

Testimony to the California Energy Commission January 27, 2005

Petroleum infrastructure Permitting
Attempts by Los Angeles Export Terminal, Inc.
to develop petroleum infrastructure in the Port of Los Angeles

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Ladies and Gentlemen:

Good morning ladies and gentlemen. My name is Jim Holland and I am the Vice President of Operations for Los Angeles Export Terminal, Inc. (LAXT) which owns and operates a major petroleum coke export facility located in the Port of Los Angeles ("Port"). I appreciate this opportunity to comment on the need for the State to facilitate the development of energy infrastructure. LAXT appreciates the board's effort to facilitate development of petroleum infrastructure. LAXT testified to this board on June 28, 2004, met with the commission staff and two members of this board and provided documents to the staff. In our testimony and documents, LAXT has shown that the Port of Los Angeles is, at best, an unreasonable and inconsistent public agency which hinders the rational development of petroleum infrastructure.

Since 1998 LAXT has discussed petroleum infrastructure development with the Port of Los Angeles. The Port staff has consistently denied LAXT and its major partners the opportunity to develop terminals at LAXT's facilities in the Port of Los Angeles. While denying LAXT, the Port has discussed the

utilization of LAXT's property with other companies for similar or identical uses that LAXT was denied.

On October 28, 2003 LAXT submitted an Application for Development Permit for a crude oil terminal to the Port of Los Angeles. The Application has been modified to include clean fuels and supplemented twice in response to questions raised by the Port. The Port deemed the application "...complete for the purposes of initiating the environmental assessment..." on July 2, 2004. At that time, the project was put on hold by the Port pending evaluation by the Board of Referred Powers of the City of Los Angeles. As of this date, January 27, 2005, the Port Staff is still unable or unwilling to have even a rudimentary commercial discussion with LAXT that would allow the proposed project to proceed. The environmental evaluation is on hold. In the 15 months since the formal application by LAXT, the Port, in spite of its clear legal mandate to promote commerce for the benefit of the citizens of California, has stonewalled LAXT's petroleum infrastructure developments.

Any assistance that this board or the Energy Commission can provide to get the Port of Los Angeles to do its job and honestly consider LAXT and its partners project would be appreciated.

Thank you.