

January 24, 2019

Ms. Khamly Chuop, Port Associate Environmental Planner/Scientist
Port of Oakland
530 Water Street
Oakland, CA 94607

RE: Revised Draft Seaport Air Quality – 2020 and Beyond Plan
PMSA Public Comment

[Transmitted via e-mail]

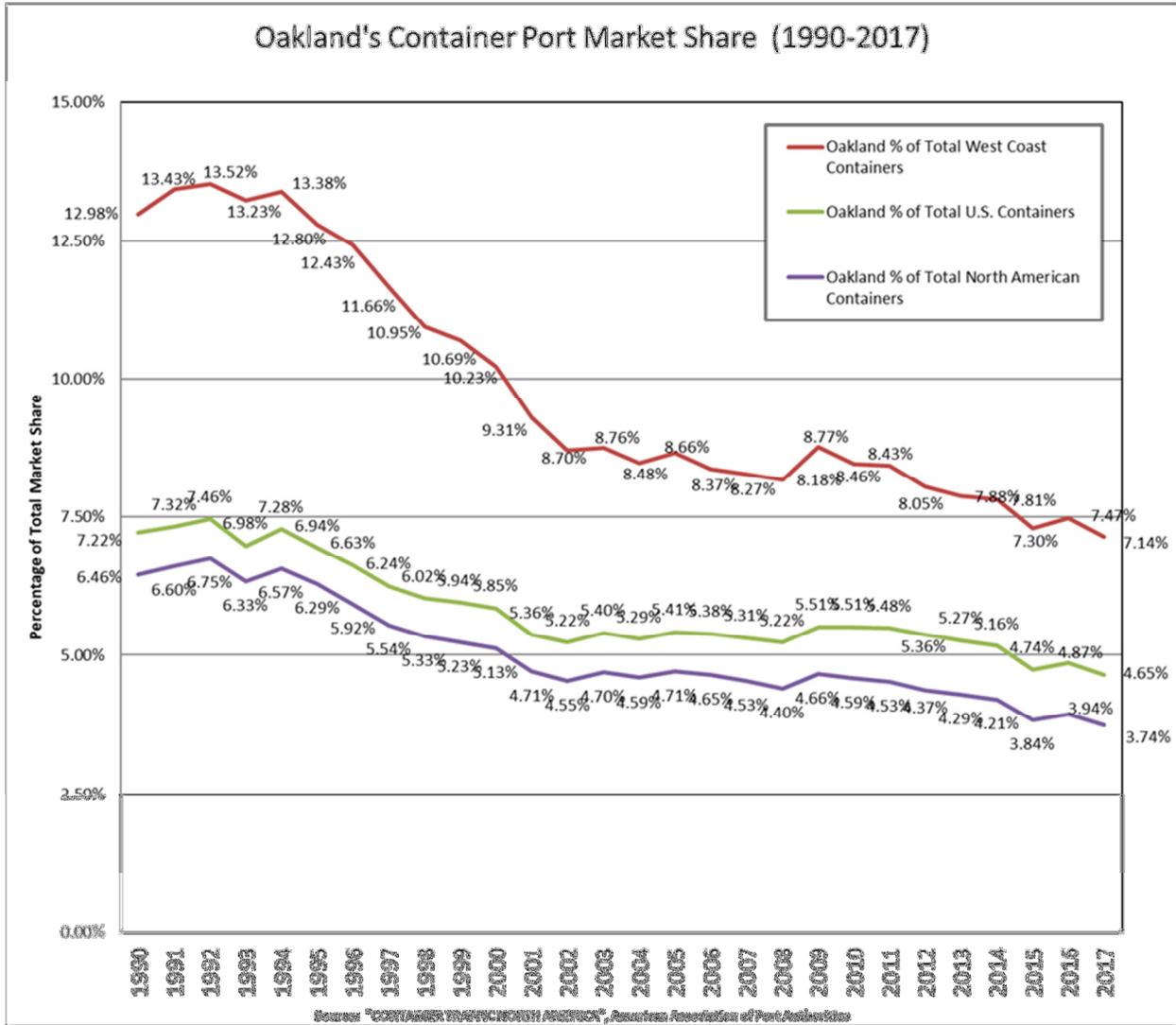
Ms. Chuop:

Thank you for the opportunity to provide comment on the Port of Oakland Revised Seaport Air Quality – 2020 and Beyond Plan (Plan). We are providing these comments on behalf of the members of the Pacific Merchant Shipping Association (PMSA). Our members lease and operate marine terminals at the port, as well as own and operate ocean going vessels calling at the port.

We have reviewed the revisions provided to the Plan and have a few general and specific comments to offer. We believe this revised Plan provides a reasonable framework for all stakeholders to work together to achieve the Port's goals of a vibrant, sustainable and competitive port with a workable pathway to reduced toxic air contaminants and a future goal of zero emissions.

Port Growth and Competitive Position

The goals laid out in the Plan are ambitious and aspirational. The maritime industry supports the transition to zero-emissions (ZE) operations provided that this transition is structured in such a way as to “keep the Port competitive, financially sustainable, and a catalyst for jobs and economic development.” This important goal exists alongside the equally important goals of minimizing emissions, building partnerships and providing meaningful stakeholder engagement. Those goals can only all occur if we can remain competitive, grow our business and generate the revenue and jobs necessary to achieve them. The Port of Oakland is a large port, but it suffers from a loss of market share when compared to all relevant ports serving California and the greater United States (see chart below). The benefit of a growing national economy over the last 8 years has provided a buffer to this loss of market share through growth in total US cargo volumes, but the overall growth volumes mask cracks in the traditional strengths of west coast ports. We are hopeful that the Port can reverse this trend, and the Port's recent investments and commitment to maritime trade offer promise. Such growth will be essential for the tenants of the Port of Oakland to remain competitive and able to make the investments in cleaner equipment economically feasible.



The Plan assumes continued cargo volume growth of 2% per year (Appendix A-3). We are optimistic for the future of the Port and are hopeful that this projection will be achieved and possibly surpassed. The inclusion in the Plan for mechanisms to address this dynamic through the Feasibility Criteria for Implementing Actions, coupled with 5-year reviews should allow for corrections as needed through continued assessment of strategies for attaining the goals of the Plan.

Near Term Action Plan

The identification and detail provided for the Near-Term Action Plan for 2019-2023 provides a roadmap for emission reduction projects that are either underway or in the planning or scoping stages. It is of benefit to both the community and the tenants to have such a roadmap laid out for the near-term to provide for anticipated emission reductions and potential cost impacts respectively; at least to the extent that the dynamics at the port and the state of technology and funding allows.

Equipment Operations and Cost Assessment

We appreciate the inclusion of the promised economic analysis of the emission reduction strategies identified in the Plan, as outlined in Appendix F. We note that the full extent of the goals of ZE at the port has not been included in the analysis due to the lack of mature technologies and consequent lack of accurate cost estimates. The analysis provides estimates for more mature technologies such as ZE and NZE on-road trucks and some cargo handling equipment (CHE); though most ZE or NZE CHE are either in the very early stages of development or still several years away from commercial availability. This is especially true for operations at the Port of Oakland that may not lend themselves to full automation.

The lack of data to analyze and estimate costs beyond what is included in Appendix F is understandable and we appreciate the hesitancy to predict costs and feasibility beyond information at hand, however as a reference point a study by Moffett & Nichols in 2015 estimated capital expenditure and O&M costs for ZE operations under Oakland's in the billions of dollars. We would encourage the Port to review this document for guidance.

PMSA's members are committed to helping make the goals of the Plan a success, and are looking forward to working with port staff and other stakeholders to enable the visions of the Plan. The staff at PMSA is happy to answer any questions or concerns that the port may have and are always available to engage on these important issues.

Sincerely,



John Berge
Vice President