



Port of
LONG BEACH
The Green Port

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Electronic submittal via: www.casustainablefreight.org

RE: Comments on Draft California Sustainable Freight Action Plan

To whom it may concern:

The Port of Long Beach (Port) appreciates the opportunity to comment on the Draft California Sustainable Freight Action Plan (Plan). For more than a decade, the Port has been actively engaged in efforts to reduce the negative impacts associated with port-related operations on the environment and local communities. The Port has a proven track record of developing and implementing emission reduction strategies in partnership with the maritime goods movement industry and federal, state and local regulatory agencies. We look forward to continuing that partnership and working with your agencies on the implementation of the strategies contained in the proposed California Sustainable Freight Action Plan.

We are very supportive of the interagency approach to the planning effort, bringing together transportation, air quality, energy and economic interests to inform the long-term transformation of the freight transport system throughout California. Collective prioritization for strategy development and funding allocation will be critical to achieve the State's aggressive targets and broad reaching goals to reduce air pollution while maintaining a robust economy. As the Port knows first-hand, moving toward zero emissions is a costly endeavor, and we welcome the State's commitment to help our industry make this transition without significantly impacting our economic competitiveness.

We also appreciate the emphasis in the Plan on the importance of collaborative efforts and strong partnerships between agencies, industry and stakeholders. The success of the emission reduction strategies that have been employed to date at the Port has been the result of strong collaborative efforts. The Port is engaged in this process and will continue to partner with each of your agencies as these strategies are developed. We support progress toward the State's stated goals with actions that are technically and economically feasible, as well as take into consideration the Port's needs and priorities. One of our greatest challenges is balancing the goal to aggressively pursue use of zero and near zero emission technologies to reduce emissions, while at the same time identifying the funding to invest in those same technologies. Staying competitive while also reducing port industry's environmental impacts is the primary focus of our Green Port of the Future efforts. Port of Long Beach is committed to help meet this challenge, but we critically need State support to achieve that goal.

The targets to improve system efficiency 25% and to deploy 100,000 zero emission freight vehicles by 2030, while fostering future economic growth within the freight and goods movement industry, are laudable and aggressive.

The Port, together with Port of Los Angeles and a wide range of stakeholders, has been actively engaged in our Supply Chain Optimization effort for over a year. The goal of the effort is to provide recommendations on system efficiency improvements that will help improve the velocity of freight movement, reduce environmental impacts, and keep California ports competitive. Continued focused effort needs to be applied to meet those goals. The State's proposed formula for calculating the metric, using the California freight transportation sector gross domestic product (GDP) as a surrogate for volume of freight movement, could be influenced by a number of factors outside the State's control, such as consumer demand, national trade policies, and international economic conditions. Such factors may obscure legitimate efficiency gains within the system. For that reason, the State may also want to monitor other metrics where possible, for example, CO₂e on a per-container basis, in order to isolate the environmental gains.

Overall, the Port is supportive of the proposed agency actions identified in Appendix C of the Plan, which are consistent with the discussions the Port has had with the regulatory agencies over the past several years. We look forward to continuing to partner on the development of specific implementation programs related to each action.

As indicated in Actions 1 and 2, funding is an important consideration in shaping the outcomes of the Plan. The Port supports distribution of freight transport system funding through the state's Trade Corridor Improvement Fund (TCIF) framework. This would leverage existing agency coordination efforts such as the Southern California Consensus Working Group, comprised of representatives of local and regional agencies involved in goods movement. Enhancements to the TCIF process may include coordination on performance reporting required as part of federal funding programs, to align with state goals and metrics in the Plan.

The Port is leading programs and initiatives that serve to advance freight infrastructure planning, technologies and innovations, use of clean vehicles and equipment, and freight efficiency development, which would support the Action items identified in Appendix C of the Plan. Our planning and development efforts include improvements in freight data collection and modeling, enhancements in geographic information systems (GIS) analytics and mapping, traffic management and intelligent transportation systems, and studies on freight rail systems and operations. The Port welcomes the opportunity for information-sharing and synergy among freight stakeholders and agencies to achieve common goals in these areas.

Through the Ports' Technology Advancement Program, we have been involved with funding the demonstration of clean technologies used in port operations for nearly a decade. In recent years, significant emphasis has been placed on development and demonstration of zero emission equipment for on-terminal and on-road applications. Significant progress has been made to advance the development of these technologies and we expect that zero emissions operations will be feasible in the future. Given the state of the technology and the challenges associated with implementation, we believe that zero emission on-terminal applications present more of a near-term opportunity with zero emission on-road applications following shortly thereafter. We also believe that to accelerate the timeline for commercialization and deployment of those zero emission vehicles, significant funding assistance will be critical, and the Port is very supportive of additional funding opportunities for technologies, equipment, and infrastructure.

The Port also supports the proposed second phase of the Proposition 1B Trade Corridor Improvement Fund/Goods Movement Emission Reduction Program. The voter-approved first phase was a successful program that helped to fund critical freight projects throughout California. The Port was successful in receiving funding that provided much needed assistance with upgrading wharves for shorepower and replacing trucks, in excess of regulatory requirements. A similar program model could be a good mechanism to provide for future sustainable freight funding.

One point of caution, however, is that any of the proposed regulatory strategies should be structured in a way so as not to preclude the industry's ability to secure grant funding for early actions. For example, facility emission caps or port backstop rules could effectively disqualify those companies and agencies from receiving grants, because grant funds cannot typically be used for regulatory compliance. The Port believes this unintended result could significantly hamper early equipment replacements and the transition to ZE technology, in addition to the economic competitiveness of the industry, and requests the State's clarification on this point.

Further, as was discussed during the presentation of the Plan at the California Freight Advisory Committee (CFAC) meeting on May 10, 2016, the Port appreciates the innovative thinking by the agencies related to reducing the financial burden on the affected industry through strategies

such as potential state involvement in bulk purchasing of equipment or facilitating voluntary aggregation to help drive down the costs of new ZE equipment. Similar to direct financial support, these types of efforts to reduce the financial burden will be critical to meet the desired timelines.

Included in Appendix C, Action 4, Part J, are a series of three proposed strategies that apply specifically within the South Coast Air Basin. While the Port recognizes the need to pursue aggressive actions to reduce air quality impacts in the South Coast Air Basin, and agrees with prioritizing funding programs to encourage early actions in the region, the Port is not supportive of regulatory requirements that would only apply within the region. Such an approach would be counter to the state's economic competitiveness goals and would put the freight operators within the South Coast at a disadvantage.

In addition to collaborating closely with the freight industry, the Port has established partnerships with academic institutions to promote education and training in trade and global logistics, which help to address workforce development issues reflected in Action 8. In May 2016, we introduced the Port of Long Beach Academy of Global Logistics at Cabrillo High School, located within the vicinity of the Port. A year ago, we launched the Port of Long Beach Academy, a website where students and teachers can find information on Port scholarships, internships, boat tours, field trips, videos, trade-related lesson plans and other resources. A key feature is the Port's career page, where students learn about trade-related careers, what they pay, and where to find local education and training programs. The Port is interested in connecting these programs to other regional and state level resources.

In addition, the presentation at the CFAC meeting also included discussion of an Action 9, related to working with the Office of Planning and Research and stakeholders to streamline the permitting process to expedite approval of projects that meet the objectives of the plan. The Port supports efforts to accelerate the approval process, while at the same time preserving appropriate information disclosure and stakeholder involvement, and without compromising environmental quality. We look forward to working with your agencies to identify appropriate changes in the process to expedite implementation of projects that will bring about future environmental improvements.

Also, as part of Action 9, the Port recommends that the Office and Planning and Research (OPR) coordinate the Plan and Senate Bill 743 (SB 743) regarding implications for freight transportation. During the past couple years, the Port has examined SB 743 and exchanged information with OPR to consider the unique characteristics and conditions of freight transportation under the SB 743 guidelines that propose to use vehicle miles traveled (VMT) to measure transportation impacts instead of level-of-service. While the proposed guidelines under SB 743 aim to reduce VMT, the state's goals for zero-emission freight vehicles and benefits of other programs to improve efficiency and reduce pollution of the freight transport system should

be taken into account so that the aims of both the Plan and SB 743 can be achieved without undue harm to the freight industry.

The Port looks forward to participating in and supporting the proposed “Advanced Technology for Truck Corridors” pilot project identified in Appendix D of the Plan. As identified in our support letter for the Los Angeles County Metropolitan Transportation Authority’s pilot project proposal, the Port has partnered with the South Coast Air Quality Management District and other regional agencies on the development and demonstration of zero and near zero emission trucks for the Southern California region. Continued support for these projects remains a top priority for the Ports’ Technology Advancement Program and our broader clean air goals.

Finally, we were pleased to see that the “facility cap,” which had been included in previous agency documents, was not included in the Plan. As has been stated before, the Port strongly opposes the “facility cap” proposal, which inappropriately places the burden for achieving emission reduction targets on entities which likely do not have jurisdictional authority, ownership or operational control of the sources being targeted.

The Port appreciates the opportunity to provide comments on the Draft California Sustainable Freight Action Plan. We look forward to continuing to work with each of your agencies on advancing our shared goals for a competitive, efficient and less polluting freight transportation system.

Sincerely,



Jon Slingerup
Chief Executive
Port of Long Beach

cc:

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Brian Kelly, Secretary, State Transportation Agency
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