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CALIFORNIA ASSOCIATION OF PORT AUTHORITIES
CaliforniaPorts.org

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Executive Director

May 17, 2021

David S. Kim, Secretary
California Transportation Agency
915 Capitol Mall, Suite 350B
Sacramento, CA 95814

Dear Secretary Kim,

On behalf of the California Association of Port Authorities (CAPA), I am writing to express the Association's appreciation for the leadership California has demonstrated to address climate change, including the development of the Climate Action Plan for Transportation Infrastructure (CAPTI).

CAPA is comprised of eleven public seaports in California, including three of the largest container ports in the nation – Los Angeles, Long Beach and Oakland – as well as eight ports situated along the coast from Humboldt to San Diego, and along inland waterways in West Sacramento and Stockton. Our members wholeheartedly support the state's global leadership in addressing climate change and concur with the intention behind Governor Gavin Newsom's executive orders N19-19 and N79-20. I write today to recommend that the role of freight be more prominent in your plan and encourage increased collaboration with the industry to advance our shared goals.

We must emphasize the financial and technological challenges facing ports in their efforts to comply with existing and proposed California Air Resources Board (CARB) regulations, such as existing At-Berth air quality regulations, proposed Advanced Clean Fleets regulations, and draft regulations related to Commercial Harbor Craft. The commercial readiness of technology to comply with these regulations is questionable, and the financial burden facing ports is daunting.

CALIFORNIA PORT ENVIRONMENTAL LEADERSHIP

Unequivocally, the supply chain plays an important role in addressing climate change. Emissions from ships, trucks, trains, and cargo handling equipment have been significant contributors to carbon emissions around the world. However, California's freight industry has been driving policy innovation and investments in new technology to curtail greenhouse gas emissions. Recently, the United States Environmental Protection Agency (USEPA) Administrator Michael S. Regan recognized the unparalleled leadership of the ports of Los Angeles and Long Beach, whose Clean Air Action Plan (CAAP) serves as, "an excellent example of what can happen when port operators work with neighboring communities to develop and implement a robust plan, leading to positive impacts on air quality and emissions," and noted that, "this trailblazing effort can serve as a model for the rest of country to follow."

California's ports are investing hundreds of millions of dollars to pioneer and implement alternative maritime power, zero-emission and near-zero emission cargo handling equipment, drayage trucks, emission capture technology, and digital tools to reduce congestion. Simultaneously, they are imposing vessel speed reduction and other strategies to reduce emissions.

FREIGHT AND THE CALIFORNIA ECONOMY

The link between transportation and economic viability must be underscored. The freight industry is the lifeblood of the California economy. The 11 port authorities that comprise CAPA are responsible for handling 40% of all containerized imports and 30% of all exports in the U.S. California ports are a major driver of quality, good-paying jobs. More than 1 million California jobs and 3 million jobs nationally are linked to trade through CAPA member ports. In addition to this, the industry generates revenues that are essential for transportation funding. For example, without retail driven sales tax, municipal transportation measures cannot be funded. Currently, 1 in 3 jobs in California are in the transportation and logistics sector. While many of these jobs can be upskilled to operate zero-emission equipment, the implementation of CAPTI should not leave these workers behind.

CAPTI MUST SUPPORT FREIGHT

Currently the freight industry functions with minimal state funding. While the guiding principles include the development of a zero-emission freight transportation system, CAPA seeks to work with you and industry stakeholders on outlining the details of this task. Identifying a statewide network connecting ports, distribution centers and other key freight facilities across the state should serve as a framework for investment decisions. Although the CAPTI proposal acknowledges that it is limited to the funding programs overseen by CalSTA, a zero-emission fueling/charging network developed and adopted by CalSTA and the CTC should be coordinated, in a transparent way, with funding decisions made by CARB and the CEC. Partnering with California's ports on identifying a zero-emission freight network would further recognize the critical role of freight to the state's economy and access to essential goods. CAPA is also concerned that CAPTI does not incorporate a long-term strategy that connects clearly to the timelines proposed in N79-20. Specifically, N79-20 has a 2035 horizon for the entire drayage fleet to be zero emissions, but none of the strategies included in CAPTI are more than seven years in length.

While CAPTI must be developed within existing funding restraints, the repurposing or diverting limited SB 1 resources to implement the goals of the Executive Orders cannot come at the expense of maintaining our existing infrastructure needs or highway improvement projects that aid goods movement. As CAPTI scrutinizes state funding, sources such as the Trade Corridor Enhancement Program (TCEP), Interregional Transportation Improvement Program (ITIP), and the State Highway Operations & Protection Program (SHOPP) should be preserved as their investments in safety, equity, and the economy are essential. Diluting these sources would be harmful to California's economic, equity, safety, and employment goals.

VITAL INFRASTRUCTURE

The COVID-19 pandemic has demonstrated that the supply chain is essential to deliver critical medical supplies, food, protective gear, and myriad other products to sustain the nation during a shutdown. During the COVID-19 worldwide pandemic, California ports have met the moment by stepping up to play a critical role in our state's response and recovery. Our ports have been critical in keeping cargo and essential goods flowing in a time when our country has depended on an efficient supply chain more than ever.

The CAPA membership strongly supports policy and investments that address climate change. We applaud the Governor and California leadership for leading the nation in an aggressive, aspirational, and cutting-edge

approach to address climate change and we look forward to working together to ensure the future climate is clean, our residents are safe, and we have a thriving economy.

Sincerely,

A handwritten signature in cursive script, appearing to read "Martha Miller".

Martha Miller
Executive Director
California Association of Port Authorities

Cc: Members of the California Transportation Commission