

July 5, 2022

Port of Oakland
530 Water St.
Oakland, CA 94607
Attn: Environmental Programs and Planning Division
c/o Jan Novak
Delivered via email to: turningbasins@portoakland.com

Re: Oakland Harbor Turning Basins Widening Project –
Notice of Preparation of Draft Environmental Impact Report (NOP)

On behalf of the members of the Pacific Merchant Shipping Association (PMSA), we respectfully offer these comments on the Notice of Preparation (NOP) for the Draft Environmental Impact Report (DEIR) for the Oakland Harbor Turning Basins Widening Project.

The Turning Basin widening project will significantly enhance navigational safety and reduce the risk of maritime casualties, increase efficiency, promote economic growth within existing infrastructure thresholds, will improve the environment by reducing actual emissions and the rate of growth of emissions per container, and reduce GHG emissions by avoiding cargo diversion.

PMSA represents ocean carriers, marine terminal operators, and various other maritime interests which conduct business on the U.S. West Coast, including at the Port of Oakland. All of the Port of Oakland's current Marine Terminal Operator tenants, as well as the overwhelming majority of the ocean carriers calling at these terminals, are members of and represented by PMSA. As an association, PMSA is headquartered in Oakland and proud to call the Port of Oakland our home.

PMSA has reviewed the NOP for the Project and offers these substantive comments with respect to the environmental impacts subject to analysis in this process. These comments are supplemental to our February 14, 2022 letter to the US Army Corps of Engineers regarding the Draft IFR/EA on the Oakland Harbor Turning Basins Widening Navigation Study, which is hereby incorporated by reference.

The existing channel and turning basins were designed for panamax-era container vessels which were state of the art 25 years ago – and which have a carrying capacity roughly 1/3 the capacity of today's ultra-large container vessels. While larger ships have been able to be accommodated, these vessels are not operating at maximum efficiency and have little to no margin for error upon their approach or departure within the turning basin. These current limitations on the Port of Oakland stem directly from the size and dimensions of the current turning basins, not from the balance of the channels which continue to be maintained at the depths authorized by the -50 Foot Project.

The Environmental Impact Report for the proposed Turning Basins Project should consider all of the following in order to accurately and completely assess potential significant impacts and mitigation measures related to this project:

- The environmental benefits of lowering emissions per ton and emissions per container are endemic to the usage of larger and more efficient vessels. Larger vessels are also the newest vessels which are more likely to have newer tier engines, alternative-fueled engines, and overall lower environmental impacts. And, most importantly, the use of larger vessels requires that fewer vessels will be required to call upon Oakland in order to move cargo, and this tautology is applicable no matter which cargo volumes are forecast or used as a baseline for the CEQA analysis. This should be reflected in both the evaluation and analysis of the project benefits directly and in the “No Project Alternative.”

To that end, the “No Project Alternative” must clearly delineate that without the turning basin expansion project that more vessel traffic will be required in order to accommodate the same cargo volume, that emissions per TEU are higher for smaller ships than they are for larger ships, and that this is true on a per container basis but also in part due to fewer vessel trips. More vessel traffic in a “No Project Alternative” also increases safety issues and safety risks while increasing emissions.

- The USACOE Draft IFR/EA on the Turning Basins Project recommended the selection of Alternative D-2 which requires the utilization of electric dredges in order to reduce the potential cumulative impacts of additional diesel particulate matter on the surrounding community. As you may be aware, every component of the intermodal supply chain at California ports has been successfully employing aggressive measures for many years in an effort to significantly reduce the emissions of diesel emissions and improve air quality in the communities and regions surrounding our freight hubs. These include significant investments and remarkable progress made by ocean-going vessels and marine terminal operators. We welcome the project joining in these efforts and ensuring that the additional emissions associated with the turning basin expansions are truly “minor” as identified in the report.
- Enhancement of the competitiveness of the Port of Oakland is critical to its ongoing success. Competitiveness for import growth is imperative for the Port’s future, otherwise it cannot grow its revenues, which in turn support and maintain its commitment to an environmental improvement program which requires accelerated investments in non-revenue infrastructure and equipment. In short, if the Port of Oakland can no longer physically accommodate the largest vessels plying the Pacific trade lanes, it will suffer from less access to vessel traffic and a significant limitation on the Port’s ability to grow both its volumes and revenues, which will in turn starve its ability to fund its laudable but aggressive environmental commitments and goals, including those included in its “2020 and Beyond” planning efforts.
- All EIR analyses should acknowledge that vessel movements and subsequent container movements are separate and distinct from one another. The latter in the case of the movement of containers facilitated by the expansion of the turning basin are limited by marine terminal capacity and throughput parameters. To the extent that the movement of containers off of a

vessel and then through the Port ecosystem and infrastructure is facilitated, it is facilitated by a marine terminal and not by an ocean-going vessel. These activities are already accounted for under CEQA under the environmental clearances adopted by the Port of Oakland at the time of the construction, lease, or other project related to the Port's marine terminals.

- Likewise, the project EIR should evaluate the potential impacts within the existing CEQA-clearance baseline for marine terminals. To the extent that one is to measure or evaluate the potential environmental impacts of the volume of containers on a vessel as a result of the turning basin expansion, that would be an appropriate analysis for this EIR, and not duplicative of the environmental clearance already provided to a marine terminal providing services to a vessel. And, on the other hand, to the extent that one is to measure or evaluate the potential environmental impacts of how a marine terminal handles the volume of containers offloaded from a vessel, that would not be an appropriate analysis for this EIR, because the marine terminals have already been environmentally cleared for providing this service and the volumes to be handled at those facilities are already accounted for within those approvals.
- The inability to accommodate vessels at the Port of Oakland may result in diversion which would also lead to increased levels of greenhouse gas emissions system wide. Ocean-going vessels are the most environmentally-friendly means of moving cargo as they have the smallest greenhouse gas (GHG) emissions footprint of any transportation mode. Because California ports are primary cargo gateways for Asian cargo, the transportation of cargo by ship from the US West Coast to and from Asia is the most optimal way to conduct trade per ton of cargo relative to greenhouse gas emissions. PMSA commissioned a study to evaluate the relative impacts of cargo diversion on GHG emissions, and the result was that GHG emissions were an average of 22% higher when shippers bypassed a California port for an East Coast or Gulf Coast port. (See attached) There is simply no question that if projects like the turning basin expansion do not go forward to facilitate the most efficient and beneficial use of the cleanest vessels in the trade lanes with the shortest distances, that the resulting impact of the associated diversion of this cargo will be higher GHG emissions.
- Regarding the potential Oakland Waterfront Ballpark District at Howard Terminal, PMSA is concerned that this project poses very real and significant risks to the Oakland Turning Basins Widening Project. In addition, PMSA along with other maritime community stakeholders is currently litigating the question of the adequacy of the environmental documents for this proposed project. Some of the questions and issues in that litigation are related to and derivative of the interaction of the Howard Terminal development project with the Oakland Turning Basins Widening Project. PMSA reserves all rights to further address the interaction of these projects both pending the development of this EIR and in relation to the pendency of ongoing litigation and development of further entitlements for the Howard Terminal project which may encroach, limit, or prohibit further expansion of the Inner Harbor Turning Basin.

In sum, the Environmental Impact Report for the turning basins expansion project in both the Inner and Outer Harbors should describe the project as one which will facilitate safety, accessibility, and reductions in emissions per unit of cargo by allowing for the newest and most advanced vessels which are in ocean carriers' Pacific Ocean strings to call on the Port of Oakland.

Given the intensity, scale, and location of the project, PMSA agrees with the NOP's conclusion that a full EIR will likely be required for this project. We observe that while the NOP notes that this determination has been made, no Initial Study documentation is referenced or included on the Project website (<https://www.oaklandseaport.com/oakland-harbor-turning-basins-widening-navigation-study/>).

While there is no legal requirement to conduct an Initial Study if a lead agency affirmatively concludes that a full EIR preparation will be necessary for a project, the completion of an Initial Study may still be advisable for a myriad of good planning reasons. 14 CCR §15063 ("If the lead agency can determine that an EIR will clearly be required for the project, an initial study is not required but may still be desirable."), see Initial Study "Purposes," at 14 CCR §15063(c)). To this end, PMSA believes that it would be appropriate and encouraged for the Port to affirmatively state in its preparation documents the bases upon which it has chosen not to pursue an Initial Study for this project. Moreover, PMSA would encourage an affirmative statement that the Port is relying on the US Army Corps' Draft IFR/EA on the Oakland Harbor Turning Basins Widening Navigation Study as an initial guidance document for this determination pursuant to 14 CCR §15063(a)(2) ("... the lead agency may use an environmental assessment or a similar analysis prepared pursuant to the National Environmental Policy Act.")

Thank you for affording PMSA the opportunity to comment on this important project to improve the safety, economic vitality, and environmental footprint of vessel operations represented by the expansions of the Inner Harbor and Outer Harbor turning basins.

Sincerely,



Mike Jacob
Vice President & General Counsel