



September 1, 2022

Secretary Pete Buttigieg  
 U.S. Department of Transportation  
 1200 New Jersey Ave, SE  
 Washington, D.C. 20590

**RE: Oppose Federal Funding for A Stadium Project and Related Infrastructure that will Disrupt the Port of Oakland and Harm Regional and National Supply Chains**

Dear Secretary Buttigieg:

Thank you for your dedication to addressing the ongoing supply chain crisis across the nation. We applaud the federal dollars being invested in port infrastructure in California and on the US West Coast through federal legislation such as the Infrastructure Investment and Jobs Act.

We are writing you today as Port of Oakland supply chain stakeholders – uniquely spanning labor and management, customers, tenants, workers, and industry - to discuss why Federal funds, including the USDOT’s Mega program, are not merited for the Howard Terminal project and its related infrastructure in the City of Oakland. We oppose all such applications for federal grant money that will primarily benefit and fund a private real estate and stadium development at Howard Terminal and its related infrastructure that will harm regional and national supply chains, hinder the efficient movement of goods and growth in and out of the West Coast’s premier gateway for agricultural export commodities, create safety and environmental risks, and potentially degrade national security and sealift readiness.

All of the signatories to this letter support port infrastructure updates which improve freight movement, increase capacity, and generate long-term growth at the Port of Oakland and other

California ports. However, the City of Oakland, Port of Oakland, and Oakland A's are now seeking state and federal tax dollars through grant applications that are intended to directly facilitate a project which will weaken and discourage growth and efficiency in the supply chain.

The proposed Oakland A's stadium, and its related infrastructure development, on Port waterfront land would displace freight activities at Howard Terminal, which is currently used as a freight staging area and as a USDA-partnership site developed with White House Port Envoy Porcari. As a result of this USDA-partnership, marine terminal congestion has been relieved with thousands of containers now being handled at this crucial ancillary facility. This is consistent with the operations at Howard Terminal pre-COVID also, as the Terminal was hosting over 325,000 truck gate transactions per year, allowing chassis and container staging to occur at the Port rather than at private staging yards located in residential West Oakland neighborhoods.

As represented by the parties to this letter, ALL major labor, maritime, trucking, rail, trade logistics and agricultural stakeholders who facilitate the movement of goods through the Port of Oakland, are opposed to the A's stadium project at Howard Terminal and want to see public grant funds spent only on projects that actually facilitate improved transportation and mobility – and that means not dedicating any more funding to the City or the Port which is intended to use or develop infrastructure for non-freight uses at Howard Terminal.

As our nation's seaports work through the challenges of the current global supply chain crisis and build towards long-term success and viability, we must stress the critical importance of investing more in the additional infrastructure that is integral to handling increased cargo, serving more customers, injecting more flexibility and resiliency into the supply chain, and providing more economic benefits to our national economy. It is the U.S. Department of Transportation's responsibility to ensure that these desperately needed port and infrastructure dollars are used exclusively to support port operations and goods movement system improvements – and as principle stakeholders in the supply chain, we support this mission.

Federal dollars are urgently needed to ensure such infrastructure projects can begin, or proceed, expeditiously. The funding distributed to ports and goods movement through the Infrastructure Investment and Jobs Act and the included Mega Program – including \$66 billion for passenger and freight rail, \$17 billion for ports and waterways, and more – is a once-in-a-generation investment by the federal government. These funds can facilitate more efficient port operations, strengthen and sustain our supply chains, and allow for long overdue improvements at ports like the Port Oakland, but only if they are used appropriately.

But for the reasons outlined here, if more grants are provided to the City and Port of Oakland to support the Howard Terminal project and its related infrastructure, these federal dollars will be used to do the exact opposite of our shared goals to improve the supply chain. In fact, the proposed project raises many specific concerns that cut against the purposes and "project outcome criteria" of the USDOT's Mega and other grant programs, which are intended to benefit only projects "with significant national or regional impact." *Please see the attached summary.*

Currently, the Oakland seaport loads and discharges more than 99% of the containerized goods moving through Northern California and is the preferred export gateway for many of California's

largest agricultural exporters and producers of refrigerated proteins. In January 2022, the Port of Oakland and the U.S. Department of Agriculture (USDA) announced a partnership to ease congested ports and supply chain issues through a 25-acre pop-up site at Howard Terminal – utilizing nearly half the property – dedicated to filling empty shipping containers with commodities like soybeans, dairy, nuts, fruit, and more. This initiative demonstrates the Port of Oakland’s success and viability, while proving the critical value of Howard Terminal to the efficient movement of goods throughout the region.

As key maritime, transportation, and logistics stakeholders who are essential to cargo movement on the West Coast and deeply impacted by these investments, we want to ensure the highest and best uses of these and other federal grant funds targeted towards ports and other supply chain infrastructure improvements. It is imperative that these funds are indeed used for projects that facilitate enhanced freight and goods movement, and not used to fund private developments that do not support port operations. We believe that such a diversion would constitute a misuse of public funds and undermines the function and Congressional intent of these grants.

We urge you to make certain that grant funding issued to ports and other infrastructure needs is appropriately utilized to finance public projects and ongoing priority infrastructure and facility needs. These grants should not be used as subsidies for private or non-industrial real estate developments that would not only eliminate access to current desperately-needed and used freight infrastructure but actively frustrate supply chain needs, growth and efficiency in the long-term.

We all benefit when federal grant funding is utilized to finance the nation’s ongoing freight needs and core industrial transportation functions. Given the critical importance of spending these funds in as timely a manner as possible in support of our supply chain, we respectfully request that these funds not be directed to projects that would only serve to hinder this goal.

Sincerely,

***Agricultural and Food Transporters Conference of the American Trucking Association  
Agriculture Transportation Coalition  
American Waterways Operators  
Customs Brokers & Forwarders Association of Northern California  
California Trucking Association  
Dreisbach Enterprises  
GSC Logistics  
Harbor Trucking Association  
Inland Boatman’s Union – Marine Division, ILWU  
Intermodal Carrier Conference of the American Trucking Association (ATA)  
International Association of Machinists – District 190  
International Longshore and Warehouse Union (ILWU) – Northern Calif. District Council  
ILWU – Local 10  
ILWU – Local 6  
International Organization of Masters, Mates and Pilots  
Lineage***

***Marine Engineers Beneficial Association***

***Marine Firemen's Union***

***Nisei Farmers League***

***Pacific Coast Council of Customs Brokers and Freight Forwarders Association***

***Pacific Drayage Services***

***Pacific Merchant Shipping Association***

***San Francisco Bar Pilots***

***Sailors Union of the Pacific***

***Schnitzer Steel***

***SSA Terminals***

***Western States Trucking Association***

## **Howard Terminal Infrastructure Fails to Meet Mega Grant Project Outcome Criteria**

The proposed Howard Terminal project and its related infrastructure raise specific concerns that cut against the purposes and “project outcome criteria”<sup>1</sup> of the USDOT’s Mega and other grant programs, which are intended to benefit projects “with significant national or regional impact.”

These concerns include all of the following criteria considerations:

- 1. Safety.** The project is likely to create multiple transportation safety hazards to rail and shipping. The main pedestrian routes to the stadium and project from transit, parking, and the city center cross the rail track, often via at-grade crossings (the largest proposed crossing, with ~8,000 pedestrian arrivals projected on game days, is at an at-grade crossing). Three railyards, one operated by Union Pacific Railroad (UPRR) and two leased to tenants by the Port, are located within the project vicinity, as well as an Amtrak station. The UPRR railyard is located ~0.25 miles to the northwest of the Project site. Freight and passenger trains use the railroad tracks both day and night, seven days per week. A survey conducted as part of the [draft EIR](#) found that in a typical game time window (between 11:00 AM and 11:00 PM ET), an average of 6 freight trains and 36 passenger trains passed through the area. According to reporting on the project, the passenger Capitol Corridor runs 30 weekday and 22 weekend passenger trains, while Union Pacific runs around 15 freight trains a day. In addition to additional residential traffic, on >60 game days per year at the stadium, as many as 35,000 people will cross or approach these active train tracks.

The project is also located directly adjacent to the Port of Oakland’s inner harbor turning basin, where ~1,000 large containerships turn annually. A [security analysis of the project](#) in 2021 finds that: “estuary stakeholders anticipate an increase in recreational, ‘pleasure’ boat, and other water sport activity in the estuary if the Project proceeds as planned. Comingling of industrial shipping operations with recreational watercraft traffic will likely generate new safety hazards that have to be considered and addressed by Terminal operators and shipping companies.”

- 2. State of Good Repair.** The Howard Terminal stadium project would reduce the State of Good Repair and operations at critical transportation assets within the Port itself, and important to the Port’s long-term viability. In January 2022, the Port of Oakland and the U.S. Department of Agriculture (USDA) announced a partnership to ease congested ports and supply chain issues through a 25-acre pop-up site at Howard Terminal – utilizing nearly half the property – dedicated to filling empty shipping containers with commodities like soybeans, dairy, nuts, fruit, and more. This initiative demonstrates the Port of Oakland’s success and viability, while proving the critical value of Howard Terminal to the efficient movement of goods throughout the region. These operations – developed in partnership with the Federal Government – would be degraded by the project. Furthermore, the proposed project envisions using land Failing to expand the turning basin could cause the Port of Oakland (especially the inner harbor) to lose market

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<sup>1</sup> See “[Notice of Funding Opportunity for the Department of Transportation’s Multimodal Project Discretionary Grant Opportunity](#),” March 25, 2022.

share to LA/LB, Seattle, Vancouver/Prince Rupert, and the East Coast, and viability over the long run. The ~1,400 foot turning basin needs expansion for modern >1,200-foot ships (triple TEU capacity of original design). The inner harbor turning basin in Oakland can accommodate ships up to 18,000 TEU infrequently, while PO LA/LB can accommodate the largest ships up to 24,000 TEU. The project envisions devoting 10 acres of land that the [U.S. Army Corps of Engineers is studying](#) for an expansion of the inner harbor turning basin to residential real estate.

- 3. Economic Impacts, Freight Movement, and Job Creation.** The Port of Oakland is the 8<sup>th</sup> largest in the U.S. Currently, the Oakland seaport loads and discharges more than 99% of the containerized goods moving through Northern California and is the preferred export gateway for many of California’s largest agricultural exporters and producers of refrigerated proteins. The Port of Oakland directly employs around 11,000 workers, and thousands of union workers represented by the organizations signing this letter. As described above, the project fundamentally threatens the Port’s near and long-term viability, by disrupting near-term maritime operations in the inner harbor turning basin, by taking land needed to expand the inner harbor turning basin to accommodate modern ships, and by disrupting freight rail and trucking traffic, as well as staging areas for freight at the Port. While the City of Oakland touts benefits from the sports stadium, in reality these are just moved benefits from the current Coliseum location to the Howard Terminal location, and same holds true for office jobs which could occupy other locations, none of these are truly new jobs or created by this project; by contrast, the elimination of working waterfront property and the logistics that are supported both directly and indirectly at Howard Terminal are irreplaceable, and all of these impacts create negative consequences for jobs – including union jobs at the waterfront and agricultural jobs at Central Valley farms – across the regional and national economies that rely on the port, and national freight movement and supply chains.
- 4. Climate Change, Resiliency, and the Environment.** The proposed project is currently under active, unresolved litigation for the inadequacy of environmental reviews related to the project. A locally-respected environmental justice non-profit, Communities for a Better Environment, filed an [amicus curiae brief](#) in August 2022 stating that, “If approved, the Oakland Waterfront Ballpark District Project at Howard Terminal (“the Project”) would have unprecedented consequences on the health and well-being of Oakland’s most vulnerable environmental justice communities. In addition to numerous other environmental, health, and societal impacts, the Project would increase greenhouse gas (“GHG”) emissions inducing climate change, increase air pollution in communities already experiencing disproportionately high rates of asthma, and increase exposure to hazardous levels of soil, groundwater, and soil gas contamination. A project of this magnitude would have irreversible and devastating effects on Oakland’s environmental justice communities, particularly in West Oakland, but also in East Oakland and Chinatown.
- 5. Equity, Multimodal Options, and Quality of Life.** As described above, local environmental nonprofits [raise significant concerns](#) about the impact of the projects on the city’s most vulnerable environmental justice communities, and there are wide ranging

community concerns about the [impact of the project on housing affordability](#), and the insufficiency of affordable housing commitments that are not yet resolved. For the reasons outlined above, notably, disruptions to shipping, rail and trucking traffic, including a major Amtrak corridor, the project is likely to reduce and restrict multimodal transportation options.

- 6. Innovation Areas: Technology, Project Delivery, and Financing:** The proposed project relies on a version of Tax Increment Financing (TIF) that has only been sketched out in high-level summaries, rather than a detailed financial or project delivery plan. There are broad-ranging concerns about the specificity of the Project’s financing, the costs of the project and related infrastructure, and the sufficiency of TIF to cover those costs without exposing Oakland taxpayers to additional obligations. According to a [2021 analysis](#) by the consultancy HR&A, “The Financial Plan consists primarily of a bulleted high-level list of potential commitments and revenue assumptions. To our knowledge, neither the City of Oakland nor the Athletics have provided any supporting calculations, implementation detail, or reports to the public...Generally, the Financial Plan and the Century Urban projection do not contain sufficient information to assess the viability of the [infrastructure financing district], including the risks of costs overruns, revenue shortfalls and failure, and potential adverse public impacts in terms of diversion of property tax or other public revenue streams.
- 7. National security.** Finally, while it is not a Project Outcome Criteria, disruptions to the viability of the Port of Oakland may raise national security concerns. The Port of Oakland is identified as one of only 6 Pacific ports by the Federal Government’s Defense and maritime agencies (including USDOT’s Maritime Administration) as being part of the [National Port Readiness Network](#), which is a “cooperative designed to ensure readiness of commercial ports to support force deployment during contingencies and other national defense emergencies.” With geopolitical tensions implicating American sealift and port capacity in the Pacific, reducing the Port’s viability creates Federal and national concerns.