



February 20, 2024

The Honorable Gavin Newsom  
 Governor, State of California  
 1021 O Street, Suite 9000  
 Sacramento, CA 95814

The Honorable Mike McGuire  
 Pro Tem, California State Senate  
 1021 O Street, Suite 8518  
 Sacramento, CA 95814

The Honorable Robert Rivas  
 Speaker of the Assembly  
 1020 O Street, Suite 8330  
 Sacramento, CA 95814

The Honorable Scott Wiener  
 Chair, Senate Budget Committee  
 1021 O Street, Suite 8620  
 Sacramento, CA 95814

The Honorable Jesse Gabriel  
 Chair, Assembly Budget Committee  
 1021 O Street, Suite 8230  
 Sacramento, CA 95814

Dear Governor Newsom, Pro Tem McGuire, Speaker Rivas, Chair Wiener, and Chair Gabriel:

The undersigned coalition of California’s ports, environmental advocates, labor, and private industry urge you to accelerate the state’s investment in the human-operated zero-emission (ZE) transition and front

load our opportunity to **leverage crucial federal funding** for our ports. Specifically, we urge you to accelerate \$100 million for Ports from Greenhouse Gas Reduction Fund (GGRF) funding in the Zero Emission Vehicle budget, currently allocated for the 26-27 budget year, to the current 24-25 budget year, and restore \$85 million in funding cut in last year’s budget in future budget years.

|                   | 23-24  | 24-25         | 25-26         | 26-27         | 27-28         | Total         |
|-------------------|--------|---------------|---------------|---------------|---------------|---------------|
| Original          | \$100m | \$200         | \$100         |               |               | \$400m        |
| Current Law       |        |               |               | \$315m        |               | \$315m        |
| <b>Budget Ask</b> |        | <b>\$100m</b> | <b>\$100m</b> | <b>\$100m</b> | <b>\$100m</b> | <b>\$400m</b> |

The State of California has historically invested funds for human-operated equipment and infrastructure at ports, which is a win for both the environment and jobs. We request that all port investment continue to prohibit automation and infrastructure that would support automation.

California’s ports are at the vanguard of the state’s zero-emission transformation and are industry leaders in combating climate change and improving air quality for disadvantaged communities. Our climate change goals, including the San Pedro Bay Ports’ Clean Air Action Plan (CAAP), and Port of San Diego’s goals to transition to 100% zero-emission Cargo Handling Equipment (CHE) by 2030 as outlined in its Maritime Clean Air Strategy (MCAS), are among the most aggressive zero-emission targets for any sector of the economy in the world. The Port of Oakland is implementing aggressive zero-emission terminal planning efforts, and the Port of Hueneme, through its Sustainable Power Advancement & Resiliency for our Community (SPARC) blueprint, is creating a roadmap to implement medium and heavy-duty ZE vehicle charging and fueling infrastructure and transition the equipment, trucks and vessels that serve the port. Additionally, ports are also developing and implementing strategies to eliminate emissions from harbor craft, locomotives, ocean going vessels, as well as support the transition to 100% ZE, human-operated drayage trucks by 2035.

Achieving these aggressive goals, while preserving the jobs and economic growth that our ports sustain, will not happen without timely state investment in the FY 24-25 state budget to help fund the billions of dollars in equipment and infrastructure this transition will necessitate. We estimate that the total cost for equipment and infrastructure to transition California’s port terminal operations will be approximately \$4-7 billion. **Without action in this budget to accelerate and restore this funding to its original level, which represents a small share of the total investment necessary for success, California ports’ ability to meet and exceed the state’s climate goals will be at risk.**

We greatly appreciate that the Administration has remained committed to preserving California’s ambitious climate and human-operated zero emission vehicles budget proposals despite the currently projected budget defect. However, we strongly believe that to meet our shared goals to combat climate change and clean our air, a portion of the human-operated ZEV funding for ports must be accelerated to the current budget year for the following reasons:

1. **Leverage once in a generation federal funding opportunities** – Funding from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) is available to assist with ports’ electrification efforts, and state funding will be critical to securing California’s fair share. Historically, West Coast ports have been underfunded in federal grant programs by a ratio of 11-1 compared to less climate-conscious competitors on the East and Gulf Coasts. Time is running out to leverage these resources, as the historic \$3 billion EPA Clean Ports Program will award all its funding in 2024 and IIJA programs will expire in 2026.

2. **Align with 2030 zero emission goals** – Ports in California, including Los Angeles, Long Beach and San Diego, have committed to 100% ZE terminal operations by 2030. To meet these goals, ports must begin critical infrastructure planning and developing terminal transition master plans to align with forthcoming federal grant opportunities to make investments in human-operated, zero emission projects. Infrastructure projects and terminal upgrade projects must begin today as they can take anywhere from 5-8 years to complete.
3. **Maintain California’s global leadership in port decarbonization** – California’s international leadership in port decarbonization is second to none, as evidenced by the State of California’s letter of intent with the Japanese Ministry of Land, Infrastructure, Transport and Tourism as well as recently signed Green Shipping Corridor partnership agreements with Chinese, Japanese, and Vietnamese ports. State funding must be provided to support these agreements and fund their implementation as these partnership agreements will provide the foundation for global maritime shipping decarbonization, as well as establish a strong business case for why climate-conscious businesses should send their cargo through California’s ports.
4. **Maintain California’s economic edge and preserve jobs** – California’s ports are an economic and job creation engine for our state and the country but have slowly been losing market share to East and Gulf Coast ports for the last 20 years. California must preserve its economic assets as ports transition to human-operated, zero emission operations. State funding will be critical to de-risking investments in clean equipment while keeping our ports competitive. Cargo diversion to other gateways not only impacts California’s economy and middle class sustaining union jobs, but also increases global carbon emissions by an average of 19% per diverted vessel.

Thank you for your commitment to California’s climate goals and support for our ports and our efforts to clean our air.

Sincerely,

Eugene D. Seroka, Executive Director, Port of Los Angeles

Mario Cordero, Executive Director, Port of Long Beach

Danny Wan, Executive Director, Port of Oakland

Kristin Decas, Port Director & CEO, Port of Hueneme

Elaine Forbes, Executive Director, Port of San Francisco

Randa J. Coniglio, President & CEO, Port of San Diego

Martha Miller, Executive Director, California Association of Port Authorities

Gary Herrera, President, ILWU Local 13

Daniel G. Miranda, President, ILWU Local 94

Danny Vilicich, President, ILWU Local 63

Mary Leslie, President, Los Angeles Business Council

Matt Petersen, Los Angeles Cleantech Incubator

Ruben Aronin, Director, California Business Alliance for a Clean Economy

Eli Lipmen, Executive Director, Move LA

Ellie Cohen, CEO, The Climate Center

Gloria Estefani Alonso Cruz, Environmental Justice Advocacy Coordinator, Little Manila Rising

Andrea Marpillero-Colomina, Sustainable Communities Program Director, GreenLatinos

Cc: Assembly Member Steve Bennett, Chair, Subcommittee No. 4 on Climate Crisis, Resources, Energy and Transportation  
Senator Josh Becker, Chair, Subcommittee 2 on Resources, Environmental Protection and Energy  
Chair David Hochschild, California Energy Commission  
Chair Liane Randolph, California Air Resources Board  
Toks Omishakin, Secretary, California State Transportation Agency  
Dee Dee Myers, Director of Governor's Office of Business and Economic Development