There are a number of specific port access problems that are not eligible for State funding under current California law. The ports must take the initiative and propose specific legislation to allow State funds to be used for railroad projects, and other operational improvements that could relieve congestion on State highways.

4. The ports, the State, and regional/local agencies should develop a joint approach in seeking additional federal funding for port access projects.

Because of the overriding national interest in ports and port access, the possibility of obtaining additional federal funds for port access through the Surface Transportation Reauthorization legislation of 1991 should be explored. To be effective, however, the ports and the State and local agencies should coordinate their efforts in this regard. The State is seeking increased flexibility in how federal funds are spent. The definition of increased flexibility should include the possibility of using federal funds for port access projects, whether or not these projects are on state owned/operated facilities.

5. The ports, in consultation with the State, and regional/local transportation agencies, should explore possibilities for leveraging State funds with local/private monies.

Even if additional state and federal funds can be secured, it is certain that a mix of public/port/private monies will be required to finance the port access projects that are necessary. This kind of partnership has many precedents in California. Individual cities, counties, and private developers have committed approximately $5 billion for projects programmed during the seven years of California's 1990 transportation plan.

While the State is ready and willing to help those who help themselves, the ports must be prepared to compete for limited state resources by helping to leverage those resources through a State-Local Partnership.

6. Ports should employ Transportation Systems Management Techniques

Transportation Systems Management Techniques (TSM) are emphasized in state and regional transportation plans. While adequate funding is certainly the basis for improving California's transportation system, all users of that system must continue to seek ways to utilize the existing facilities more efficiently.

The ports could contribute greatly in this area by investigating the feasibility of coordinating truck and train traffic to avoid heavy commute hours and by developing ride-share programs and flex-time working schedules for employees in order to further reduce peak-time commute traffic. While this might increase operating costs, efficient use of the system has already proven to be effective during the 1984 Los Angeles Olympics and in most cases is less expensive than building new infrastructure.

The ports should work with local planning agencies, public works departments, the State, and private freight companies to implement TSM where applicable.

The San Francisco Bay Area

Lawrence D. Dahms, Executive Director
Metropolitan Transportation Commission

Introduction

The San Francisco Bay Area Seaport Plan is a joint product of the Metropolitan Transportation Commission (MTC) and the San Francisco Bay Conservation and Development Commission (BCDC). Completed in 1982, it was last revised in 1988. A task force composed of representatives of six seaports, maritime business interests and the Save the Bay Association gave policy direction to preparation of the plan and its revisions.

The plan is long on facts, figures and projections and short on major policy decisions. There have been and remain several political conflicts that surface from time to time, such as:

1. The competition between cities and their Ports for capital funds.

2. The tension between use of port lands money and energies in commercial real estate development vs. marine terminals.

3. The longer range goal of preserving lands not now devoted to port use for port expansion that is projected to be necessary in the future. (This is one policy question receiving significant attention in the Port Plan which is producing positive results).

4. The challenge of dredging channels and disposing of the spoils in keeping with stringent environmental regulations by multiple jurisdictions.

5. The practice of intra-regional port competition in the face of increased competition from other West Coast ports.

While these are sometimes critical public issues, they do not always lend themselves to meaningful examination or resolution in the MTC/BCDC port planning process. Further, these issues have little to do with the question of land access. So where does MTC fit into the port-land access question?

Economic Viability

MTC is concerned with the economic vitality of the Bay Area and its strategic plan examines the contribution of the several transportation systems to this goal. One economic objective is to "maintain the international competitiveness of the Bay Region by investing in the Region's international airports, seaports and related transportation infrastructure". The Golden Gate Ports Association estimates that the maritime industry is catalyst for $3 billion in regional sales transactions, $1.7 billion in regional gross product, $192 million in state and local taxes and 45,000 jobs with a $1.2 billion payroll.

West Coast container cargo more than doubled in the 1976-1985 decade. While Bay Area containerized cargo grew 64% during this period, its West Coast market share declined from 26 to 20 percent. Its strength is in exports, especially agriculture products from the Central Valley.

Its lesser share of West Coast growth can be traced to the local market being smaller than Los Angeles-Long Beach, a slightly less competitive rail connection to the east -- especially the Gulf-Coast states -- and looking to the future, unresolved dredging problems.

Highway Access

With this brief background, consider the port requirement most relevant to MTC: highway access. Here the story is positive. Except for the problems caused by the 1989 earthquake, highway access is not a limiting factor for Bay Area port development. The nearly completed Knox freeway provides access to the Port of Richmond, the largest Bay Area Port without convenient freeway access. Trucks serving ports constitute only about 2% of nearby freeway volumes, thus not representing a major contributing factor to our peak-hour congestion problems. Most local arterials serving ports have ample capacity. A recent analysis of Bay Area port competitiveness hardly mentions highway access as a factor. CTC's recent "Improving Access to California's Ports" report presented here today by Bob Remen finds only about $50 million in highway project improvements required to serve all seven port sites in the region.

Absent the earthquake, then, we don't really have a port-highway access problem. On October 17, 1989, the San Francisco Bay area was hit by the Loma Prieta earthquake measuring 7.0 on the Richter scale. It caused widespread and heavy damage to buildings and other structures, including several major transportation facilities. The Cypress double-deck viaduct, through the city of Oakland, was severely damaged and 1.5 miles of the eight-lane I-880 link between 18th and 34th streets in Oakland were destroyed.

I-880 is a critical interstate freeway. In close proximity to the Port of Oakland, it connects San Jose and the East Bay area to San Francisco, Sacramento and the Sierra Nevada. This eight-lane freeway route provides truck access to the Port of Oakland, the Southern Pacific and Union Pacific railyards, and many industrial/commercial distribution facilities.

Earthquake Impacts

Interviews with a broad cross-section of persons, including public officials, distribution company managers and owners and managers of trucking companies, confirm that the closure of the Cypress viaduct has adversely affected business. The consensus is that traffic congestion on alternate routes such as I-980/I-580 and on local streets has disrupted neighborhoods and delivery schedules as well as adding to the costs of doing business.

According to reports from several trucking companies, the closure of the Cypress viaduct has resulted in increased travel time of between 20 and 30 minutes per trip. This has raised labor, fuel, maintenance and inventory costs, which are ultimately borne by consumers in the form of higher prices.

Representatives of the regional trucking industry were asked for examples of how the closure of the Cypress Freeway adversely impacts their businesses. One company, Bob Rich-Schroeder Trucking, Inc. of Hayward, used the Cypress viaduct to ship goods from the Port of Oakland to San Francisco, Richmond and neighboring cities. A company representative indicated that over half their 25 trucks used the Cypress viaduct two to three times daily. Since the earthquake, an extra 20 minutes is needed, on average, to make the same trip on alternate routes.[2]

[2]Charles Ramorino, Bob Rich-Schroeder Trucking, Hayward, also Chairman of the Bay Area Off-Peak Delivery Program (organized by the California Trucking Association).

Another trucking industry representative confirmed the adverse impact to Cal Cargo, a trucking, container freight and warehouse business located on Coliseum Way in Oakland that moves between 80 to 100 containers per week, and averages 40 trips per day. The additional time required to meet business commitments is estimated at 8 to 10 truck hours per week. As a result of the disruption in this corridor, the company was forced at great expense to open a new warehouse in West Oakland to accommodate new delivery schedules.

Caltrans just released its environmental impact report describing alternatives for replacing the Cypress freeway section. Four alternatives are under consideration. The No-Build Alternative would consist of the currently existing, post-earthquake freeway network as modified to include operational improvements instituted since October 17, 1989. The remaining portion of the I-880 between 7th Street and Adeline Street would be removed.

The Cypress Corridor Alternative is a 10-lane freeway with two high-occupancy vehicle (HOV) lanes on an elevated structure at the connection with I-980, which comes to grade between Market Street and Adeline Street and enters a 3,700-feet tunnel. The Railroad Corridor Alternative is a 10-lane freeway with two HOV lanes within a portion of the Southern Pacific Oakland Yard.

The Transit/Transportation Systems Management (TSM) alternative consists of increased intercity passenger rail service; increased AC Transit express and local bus service, BART shuttle service; and increased ferry and ferry feeder-bus service. It also includes a freeway component consisting of six lanes plus two HOV lanes on either the Cypress Corridor Alignment or the Railroad Corridor Alignment. MTC has not yet advised Caltrans of our analysis of the alternatives. It is obvious, however, that community support and adequate funding are still questionable.

Exhibit A is a drawing of the alternative alignments. If the replacement decision were governed in terms of port access alone, the Railroad Alternative would be selected because it provides the best access to the rail intermodal yards and to all maritime operations and businesses. Whether this alignment or another, the Port management favors some form of replacement.

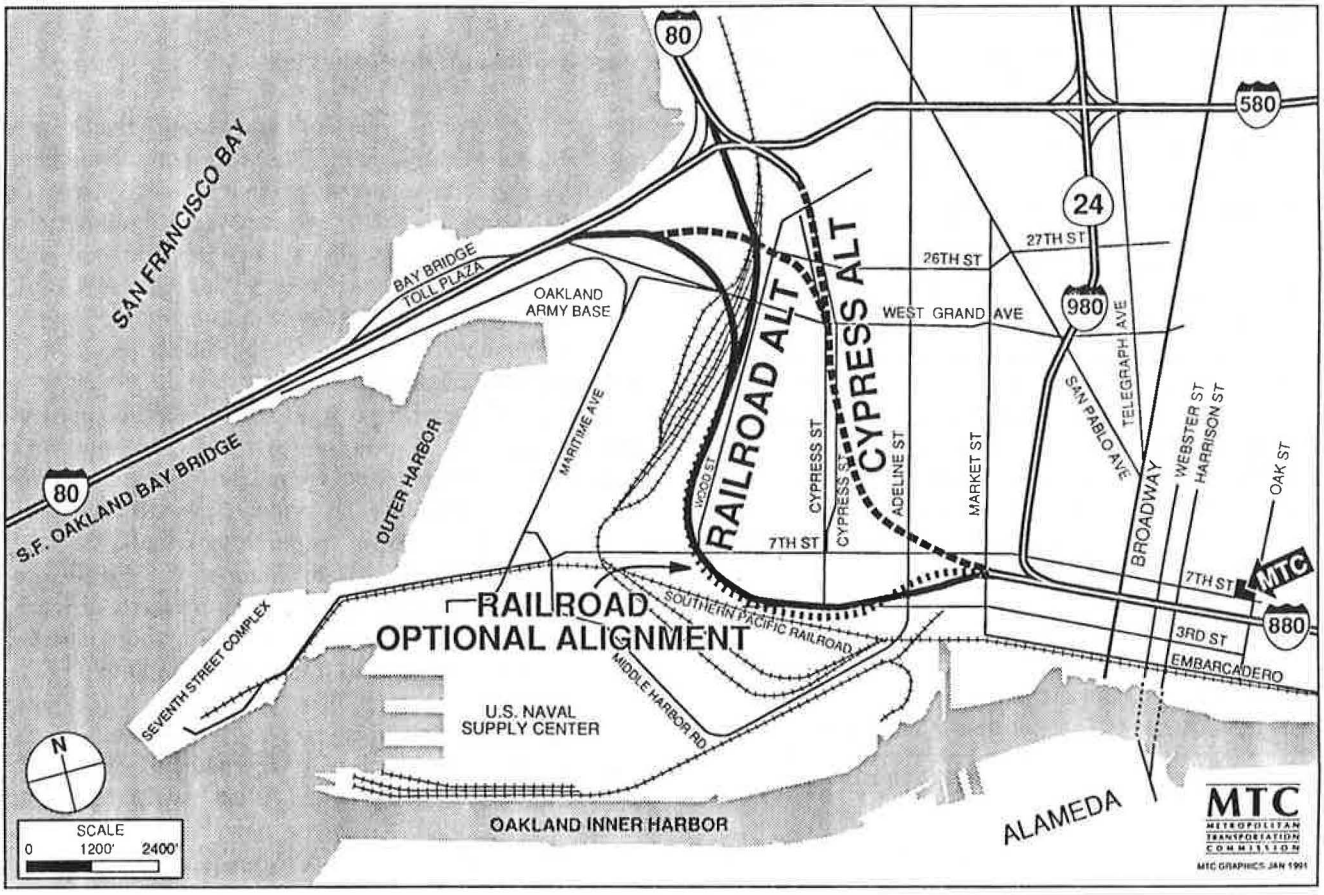

EXHIBIT A I-880/Cypress replacement project, location of alternatives under consideration by Caltrans.

The earthquake damaged freeways in San Francisco as well, several of which remain closed pending repair. The damaged section of I-280 section is in proximity to the container terminal at Hunters Point. Closed Bay Bridge offramps affect commercial development on San Francisco Port property stretching from downtown to Fisherman's Wharf. And in San Francisco's case, real estate development generates more than half of the Port's revenue. Here too, then, the long-term prospects of the Port are dependent to some degree on the repair or replacement of the Embarcadero freeway extension from the Bay Bridge and the repair of I-280.

Return now to port access as it is seen through our kaleidoscope at MTC. Repair of earthquake-damaged facilities remains high on the region's agenda and is required to solve port access problems as well as a host of even larger problems in other sectors of the local economy.

Conclusion

Aside from earthquake repair, highway access to ports is a minor challenge in contrast to current issues of suburban and exurban growth. Here the result is widespread congestion which has caused our voters to rank transportation as the #1 problem in the region for eight straight years. Growth also threatens to reverse the trend of cleaning the air. State and federal laws governing air quality have us scrambling to determine how to comply in the future and in court defending ourselves for not having complied in the past.

As noted, our consultants tell us that highway access in the Bay Area is not on the critical list of deficiencies affecting port competitiveness. For this we are grateful, given these other unsolved and pressing problems. If we fail to address these other problems, however, the region's economy and port prosperity may all suffer.

We understand that congested highways may be more critical to ports in Los Angeles, Long Beach and elsewhere. These differences highlight the uniqueness of every region and the reason for encouraging each to make its own priority decisions regarding transportation investment and operations.

The Alameda Corridor

Gill V. Hicks, General Manager
Alameda Corridor Transportation Authority

Introduction

The Ports of Los Angeles and Long Beach, often referred to as the San Pedro Bay Ports, represent by many key measures the largest port complex in the United States. Directly and indirectly the Ports of Los Angeles and Long Beach account for 363,000 jobs in Southern California. The Los Angeles Customs District also generates approximately $3 billion in revenue for the federal government.

The ports are playing a major role in Pacific Rim trade, yet future growth may be slowed because of environmental problems associated with truck and railroad traffic to the ports. Indeed, perhaps the greatest challenge facing the ports is resolving community concerns about the impacts of truck and rail traffic on congestion delays at grade crossings, air pollution, and noise and vibration in residential areas.

Over the last several years, the ports have been working with neighboring communities, the Southern California Association of Governments (SCAG), the Los Angeles County Transportation Commission, Caltrans, the California Transportation Commission, other transportation agencies, and the private sector in developing a long-range plan for improving rail and highway access to the ports. A strong consensus has emerged for the development of an improved rail and highway corridor along Alameda Street (the Alameda Corridor).

Port Growth and the "2020 Plan"

The Ports of Los Angeles and Long Beach are experiencing rapid growth. The two ports combined handled 139 million metric revenue tons of cargo in 1989, up 6 percent from the previous year. Containerized cargo, which represents about 46 percent of total port tonnage, grew 14 percent between 1988 and 1989. Both ports combined handled about 64 million metric revenue tons of containerized cargo, or 3.6 million twenty-foot container equivalent units.

Port economists have assumed annual compound growth rates of 3.1 percent for total cargo and 4.17 percent for containerized cargo for the period 1989 through 2020. Although the assumed growth rates over this period are moderate compared to actual 1988-1989 rates, the projected cargo volumes for 2020 are substantial. Total cargo volumes are expected to reach 367 million metric revenue tons by 2020, and container throughput is projected to approach 13 million TEU'S by 2020.

To accommodate this growth the Ports of Los Angeles and Long Beach will need additional land and more terminals. The "2020 Plan" calls for the construction of 2400 acres of new landfills south of Terminal Island, as shown in Figure 1. Representing a $5 billion investment, the 2020 Plan is a joint project of both ports and the U.S. Army Corps of Engineers.