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Good morning Chairman Carbajal, Ranking Member Gibbs and members of the subcommittee. My name is Kristin Decas, and I am the Chief Executive Officer and Port Director of the Port of Hueneme – Oxnard Harbor District in Southern California.

On behalf of the President of the Board of Harbor Commissioners, Jason Hodge and my entire Board, I would like to express my appreciation for the opportunity to appear before this Subcommittee today to discuss the vital role ports play in our economy and the actions the Port of Hueneme is taking towards making our Port the greenest port in the country.

We are looking at a moment in history where timely action by Congress promises to reshape the future of our nation through federal investment in our ports, roads, bridges, rail, airports, and transit systems. Such action will ensure investments of taxpayer dollars go where they are needed most, to the creation of family sustaining jobs with higher-than-average wages for disadvantaged communities. The outcome will be the transformation of social and racial equity, the advancement of a carbon free transportation network and growth in trade, making our nation the most competitive in the world.

It is critical to note the importance ports have in driving local and regional economies by providing the gateway for delivery of goods and employment opportunities. According to Martin Associates, an internationally recognized economic and transportation consulting firm, prior to the outbreak of the COVID-19 pandemic the total economic value generated in terms of revenue to businesses, personal income and economic output at U.S. coastal ports accounts for \$5.4 trillion, roughly 26 percent of GDP. This research also showed that over 30.8 million Americans are employed in jobs generated as a result of port activity. Ports also generate significant tax revenue, with \$47.1 billion of direct, induced and indirect federal, state and local tax revenue created through the economic activity taking place at ports across the nation.

This profound economic stimulus does have an impact on our environment and community, and as with any negative, there is a cure and pathway forward. To deliver cargo from the dock to the consumer requires heavy equipment, which necessitates a significant use of energy to ensure efficient goods movement. This activity has led to historical environmental, social and racial equity issues for communities adjacent to ports, known as “sacrifice zones.” Globally companies and nations are stepping up and pivoting to sustainable energy sources and zero emission equipment. The future of the US economy, which consumer consumption of goods is the main driver and over 90% of goods transit through Ports, relies on keeping pace with other global partners in technology and climate solutions. Federal investment is vital to implementing climate mitigation, sustaining existing jobs, driving new jobs in innovation and technology and accelerating the movement to a decarbonized transportation system. The Port of Hueneme is at the nexus of this movement and an excellent model of how federal investment in port complexes can foster economic prosperity, especially in underserved communities, and at the same time lead the effort toward a carbon free maritime industry.

For the purpose of background, the Port of Hueneme, an official US Port of Entry located within Ventura County, is the fourth largest California deep water cargo seaport and plays a crucial role in the vitality of the local, state and national economy. Naval Base Ventura County, a strategic military port, and the Port share the federal channel entrance and harbor. We have a rich history of partnership and joint use. The Port was initially built to support the agricultural sector in Ventura County. Today, Port of Hueneme serves as a top strategic auto and refrigerated cargo hub on the US West Coast, situated within sixty miles north of the Los Angeles metropolitan area, the largest population center on the West Coast with approximately 14 million

people. Trade related businesses operating out of the Port make it the County's fourth largest employer and a leading economic force in the region.

As one of the state's strategic intermodal transportation ports, the Port provides the County with competitive advantages to attract private investment while creating family sustaining jobs. Last year Port of Hueneme's trade with the world reached a total of \$10.85 billion in value. Exports totaled \$1.22 billion and imports reached \$9.64 billion. The \$10.85 billion in annual cargo, generates over \$1.7 billion in economic impact and creates over 15,800 trade related direct, induced, indirect, and influenced jobs. Annually, trade activity resulting from the Port currently yields on average \$119 million in state, county and local tax revenues which support vital community services. The Port closed fiscal year 2020 with a recorded total of 1.62 million cargo tons translating to only a slight 1.8% decrease in overall Port volumes despite COVID-19 caused shipment slowdowns. Of note, the modest 1.8% loss in tonnage follows a record-breaking fiscal year 2019. During the ongoing congestion crisis facing larger ports, the Port of Hueneme serves as a resiliency hub handling citrus exports to Asia.

The Port of Hueneme has performed solidly even in times of economic slowdown. During the contraction of Ventura County's economic output between 2016 and 2017, according to a report by the Ventura County Civic Alliance, jobs at the Port grew 9.2% from 2015 to 2017, demonstrating the Port severing as a regional economic engine even when the rest of the economy was lagging. GDP data from the US Bureau of Economic Analysis shows that Ventura County's trade sector realized .4% growth compared to .2% in the state of California and .16% in Los Angeles County during this same period. The US Bureau of Economic Analysis measures local GDP performance by 12 major industry sectors. Ventura County's lowest performing sectors over the last decade include, "nondurable manufacturing" (biotech), and "Finance, Insurance, Real

Estate and Leasing.” The County sits deeply in the negative in these two areas, enough to stagnate the entire County’s GDP. Ventura County fails to achieve a mark of “high performing” GDP growth in all 12 sectors. Furthermore, the County underperforms the nation’s average in 8 of the 12 sectors. However, Ventura County outperforms the national average in the areas of natural resources, construction and trade. Over the last decade Ventura County finds itself in the bottom 20% of all Metropolitan Statistical Areas nationally for GDP growth. The positive take away being Ventura County shows a solid, competitive base in trade. Federal investment in small to medium size ports in counties similar to Ventura throughout the nation will unquestionably foster compounded economic growth while addressing socioeconomic justice issues in communities hit the hardest by COVID-19 and recession.

The Port of Hueneme acknowledges that the future of the logistics and global supply chains will be dictated by the effective investment and transition to electric technology. The Port plays an essential role in the health and vitality of the local and regional economies and takes very seriously our responsibility as an active community partner and as an environmental steward. This builds community trust, buy-in and the social license to operate. In sharing the Port’s environmental stewardship and community engagement efforts with you today, it is our intention to build the foundation for prioritizing ports in the federal infrastructure plan.

To bring context to where federal dollars can make a significant difference in the environmental movement toward decarbonization of the goods movement network, I will describe the environmental progress taking place at the Port of Hueneme and highlight the significant infrastructure needs requisite to a true transition to a zero emission port and supply chain. California ports not only lead the nation, but the world in environmental achievement. California ports are the only ports that require refrigerated cargo ships to electrify at berth,

making them zero emission at port complexes. Collectively, California's eleven deep water seaports realized emission reductions on the order of 80% in particulate matter, 90% in SOx and 50% in NOx. This advancement sets the stage for all our nation's ports. California is paving the way toward decarbonization and our initiatives are a sound model for all US port terminals. The California and Port of Hueneme model can be scaled up based on need, proportion and/or access to resources.

At the Port of Hueneme, we more than live up to this legacy of environmental achievement and tradition on the global stage. In 2012, the Port completed a comprehensive Environmental Management Framework (EMF), that establishes both long and short-term goals and a vision of a sustainable green future. The EMF put forth evaluation strategies to monitor and track the Port's progress in each stated goal and creates key performance indicators (KPIs) to quantify results openly and transparently. The Port's environmental team implements, monitors, and evaluates environmental projects, in partnership with Port tenants, regulatory agencies, and the community. Specifically, the Port developed a set of environmental management goals in air quality, water quality, marine resources, soil and sediment, energy management and climate change adaptation.

With the adoption of the EMF, the Port has realized significant milestones in environmental progress. The Port is proactively developing its Port of Hueneme Reducing Emissions Supporting Health (PHRESH) Clean Air Plan in partnership with our local air quality regulatory agency, the Ventura County Air Pollution Control District (VCAPCD). This comprehensive plan will include:

- An assessment of the regulatory setting in which the Port operates;

- A detailed review of the Port’s emissions inventory, including an assessment of possible emissions growth scenarios;
- The establishment of specific air quality goals for the Port for both criteria pollutants and greenhouse gases;
- A summary of our community involvement;
- An analyses of possible emissions control strategies and cost, and cost benefit analyses;
- Estimates of funding and implementation and resources needed; and
- The establishment of a Community Coalition to provide insights into the plan and provide an open and transparent outlet to share data with the community.

As part of PHRESH, the Port purchased and installed the only reference grade air quality monitors in South Oxnard at Haycox Elementary School. We have posted initial results in a power point presentation format delivered by our environmental manager. We are currently translating the presentation into Spanish and Mixteco (an indigenous language from Oaxaca, Mexico). Additionally, through this investment students will learn firsthand about air quality monitoring and about the importance of racial and environmental equity and access to clean air from Port staff members who come from their own community.

We have also made significant strides in deploying zero emission technology. In 2014 the Port installed a high-voltage, shore-side power system which allows ships to shut down traditional diesel fueled engines while berthed and plug in, substantially reducing ship born emissions at berth. Since 2008 the Port achieved an 85% reduction in diesel particulate matter emissions from our ships at berth. To feed power to the shoreside system, the Port in partnership with Tesla, installed five battery packs to purchase power at off-peak hours and store it for

daytime use by vessel plug-in systems. We are currently engineering and installing new electrical infrastructure to power a new generation of electric, zero emission cargo handling equipment, including newly arrived hybrid electric mobile harbor cranes and zero emission trucks. In the third quarter of this year, we will be deploying our first zero emission yard tractors. To further our pursuit of the goal to decarbonize cargo operations and help bring cleaner air to our community, the Port of Hueneme's Board approved the purchase of the first two zero emission heavy duty Port trucks in Ventura County. These American made Kalmar battery powered trucks will help to move containers of fresh produce around the Port while producing zero pollution. The trucks are part of a project in conjunction with the Port of Los Angeles funded by the California Air Resources Board, that will also include the installation of power vaults to run the Port's cranes on electrical power and the use of a hydrogen fuel cell big rig truck. Furthermore, this investment will create opportunities for Port maintenance and union machinery mechanics to learn new skillsets and become pioneers in the transition to a zero-emission economy.

With environmental stewardship as a top priority, we have reached many additional historic benchmarks. We installed new cutting-edge LED lighting to significantly reduce energy use and associated emissions. The Port has developed and is implementing a zero-waste policy to reduce solid waste generation. The Port is dredging the harbor entrance and the sand is being deposited to support our local beaches and fight beach erosion. To protect the integrity of our water quality, we have a robust stormwater management plan and installed new stormwater filtering system. The port contracted a third-party auditor, Green Marine, a globally renowned environmental auditor to certify the Port's environmental agenda. Complimenting these

successes, *The Port is committed* to forward-looking environmental and community initiatives including:

1. Industrial Operations Decarbonization: *The Port is committed* to a trucking and cargo handling equipment transition to zero emissions on and off Port, functioning as a regional leader in implementation of zero emission medium and heavy-duty equipment.
2. Jobs and Social Justice: *The Port is committed* to bringing economic equity to the region by providing employment opportunities for green jobs while pushing forward an agenda of transitioning Port equipment from diesel to less-polluting fuels of the future in collaboration with our community partners.
3. Education Initiatives for the Local Community: *The Port is committed* to providing new opportunities for the region and local community in STEM with an eco-maker space which has more than \$3million of high-tech equipment for access by local students, environmentalists and entrepreneurs to develop and test ideas and build projects.
4. Clean Truck Initiatives: *The Port is committed* to developing a clean trucking coalition in Oxnard and to seek funding for zero emission trucks and infrastructure.
5. PHRESH Air Quality Community Project – *The Port is committed* to launching a Clean Air Plan, Port of Hueneme Reducing Emissions Supporting Health (PHRESH), and to providing local air quality data to the community as a mechanism to empower local knowledge.
6. Green Jobs Training Program: *The Port is committed* to creating a green jobs training program in coordination with other workforce development groups including, LA Clean Tech Incubator, Ventura County Workforce Development Board, local labor unions, state

universities (CSU-Channel Islands and Cal Poly San Los Obispo, UC Santa Barbara) as a catalyst to prosper local jobs vital to the future of our region.

7. Aquaculture Partnership: *The Port is committed to* partnering with entrepreneurs, scientists and other experts for the development of an aquaculture campus on Port to develop foods and jobs of the future for equitable, decarbonized food production.
8. Habitat Restoration: *The Port is committed to* partnering on the restoration of Ormond Beach, a local habitat that has suffered from superfund level pollution from a former smelter company, with community and stakeholders including, the City of Oxnard, City of Port Hueneme, Coastal Commission, Nature Conservancy to achieve habitat restoration, safe equitable access, and recreation and education opportunities.
9. Community Outreach and Development: *The Port is committed to* listening and communicating with community members about their needs and concerns and is constantly creating opportunities to leverage its relationships with its customers to reinvest locally with the intention of creating social capital.

I hope my testimony is a clear statement of the commitment by the Port of Hueneme's Board of Commissioners and staff to the continued advancement of decarbonization and environmental stewardship. I would now like to respectfully recommend the course of action Congress should take to propel the future of the goods movement industry. If the nation and you, our leaders, want a sustainable and decarbonized transportation sector, one of our largest sources of climate and air pollution, the stage must be set for cleaner vehicles, cleaner fuels, and active alternative transportation options, particularly for low-income and vulnerable communities around the nation. How do we get there? **ASSESS** and **INVEST**:

ASSESS - BUILD THE BLUEPRINT:

Abraham Lincoln once said, “Give me six hours to chop down a tree and I will spend the first four sharpening the axe.” There needs to be a true understanding of all the complexities of a paradigm shift to decarbonization. This requires the development of a blueprint to effectively transition to a new fuel economy which includes a nationwide feasibility and cost analysis. For example, the capacity of our nation’s utility networks, infrastructure availability and upgrade costs need to fully be evaluated and understood. At the Port of Hueneme, the forecasted cost for electric infrastructure is \$28.5 million. This cost does not include the utility company’s own infrastructure improvements that will be required, an upgrade from a 16.9 to a 66 kilo-volt power distribution system. This utility company infrastructure upgrade is necessary in order to provide enough power to the Port of Hueneme for its electrification projects and could run as high as \$50+ million. The utility company has indicated that they are nearing maximum capacity and may not be able to support future high electrical capacity needs from the Port of Hueneme. Furthermore, the feasibility and costs of retrofitting vessels and other private sector assets needs to be factored into the plan. The Port of Hueneme is one of example of millions across the country where these dynamics need to be flushed out and the road map defined, so the investments made by the federal government are well informed by true costs, science and technological viability.

INVEST – BUILD THE NEW ALTERNATIVE FUEL ECONOMY:

The goods movement industry turns to its leaders in Congress to appropriate the funds requisite to incentivizing a transition to a carbon free future. For the decade spanning 2018-2028, AAPA identified \$20 billion in multimodal and rail access needs at ports. For California ports

alone, the Pacific Merchant Shipping Association estimates costs to replace current equipment with zero emission or near-zero emission equipment to exceed \$23 billion and \$35 billion to replace current equipment with electrified high-density equipment and supporting infrastructure, all prior to utility upgrades. As populations shift, as cargo volumes grow, and as we continue to embrace e-commerce and direct to consumer shopping, federal investments at these magnitudes will be critical to ensuring the United States has a 21st century multimodal freight network that competes globally, delivers locally and runs on clean energy. *INVEST:*

- *INVEST in a multimodal freight network program as contained in H.R. 511, the National Multimodal Freight Network Improvement Act*
- *INVEST in a Zero Emission Future:* There are massive costs to the replacement and repowering every piece of equipment. Significant dollars are needed to provide funds for equipment replacement and infrastructure and to ensure the energy capacity exists to meet the full demands of the supply chain.
- *INVEST in a New Alternative Fuel Economy:* New alternative fuel infrastructure triggers vast costs and utilities complications; Federal funding for planning, engineering, permitting and construction are key to the transition.
- *INVEST in Resilient Infrastructure:* Congress needs to drive investment in our critical (e.g., grid) and natural (e.g., forests, soil) infrastructure to create a more resilient, inclusive, and sustainable economy.
- *INVEST in a Just Transition – Invest in training and educational programs that create high quality job opportunities for our nation’s emerging decarbonized economy, with a focus on renewable energy, circular economy, and water and energy efficiency, thereby seeding the pipeline for a green workforce and social equity.*

To further expand on this last point, I would like to use the Port of Hueneme as example to demonstrate how investment in clean technology at ports results in a paradigm shift in the workforce for underserved communities. The cities of Oxnard and Port Hueneme are two communities adjacent to the Port of Hueneme. In Oxnard, 23.8% of the population lives in poverty and only 64.7% of residents have completed a high school education. Both the cities qualify as economically distressed areas under the Recovery Act based on their unemployment rates and per capita income being substantially less than the national average. Why is this so? Ventura County has traditionally been an agricultural hub for the harvesting of strawberries, lemons, celery, beets, and other crops. Given the nature of this history, most employment opportunities for minorities have come in the form of packing house labor or direct picking in the fields. Most of these jobs have been designated as unskilled labor and reserved for low-income Spanish speaking communities which are mostly categorized for immigrants of Mexican descent. Additionally, a recent influx of 20,000 Mixtec, indigenous immigrants from the Oaxaca region in Mexico, have brought the inclusion of a third language (Mixteco) which further adds to the language barriers and racial divide. In South Oxnard, which neighbors the Port of Hueneme, the neighborhood of Southwinds is home to upwards of 80% of the Mixteco indigenous groups which live in overcrowded conditions directly under the poverty rate.

Utilizing the Port and its longstanding job creating contributions to the region, it is therefore imperative that these barriers be addressed through intentional interventions that can help create access and mobility within the local job markets. Eliminating barriers to participation in the green technology and renewable energy economy of the future should be a key ingredient to the federal approach to infrastructure investment and expanding job opportunities for disadvantaged communities. The Port of Hueneme is actively working to link those in need of

economic opportunities with the educational and employment resources which the Port engages with in its day-to-day cargo work. Connecting those in need with education to those with jobs will help alleviate the barriers which have historically kept the poor in a vicious cycle of less equal access to jobs, housing, and educational opportunities in “sacrifice zones.” Federal investment in infrastructure and zero emission cargo handling equipment will bolster this job creation pipeline for the underserved.

In closing, California Ports such as the Port of Hueneme have been early adopters of green technology solutions. California Ports are the pioneers of testing, innovating and taking on the risk of implementing new technologies that lower emissions. As early adopters California ports have expertise on best practices and what works. The Port of Hueneme and our customers have spent over \$50 million in the last 10 years on port related electric infrastructure improvements. We have a strong track record. Today the Port of Hueneme is excited to partner with you and to continue to serve as a role model for other U.S. Ports who are ultimately all going to be a part of the carbon free maritime industry. We stand ready to help prosper federal action to assess and invest in our future.

I thank you for the opportunity to provide testimony to the Committee about the Port of Hueneme’s role in the national and southern California regional economies and importance of continuing environmental improvements in maritime goods movement and strengthening of the national economy.