



August 7, 2009

The Honorable Ray LaHood
Secretary
U.S. Department of Transportation
1200 New Jersey Ave. SE
Washington, DC 20590

Dear Secretary LaHood:

We would like to thank you for the generous time you provided us last month to meet with you and your top staff to discuss the challenges and opportunities America's top West Coast container ports are facing together from competition, aging infrastructure, and ambitious environmental goals.

As we mentioned in our meeting, we have been collaborating as never before to help the nation achieve the dual objectives of economic recovery and an improved environment. Possibly no effort better embodies this than the joint application we submitted to the Department of Energy for transportation electrification funding. We proposed the largest port electrification effort in the country covering seven ports that handle over two thirds of the nation's seaborne trade. Enclosed please find a summary of this application for your consideration, which unfortunately was not funded. To be able to continue to move the nation's goods efficiently, we need support for "green" transportation projects like this from the Administration.

Similarly, and in response to your call to action in our meeting, we are working together to bring to you a portfolio of vital goods movement projects for consideration through the Transportation Investment Generating Economic Recovery (TIGER) program. Though the application due date is not until mid-September, we are already working diligently with our respective local, regional, and statewide transportation and planning agencies to submit the enclosed list of port-related projects of national importance. Our projects will generate over 41,000 jobs constructing vital long-term improvements to our nation's top trade corridors. While we are doing all that we can to make the case for our projects in our respective regions and states, we hope that ultimately the TIGER evaluation process looks at true national importance and impact in terms of projects that address our primary international trade corridors.

The national vision and multi-modal goods movement focus of TIGER should be carried through to the Surface Transportation Reauthorization. We would reiterate our support for the enclosed reauthorization policies that would enhance funding for ports nation-wide. We also thank you for your leadership and focus on reauthorization and look forward to working with you and the Administration and Congress to ensure that this next reauthorization is truly transformative and pays long overdue attention to a national goods movement strategy.

To close, we would like to thank you for coming out to the West Coast recently and reiterating your support for America's vital trade gateways. We look forward to hosting you soon at all of our ports and showing you firsthand how we are seeking to contribute to America's economic recovery and long-term transportation needs.

Sincerely yours,



Geraldine Knatz, PhD
Executive Director
Port of Los Angeles



Dick Steinke
Executive Director
Port of Long Beach



Omar Benjamin
Executive Director
Port of Oakland



Tim Farrell
Executive Director
Port of Tacoma



Tay Yoshitani
Chief Executive Officer
Port of Seattle



Bill Wyatt
Executive Director
Port of Portland

**AMERICAN RECOVERY & REINVESTMENT ACT
PROJECT SUMMARY**

PROJECT NAME: West Coast Ports Marine Shore-Side Power Coalition

POTENTIAL JOBS: 1,300 jobs

PROJECT SUMMARY:

This is the most significant port electrification project in the world, involving a coalition of American West Coast ports responsible for over 65% of the imports and exports of the U.S. Funding will allow ships to be powered by the electrical grid while unloading at some of the busiest terminals at the largest ports on the U.S. West Coast. The overall project goal is to implement shore-side power to the existing berths along the U.S. West Coast, thereby expanding industry experience and acceptance of this technology and facilitating industry's future involvement in near-zero emission technologies. Various vessel types (containerships, cruise, general cargo and roll-on/roll-off vessels) will use the shore-side power facilitated by these new installations, resulting in an average reduction of approximately 3,000,000 gallons per year of marine diesel fuel consumption; approximately 50,000 metric tons of carbon dioxide (CO₂) per year, and significant criteria pollutant reductions. During the 20 year project life, the installations will facilitate a reduction of approximately 60,000,000 gallons of diesel fuel use and over 1,000,000 metric tons of CO₂.

PROJECT COST AND FUNDING:

Partner	Total Cost	Grant Request	Local Match
Port of Los Angeles	\$23,000,000	\$11,500,000	\$11,500,000
Port of Long Beach	\$10,000,000	\$5,000,000	\$5,000,000
City of Long Beach	\$5,000,000	\$2,500,000	\$2,500,000
Port of San Francisco	\$5,360,000	\$2,010,000	\$3,350,000
Port of Oakland	\$25,000,000	\$12,500,000	\$12,500,000
Port of Seattle	\$14,900,000	\$7,450,000	\$7,450,000
Port of Tacoma	\$2,600,000	\$1,500,000	\$1,100,000
Totals:	\$85,860,000	\$42,460,000	\$43,400,000

FUNDING SOURCE: American Recovery & Reinvestment Act, Transportation Electrification

ADMINISTERING AGENCY: Dept. of Energy, National Energy & Technology Laboratory

FUNDING OPPORTUNITY NUMBER: DE-FOA-0000028

CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 81-087 Renewable Energy Research and Development

West Coast Container Port Surface Transportation Reauthorization Policy Recommendations

We request that Congress use SAFETEA-LU Reauthorization to focus national freight policy on investment in U.S. ports and infrastructure tied to goods movement.

Specific Policy Recommendations:

New Goods Movement Programs, Focus, and Funding:

- **Dedicated Freight Movement Program & Funding:** Create a dedicated freight movement program with dedicated funding. Make ports eligible recipients of freight movement funds through direct payment by formula to individual port authorities, as well as through a discretionary grant program awarded at the federal level for projects of regional/national significance. *This will ensure that ports are able to make significant and regular investments to meet infrastructure needs.*
- **Federal Leadership on Freight Movement:** Create an assistant secretary for intermodalism or freight movement at the Department of Transportation. This office should have the authority to compel coordination of federal and state transportation agencies, have discretion to award grants for intermodal projects, and set the national freight movement policy and plan. *This change will ensure that ports have an advocate within DOT, allowing intermodal projects to compete for federal resources.*
- **Expanded Eligibility and Set-Asides:** Modify eligibility requirements to allow port participation in key surface transportation programs. *This change will ensure that port and/or freight projects are considered eligible for funding in surface transportation programs and are prioritized for federal funds by state and local officials.*
 - *Eligibility:* Expand eligibility of port-related freight and intermodal projects under Title 23 of the US Code, specifically under the Surface Transportation Program, Congestion Mitigation and Air Quality (CMAQ), and TIFIA programs.
 - *Reliable Funding:* Port and intermodal projects should receive a minimum level of funding or set-aside under key surface programs. State and local transportation improvement plans should include a freight component.

Existing Programs Don't Meet Port Requirements

- **CMAQ:** While freight and intermodal projects are currently eligible, they are not major recipients of funds and do not have any priority for receiving any set-aside of funds. Since states control CMAQ funds, ports must compete with many other interests.
- **National Highway System:** Currently provides funds for federal-aid highways up to the point of access to an intermodal terminal. Program eligibility should include highway, rail or maritime projects that alleviate congestion on the NHS.
- **Surface Transportation Program:** Intermodal transportation facilities are currently eligible recipients, but few ports receive assistance. Funds for grade-separations are awarded based on safety and not based on congestion relief and goods movement benefits.
- **TIFIA & RRIF:** Ports are technically eligible for loans and loan guarantees under the Railroad Rehabilitation and Improvement Financing Program (RRIF), however, all awards to date have been made to railroads. The TIFIA program should be clarified or broadened to include projects located within a port terminal that improve the intermodal interchange, transfer, and surface access of goods into and out of ports and that reduce or eliminate environmental impacts of freight movement.

Top West Coast Port TIGER Projects

Agency	Project Name	Total Project Costs	TIGER Request	Jobs	Complete By
Port of Long Beach	Gerald Desmond Bridge Replacement	\$1,125,000,000	\$30,000,000	21,980	2017
Port of Los Angeles	West Basin Rail Yard	\$108,200,000	\$48,770,000	3,200	June 2013
	S. Wilmington Grade Separation	\$73,060,000	\$32,488,000	1,413	July 2012
Port of Oakland	California's Green Trade Corridor	\$35,000,000	\$28,000,000	400	February 2012
Port of Portland (with the City of Portland)	Terminal 4 Redevelopment	\$111,000,000	\$35,000,000	700	February 2012
Port of Seattle	Two-Way Mercer Corridor East, Phase 1	\$200,800,000	\$50,000,000	6,500	September 2012
Port of Tacoma	Puyallup Avenue Bridge – F16A & F16B Replacement	\$30,000,000	\$16,000,000	7,000	December 2012
Totals:		\$1,683,060,000	\$240,258,000	41,193	