

TALKING POINTS
PORT OF OAKLAND AIR QUALITY PROGRAM
Joint Senate Hearing
Committees on Transportation and Housing &
Environmental Quality
Wednesday, March 7, 2007

Good afternoon, Senator Lowenthal, Senator Simitian and members of the Committees. I'm Omar Benjamin, Executive Director of the Port of Oakland. It's my pleasure to join you today to talk about Oakland's perspective on the environment, public health, air quality planning, and the unique opportunity afforded to ports in the state as a result of last year's passage of the infrastructure bonds.

The Port of Oakland is a major component of the nation's entire goods movement network. It is an important link in the system of ports, both statewide and nationwide. However, while our throughput volumes categorize us as the fourth busiest container port in the U.S., our relative size to the San Pedro Bay ports is far smaller and actually places us and our customers in a more sensitive position relative to changes in pricing. As a market-driven discretionary port, we have to provide services that are extremely cost-effective and efficient. Failure to do so has a potential to

drive benefits and revenue away from California and to other ports such as Seattle, Tacoma, and Vancouver, among others. We think it is important to emphasize the benefits of having a “network” of ports here in California that is founded upon the dynamic of cooperation and not competition. Improving air quality is important to everyone and finding viable solutions to these issues requires the same holistic approach that we emphasize in our state’s goods movement network.

As I am following the presentations from my counterparts in Southern California, comparisons between Oakland’s air quality planning efforts and the San Pedro Bay Ports Clean Air Action Plan are inevitable. Certainly, we share some fundamental similarities with our sister ports to the south. However, there are many important differences between the ports in the South Coast and Oakland. These include differences in the scale of our respective operations, differences in the configuration of our facilities, unique issues affecting our neighboring communities, and the overall air quality situation in the Bay Area. The Port of Oakland’s Air Quality Plan that is currently in development will therefore be uniquely tailored to meet the needs of the San Francisco Bay region and its most

impacted communities. It will be an “Oakland” solution to a California problem. We do not think that a “one size fits all” approach will work well for Oakland or the region.

Despite the fact that the Bay Area overall enjoys relatively good air quality, we at the port recognize that our maritime operations have a disproportionate impact on the air quality of nearby neighborhoods, such as West Oakland. In recognition of this, the Port has pursued programs and projects designed to reduce those impacts. Meanwhile, our stakeholders from West Oakland, the environmental community and various regulatory agencies have played key roles in the development and implementation of these initiatives.

In recent years, the Port has completed a number of successful air quality mitigation programs in concert with our community stakeholders, including retrofitting a substantial percentage of the cargo handling equipment at our marine terminals, repowering tugboat engines, and overseeing our ongoing successful truck replacement program. Also, all of our cranes and refrigerated container storage areas are now electrified.

Electric dredging is now the standard. Compressed natural gas now powers over half of the taxi and shuttle bus service fleets at the Airport. Soon a liquid and natural gas fueling station will become an addition to the maritime side of our operations. In the near future we expect to convert many of the existing switching engines at the Port to super-clean diesel electric hybrid engines, with the assistance of our railroad partners.

We have also embarked on and completed numerous open space projects for the benefit of local residents, including Middle Harbor Shoreline Park – a 40-acre jewel of parkland located in the heart of our marine terminals. The park is open for fishing, picnicking, public events, and offers recreation opportunities for local residents. The port also has supported numerous other open space and wildlife restoration initiatives for the benefit of the region and its residents.

Despite our successes and leadership in many environmental arenas, we acknowledge that much work remains to be done to continue to improve our air quality. We are committed to the goal of reducing the port's air quality impacts and have been engaged in ambitious efforts to work with

our tenants, community and regional stakeholders to further refine our collective environmental programs. Supportive of these efforts, in 2006 the Port adopted a strategic business plan that places environmental stewardship amongst our top priorities. The environmental ethic is a significant aspect of the Port's business culture.

We have already begun to focus our efforts toward enacting these sustainable strategies on a number of fronts, through the development of a comprehensive air quality program. Two years ago, the Port voluntarily began to compile a thorough maritime emissions inventory that we anticipate being completed and published on our website within the next few weeks. Taking the time to accurately assess the impacts of our operations on the environment is absolutely essential so that we can successfully develop and implement our plan.

We are also awaiting the results of the joint California Air Resources Board and Bay Area Air Quality Management District human health risk assessment for diesel particulate matter in West Oakland. Results of this work are expected to be finalized by summer 2007. The Port of Oakland

supports these efforts and we are partnering with their staffs on this initiative.

Also, in partnership with the Bay Area Air Quality Management District and the community, the Port has begun a voluntary planning process for maritime air quality. This process includes a series of public workshops that are being professionally facilitated and supported by expert technical consultants. We believe that what we learn through these efforts will better position the Port to make the right choices about programs, technologies and approaches as we move forward. The Port of Oakland will also use the information gathered through our emissions inventory and the health risk assessment as the basis for the development of our own air quality plan.

I would like to also emphasize that in order for the Port of Oakland to further develop our business in the most environmentally sustainable ways possible, we will require financial support from the state through the infrastructure bond. Thus, the appropriations that will come from the \$1 billion air quality portion of the infrastructure bond will help to influence

the future air quality success of this port. We certainly hope that there is a geographic equity in the distribution of these funds, as improving air quality is a statewide concern. We also hope that the local match requirement that CARB imposes will truly allow ports like Oakland to take advantage of the bond dollars, as an onerous match might preclude us from even applying for project funding. These issues are truly critical to the future of the Port of Oakland, the City of Oakland, our local residents, and the state as we strive to maintain this strong network of ports while also protecting the health of local residents.

At the moment, there are four projects under development at the Port of Oakland that we feel are appropriate uses of I-Bond air quality funding. More projects may be identified through our maritime air quality planning process. The most notable project under development is the Outer Harbor Intermodal Terminal, known as the "OHIT." This project design is the greenest possible configuration for a new intermodal rail facility at the Oakland Army Base. This super-efficient rail terminal design would be the first of its kind in the United States. However, without assistance

from the I-Bond, it will not likely be possible to build this facility in the most environmentally-sustainable manner possible.

The Port would also like to provide incentives to accelerate the turnover of the railroad locomotive switching engines that operate almost exclusively within the Oakland yards. Under the current program, it could take many years for the switching engine fleet to be upgraded. It makes sense to provide incentives to accelerate the upgrades to cleaner technology such as the diesel-electric hybrids. Together with the OHIT, cleaner railroad locomotive switching engines would assure that the Oakland intermodal yard would be amongst the greenest facilities in the world.

The Port of Oakland also shares the Air Resources Board's desire to find effective strategies to control emissions from ocean going vessels at the docks while the ships are offloading or taking on cargo, the so-called "hoteling" emissions. The Port cannot currently commit to cold ironing all the ships that call on Oakland, and certainly not to the same level of Los Angeles and Long Beach, without significant financial assistance. Conventional cold-ironing is not a cost-effective strategy in Oakland due

to the relatively short durations of the ship calls and the extremely high cost of upgrading the existing electrical grid and substations to support cold ironing. The Port is actively seeking alternative strategies to shore side power that will achieve the same results as conventional cold-ironing. If the state is to move ahead with a cold-ironing requirement for ports such as Oakland, we will need the state's assistance to achieve success in this initiative.

The Port will also continue to build upon the work invested in its existing successful truck replacement program. Upgrading Port drayage trucks is a priority for both the Port and our neighbors. We do have some concerns about the cost and implementation challenges associated with funding and staffing such a large-scale program, especially one centered on trucks that we neither own nor operate. The Port also recognizes the challenges in ensuring that the air quality benefits from these newer trucks remain in Oakland, over the long term, for the benefit of our local residents. We look forward to working with CARB staff to examine how best to scale up this major initiative.

In short, I appreciate being able to share Oakland's perspective on maritime air quality and the importance of international trade to the state. We know that increasing cargo volumes are inevitable, and as an integrated statewide goods movement system, the state's ports are tasked with moving cargo quickly, efficiently, and with the least impact to our environment and to our local residents.

I look forward to the Port of Oakland being part of this dialogue and am willing to answer any questions you might have. Thank you.