, Plaintiffs establish they have standing under Section 11135. Plaintiffs and their members within one mile of the Project will be injured by the Port's approval of the Project's construction and operation, and the relief sought will redress this harm. *See Blumhorst v. Jewish Family Services of Los Angeles* (2005) 126 Cal.App.4th 993, 997 [24 Cal.Rptr.3d 474, 477] (discussing standing in the context of section 11135).

CONCLUSION

The Port's Project Approvals for the SCIG violate the civil rights of the community of color within one mile of the Project. The Port concedes that construction and operation of the

²⁵ The Port asserts several unavailing arguments in claiming that an on-dock railyard is not feasible. First, the Port suggests that the on-dock railyard is not feasible because it would need to be built on a landfill. AR D:3969. The Port, however, has built new terminals and other operations on landfill many times by obtaining landfill credits, which can be readily purchased, and, regardless, the record indicates the Port either already had or could obtain the needed credits through either purchase or from coordinating with the Port of Long Beach. AR H.7:105382; 105386; 106116; 106119–21; 106601;106603. Second, the Port argues that an on-dock railyard would clog the Port's rail infrastructure. AR D:3971–3972. A closer look at the studies relied on by the Port, however, reveals that they are based on outdated and overestimated cargo forecasts. These studies also assume certain port development projects that would have increased rail cargo volumes, which did not in reality get implemented. AR D:12337. Furthermore, the Port failed to explore any infrastructure improvements that could alleviate any congestion problems caused by an on-dock railyard.

SCIG will significantly degrade air quality, resulting in increased health risks—including cancer 2 risks—for the nearby community. These impacts will disproportionately burden the people of color who live within one mile of the Project site as compared to the general population, in 3 violation of Section 11135's prohibitions. The Port has not demonstrated a substantial legitimate need for the Project, and, even if it could, that need could be met by less discriminatory 5 alternatives. As a beneficiary of State funds, the Port must comply with Section 11135. Because its Project Approvals do not, Plaintiffs seek declaratory and injunctive relief, enjoining the Project as currently proposed. NATURAL RESOURCES DEFENSE COUNCIL DATED: February 27, 2015 10 11 By: 12 Attorney for East Yard Communities For 13 Environmental Justice; Coalition For Clean Air; and Natural Resources Defense Council, Inc. 14 15 16 17 18 19 20 21 22 23

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