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March 29, 2016

Senator Jim Beal, Chair
Honorable Committee Members
CALIFORNIA SENATE TRANSPORTATION AND HOUSING COMMITTEE
State Capitol, Room 2209
Sacramento, CA 95814

Re: SB 1279 (Hancock) – Opposition

Dear Chairman Beal:

On behalf of our client, the California Capital and Investment Group (CCIG), we write to express our opposition to SB 1279 (Hancock), a bill that infringes upon the expertise and mandate of the California Transportation Commission (Commission).

The author stated outright and publicly that this bill, and three others (SB 1277, SB 1278, and SB 1280), are aimed at a specific project to which she objects, a bulk commodity export terminal that is a core component of the revitalization of the former Oakland Army Base into a state-of-the-art, integrated, multimodal transport facility, the Oakland Global Trade and Logistics Center (Oakland Global).

Since 2008, CCIG explored potential future uses at the former Army Base with the City of Oakland, many proposed and promising plans for the site having already failed. The City entered into a Lease Disposition and Development Agreement with the developers of Oakland Global in 2012, and an additional Development Agreement in 2013. These vesting entitlements were supported by full CEQA review by the City of Oakland. Since that time, CCIG and its development partners have diligently upheld their obligations with regard to development of Oakland Global, including exceeding all local work/hire mandates. Importantly, development of Oakland Global, including the export terminal, is proceeding exactly as entitled in 2012; nothing has changed.

Recent media attention has focused on political opposition to the project based on speculation as to the potential for coal to pass through the terminal at Oakland Global. To clarify, there have been no commitments to specifically include or to exclude any particular commodity at Oakland Global. The issue is not about any particular commodity. The issue is that the market for bulk commodity transport demands, and the City of Oakland entitled, a full-service facility, capable of adapting to and accommodating the demands of the market at any given point in time. As to any legal commodity, even those designated “hazardous” by the Environmental Protection Agency (which, by the way, coal is not), safety standards are well defined in places such as the Code of Federal Regulations and operational handbooks for common carrier railroads. In its entitlement process, the City of Oakland confirmed that

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all aspects of Oakland Global, including the terminal, are capable of implementing all required safety measures appropriate for the respective commodity that may be transported at any given time.

SB 1279 would inappropriately preempt and curtail the expertise and mandate of the Commission. Further, its immediate implementation would impact and disrupt existing business relationships and operations throughout the state.

For all of these reasons, we must oppose SB 1280.

Sincerely,

A handwritten signature in black ink, appearing to read "David C. Smith". The signature is stylized and cursive.

David C. Smith
STICE & BLOCK, LLP