

CALIFORNIA TRANSPORTATION COMMISSION**2018 Trade Corridor Enhancement Program Guidelines****Additional Change to the October 6, 2017 Final Proposed Guidelines**

The California Transportation Commission held a Statewide Teleconference Call on October 16, 2017 to solicit comments and input from stakeholders on the proposed final Trade Corridor Enhancement Program Guidelines. Based on input from the stakeholders, staff is proposing the following change to the Matching Requirements Section of Guidelines:

Section 8 - Matching Requirements

Projects funded from the Trade Corridor Enhancement Program will require at least a 30% match of private, local, federal, or state funds. For the purpose of calculating the required match, the Commission will only consider funds that are not allocated by the Commission on a project specific basis. For projects nominated by Caltrans, no match will be required. However, as noted in Section 17, the Commission will consider the leveraging and coordination of other funds when evaluating projects. For projects jointly nominated by Caltrans and another agency, the matching funds must account for 30% of the local agency's share of the project costs.

The matching funds must be expended concurrently and proportionally to the Trade Corridor Enhancement Program funds, **except as noted below**. Costs incurred prior to allocation will not be counted towards match.

The Commission may, at the time of programming or allocation, approve non-proportional spending allowing for the expenditure of federal funds administered under the Trade Corridor Enhancement Program before other funds. The non-proportional spending must be approved by the Federal Highway Administration prior to allocation. Adjustments will be made at project closeout to ensure matching funds were spent proportionally to the Trade Corridor Enhancement Program funds.

The applicant must provide a project funding plan through construction that demonstrates the supplemental funding in the plan (local, federal, state, private sources) is reasonably expected to be available and sufficient to complete the project.

The investment of public funding must be tied to public benefits as demonstrated through a public/private benefit cost analysis. The benefit cost analysis should take into account who owns the asset once the project is completed.



October 16, 2017

Ms. Dawn Cheser
Assistant Deputy Director
California Transportation Commission
1120 N. St., Sacramento, CA

Dear Ms. Cheser:

Thank-you for the opportunity to provide input to the final draft guidelines for the Commission's Trade Corridor Enhancement Program (TCEP). Developing the State's freight program has been a long process. You and all of the Commission and Department staff are to be commended. VTA has the following to contribute to the Commission's discussion on October 18, 2017.

Project Eligibility

VTA staff appreciates the CTC staff's flexibility in considering funding for pre-construction phases. Allowable pre-construction phase should include the environmental clearance phase (PA & ED) The draft guidelines would require the project sponsor to file a Notice of Determination (NOD) within six months of program adoption. This effectively means that no project can receive funding for its' environmental clearance phase unless it's a fairly minor effort requiring only a negative declaration, and gets an allocation vote between May and October 2017. This requirement should be removed. The state needs to deploy all its' resources to build a "shelf" of shovel ready projects for Federal initiatives as well as closing current funding gaps so that near-term projects can proceed.

Leveraging Funds

The CTC should pursue an approach that prioritizes project funding requests with higher match, as opposed to requiring a minimum match. The CTC should also consider allowing use of RTIP funds as match. The combination of disallowing use of RTIP, and requiring a 30% minimum match may effectively make this a program where only the sponsors with the most unrestricted money can compete. Those sponsors are not always addressing the State's pressing goods movement challenges.

Project Delivery

California's project delivery environment is extremely complex, and the CTC's award and allocation policies needs to reflect that, without the side effect of making the CTC extension process the path of least resistance when a project sponsor runs into trouble. Real and reasonable deadlines are important. That said, public sector bidding processes are lengthy, and necessarily so to allow for minimum solicitation times, responses to questions, and consider responses to disputes. Challenges come near the end of the process, when competitors protest the selection, or the agency finds itself in a re-bid situation due to excessively high bids, non-responsive proposals, or simple lack thereof. Many award extension requests could be prevented by using a slightly longer award deadline in the first place – such as 9 to 12 months.



Many thanks for the opportunity to comment on the draft guidelines. I look forward to working with the CTC over the next few years to implement this program.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marcella Rensi', is written over a light grey rectangular background.

Marcella Rensi
Deputy Director, Programming & Congestion Management



October 17, 2017

Bob Alvarado
Chair, California Transportation Commission
1120 N Street, MS-52
Sacramento CA 95814

VIA E-MAIL

Re: 2018 Trade Corridor Enhancement Program Final Guidelines

Dear Chair Alvarado,

The undersigned organizations represent active transportation, public transit, public health, social justice, environmental, and environmental justice organizations involved in how California invests federal and state transportation funds. This includes funding for freight infrastructure, and many organizations listed here are California Cleaner Freight Coalition (CCFC) members engaged in development and implementation of the state’s multi-agency Sustainable Freight Action Plan. Therefore, we have a strong interest in the Trade Corridor Enhancement Program (TCEP), because it presents an opportunity to make critical investments in a sustainable freight transportation system that protects our environment and health, promotes social and economic justice, improves community well-being, and fairly distributes economic growth and its burdens.

Several organizations represented here have been actively involved throughout the public process to develop the 2018 TCEP Final Guidelines (“Final Guidelines”). We participated in workshops to develop California Freight Investment Program (CFIP) Guidelines, and continued doing so after SB 1 was signed into law and federal and state funds were merged into one freight program. We appreciate that the Final Guidelines are aligned with principles and strategies identified in numerous state agency freight plans, as well as laws and standards, to reduce the severe negative impacts of goods movement on air quality, climate safety, and the public’s health, particularly in disadvantaged communities most impacted by freight.¹ Some of these strategies also help achieve freight and transportation system objectives, which can lead to greater industry competitiveness in turn. We also support the refinements made to the Air Resources Board’s emissions model, and are pleased that the updated model will be integrated in the Cal B/C assessment tool that applicants must use.

At the same time, there are serious shortcomings in the Final Guidelines that must be addressed in order to ensure that freight infrastructure projects achieve their stated environmental and community benefits. These include issues with certain eligible project types, processes for rating projects and community involvement (in project design and nomination), and accountability-related requirements for the program of projects and impacts on disadvantaged and low-income communities specifically. We provide recommendations to address these issues and plan to remain engaged in TCEP implementation so that our public investments help build a sustainable freight system.

We support the emphasis in the Final Guidelines on the deployment of innovative technologies that can improve freight system efficiency and reduce air and climate pollution from freight vehicles and equipment. Importantly, this emphasis is addressed by including Intelligent Transportation Systems (ITS) and other technologies in the list of eligible projects (Section 12) and as a criterion CTC staff will use to evaluate nominated projects (Section 16). Integrating advanced transportation technologies in freight infrastructure is a major strategy described and proposed throughout the Sustainable Freight Action Plan and California Freight Mobility Plan; this strategy is also recommended by Caltrans in the department’s “California Metropolitan Planning Organization Regional Transportation Plan Review Report” commissioned by the CTC. **We encourage the CTC to consider ways to ensure ITS and other innovative technologies are integrated in freight infrastructure projects at a higher rate over time, as these devices and information systems become deployed more widely in California’s freight system.**

¹ Examples of relevant plans and policies include: California Sustainable Freight Action Plan (2016), 2016 Regional Transportation Plan Guidelines, California Freight Mobility Plan (2014), federal Clean Air Act and Transportation Conformity rules, state climate protection laws (AB 32, 2006 and SB 32, 2016), and transportation budget trailer bill (SB 103, 2017).

In addition to establishing sound guidelines, we believe effective TCEP programming must formally support community participation in the review and development of trade corridor enhancement projects nominated for funding. It is particularly important that residents of communities most negatively impacted by freight transport are meaningfully involved in this engagement effort to increase the likelihood that nominated projects are ones that best achieve critical environmental and community benefits (e.g., reduced air, climate, and noise pollution). We appreciate that TCEP applicants will have to describe “how local residents and community-based organizations were engaged in developing the project,” as well as “how the final project will address community-identified needs along with a description and quantification of the benefits the project will provide for disadvantaged communities and low-income areas” (Section 17, part D). However, neither of these provisions hold any weight in the evaluation process (Section 16). **Therefore, we recommend that the TCEP also require and prioritize (via the CTC’s project evaluation process) involvement of residents, and community-based organizations that serve or represent disadvantaged and low-income communities, in selecting projects to nominate for TCEP funding; this may first require greater formalization of regional corridor coalitions to coordinate a transparent project review and selection process.**

We recognize that the Final Guidelines build upon those established for the Prop 1B/Trade Corridor Improvement Fund (TCIF), and that projects were screened for their contributions to reducing criteria and toxic air pollution at the corridor or air basin level. However, the situation within communities adjacent to freight hubs and near major trade corridors has not improved markedly, in terms of poor air quality, heavy traffic and noise pollution, and the associated impacts on people’s neighborhoods, health, and well-being. We support the improvements made to the underlying emissions model in the Cal B/C tool, and the addition of greenhouse gas (GHG) emissions to the list of pollutants that TCEP projects must help reduce. Nonetheless, improved models and assessment tools are insufficient responses to the imperative to significantly and immediately reduce air and climate pollutant emissions from the freight transport sector. This is particularly true at the neighborhood or community level, because of the concentration of freight infrastructure and freight traffic in certain communities where residents are disproportionately low-income and/or people of color. **Therefore, we strongly urge the CTC to consider more substantial changes to TCEP guidelines that will increase the potential of projects to deliver much-needed environmental, health, and other community improvements. Our specific recommendations, described below, also support important freight and transportation system improvements.**

Congestion, bottlenecks, as well as extended queueing and idling are problems affecting the freight industry, and they directly impact pollutant emissions and associated health effects. However, expanding roadway capacity, especially for general purpose usage, and particularly

on Critical Urban Freight Corridors, is not a viable solution to these freight and transportation system challenges. **One simple measure CTC could enact to ensure projects achieve and sustain congestion reduction gains is requiring applicants to demonstrate that demand- and active-management strategies were considered before proceeding with a capacity-increasing project.** The Final Guidelines identify reversible lanes as the only such strategy that applicants must have considered (pursuant to Streets and Highway Code Section 100.15), whereas other access control as well as pricing and vehicle eligibility strategies should also be explored. The ability to promote development and deployment of zero- and zero-emission-capable (i.e., hybrid technology) trucks – a sector experiencing rapid technological advances – is a unique advantage of vehicle eligibility measures. **CTC should also explore the following measures aimed at achieving and sustaining congestion reduction on major trade corridors:**

- Adopt, or adapt for TCEP guidelines the statutory requirements of the Solutions for Congested Corridors Program², which would also align funding opportunities for applicants;
- Establish restrictions or a prohibition on capacity-increasing projects in Critical Urban Freight Corridors where the consequence of induced travel demand will be most significant; and/or
- Set goals or targets for reducing corridor-specific environmental and community impacts and pursue projects and other strategies to achieve those goals, as per the recommendation in the California Freight Mobility Plan (CFMP, Chapter 1.1).

Another area for improvement in the TCEP guidelines is the project rating process (Section 15). The proposal to rank projects as high, medium, or low priority after screening and evaluating provides some degree of greater transparency in how the CTC will select projects for TCEP funding, as required by the transportation budget trailer bill (SB 103, Committee on Budget and Fiscal Review). However, the exact value or weight assigned to the numerous evaluation factors and other considerations for project selection remain unknown. Transparency requires a rating process that clearly delineates its use or application. To be more specific, it is unclear how much environmental and community factors will influence project selection compared to freight and transportation system factors. It is necessary that the TCEP program “prioritize freight projects that maximize GHG, criteria pollutant, and air toxin emission reductions” (CFMP, Chapter 1.1) for California to meet federal, health-protective air quality standards and the state’s ambitious climate protection standard. **Consequently, we recommend that CTC begin developing a more comprehensive project scoring system – via a public process and**

² Specifically, Chapter 8.5 of SB 1 (Beall 2017) states: “In order to mitigate increases in vehicle miles traveled, greenhouse gases, and air pollution, highway lane capacity-increasing projects funded by this [Solutions for Congested Corridor] program shall be limited to high-occupancy vehicle lanes, managed lanes as defined in Section 14106 of the Government Code, and other non-general purpose lane improvements primarily designed to improve the safety for all modes of travel, such as auxiliary lanes, truck climbing lanes, or dedicated bicycle lanes.”

involving other state agencies – with points assigned to various evaluation criterion. This approach is consistent with other statewide transportation infrastructure programs, and will increase the level of transparency in the project selection process to the benefit of applicants and freight-impacted communities.

Lastly, certain explicit provisions in statute (SB 103, Committee on Budget and Fiscal Review) are not fully addressed in the Final Guidelines, namely: how CTC will “evaluate the total potential economic and noneconomic benefits” of the program of projects, and conduct that assessment focusing on impacts in disadvantaged and low-income communities. It is good that applicants will have to indicate how their projects meet “community-identified needs” and also describe and quantify project benefits for disadvantaged and low-income populations; this requirement underscores the need for robust community participation in trade corridor coalitions. However, the Final Guidelines completely ignore other very important provisions in SB 103 regarding disadvantaged communities. Statute explicitly states that “evaluation shall specifically assess localized impacts in disadvantaged communities” and that nominated projects reduce negative community impacts, “**especially in disadvantaged communities**”. Simply following Section 39711 of the Health and Safety Code, without actually “evaluating” the impact, does not address these specific provisions. **To fully satisfy these provisions, we recommend incorporating assessment of the impact on disadvantaged communities in the evaluation criteria (Section 16). SB 103 is clear that the guidelines must actually factor this into the “transparent process to evaluate projects”.** “Community impact factors” in Section 16 is wholly insufficient. Furthermore, since the only place “disadvantaged or low-income communities” is mentioned in the guidelines is in Section 17-Project Nominations, it is even more unclear how the descriptions of needs and benefits submitted by applicants will actually be incorporated into the CTC’s project evaluation process (Section 16).

There is an urgent need for a cleaner and more sustainable freight transportation system in California, because of the severe harms imposed on people and communities near major freight hubs and trade corridors. Freight infrastructure improvements will play a key role in facilitating the transition to a goods movement system that achieves greater freight efficiency with less pollution and other adverse impacts on communities. We hope our recommendations are useful in clarifying how freight infrastructure investments can be designed and evaluated in ways that meaningfully advance freight efficiency as well as environmental and community improvements, especially in disadvantaged communities, that Californians need and deserve. We look forward to remaining involved in the implementation of the TCEP and other similar funding programs in the future, and encourage the CTC to seize the opportunity to demonstrate national leadership in building a cleaner, healthier, and modern freight system.

Sincerely,

Shrayas Jatkar
Coalition for Clean Air

Jared Sanchez
California Bicycle Coalition

Kevin Hamilton
Central California Asthma Collaborative

Taylor Thomas
East Yard Communities for Environmental
Justice

Rev. Earl W. Koteen
Sunflower Alliance

Joel Ervice
Regional Asthma Management and
Prevention

Humberto Lugo
Comite Civico Del Valle

Wes Reutimann
Bike San Gabriel Valley & DayOne

Tony Dang
California Walks



October 17, 2017

Ms. Susan Bransen
Executive Director
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814

SUBJECT: Draft Trade Corridor Enhancement Program Guidelines


Dear Ms. Bransen:

The Transportation Agency for Monterey County appreciates the efforts by California Transportation Commission staff to develop the draft guidelines for the Senate Bill 1 Trade Corridor Enhancement Program. Commission staff has been very responsive to comments throughout the extensive workshop process, however the Transportation Agency still has concerns regarding the requirement that matching funds must be expended concurrently and proportionally to the Trade Corridor Enhancement Program funds, and the restriction that costs incurred prior to allocation will not be counted towards the match requirement. These provisions will severely limit the ability of agencies with limited funding to deliver large trade corridor and freight improvement projects.

In our Agency's situation with the Highway 156 improvement project, as currently written, these guidelines will prohibit our agency from receiving Trade Corridor funding for the right-of-way phase while we seek a substantial amount of local funding for construction through a public-private partnership or public toll authority. Having access to the Trade Corridor funds for the right-of-way phase will be critical to moving the project forward to the construction phase where toll revenues could be available. Otherwise, the construction phase funding will be inaccessible if Trade Corridor and toll funds need to be spent concurrently since the fund source and project phasing will not be in alignment.

As such, the Transportation Agency requests that the Commission consider the overall funding plan for the project when determining the match and that the requirement that funds be expended concurrently be removed from the guidelines.

Our Agency however is supportive and appreciates several changes that have been incorporated into the latest version of the guidelines, which include:

- Allowing capital costs to be programmed contingent upon the filing of a Notice of Determination within six months of the program adoption. This will allow project

sponsors additional flexibility to complete the environmental phase while seeking funding critical to delivering projects;

- Utilizing a broader definition of disadvantaged communities to include low-income areas. This will provide a more accurate assessment of disadvantaged and low-income areas that will benefit under this program, rather than relying on the scores from CalEnviroScreen alone; and
- Allowing the expansion of project scopes by using potential project cost savings at the time of contract award up to ten percent. This will allow project sponsors to reinvest savings into their projects to enhance what is ultimately delivered.

Thank you for consideration of the points put forward in this letter and how the draft guidelines as currently written will restrict our Agency's access to funding for high-priority trade corridor and freight improvements on Highway 156. Please contact Michael Zeller of my staff at (831) 775-4416 if you have any questions.

Sincerely,



Debra L. Hale
Executive Director