



January 28, 2005

Secretary Sunne Wright McPeak
Department of Business, Transportation and Housing
980 Ninth St., Suite 2450
Sacramento, CA 95414

And

Secretary Alan C. Lloyd, Ph.D.
California Environmental Protection Agency
1001 I St.
Sacramento, CA 95814

Re: Comments on Goods Movement and Ports, request for Northern California meeting, and offer to help coordinate environmental panel and stakeholder outreach

Dear Secretaries Wright-McPeak and Lloyd,

Thank you for convening the Public Meeting on Goods Movement and Ports in Los Angeles on January 27 and for inviting Bluewater Network to participate. I believe that it was a good first step in involving stakeholders in developing an action plan for addressing environmental, social, and economic and logistics issues related to the growth of California's ports and cargo volumes. The meeting was well-run and productive. Tackling the impacts of globalization on California is essential to preventing degradation of our valued quality of life.

For the next immediate step, I strongly urge you to hold a similar meeting in Northern California. I would also request that Bluewater Network be considered to participate on the main environmental review panel as we are the experts on the subject in this region. You may recall Bluewater Network's work with the ferry expansion plan on San Francisco Bay and our long-term advocacy efforts at the state and national level to reduce marine emissions from ocean-going vessels. (See our website at www.bluewaternet.org)

Bluewater Network would also be eager to help the Secretaries organize the environmental panel for a Northern California meeting by inviting or providing contact information for other groups in the region who are working on the issue of marine and ports emissions. We could also conduct outreach to key community, public health and environmental justice organizations in the region to ensure that as many stakeholders as possible are included. We could also reach out to our extensive contacts with ports, marine engineers and others in the marine community. Please let me know how we can help.

Following are more specific comments related to your agency's goals of improving all aspects of goods movements in California while protecting environmental quality. These comments are mainly focused on ships and shipping. I may provide a more detailed position paper in association with other environmental, public health and community groups.

1. **Port Air Quality Plans:** We urge the state of California require that all commercial marine ports in California develop air quality plans with a minimum five-year timeline for implementation. The goal would be to immediately halt air emissions increases and begin to reverse them through use of best available technologies and fuels.
2. **Requirements for air quality protection for new and expanding terminals:** The state of California should require that any new terminal or terminal expansion must be environmentally sound and that all air emissions increases are prevented and reduced. With a number of projects, CEQA has failed to protect air quality, as ports are approving projects without air quality mitigations. That is why the ports are facing lawsuits.



For example, In San Francisco, a new cruise ship terminal that will significantly increase air emissions was approved without ANY air quality mitigations for ships. A stakeholder group was appointed to come up with air quality recommendations. Some progress is being made, but with no mandate to mitigate the air pollution, it is very likely that it will be built without shore-side power capabilities or requirements that ships use clean fuels while docking.

- i. **Requirements for environmental review with increased ship traffic:** The state of California should require that any time a terminal or port experiences significant increases in ship traffic to a terminal, that air quality increases must be prevented and reduced. Under CEQA, only a new project triggers environmental review. But in recent years ship traffic has escalated at container and cruise ship terminals without any environmental review or mitigation. For example, the city of Long Beach approved a cruise ship terminal for use by one cruise line for two cruises per week. Since the cruise line merged with a much bigger competition, additional ships are now using the dock—and generating far more air pollution. No environmental review or mitigations were conducted. In San Francisco and San Diego, cruise ship traffic has more than doubled in two years without environmental review or any plans at all to prevent or reduce the huge volumes of diesel emissions generated by these ships.
4. **Cruise industry role in goods movement and ports issues:** While the majority of port expansion and shipping traffic has come from cargo, container and tanker ships, the cruise industry is also growing rapidly in California. Not only do these ships generate large volumes of diesel exhaust, the cargo they carry (people) contribute to the infrastructure problems of the state. More than 50 percent of cruise passengers now “drive-to” cruise departures, adding to the congestion and wear-and-tear on our roads. The cruise passengers utilize city and state services, such as medical and emergency services, security and law enforcement, natural resources such as fresh water, and contribute to water pollution from wastewater generated on-board. The cruise ships are serviced by diesel trucks that supply the vessels with food and other supplies. Yet the cruise industry does not pay anything for these services, save the cost of supplies and standard port fees. The cruise lines are hugely-profitable multi-national corporations that operate foreign-flagged ships and pay no income tax. The cruise industry needs to play a role in the ports and cargo movement solution. The cruise ships should be included if the state mandates any type of container or related port fees to pay its fair share.
5. **Shippers such as retailers and automakers:** The shipping and port explosion is a direct result of consumer goods entering the US from major retailers and automobile manufacturers. These shippers must be included in the stakeholder groups and come to the table with solutions. In fact, the group Businesses for Social Responsibility has convened a Clean Cargo Group that has been working for several years to develop green shipping standards. So far, nothing has been adopted. The state of California should specifically invite members of this group to the table and urge them to accelerate and implement green shipping standards and provide incentives to ship owners. Members of the group include Ikea, Mattel, and General Motors. Big independent retailers such as Wal-Mart, Costco and Target must also be central to the effort to improve cargo goods movement.
6. **Green terminal standards:** In addition to the air pollution emissions from cargo movement and handling, ports should begin to establish green terminal standards to ensure that any new facilities conserve energy, utilize best available recycled and environmentally sound materials and are built to minimize lighting, noise and other impacts on neighboring communities and wildlife. This has been totally disregarded by the commercial marine community.

7. **Renewable fuels programs:** It is also essential that the ports, who are large energy users, begin to implement renewable fuels programs not only for vessels and vehicles, but for all port energy needs. By creating a demand for cleaner fuels, biomass fuels and other alternatives to diesel fuels, the ports can play an important role in reducing California's dependence on fossil fuels.
8. **Public education and community involvement:** The state of California should embark on a public relations campaign to educate our citizens about the importance of ports and cargo movement, but also of the environmental and social problems. For example, few people realize that most of our computers, running shoes and stuffed animals arrive on ships. Educating the public will raise the awareness of the issue and bring more people into the problem-solving equation. Even more critical is to ensure that impacted communities are directly involved throughout the planning process. In some cases, port expansion may need to be limited or diverted until actions to prevent further harm and to reduce emissions are put into place.
9. **Statewide Port Planning and Oversight:** The state of California should consider appointing an existing agency (such as the Air Resources Board or State Lands Commission) or establishing a new commission to provide overall planning and oversight of California's ports to coordinate broad-stroke port activities, development and environmental responsibility. A new regulatory agency would not be desirable, of course, but some sort of governmental or other independent oversight makes sense.

Due to competitiveness issues, ports operate independently. In the past, this may have worked, but in today's climate of globalization and unprecedented growth, we are finding that this approach has not been successful. In the long-term the state needs to develop statewide port environmental and economic strategies to meet the demands of a new era in global shipping and port expansion. This would also provide an avenue for standardization of port environmental practices that would help relieve the competitiveness issue and be copied in other West Coast states and around the US.

Thank you so much providing an opportunity to offer these comments. Please let me know if you would like further detail on any of the items above. And please do contact me if you would like Bluewater Network's assistance in coordinating a Northern California meeting.

Sincerely yours,



Teri Shore
Clean Vessels Campaign Director

Cc: Catherine Witherspoon, California Air Resources Board