

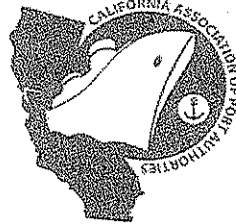
# CALIFORNIA ASSOCIATION OF PORT AUTHORITIES

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Tim Schott 10-6-3

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June 22, 2010

Ms. Barbara Van Gee, Manager  
Goods Movement Programs Section  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

Dear Ms. Gee:

On behalf of the California Association of Port Authorities (CAPA), which is comprised of the state's eleven commercial, publicly-owned ports, I am writing today to express significant concern with the Preliminary Staff Recommendations for the Proposition 1B Goods Movement Emission Reduction Program.

CAPA continues to believe that the ARB should reflect on the direction given by California voters when they passed Proposition 1B. These funds were intended to be applied quickly and efficiently in order to provide air quality benefit as soon as possible to those communities most affected by goods movement-related emissions. We believe it is critical that the ARB provide funding to the maximum extent possible to projects that will reduce emissions at California's public ports. We are most disappointed – and frankly, dismayed – that the preliminary staff recommendations do not fully fund all requests for shore-power funding made by our public port authorities and supported by their local air quality management districts. The funds have been identified by ARB for this purpose and our public ports are in dire need of the financial assistance promised by Proposition 1B. We support each of the ports' requests for shore-power funding – including fully funding the Port of Oakland's request – and believe that available funds should be expedited to all of the shore-power projects at California's public ports.

International trade is a major force in California, currently accounting for nearly 25 percent of the state's economy. Our public ports are a vital component of our local, regional, state, and national economic well-being; providing employment for more than half-a-million Californians and contributing some \$7 billion in state and local tax revenue to our public coffers annually.

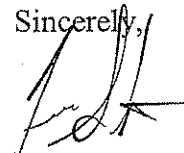
The economic downturn, however, has hit the maritime industry particularly hard, with the carriers alone estimating nearly \$20 billion in losses. It is important that the ARB recognize that California's public ports compete for business at the state, national, and international levels; and that international trade is an industry driven by cost, especially during these difficult economic times.

In recent years – and since the passage of Proposition 1B – the ARB has enacted numerous regulations related to California ports that will cost some \$5 billion to implement. While California ports are proud to be leading the nation, and indeed the world, in bringing more environmentally-friendly equipment and operations to port facilities, we are also increasingly concerned with the diversion of cargo due to California-only costs. California ports had embarked on ambitious air quality improvement programs before enactment of the ARB's port-specific regulations; and our ports continue to seek environmental improvements above and beyond what is required by regulation. But these improvements come with significant costs; costs that are not charged at other ports around the nation and in neighboring countries. It is critical that the ARB consider the nature of international trade and the potential for devastating impact to local, regional, and state economies as you deliberate on Proposition 1B fund allocations.

Each of California's eleven public ports is unique; each serves different roles within the state and national ports system; and each port is subject to differing market pressures and economic realities. The shore-power projects being proposed by our ports will deliver lasting air quality benefit, likely for the life of the bonds themselves; they are proposals for public investment of public funds on public lands managed by public agencies whose goals are to realize real, lasting air quality improvements, while appropriately maintaining the economic engines of international trade. Our public ports need your help.

We hope you will consider fully funding all of the port requests for shore-power projects.

Sincerely,



Tim Schott  
Association Secretary

cc: ARB Board Members  
Cynthia Marvin, ARB staff