Future Air Pollution in San Diego Bay Hinges on the Navy’s Needs

Port commissioners axed a proposed ship repair project in National City last month. But that doesn't satisfy environmental justice advocates who say any new industry in the bay upends nascent state efforts to stem toxic pollution in nearby neighborhoods.

Environmental justice advocates, labor groups and an automobile shipping company joined forces to defeat a proposed Navy combat ship repair project on Port of San Diego property last month. But that doesn't mean it’s totally off the table.

If the Port doesn't put the project on other property it owns, the Navy could build it on federal turf any- way. That means the Navy can conduct its own environmental assessment and bypass California's envi- ronment regulations, which are more stringent.

And, as an added twist, the shipbuilding and repair company hired former San Diego City Councilman David Alvarez to speak on the project's behalf before the Port. Alvarez himself had a high-profile stand- off with the shipbuilding industry over his support for industrial regulations, backed by the community in Barrio Logan, a neighborhood similarly suffering from industrial pollution.

Port lobbyist disclosures show Austal USA, an Australian-based ship company, hired Alvarez for a month’s worth of work in December to the tune of $2,175.

“At a time of such uncertainty I’m really glad to be working on a project which will invest millions of dollars as a lessee to the port ... support the needs of the navy and provide tremendous economic bene- fits to the port and its member cities, especially National City,” he said during Austal USA's presentation at a May 19 port meeting.
Port commissioners axed the project after hours of deliberation and public comment. They decided to study where else in the bay it could go.

But that doesn't satisfy environmental justice advocates who say any new industry in the bay upends nascent state efforts to stem toxic pollution in nearby neighborhoods.

“We don’t need new polluting sources in National City,” said Danny Serrano from the Environmental Health Coalition, an environmental justice advocacy group.

A new suite of pollution sensors set up among communities near the Port already show signs that air quality is worse near the water.

Austral USA maintains that Navy ships are coming to San Diego regardless, because the branch wants sailors close to home instead of traveling to sites like Mobile, Alabama, for months-long repairs.

Since there aren't many options left on Port property, businesses could strike more deals on federal land.

That’s already happening. Environmental advocates and Port commissioners learned the day of the meeting that the Navy signed a 66-year lease for a ship repair project on its property, just feet from the rejected site.

Ultimately, nobody really knows what the Navy needs but the Navy. So parties from all sides of this predicament are trying to plan for future military operations that may change with the tides of an election season.

“The reality is you can forecast out two to three years,” said Port Commissioner Garry Bonelli, a Navy career man, at the May 19 Port Commission meeting. “That could change with what Congress allocates to the Defense Department, and that’s always a moving target.”

**Austral USA’s Failed Proposal**

In January, Austral USA submitted an unsolicited proposal for a Navy combat ship repair site to the Port of San Diego, meaning the Port wasn't looking for such a project at the time. Austral USA declined an interview for this story, but according to what company representatives said at the May 19 public meeting, the company is responding to a need for San Diego ship repair sites identified by the Navy.

Austral US representatives said the “pivot to the Pacific” – an Obama-era foreign policy shift from U.S. focus on the Middle East and Europe toward East Asian countries – created a “growing need” for this kind of ship work. The Trump administration, though, has not signaled a commitment to the policy.

The contractor wants to build a dry dock (a kind of walled dock built in the water that allows a ship to float in, and water expelled, so repairs can be made) just off Bay Marina Drive, across the street from the Pasha Group's automobile cargo terminal.

But the project now faces a variety of opponents.
The Environmental Health Coalition opposed the project because it’s concerned it would increase air pollution in portside communities.

“West National City ... already ranks in the top percentiles for diesel particulate matter statewide,” read a May 19 letter to the Port chair from the coalition.

The Pasha Group, an auto dealer adjacent to the proposed site, didn’t want the project near its freshly shipped vehicles (especially since it recently cut a deal to export Porsche models) for fear the industrial work would damage luxury car surfaces and endanger their workers. A Pasha representative declined an interview for this story.

ILWU, the longshoremen’s union, said it didn't want the project because it could inhibit future expansion of cargo and rail work jobs on which its members rely. San Diego and Imperial Counties Labor Council also opposed the project, and presented the board with a series of news articles surrounding unfair labor practices and workplace issues at Austal USA.

Austal USA said if the Port doesn’t find a site on its property, the Navy will host the ship servicing station on federal turf, likely just under a mile north of the contentious Port property site at a pier off Mole Road, which is even closer to the heart of National City.

“The only potential sites are along the National City Marine Terminal,” Alvarez told the Port Commission.

In an interview, Alvarez – who represented Austal through his consulting firm, Causa – reiterated that this was the only viable site on Port property for the project and said the Navy repairs are coming to San Diego one way or another.

“This was a conversation to negotiate, not approve a project,” Alvarez said. “I was convinced we could have a dialog to address the community concerns that arose, that were valid for sure, but we never had any time to negotiate because the Port didn’t approve the idea to look at the site formally.”
A July 2019 letter from the Navy to the Port partly confirmed the federal government's intention to look at federal land. Rear Admiral T.J. Anderson wrote that since the Navy didn't get a response when it asked companies to propose new service stations, it would consider building one on its own property. The federal government holds the deed to 19 percent of San Diego Bay shoreline, according to the Port's master plan.

Whether the bay should add space for Navy ship repair hinges on projecting the needs of the military over the next decade. Shipyard industry managers have trouble forecasting and planning around the Navy's future needs, Port staff wrote in a May 19 report. The Navy may not need the dry docking space after 2025, according to the report.

Another complicating detail was the revelation that the Navy already struck a deal for a dry dock with Marine Group Boat Works, a longtime San Diego Port tenant. Since it's on Navy property, that project skipped a lengthier environmental review under the California Environmental Quality Act, or CEQA, for a less stringent federal review.

A rendering of a future dry dock site by Marine Group Boat Works, which signed a 66-year lease on Navy property to service its Littoral combat ships. / Image courtesy of Marine Group Boat Works LLC

“It's a procedural checkbox,” Port Commissioner Rafael Castellanos told Voice of San Diego. “There's no (federal) requirement for mitigation measures. If it was a Port project, we'd have to do CEQA and that's a totally different ballgame.”

Todd Roberts, Marine Group Boat Works' president, said the company is going to end polyester resin and fiber glass boat building, which are heavy air pollution emitters, as it transitions to dry dock repair work with the Navy. The company, he said, operates as a “zero discharge facility,” and conducts coating and sandblasting work in a vacuum shrink-wrapped containment facility.

“You could put an (air pollution) sensor on our back fence and it wouldn't bother me a bit,” Roberts said.
Ship Work Could Upland Air Pollution Goals

If Austal USA secures a site on Navy property, that would likely solve the automobile dealers’ and labor union's qualms about disrupting a cargo bay. But it won’t do for environmental health advocates in National City.

It and its neighboring communities – Barrio Logan, Logan Heights and Sherman Heights – are among the first in the state targeted by a new community air protection program established under Assembly Bill 617, passed in 2017. The goal is to reduce pollution exposure in already disadvantaged communities by requiring air monitoring, emission reduction plans and incentive funding.

A 2018 report, conducted by the California Air Resources Board as part of the bill, recognized the impact these communities face from the local port, freight, rail and industry as well as traffic pollution from both Interstates 5 and 15.

“The community experiences high poverty, linguistic isolation, and high asthma rates,” the report read.

Barrio Logan's rate of asthma-related hospital visits is higher than about 93 percent of the other census tracts in the state, according to the Environmental Health Coalition's application to be nominated under AB 617.

The county Air Pollution Control District recently installed a denser network of pollution sensors in those neighborhoods to do just that. Bill Brick, chief of the district, said this will be the first time the San Diego region monitors for black carbon, a harmful byproduct of diesel combustion. Other sensors will detect metals floating in the air.

“It’s a multipronged attack of trying to clean the air, but at the same time, the monitoring portion will help us learn what the issues are to better control them,” Brick said.

The area is in the middle of compiling a community emissions reduction plan expected this fall.

Brick said the county already has some preliminary black carbon data showing concentrations are highest near the water. The source is likely boats and cruise ships that run on diesel motors in the harbor, Brick said.

“We don’t have enough data yet to make definite conclusions but it’s starting to show some patterns,” he said.

The Navy's own environmental assessment of its Marine Group Boat Works project said dredging, transportation and sand disposal as well as demolition and construction would cause air quality impacts as a result of emissions from fossil-fuel powered equipment. But it claimed emissions would fall below standards under the Clean Air Act. The Navy did not respond to a request for comment.
Project Killed but Still on the Table

Austal USA representatives welcomed an environmental analysis of their project, and even offered to pay for it. It already spent $1 million studying an alternative site next to Cesar Chavez Park. But the company maintained that the only potential sites for the project lie next to National City.

“(This) is a spot nobody has used in earnest in over 30 years,” Alvarez said, referring to the site eventually nixed by the Port.

Commissioners wavered on what to do.

“The Navy ships are coming. I don’t know how we’ll get around that,” said Port Commissioner Robert Valderrama, who represents National City. He noted his own son suffers from health issues from going to school on the portside community’s west side near a swath of industrial shipyards.

Castellanos said he’s concerned about the bay’s overall capacity to support these Navy projects. Rather, he’d be interested in “testing the water” for market demand of other maritime uses. And that’s the direction the Port board appeared to take.

Serrano, from the environmental health coalition, said environmental justice advocates welcomed the board’s rejection of Austal USA. But the exploration of other opportunities baywide is “an open door for additional industrial activities,” he said.

Commissioners initially said Port staff would have about 90 days to finish their market study before a final decision on whether to reject Austal USA completely.

Andrew Keatts contributed to this story.