



July 16, 2009

Victor Uno
President
Board of Port Commissioners
Port of Oakland
530 Water Street
Oakland, CA

Dear Commission President Uno:

On behalf of the Waterfront Coalition I am writing you to express our concerns over a recent draft resolution that has come before the Port of Oakland Board of Harbor Commissioners concerning policies to support goods movement infrastructure, efficiency enhancements and environmental mitigation. Specifically, we support and encourage the port to urge Congress and the Administration to elevate the infrastructure needs of West Coast ports in the forthcoming surface transportation reauthorization effort. A coordinated federal response to goods movement infrastructure investment through West Coast ports is long overdue. However, we have concerns with the need to improve air quality through an amendment to longstanding federal laws concerning interstate trucking codified in the Federal Aviation Administration Authorization Act (FAAAA). We believe that such an amendment will have no impact on air quality and could compromise future cargo growth through the port of Oakland.

By way of background, the Waterfront Coalition represents manufacturers, retailers and agricultural exporters and importers as well as transportation providers moving international commerce through America's blue water ports, including the Port of Oakland, and along the surface transportation system. Our members have a direct interest in making sure that goods movement infrastructure is able to deliver cargo to reach markets overseas and replenishing store shelves and assembly lines here in the U.S. We also have a keen interest in making sure that the supply chain operates in an environmentally responsible manner. Many of our members are actively working with transportation providers to quickly replace older harbor trucks serving marine terminals around the country with highly innovative clean equipment.

Encourage the Creation of a National Goods Movement Policy

The Waterfront Coalition supports the creation of a National Goods Movement Policy that focuses resources on infrastructure that promotes the movement of freight through gateway ports particularly those on the West Coast. In our view, much needed improvements to infrastructure that facilitates the movement of international maritime commerce have historically fallen by the wayside. What few resources are available are quite frequently poorly targeted and

in an uncoordinated manner. We support the creation of a National Goods Movement Policy that allocates greater federal funds to support needed infrastructure investments while also properly coordinating these investments with other states and localities. In fact, we are hard at work in Washington, D.C. working with members of Congress and the Administration to urge the development of such a policy that also includes a dedicated source of funds. We stand ready to work with you to advance this concept.

Oppose Changes to FAAAA to Improve Air Quality

We oppose any effort to grant the harbor drayage industry an exemption from federal rules regarding the deregulation of the trucking industry in favor of local rules to defend local clean air priorities. In our view, this effort will contribute almost nothing to air quality improvements while unfairly restructuring the industry to penalize and force out of the industry many small businesses and hard working independent truckers. In the end, a drastically restructured drayage industry will harm the competitive position and future cargo growth through the Port of Oakland's marine terminals.

We understand that supporters of the amendment claim that only a change to these longstanding federal laws are necessary to ensure that clean burning trucks may serve the port. Already in southern California, almost 5,000 trucks, representing over a third of the harbor truck fleet, has been converted to new 2007 U.S. EPA compliant trucks. The number of older trucks retired from service and replaced with new cleaner equipment is expected to increase and will have an even greater impact to improved air quality. These significant investments occurred without any changes to the FAAAA.

It is our belief that the true intent of the effort to exempt harbor trucks from federal regulations is to grant ports and other local government entities the power to pick and choose those trucking companies suitable to operate in the region. Such a restructuring is designed to force out of the industry small independent businesses in favor of much larger market participants. These forced changes are fundamentally unfair and come at a poor time for the health of labor markets around the country and the northern California economy.

A drastically restructured drayage industry that reduces competition and mandates a single business model has a very real possibility of increasing the cost for shippers of moving cargo through Oakland marine terminals. A healthy share of freight moving through Oakland is discretionary in nature and may move through other less costly gateway ports in order to reach their destination.

While we recognize and support the need to implement policies designed to reduce harbor drayage emissions, we do not believe that changes to the FAAAA are needed. In fact, new CARB standards on the age of registered harbor drayage trucks in California are expected to be implemented soon. This standard will greatly help improve air quality. Still yet, many shippers and their logistics partners are working diligently with their truckers to encourage the purchase of newer clean trucks. These efforts are having great success in southern California. These investments could be compromised if unneeded changes are made to the FAAAA that unfairly restructures the industry and forces out of operation many hard working truckers.

Please feel free to contact me with any questions or concerns at (202) 861-0825.

Robin Lanier
Executive Director

CC: Port of Oakland Harbor Commission
Omar Benjamin