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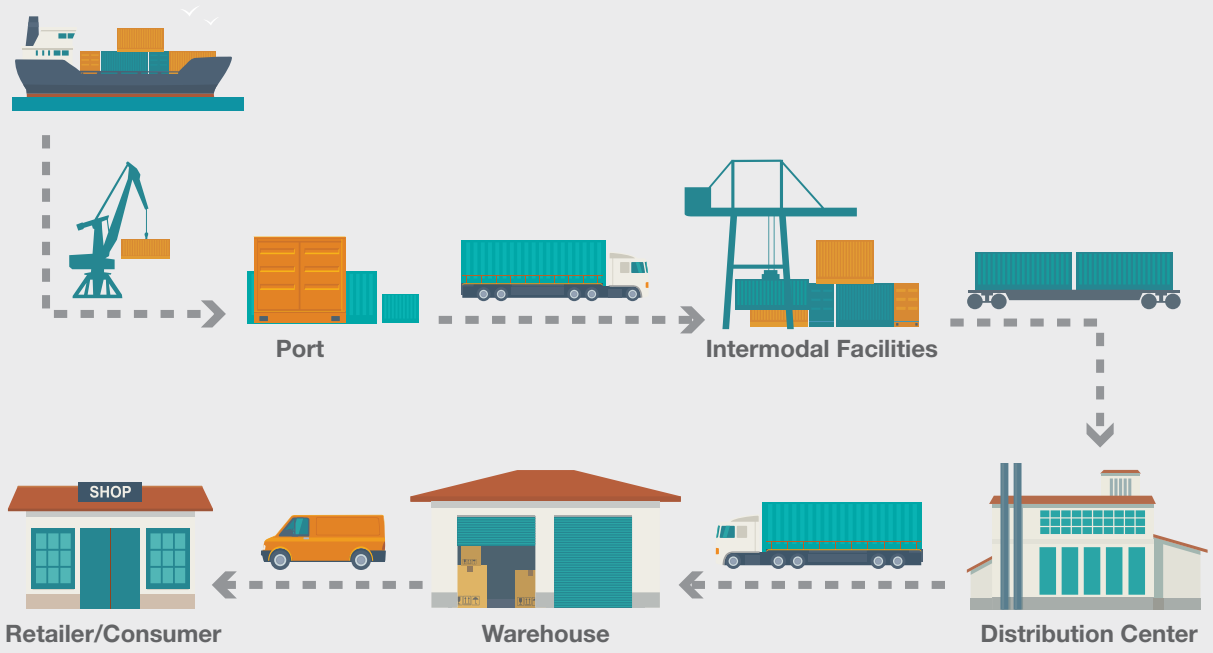
# Overview of California Ports

PRESENTED TO: Assembly Select Committee on Ports and Goods Movement
Hon. Mike A. Gipson, Chair

LEGISLATIVE ANALYST'S OFFICE

# Ports in the Larger Goods Movement System

## Example Pathway for How Goods Move From Production to Consumers




- **Businesses Move Goods Using Multiple Modes of Transportation**
- **Ports Are an Important Component of International Commerce**

# California's 12 Ports Vary in Size and Focus

## Overview of California's Ports

| Port | Operating Entity | Total Tons of Cargo Transported (2020) | Highest-Value Exports | Highest-Value Imports |
|---|---|---|---|---|
| Port of Long Beach | City of Long Beach Harbor Department | 79,178,087 | Petroleum Coke, Waste Paper, Chemicals, Scrap Metal | Crude Oil, Electronics, Plastics, Furniture, |
| Port of Los Angeles | City of Los Angeles Harbor Department | 59,452,139 | Wastepaper, Animal Feeds, Scrap Metal, Fabric, Soybeans | Furniture, Clothing, Automobile Parts, Electronic Products |
| Port of Richmond | City of Richmond | 21,050,741 | Vegetable Oils, Scrap Metal, Coke, Coal | Autos, Petroleum, Minerals, Vegetable Oils |
| Port of Oakland | City of Oakland | 19,439,762 | Fruits and Nuts, Meats, Machinery, Wine and Spirits | Machinery, Electronics, Furniture, Plastics |
| Port of Stockton | Stockton Port District | 4,613,258 | Iron Ore, Sulfur, Coal, Wheat, Rice | Liquid Fertilizer, Molasses, Bulk Fertilizer, Cement |
| Port of San Francisco | City and County of San Francisco | 2,188,681 | Tallow, Vegetable Oil | Steel Products, Boats, Wind Turbines, Aggregate |
| Port of Redwood City | City of Redwood City | 1,934,358 | Iron Scrap | Aggregates, Sand, Gypsum |
| Port of Hueneme | Oxnard Harbor District | 1,844,182 | Autos, Produce, General Cargo | Autos, Produce, Liquid Fertilizer, Bulk Liquid |
| Port of San Diego | San Diego Unified Port District | 1,542,384 | Machinery, Metals, Autos, Heavy Equipment | Vehicles, Perishables, Construction Materials, Heavy Equipment |
| Port of West Sacramento | City of West Sacramento | 1,200,184 | Agricultural and Industrial Products | Agricultural and Industrial Products |
| Humboldt Bay Harbor District | Humboldt Bay Harbor, Recreation and Conservation District | Unknown | Logs, Wood Chips | Logs, Petroleum, Wood Chips |
| Port of Benicia | Amports | Unknown | Petroleum Coke | Automobiles |

Source: U.S. Army Corps of Engineers Waterborne Commerce Statistics Center, California Freight Mobility Plan 2020.

# State Role in Overseeing and Supporting Ports

## Several State Agencies Are Involved in Operations at California's Ports

- ***The California State Transportation Agency*** has a newly established freight policy team to improve statewide coordination.
- ***The Governor's Office of Business and Economic Development*** assists ports by facilitating meetings with local, state, and federal representatives on issues impacting freight movement.
- ***The California Department of Transportation*** leads state planning for freight transportation, which includes ports.
- ***The California Air Resources Board*** regulates the emissions of ports and enforces state goals for ports to transition to zero-emission technologies.
- ***The State Lands Commission*** oversees state lands granted in trust to ports and regulates marine oil terminals.

# Ports Funding

## Ports Are Primarily Funded by Lease and Fee Revenues From Shipping Businesses and Freight Operators

## Ports are Eligible to Apply for Several Federal and a State Grants

- No ongoing federal or state funding is dedicated to California's port operations or infrastructure projects.
- Port projects are eligible to receive funding from competitive federal and state programs designed primarily for developing and maintaining infrastructure. These grants typically make up a very small share of ports' budgets.
- Recent federal legislation included significant new funding for competitive grants, including $2.7 billion nationwide for non-federally owned port infrastructure and $3 billion for ports to reduce air pollution and carbon emissions. These grants generally require applicants to provide matching funds from local or state sources.
- Recent General Fund budget surpluses have allowed the state to also make significant one-time investments in ports, planned to be provided across multiple years.

**Recent State Budgets Have Included Significant Funding for Ports**

General Fund Unless Otherwise Noted (In Millions)

| Item | Department | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|---|---|---|---|---|---|---|
| Port of Oakland | CalSTA | $280 | — | — | — | — |
| Economic support for ports | SLC | 250[a] | — | — | — | — |
| Port and Freight Infrastructure Program | CalSTA | — | $600 | $200[b] | $200 | $200 |
| Goods movement workforce training campus | CWDB | — | 30 | 40 | 40 | — |
| Operational and process improvements at ports | Go-Biz | — | 30 | — | — | — |

[a] Federal funds.

[b] Of the amount provided, $150 million is supported by the State Highway Account.

CalSTA = California State Transportation Agency; SLC = State Lands Commission; CWDB = California Workforce Development Board; and GO-Biz = Governor's Office of Business and Economic Development.

# Air Quality Issues at Ports

***Vehicles and Equipment at Ports Are Significant Sources of Air Pollution.*** Ships, trucks, and cargo handling equipment at ports are often fueled by diesel and therefore emit air pollutants such as particulate matter and nitrogen oxides.

***Port-Related Air Pollution Impacts Public Health and the Environment.*** Exposure to air pollution is associated with an increased risk of heart and lung disease, increased cancer risk, increased respiratory symptoms, and negative impacts on birth and developmental outcomes. This pollution disproportionately impacts disadvantaged communities that neighbor ports. In addition, diesel fuel consumption emits greenhouse gases, which accelerates climate change.

***State and Local Regulators Have Increased Efforts to Manage Ports' Air Quality Impacts.*** In the last several years, the California Air Resources Board and local regulators both have adopted regulations aimed at controlling air pollution from ships and vehicles at ports.

***Ports Are Taking Steps to Meet State Air Quality Regulatory Requirements and Goals.*** For example, the Ports of Long Beach and Los Angeles are implementing a Clean Air Action Plan with various programs and strategies to reduce emissions. To reduce emissions in the long term, ports will need to electrify their heavy-duty fleets.

***Continuing to Address Air Quality Issues Is Not Without Challenges.*** Potential barriers to electrification include: (1) certain electric vehicles and equipment are not yet widely available, (2) costs are high, and (3) current battery reliability may not suit port operations. Ports will need to balance new costs with maintaining national and global competitiveness.