



## PORT OF OAKLAND

J. Christopher Lytle  
Executive Director

June 27, 2016

Ms. Claudia Cappio  
Assistant City Administrator  
City Hall  
1 Frank H. Ogawa Plaza, 3<sup>rd</sup> floor  
Oakland, CA 94612

**Subject: Confirming No Bulk Coal Shipped Through the Port of Oakland Notwithstanding False Claims to the Contrary**

Dear Ms. Cappio:

By an email the Port Maritime Director forwarded to the City dated June 22, 2016, the Port reiterated and confirmed that:

"Bulk coal is not shipped through the Port of Oakland maritime terminals. Neither the Port of Oakland nor its tenants own or operate facilities on Port property that handle or process bulk coal."

This is accurately reflected in the City Staff Report to the City Council published June 23, 2016 for City Council consideration at its June 27, 2016 Special Meeting.

In addition to the fact that coal is not handled or processed at the Port, the Board of Port Commissioners has early on rejected the use of the Port terminal facilities for the handling or processing of bulk coal. During the Board's deliberations in 2014 on possible uses for Howard Terminal, the Board specifically rejected a proposed coal terminal facility, even though the proposal promised millions in annual revenues to the Port.

Despite the facts and the Port Board's expressed rejection of coal handling at the Port of Oakland, there have been various misleading claims that the Port is or has been "importing and exporting coal". This is simply false. Coal is a commodity that is transported in bulk, meaning coal is transported by rail in specialized equipment called gondolas or hopper cars. Bulk coal is loaded or discharged at a port by a conveyor system that would need to be specifically designed and constructed to handle such bulk products. A simple survey of Port properties and its tenant facilities would confirm that there is no such bulk coal handling facilities at the Port of Oakland.

There is a certain U.S. Census Bureau report that has been passed around reportedly showing that certain amount of "coal products" passed through the Port. It is highly misleading to use this imprecise reporting mechanism to imply that coal is shipped through the Port. First, the Census Bureau report lumps a broad range of products under a code category describing "Mineral Fuel, Oil, etc., Bitumin Subst, Mineral Wax."<sup>1</sup> Items under this code (HS Code 27) indeed include coal, but also goods such as lubricating engine oil, charcoal briquettes (for your outdoor home grill), and asphalt. Entities that reportedly shipped products in HS Code 27 include the U.S. Military, Sasol Wax, Staples, John Deere,

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<sup>1</sup> The referenced Census Bureau Report shows a quantity of HS Code 27 export shipments through the Port of Oakland from 2013 through 2016 which amounts to 0.05% – 0.08% of the total number of containers that the Port of Oakland moved in these years.

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Adams Grains, and Valvoline – organizations that are not in the business of shipping bulk coal. Additionally, certain products are just erroneously coded into the category. For example, in just a cursory review, the Port found that certain lumber and timber products shipped by one of the Port's tenants were erroneously coded as HS Code 270400 – "Coke and Semicoke of Coal, of Lignite or of Peat".

The export or import of coal via the U.S. West Coast is served by one of two Class 1 railroads – BNSF Railway and Union Pacific Railroad (the only two rail lines serving the Port of Oakland). The BNSF and UPRR confirm no bulk shipments move via the Port of Oakland. Executives of both railroads reconfirmed this week that they moved no shipments of coal to/from the Port of Oakland. In fact, one can look directly on the UPRR's website to see the list of coal handling ports. It does not include the Port of Oakland:

Coal Handling Ports

› Port Corpus Christi  
Corpus Christi, TX

› Levin-Richmond Terminal  
Richmond, CA

› Port of Long Beach  
Long Beach, CA

› Port of Stockton  
Stockton, CA

› Port of Texas City  
Texas City, TX

› Texas International Terminals  
Galveston, TX

› Houston Terminals - Kinder Morgan  
Houston, TX

Source: <https://www.up.com/customers/coal/ports-docks/index.htm>

We hope that affirms definitively that bulk coal is simply not shipped through the Port of Oakland.

Respectfully,



J. Christopher Lytle  
Executive Director

cc: John Driscoll - Director of Maritime, Port