

SCAQMD Pauses Rulemaking on Proposed Rule 2304 to Negotiate Cooperative Agreement with Cities & Ports of Los Angeles and Long Beach

NAIOP SoCal Members & Sponsors Actively Participate in Grassroots Letter-Writing Campaign to SCAQMD

On August 1, 2025, the South Coast Air Quality Management District (SCAQMD) Governing Board voted to temporarily pause the rulemaking process for Proposed Rule 2304 (the "Ports Indirect Source Rule" or "Ports ISR"). Instead, the Governing Board directed staff to engage in good-faith negotiations with the Cities and Ports of Los Angeles and Long Beach to develop a cooperative agreement and collectively achieve emissions reduction goals. Although some Governing Board members voiced concerns about potential threats to SCAQMD's regulatory authority, a substitute motion by Board Member Janet Nguyen (Orange County Supervisor, First District) resulted in a 7-5 vote in favor of pausing rulemaking for 45 days and negotiating a cooperative agreement.

Working in common cause with the Ports and our friends at the Pacific Merchant Shipping Association, NAIOP SoCal initiated a grassroots campaign urging the SCAQMD Governing Board to pause a vote on the proposed Ports ISR, and alternatively engage in negotiations on a cooperative agreement proposed by the Ports and the Mayors of their respective cities.

"We extend our gratitude to many NAIOP SoCal Members and Sponsors who stepped up to write letters to the SCAQMD Governing Board and staff. Their letters conveyed sincere concerns about a new regional ISR, this time impacting the San Pedro Bay Ports and potential disruptions to our critical supply chain," stated Timothy Jemal, CEO, NAIOP SoCal.

The SCAQMD Governing Board's decision followed a nearly 3-hour discussion during which nearly 90 individuals, including NAIOP SoCal's Mihran Toumajian, offered public comment. Approximately 70% of the testifying public argued for a temporary pause to allow negotiations. Labor, industry, and commercial real estate representatives strongly advocated for the pause, highlighting the Ports' July 18, 2025 proposal as a more collaborative, flexible, and economically sustainable framework. Today's outcome represents a constructive shift towards a balanced solution that preserves environmental sustainability while protecting jobs, infrastructure investment, and supply chain resilience.

NAIOP SoCal will update its Members and Sponsors on developments relative to SCAQMD's cooperative agreement negotiations with the Cities and Ports of Los Angeles and Long Beach.



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