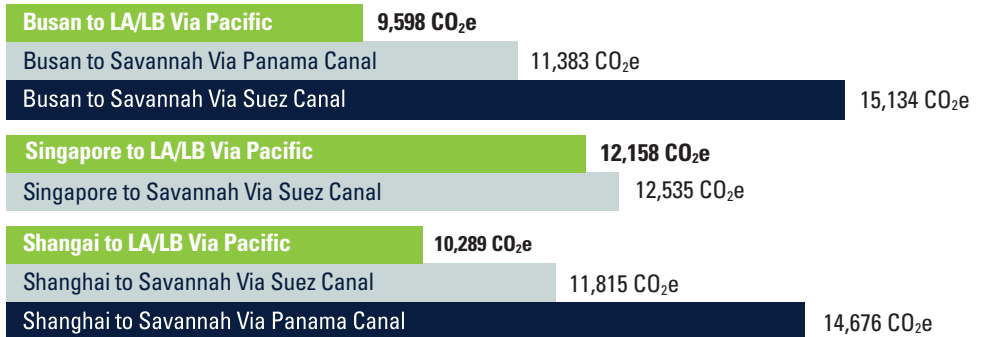
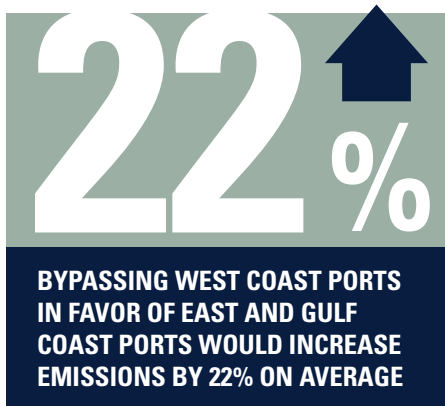
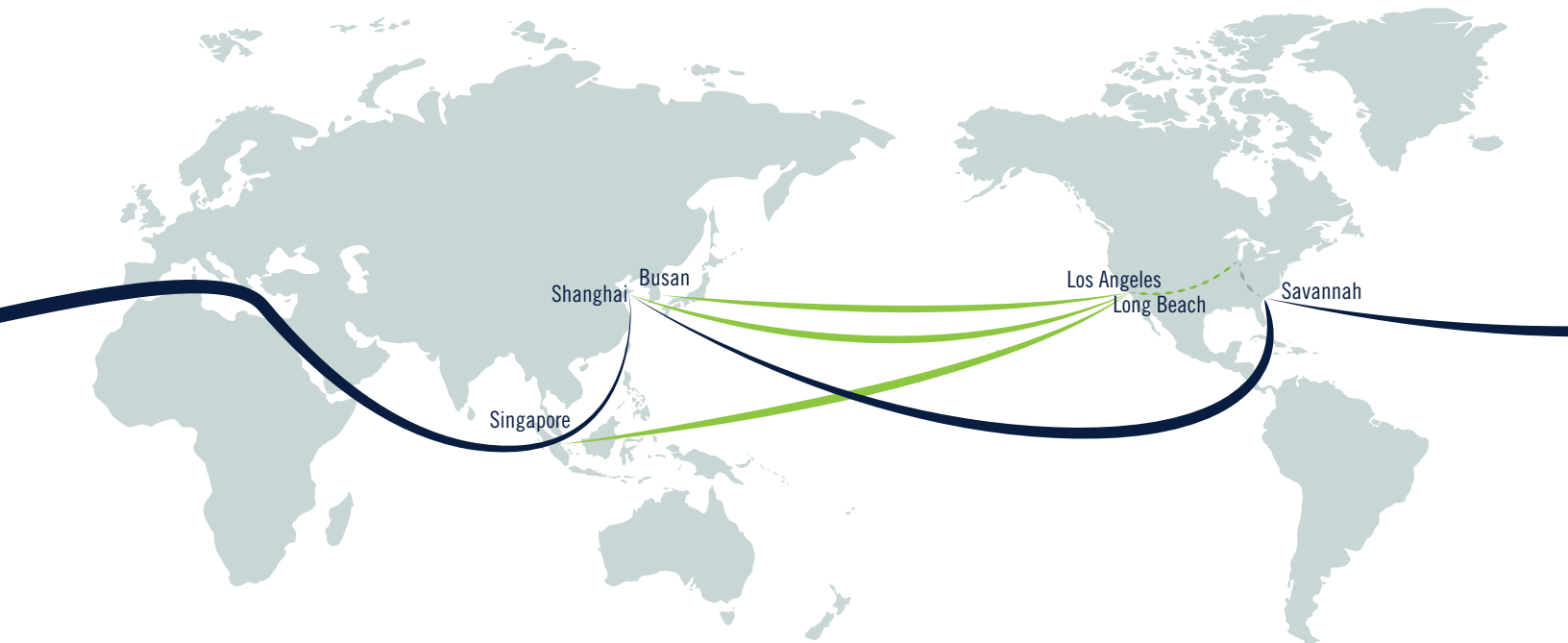


A GLOBAL PERSPECTIVE

PROPOSED CALIFORNIA POLICIES MAY INCREASE GREENHOUSE GAS EMISSIONS DUE TO CARGO DIVERSION

Ships are the most environmentally-friendly means of moving cargo as they have the smallest greenhouse gas footprint of any transportation mode. California is a destination for cargo thanks to its proximity to Asia. On average, greenhouse gas emissions are **22% higher when shippers bypass a California port** for East Coast or Gulf Coast ports. If California policy proposals do not consider the global impacts of their rules, efforts to reduce GHG emissions in California may have the unintended effect of diverting cargo to other ports.



As calculated from the Starcrest Greenhouse Gas Route Comparison Tool. The emissions presented in this comparison are estimates of emissions that would result from the diversion of 10,000 TEUs across a string of 8,000-TEU vessels for illustrative purposes.

1 California ports are the most direct route to inland U.S. destinations. Using California ports delivers jobs and prosperity to our communities. It also results in the lowest carbon footprint. **Moving cargo through an East Coast port to Chicago instead of a California port could increase emissions 86%.**

2 Policies that make California ports uncompetitive will drive cargo to other gateways and increase greenhouse gas emissions. **Cargo that moves through a Gulf Coast port instead of a California port on its way to Memphis could increase greenhouse gas emissions by 47%.**

3 California ports have not experienced growth in the past decade and have lost market share to East Coast and Gulf Coast ports. **If California ports had maintained their previous market share from 2006, more than FIVE HUNDRED THOUSAND metric tons of GHG emissions would be avoided annually.**