State Senate passes bill to slow Oakland coal shipping plan

By Rachel Swan
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The state Senate on Wednesday passed a bill to require environmental reviews for a controversial plan to ship coal by rail through Oakland, which has pitted legislators in Sacramento against a developer who is closely connected to Gov. Jerry Brown.

The bill, sponsored by Sen. Loni Hancock, D-Berkeley, could be the first major hurdle for the $250 million Oakland Bulk and Oversized Terminal, a giant export depot that developer Phil Tagami hopes to build near the east end of the Bay Bridge. Coal wasn’t part of the plan until 2014, when Tagami’s shipping operator, Terminal Logistics Solutions, began courting investment from four coal-mining counties in Utah — on the promise that Utah coal would be shipped through Oakland.

In March, Utah’s Legislature voted to spend $53 million in taxpayer dollars on the Oakland project.

Wednesday’s bill was one in a package that Hancock introduced in February to disrupt the plans. It will go to its first Assembly committee in the coming weeks.

Hancock hopes to introduce a second anti-coal bill on Thursday, aimed at cutting off taxpayer funding for any coal terminal in the state that sits near a poor neighborhood.

In an interview Wednesday, the Berkeley senator was exuberant.
“This will require that they (the developers) face up to the fact that they’re proposing to bring a highly polluting substance through many communities in California,” she said. Hancock noted that 11 East Bay mayors — from Berkeley, Dublin, Fremont, Livermore, Hayward, Richmond, San Leandro, Union City, Emeryville, Albany and El Cerrito — signed a joint letter denouncing the coal-shipping plan, because rail lines that serve the Port of Oakland also run through some of those cities.

Brown, who Tagami says is a close friend of his, spent Wednesday hosting a clean energy event in San Francisco. He has kept mum on the coal plan and declined to comment for this story.

The Oakland City Council approved the port development in 2013, giving Tagami the green light to build without barring him specifically from shipping coal from the port. On June 27 its members will decide whether to alter the terms of that deal.

City officials are walking a fine line between honoring their agreement with Tagami and catering to residents who believe his project will cause lung-damaging coal dust to waft through Oakland. They’re gambling on a clause in the contract that says the city has the right to look after the health and safety of residents — even if that means prohibiting a legal product.

In May, representatives of Terminal Logistics Solutions, along with several churches and labor groups, held a news conference to tout the planned shipping terminal and surrounding 366-acre development, which would bring a rail line, warehouses and maritime businesses to the long-defunct Oakland Army Base. They say a coal ban could derail the entire project and eliminate thousands of jobs.

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