

May 2014

The California Association of Port Authorities is comprised of the state's eleven publicly-owned, commercial ports and is dedicated to maintaining a vigorous and vital port industry in California. CAPA is committed to promoting the interests of California's ports, maintaining the state's leading role in the maritime industry, and leading the way in innovative and cutting edge environmentally-friendly port operations.

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Cap-and-Trade Investments in Freight

The Governor's Fiscal Year 2014-15 Budget proposes \$200 million to accelerate the transition to low carbon freight and passenger transportation, with a priority for disadvantaged communities. CAPA supports increased investment in cleaner freight and passenger transportation and believes that it is an important element of meeting not only the state's clean air and climate change goals, but also the requirements of SB 535 to assure that California's disadvantaged communities participate in, and benefit from, statewide efforts to reduce greenhouse gas emissions.

California ports are dedicated to being good stewards of the public resources they manage, and to improving port practices towards cleaner operations. California is home to some of the greenest port facilities and operations in the country and in the world. Our ports have made tremendous strides in reducing harmful emissions, eliminating more than 70% of diesel particulate emissions, over 70% of sulfur oxides emissions, more than 50% of nitrogen oxides emissions, and over 20% of greenhouse gas emissions, since 2005.

There is a great need for investment in low carbon transportation strategies, with a significant emphasis on freight, as indicated in the Cap-and-Trade Auction Proceeds Investment Plan, prepared by the Department of Finance in collaboration with the California Environmental Protection Agency (CalEPA) and the California Air Resources Board (ARB). As the state seeks to improve air quality and implement Cap-and-Trade related programs, we strongly recommend increased investment in the freight industry, which will achieve significant and cost-effective greenhouse gas and other emissions reductions, while supporting one of the state's largest and most efficient economic and job-creation engines. We urge:

Increased investment for Low Carbon Freight and Passenger Transportation Programs

- A significant portion of Cap-and-Trade funds should be allocated to provide a secure source of funding for freight and passenger transportation programs
- Investments in emissions reduction efforts in and around freight hubs provide cost-effective investment in meeting the goals of AB 32 and SB 375, support innovation and job creation, and provide significant benefit to local communities

On-going and continuous appropriation of Cap-and-Trade funds

- In order to provide sustainable air quality improvements, and in order to leverage local, federal, and private funding sources, Cap-and-Trade funds should be administered on a multi-year or continuous basis
- Long term planning and investment in improving freight transportation would be especially beneficial for disadvantaged communities and communities near freight hubs, helping to assure that we meet our state obligations pursuant to SB 535

Eligible freight programs should include, but not be limited to

- Low emissions drayage truck programs
- Low emissions cargo handling equipment
- Rail and vessel-related emissions reductions
- Passenger service related emissions reductions
- Other emissions reduction technologies
- Operational improvements and strategies with significant emissions reduction benefits
- Infrastructure improvements with significant emissions reduction benefits
- Programs that facilitate the transition to a low carbon transportation system