



January 24, 2019

VIA ELECTRONIC MAIL to kchuop@portoakland.com

Ms. Khamly Chuop
Port Associate Environmental Planner/Scientist
c/o Division of Environmental Programs and Planning
Port of Oakland
530 Water Street
Oakland, California 94607

Re: Comments on Revised Draft Seaport Air Quality 2020 and Beyond Plan

Dear Ms. Chuop:

On behalf of the West Oakland Environmental Indicators Project, we appreciate the ability to offer these additional comments on the Port of Oakland's Revised Draft Seaport Air Quality 2020 and Beyond Plan ("the Plan"). While we acknowledge and appreciate the added commitments in the revised Plan, we continue to urge the Port to set stronger, concrete goals that will drive the transformation required to achieve the Port's vision of becoming a zero-emissions Seaport. The Plan continues to undermine that vision by failing to include reasonable sector-specific commitments that will send clear signals for investment by industry and tenants. The Plan supports this refusal by hiding behind artificial barriers that are within the Port's ability to address and using flawed assumptions regarding cost and feasibility. As a result, we recommend the following changes.

I. The Plan Must Strengthen its New Commitments to Deploy Zero-Emissions Equipment and Infrastructure.

While we welcome the new "intermediate-term equipment goals" added to the near-term action plan, we urge the Port to strengthen these goals and commit to the transformation that is being pursued at the San Pedro Bay Ports, and that has been deemed feasible by State and local agencies considering regulations of port trucks and cargo handling equipment. The failure to adopt such commitments will undermine planning and investment that is not only critical to finally addressing the health impacts on surrounding communities, but also to keeping the Port competitive in a changing regulatory environment. Setting strong goals is also important because (1) they help accelerate cost declines by sending clear market signals to both the purchasers and manufacturers, and (2) they ensure investment in equipment and supporting infrastructure that takes advantage of subsidies, plans for rational transition, and avoids stranded investments in next-best alternatives. In other words, being clear and setting strong commitments is critical to supporting the feasibility of the transition envisioned. The Plan's failure to adopt these commitments will undermine its success.

1. The Plan should commit to replace all cargo handling equipment with zero-emissions equipment by 2030.

The Plan adds a new near-term implementing action of deploying 44 pieces of zero-emissions cargo handling equipment by 2025. The Plan should clarify whether this commitment is in addition to the existing commitments (i.e., to deploy 13 hybrid RTGs at the Oakland International Container Terminal, the top pick at Matson Terminal, and the five zero-emissions yard tractors). Commenters assume the commitment is in addition to these pre-existing commitments, but in any event believe a stronger commitment is reasonable both for 2025 and 2030.

The cost analysis provided in Appendix F uses several flawed or outdated assumptions that the updated Plan must correct. First, the Plan assumes yard tractors currently cost \$300,000. That price should be \$250,000. Second, the Plan assumes a 200kWhr battery pack, when the standard is 250kWhr, and is likely to increase over time. Third, the analysis fails to include the low-carbon fuel standard (“LCFS”) credits that could more than offset fuel costs for electric cargo handling equipment. Finally, the analysis artificially assumes that upfront capital costs must be recouped within one year. There is no basis for this assumption. Total costs of ownership will be lower for electrical yard tractors over their eight-year lifetime, and any need to see those returns sooner is a financing issue that, as discussed below, is within the Port’s ability to influence.

By correcting these assumptions, we expect the analysis would show that a much more rapid adoption of zero-emissions yard trucks is not only be feasible but desirable. With these changes, we believe the Port could comfortably commit to a target of 33% of yard trucks being zero-emissions by 2025 and 100% by 2030.

The remaining equipment can also be replaced with zero-emissions alternatives in the 2030 timeframe. Over half of the Port’s RTGs are already slated for replacement by hybrids. It is reasonable to expect that the remainder could be similarly replaced before 2030. That leaves top picks, which the report acknowledges will be commercially available from Kalmar and others around 2021. Again, with declining battery costs, declining manufacturer costs with increasing scale, Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (“HVIP”) incentives, and LCFS credits that likely more than offset fuel costs, the Port should have high confidence in setting a 100% zero-emissions 2030 target.

2. The Plan should commit to zero-emissions drayage trucks by 2035.

The new commitment to deploy 21 zero-emissions drayage trucks by 2027 is not a serious commitment. Again, the Plan should clarify that this commitment is in addition to the zero-emissions drayage trucks that are already included in prior commitments. Even assuming this is an additional commitment, the Port’s commitment amounts to converting less than half of 1 percent of the current drayage truck fleet serving the Port. Meanwhile, the San Pedro Bay Ports are pursuing a goal of converting all of their 17,500 drayage trucks, including trucks that deliver over the Grapevine, to zero-emissions by 2035.

The Plan declines to provide a detailed analysis of the feasibility of requiring drayage trucks servicing the Port to be zero-emissions. The Plan should be updated to include such an analysis.

The Port should consider the draft feasibility assessment being prepared for the San Pedro Bay Ports. That analysis, while still overly conservative in many respects, notes that in addition to BYD, Daimler and Volvo have announced plans to commercialize zero-emissions Class 8 trucks in the 2021 timeframe, with Navistar making similar commitments for 2025.¹

The revised analysis should identify the range requirements for trucks serving the Port, including the number of “short-haul” and “long-haul” trucks, and their operational requirements. The draft feasibility assessment for the San Pedro Bay Ports found that while current range capabilities for battery-electric drayage trucks were not sufficient to meet maximum range requirements, the range capabilities “are sufficient to meet the average shift and daily range of drayage trucks” and the battery-electric truck platform “could meet the range requirements for some meaningful fraction of drayage operations.”² The North American Council for Freight Efficiency predicts that battery-electric trucks will achieve maximum daily range (and maximum freight weight) parity in the 2030 timeframe, meaning that a 2035 target for all electric drayage trucks should be feasible from an operations perspective.³

The California Air Resources Board (“CARB”) and others have looked at the total cost of ownership and found that battery-electric drayage trucks, when HVIP incentives and LCFS credits are considered, are already cheaper than diesel drayage trucks. With HVIP incentives for trucks used in disadvantaged communities (\$150,000 + \$15,000), a new \$250,000 electric short-haul drayage truck will cost roughly \$85,000 (excluding taxes and tariffs). With LCFS credits, operators could save another \$50,000 per year in fuel costs. In other words, even if operators are buying used diesel trucks, an electric drayage truck could pay for itself in the very short-term, and the turnover of existing equipment could be even faster than assumed in the draft analysis. As additional manufacturers enter the market and battery costs continue to decline, zero-emissions drayage trucks will become even more competitive. Such benefits, combined with the forced turnover of older diesel trucks currently required under SB1 beginning in 2020, mean that ports will have a critical window to support the transition to zero-emissions trucks serving their facilities. The Plan must be revised to take advantage of these opportunities in order to achieve its long-term vision.

3. The Port must deploy electrical infrastructure to support the transition to zero-emissions.

Consistent with the above changes, the commitment to build out the infrastructure to support electrification (Plan at p. 28) must be expanded. We urge the Port to begin widespread deployment of charging infrastructure now, which may include upgrades to substations and other make-ready improvements. Such planning and investment should be proactive rather than reactive. Building out this infrastructure will address barriers to adoption of zero-emissions equipment and enable accelerated adoption. It will also avoid investments in technologies that are certain to be stranded in the near-term as zero-emissions technologies improve and regulatory requirements are

¹ Tetra Tech/GNA, [Draft 2018 Feasibility Assessment for Drayage Trucks](#) (Dec. 2018), p. 8.

² *Id.* at p. 61.

³ *Id.* at p. 44 (citing North American Council for Freight Efficiency, [Guidance Report: Electric Trucks – Where They Make Sense](#) (May 2018)).

tightened. Finally, early build-out will allow the Port to take advantage of various incentives that are available now, but will likely decline as regulations are adopted and funds are used.

4. The Port must take steps to address pollution from nearby off-port railyards.

The Plan should also include new commitments to address pollution from nearby railyards. We recognize that the Port has no direct control over these railyards, but the Port can work with railyard operators to create incentives to use available cleaner equipment. Cleaner locomotive technologies are available, in particular for equipment that remains at the railyard. The Port should coordinate with neighboring railyards to use these new technologies on their properties.

II. The Plan Must Address the Barriers that are Within the Port’s Control.

The Plan repeatedly identifies barriers to rapid deployment of zero-emissions solutions that are within the Port’s ability to address. Instead of committing to action to address the barrier, however, the Plan hides behind those barriers as an excuse for not committing to more ambitious action. The Plan should be revised to include actions to address the following barriers:

1. Financing

The Plan fails to address comments pointing to the availability of various financing opportunities, including lease agreements, gate fees, and establishing revolving loan-funds. The Response to Comments notes the importance of incentive funds and states that the Port does not serve as a lending institution, but the Response does not explain why a revolving loan fund is not feasible. Gate fees, for example, can be used to create incentives for adopting zero-emissions alternatives while also creating funds that can be used for revolving loans or for other Port investments. Lease agreements requiring, or rewarding, tenant improvements will provide long-term benefits to both the Port and the shipping companies themselves, many of whom have corporate commitments to greenhouse gas reductions. The Port should include operators in the lease negotiation process at an early stage to incentivize investment in zero-emissions technologies.

The Plan also fails to note that private financing options are available (e.g., Generate Capital’s partnership with BYD), which, when combined with the fact that total cost of ownership is likely lower for many types of zero-emissions trucks and alternatives, should make adoption of these alternatives financially desirable. A thorough analysis of these financing options should be conducted. The Port of Long Beach is hosting a workshop on private financing options. The Port of Oakland should do the same. More fundamentally, the Plan should identify the investment needs over time for achieving its vision for becoming a zero-emissions Seaport and propose a plan for financing those needs. Instead, the Plan raises the uncertainty of financing to justify avoiding strong commitments – that approach will virtually ensure failure.

2. Space for charging and servicing

The Plan notes that marine terminal operators will not be able to accommodate external drayage truck charging due to a combination of space constraints and labor rules. (Plan at p. F-24.) The Plan, however, includes no discussion of how the Port, working with the City of Oakland, might

promote off-terminal charging and servicing locations within the Port’s land, as part of the ongoing Truck Management Plan effort or within the Oakland Army Base development process. The Plan notes that the Port will be responsible for providing power to trucks domiciled at the Port-provided parking areas (Plan at p. F-24), but does not explain why similar charging infrastructure could not be used by other drayage trucks serving the Port. The Plan must identify the space needs for meeting its goals, and identify the options available to the Port to satisfy those needs. Instead, the Plan implies that space for charging and servicing is a barrier that the Port cannot address, when the truth is that the Port is simply choosing not to address the issue in the Plan.

3. Operator “concerns” and acceptability

The Plan uses operation and overall “acceptability” as criteria for assessing the feasibility of proposed actions (Plan at p. 15), and raises vague “concerns” around the use of certain electric equipment (Plan at p. F-10) to support slow transition to zero-emissions alternatives. These subjective barriers are entirely within the Port’s ability to influence, and should not be used to reject actions. Instead, to the extent staff believe there are acceptability barriers, they should outline a plan to address these concerns. Pilot demonstrations will assist in this effort, but more could be included in the Plan. For example, the Port could organize technology fairs and opportunities for vendors to demonstrate their technologies and answer questions, financing workshops as noted above, and briefings from other operators that have adopted zero-emissions technologies. The Port should also acknowledge that it is not solely up to operators to choose what can and cannot be used within the Port. In the same way that operators might not have “chosen” to upgrade to cleaner diesel trucks or to plug-in ships while at berth, acceptability and choice cannot be litmus tests for moving forward.

4. Labor restrictions

Commenters acknowledge the real logistical issues that must be addressed and that labor agreements are not controlled by the Port. Nonetheless, the Port can outline the labor issues that need to be addressed to facilitate the transition to becoming a zero-emissions Seaport and ensure that those issues are included in future agreements. The San Pedro Bay Ports are pursuing a similar transition, so it is important that future agreements work for the Port of Oakland as well. The failure to participate in this dialogue, again, will ensure the failure to address these barriers.

5. Port staffing

The Plan includes vague references to staffing limitations to pursue aggressive actions and support the transition to zero-emissions alternatives. We know that much of the funding provided to the Port to address environmental issues includes overhead for staffing. The Plan should describe what staffing support is required to achieve the transition to a zero-emissions Seaport, identify the resources currently available, and identify any shortfall. Once that shortfall is identified, the Plan should identify options for the Board of Port Commissioners to consider that address that shortfall. We believe the Port should hire dedicated staff who will work on achieving a zero-emissions Seaport. These staff can develop the required expertise, develop the required contacts with

agencies, operators and vendors, and trouble-shoot issues that arise in achieving the commitments in the Plan. Again, the Plan should not hide behind problems, but propose solutions to fix them.

III. The Workforce Development Plan Must Clearly Identify How it will Prioritize West Oakland Residents for Port Jobs, Training, Education, and Certification.

Most West Oakland households fall below the federally defined poverty level, with incomes significantly lower than the City of Oakland as a whole. And despite being the community immediately surrounding the Port and its continuously expanding freight activities, West Oakland's reported unemployment rate is nearly 30 percent, which is still likely underestimated. The Port is the logical source for long-term, permanent jobs for West Oakland residents, therefore the Workforce Development Plan must more clearly identify and commit to a pipeline of jobs, training, education, and certification that prioritizes community members.

Indeed, the Plan remains noticeably devoid of these specific actions or commitments, despite our similar comments on the earlier draft. Instead, the Plan focuses at length on a workforce gap analysis that continues to keep the Port at the level of studying, evaluating, investigating, tracking, meeting, participating, coordinating, and monitoring. Other than repeated and vague references to "local" training and education programs that will "strengthen partnerships" and serve "local" residents, it is unclear exactly how the workforce gap analysis and later workforce transition plan will prioritize West Oakland residents in particular. The Plan must move beyond simply "strengthening partnerships" and position the Port as the conduit between industry leaders, training partners, and education providers, with a clear path from each to permanent jobs for community members.

In keeping with this elevated role and responsibility for the Port, the Plan should identify any possible incentive funds that the Port itself can provide to support West Oakland residents pursuing Port jobs. The Plan mentions collaborating with other ports to secure grants as well as the California Employment Training Panel funding program, yet never commits actual Port dollars toward training and education. Similarly, the Plan spends a disproportionate amount of time discussing the broad parameters of its workforce gap analysis, while relying on outside partners and "stakeholders" for an indeterminate process of studying and monitoring that omits key details. How long will it take to complete the workforce gap analysis? When will the workforce transition plan be implemented? Who are the "industry stakeholders and partners" whose workforces will be analyzed as part of this process? Why are training resources directed toward near-zero emissions equipment, if investment in near-zero technology detracts from the Plan's vision of a zero-emissions Seaport? Without more specific targets or goals, it is unclear when or how community members will be prioritized for long-term Port jobs.

IV. The Public Engagement Plan Must Use a Multi-Stakeholder, Solutions-Oriented Process.

Although the Plan lists potential future meetings as well as strategies and best practices for increasing public participation, it omits more key details with no explanation. Town halls and workshops can be effective tools for conveying information, but that is not the same as meaningful engagement with the community. The Port continues to use this model, however, focusing on the

top-down distribution of information—controlled by the Port—at the expense of truly engaging with the public to solve problems collaboratively. And while this may serve to shield the Port from any criticism, it betrays the overall lack of a problem-solving mentality that can move the Port away from rote updates on the Plan’s progress and toward an in-depth, multi-stakeholder solutions-oriented process.

An example of where such a solutions-oriented process would be valuable is the current limitation on using electric yard hostlers on local public streets. The Port should work together with the City, industry, regulatory agencies, and the community to change local ordinances and determine how electric hostlers can travel to off-site yards near the Port. Not only will such a solution reduce emissions, increase the returns on these vehicles due to greater use, and increase efficiency because the trucks will no longer need to be changed off-site, it will also reduce costs. These win-win solutions are possible if the Port brings all the stakeholders together, asks questions, and approaches these challenges with a problem-solving mentality, as opposed to simply conveying information.

We are pleased with the Plan’s vision for a zero-emissions Seaport, and wholeheartedly agree with that vision. To achieve this vision, however, the Port must identify barriers, create a plan to overcome those barriers, set strong milestones, and employ a problem-solving mentality that meaningfully engages with the community and stakeholders by looking for solutions, rather than communicating excuses.

Sincerely,

A handwritten signature in black ink that reads "Paul Cort". The signature is written in a cursive, flowing style.

Paul Cort, pcort@earthjustice.org

Michelle Ghafar, mghafar@earthjustice.org

Earthjustice

On behalf of West Oakland Environmental Indicators Project (WOEIP)