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CALIFORNIA ASSOCIATION OF PORT AUTHORITIES
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The Honorable Nancy Skinner
Chair, Senate Budget & Fiscal Review Committee
Capitol Office, 1021 O Street, Suite 8630
Sacramento, CA 95814

RE: Support Governor Supply Chain and Goods Movement Package

Dear Chair Skinner:

On behalf of the California Association of Port Authorities (CAPA), which consists of the 11 commercial seaports in our state, I am writing to express support of the Governor's proposed budget for the Port and Freight Infrastructure Program. CAPA respectfully asks that you maintain and fund the \$1.2 billion one-time spending allocated from the General Fund for the Supply Chain Package, including the immediate allocation of \$600 million for FY 2022-23.

In recent years, the global supply chain crisis has challenged our infrastructure and disrupted the delivery of essential goods. To help address these challenges, Governor Newsom made considerable investments to help keep our economy moving forward, including programs that will improve the movement of goods to and from our ports, operational and process improvements at our ports, and workforce training. While these were one-time investments we believe the State of California should be making year over year investments in its supply chain like many states across the country that are actively pursuing our export and import business.

Specifically, we respectfully ask that you maintain investments in:

- **Port and Freight Infrastructure Program (\$1.2 billion):** These funds are an essential investment into helping California ports stay competitive in a challenging environment and will make a significant impact on helping goods move through the supply chain faster.
- **Supply Chain Workforce Campus (\$110 million):** This funding will help develop a state-of-the-art training facility for current and future workers in the goods movement sector throughout the region. The facility will meet existing training needs for the critical workforce and help train them in the future on zero emission human-operated cargo handling equipment and heavy-duty trucks.
- **Port Operational Improvements (\$30 million):** This funding will help provide funding for operational and process improvements at our ports. The funds will help enhance the

movement of goods and improving data interconnectivity between the ports to enable efficient cargo movement, reduce congestion, and create opportunities to increase cargo volume by promoting and building supply chain efficiency.

- **Increased Commercial Driver's License Capacity (\$40 million):** The program will enhance California's capacity to issue Commercial Driver's Licenses.

California Ports are responsible for handling 38% of all containerized imports and 28% of all exports in the U.S, accounting for 35% of all containerized waterborne trade. Over 3.1 million jobs are supported by trade that moves through California ports, including over 800,000 jobs related to exports and nearly 2.3 million jobs related to imports.

The issues facing our global supply will not disappear overnight. Our state must take action to help get goods moving. That requires a holistic policy approach that addresses the consistent underfunding of California ports and a reinvestment in infrastructure, technology and data-driven methods that will get us back on track.

For the above reasons, CAPA asks the Legislature to support Governor Newsom's proposal for \$1.2 billion to support our ports and the goods movement sector. We respectfully request the Legislature maintain these critical investments in the FY 2023-24 State Budget.

Thank you for your continued leadership.

Sincerely,



Martha Miller
Executive Director
California Association of Port Authorities

Cc: Senator Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Senator Josh Newman
Senator Kelly Seyarto