

Memorandum

Tab 22

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 15-16, 2017

Reference No.: 4.8
Information

From: SUSAN BRANSEN
Executive Director

Subject: **PRESENTATION ON THE DRAFT CALIFORNIA FREIGHT INVESTMENT PROGRAM GUIDELINES**

SUMMARY:

The California Freight Investment Program guidelines describe the policy, standards, criteria and procedures for the development, adoption and management of the California Freight Investment Program. The guidelines were developed in consultation with stakeholders representing state, regional, and local government entities as well as private industry and other advocates.

The California Transportation Commission (Commission) has held five public workshops in locations throughout the state, presented at the California Freight Advisory Committee meeting and met with various advocates since commencing the California Freight Investment Program Guidelines development in November 2016. Two additional public workshops will be held on April 3, 2017 and April 24, 2017.

The draft guidelines were prepared to address various topics discussed during the workshops and are attached (Attachment A). Some of the generally agreed upon suggestions included consensus from participating stakeholders on the use of the existing Trade Corridors Improvement Fund (TCIF) guidelines as a starting point for the California Freight Investment Program, funding pre-construction project components, and allowing time extensions similar to the State Transportation Improvement Program.

Commission staff recognize the concerns outlined in the comment letters received from stakeholders (Attachment B) and will continue to work on addressing those concerns before formally submitting the guidelines to the Commission for adoption at the May 2017 meeting. Commission staff will also monitor any new enacted state and federal legislation that may affect the California Freight Investment Program and will include any changes required by law.

The following key areas have been the main topics of discussion since the "Discussion Draft" California Freight Investment Program Guidelines was published on February 23, 2017.

- 40% Statewide Target for State. Several participants expressed this target should be the same as the 25% dedicated to the interregional program in the State Transportation Improvement Program (STIP). Staff recommended a 40% statewide target after considering that 60% is the

standard state share the state receives from other federal transportation programs, and that Senate Bill 826 (Leno, 2016) requires the Commission to allocate funds to corridor-based projects selected by “local agencies and the state.” Commission staff believes that the proposed 40% balances the increased need of the interregional program, the Administration’s priorities and supports the provisions of Senate Bill 826.

- Regional corridor target percentages differ from the 2007 TCIF percentages. The regional corridors approved in the TCIF were formulated using the 2007 Goods Movement Action Plan and the percentages for the regional corridor targets were based on agreed upon priorities. The Goods Movement Action Plan has since been replaced with the 2014 California Freight Mobility Plan prepared in compliance with Assembly Bill 14 (Lowenthal, 2012) and as required under Title 49, section 70202, of the United States Code of Federal Regulations. Specifically, Assembly Bill 14 and Title 49 require that the state prepare a comprehensive plan to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight. Therefore, since the California Freight Mobility Plan is the most current approved statewide, long-range plan that meets these state and federal requirements for California’s freight transportation capital investments, and since the plan was prepared in consultation with various transportation stakeholders and the California Freight Advisory Committee, Commission staff utilized the tiered project list in the plan to determine the proposed percentages.

The following table provides a comparison of the corridor target percentages utilized for the TCIF and proposed for the CFIP:

Region	TCIF Percentage		CFIP Percentage	
Statewide Percentage				
	Low	High	Low	High
Caltrans	-	-	40%	
Regional Corridor Percentage				
Bay Area/Central Valley	26%	28%	19%	27%
Central Coast	-	-	-	2%
Los Angeles/Inland Empire	56%	61%	49%	57%
San Diego Border Region	10%	13%	16%	27%
Other	2%	3%	-	3%

- Match Requirement. Participants expressed concern that the proposed 50% match is too high as some regions have limited access to matching funds and a high match may eliminate some projects from being able to compete for these funds. Commission staff understands the concerns voiced regarding this requirement and have revised the guidelines to reflect a 30% match requirement, which will continue to leverage additional funds while lessening the burden on the implementing agencies.

- Prior project expenditures used for match. Participants requested that prior project component expenditures be allowed as match similar to the Trade Corridors Improvement Fund. Under federal statute this type of matching scenario, referred to as a tapered match, must be approved by the Federal Highway Administration on a project by project basis. In the event the tapered match is not approved, the project would not have a fully committed funding plan. Therefore, Commission staff supports the matching of each project component individually to ensure projects are fully funded at the time of programming and decrease any delays in obtaining federal authorization to proceed.
- Require nominations to be submitted through a Metropolitan Planning Organization. Some participants expressed the Metropolitan Planning Organizations should play a larger role in screening applications and making initial recommendations to the Commission. The guidelines have been revised to include a larger role for the Metropolitan Planning Organizations.
- Award deadline of December 2020. Participants expressed concern that the December 2020 deadline to award construction does not allow sufficient time to complete pre-construction activities for potential projects. The guidelines have been revised to extend the award deadline to December 2022 which will provide additional time needed for pre-construction activities and still realize the benefits of a completed project in a reasonable amount of time.
- Purchase of zero or near-zero equipment. The International Longshore & Warehouse Union proposed that the use of these funds for the purchase of zero or near-zero equipment be limited to those projects that will not displace the existing workforce. The purchase of equipment is not included as an eligible project as listed in Section 9 of the draft guidelines.

BACKGROUND:

The Fixing America's Surface Transportation (FAST) Act was signed into law on December 4, 2015 and established a new freight fund under the National Highway Freight Program for a five-year period. The National Highway Freight Program provides approximately \$582 million of apportionments to California over the five-year period of the FAST Act.

Senate Bill 826 directs the Commission to allocate the National Highway Freight Program funds to corridor-based projects selected by local agencies and the state. Senate Bill 826 further requires the Commission to adopt guidelines that describe the policy, standards, criteria and procedures for programming and allocation of the federal funds.

In addition to the National Highway Freight Program funding, Assembly Bill 133 (Weber, 2016) provided an \$11 million Traffic Congestion Relief Fund loan repayment to be used for trade corridor improvements. The Department of Finance has concurred with Commission staff's recommendation to administer these funds through this effort.

Attachments:

Attachment A: Draft California Freight Investment Program Guidelines

Attachment B: Comment Letters

ATTACHMENT A

Draft California Freight Investment Program Guidelines

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**2017
CALIFORNIA
FREIGHT INVESTMENT PROGRAM
GUIDELINES**

DRAFT

March 13, 2017

California Transportation Commission



**CALIFORNIA TRANSPORTATION COMMISSION
2017 CFIP GUIDELINES
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I. Introduction

1. Background

The Fixing America's Surface Transportation (FAST) Act was signed into law on December 4, 2015 and established a new freight fund under the National Highway Freight Program for a five-year period. The National Highway Freight Program provides approximately \$582 million of apportionments to California over the five-year period of the FAST Act.

On June 27, 2016 the Governor signed Senate Bill 826 (Leno, 2016), which directs the California Transportation Commission (Commission) to allocate the federal National Highway Freight Program funds to corridor-based projects selected by local agencies and the state.

In addition to the National Highway Freight Program funding, Assembly Bill 133 (Weber, 2016) provided an \$11 million Traffic Congestion Relief Fund loan repayment to be used for trade corridor improvements.

The California Freight Investment Program guidelines build from the 2007 Trade Corridors Improvement Fund guidelines, which provided \$2 billion for freight-related infrastructure improvements along corridors with a high volume of freight movement. The Trade Corridors Improvement Fund was largely considered a successful program, as managed by the California Transportation Commission.

Freight planning and policy has changed since the Trade Corridors Improvement Fund guidelines were developed in 2007 with the approval of the 2014 California Freight Mobility Plan and the 2015 California Sustainable Freight Action Plan, which have helped define California's approach to freight planning and policy over the last decade. The California Freight Investment Program guidelines reflects the intent of these plans and policies along with the National Highway Freight Program Goals.

The Commission is responsible for programming and allocating these state and federal funds which will be administered through the California Freight Investment Program.

These guidelines describe the policy, standards, criteria, and procedures for the development, adoption and management of the California Freight Investment Program. The guidelines were developed in consultation with stakeholders representing state, regional, and local government entities, advocacy groups and private industry. As these guidelines were developed, there were a number of bills being considered in the state legislature to fund investments in trade corridors. It is the Commission's intent that these guidelines be structured in such a way that they can guide the programming and allocating of the proposed funding should it be realized.

The Commission may amend these guidelines after first giving notice of the proposed amendments. The Commission will make a reasonable effort to amend the guidelines prior to a call for projects or may extend the deadline for project submission in order to comply with the amended guidelines.

2. Program Objectives

The objective of the California Freight Investment Program is to fund projects which improve the efficient movement of freight on designated corridors throughout the state and to support the goals outlined in the National Highway Freight Program, the California Freight Mobility Plan, and the guiding principles in the California Sustainable Freight Action Plan.

National Highway Freight Program Goals	California Freight Mobility Plan Goals	<u>California Sustainable Freight Action Plan Guiding Principles</u>
<i>Invest in infrastructure and operational improvements that strengthen economic competitiveness, reduce congestion, reduce cost of freight transportation, improve reliability, and increase productivity.</i>	<i>Improve the contribution of the California freight transportation system to economic efficiency, productivity, and competitiveness.</i>	<u><i>Support local and regional efforts to improve trade facilities and corridors that achieve regional environmental, public health, transportation, and economic objectives consistent with statewide policy goals.</i></u>
<i>Improve safety, security, efficiency and resiliency of freight transportation in rural and urban areas.</i>	<i>Improve the safety, security, and resilience of the freight transportation system.</i>	<u><i>Grow the economic competitiveness of California's freight sector.</i></u>
<i>Improve the state of good repair of the National Highway Freight Network.</i>	<i>Improve the state of good repair of the freight transportation system.</i>	<u><i>Grow the number of well-paying employment opportunities in the freight sector.</i></u>
<i>Use innovation and advanced technology to improve National Highway Freight Network safety, efficiency and reliability.</i>	<i>Use innovative technology and practices to operate, maintain, and optimize the efficiency of the freight transportation system while reducing its environmental and community impacts.</i>	<u><i>Reduce or eliminate health, safety, and quality of life impacts on communities that are disproportionately affected by operations at major freight corridors and facilities. This includes reducing toxic hot spots from freight sources and facilities, and ensuring continued net reductions in regional freight pollution.</i></u>
<i>Improve the efficiency and productivity of the National Highway Freight Network.</i>	<i>Reduce costs to users by minimizing congestion on the freight transportation system.</i>	<u><i>Reduce freight-related deaths and injuries, and security threats.</i></u>
<i>Reduce environmental impacts of freight movement on the National Highway Freight Network.</i>	<i>Environmental Stewardship – Avoid and reduce adverse environmental and community impacts of the freight transportation system.</i>	<u><i>Improve the state-of-good-repair of the multi-modal freight transportation system.</i></u>

<p><i>Improve State flexibility to support multi-State corridor planning and address highway freight connectivity.</i></p>		<p><u><i>Invest strategically to improve travel time reliability and to achieve sustainable congestion reduction on key bottlenecks on primary trade corridors.</i></u></p>
		<p><u><i>Improve system resilience by addressing infrastructure vulnerabilities associated with expected climate change impacts and natural disasters, which may include exploring opportunities to utilize natural systems to improve water quality, reduce ecosystem damage, prevent flooding, and create a cooling effect.</i></u></p>
		<p><u><i>Site freight projects to avoid greenfield development by enhancing existing freight infrastructure or targeting infill development near compatible land uses.</i></u></p>

~~The California Sustainable Freight Action Plan established three targets: to improve freight efficiency, transition to zero emission technologies, and increase competitiveness. These targets are not mandates, but rather aspirational measures of progress toward sustainability for the State to meet and try to exceed.~~

3. Program Schedule

The following schedule lists the major milestones for the development and adoption of the 2017 California Freight Investment Program:

Draft guidelines presented to Commission	March 16-17, 2017
Commission adoption of guidelines	May 17-18, 2017
Call for projects	May 17-18, 2017
Project applications due to Commission (postmark date)	June 30, 2017
Release staff recommendations	August 1, 2017
Commission adopts program	August 16-17, 2017

II. Funding

4. Source

The California Freight Investment Program will receive approximately \$556.2 million of federal and state funds as follows:

- \$545.2 million from the federal National Highway Freight Program over a five year period beginning with the 2015-16 federal fiscal year through the 2019-20 federal fiscal year. This amount is governed by the obligation authority set by Congress in its annual Federal Appropriation Act.
- \$11 million of state funds appropriated in the Budget Act of 2015 as amended by Assembly Bill 133 (Chapter 2, Statutes of 2016, item 2660-013-0001, provision 1[b]).

It is the intent of the Commission to adopt a multi-year program of projects covering state fiscal years 2017-18 through 2019-20.

5. Distribution

The Commission supports a corridor-based programming approach to the California Freight Investment Program, which recognizes and complements the goods movement planning work already done within the major trade corridors. The Commission also recognizes and supports the key role that the state and regions have in project identification.

After consulting the California Freight Mobility Plan and conducting a number of stakeholder workshops, the Commission has determined that the following corridors are eligible for funding under this program:

- Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties)
- Central Valley (El Dorado, Fresno, Kern, Kings, Madera, Merced, Placer, Sacramento, San Joaquin, Stanislaus, Sutter, Tulare, and Yolo counties)
- Central Coast (Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz counties)
- Los Angeles/Inland Empire (Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties)
- San Diego/Border (Imperial and San Diego counties)

The Commission acknowledges that other regions may have goods movement infrastructure needs along corridors that have a high volume of freight movement that are eligible for funding. The Commission anticipates those regions will nominate their projects for consideration.

To promote a corridor-based approach while also recognizing the key role of the state in prioritizing interregional freight projects, the Commission has developed the following targets for projects nominated by the California Department of Transportation (Caltrans) and for the geographic programming or projects nominated by other agencies.

The target for Caltrans’ nomination of statewide projects is based on the statewide priorities identified by the Administration and accounts for 40% of the identified program funding. While this percentage is less than the 60/40 state/local split typical of federal transportation funds as specified later in these guidelines, priority will be provided for projects jointly nominated and jointly funded by the state and local agencies. The Commission expects Caltrans’ nominations to provide for statewide geographic balance.

The targets for the corridors are based on the identified costs of projects located on the Tier 1 network and total projects set forth in the California Freight Mobility Plan (excluding those shown as under construction and fully funded). The California Freight Mobility Plan Tier 1 network is comprised of routes having the highest truck volumes or provides essential connectivity to and between key freight gateways and regions.

The targets are neither minimums, maximums, nor guarantees. They do not constrain what any agency may propose or what the Commission may approve for programming and allocation within any particular corridor.

Programming Targets		
Statewide Target		
Caltrans	222,480,000	
Regional Corridor Targets		
	Low	High
Bay Area/Central Valley	63,000,000	90,000,000
Central Coast	-	7,000,000
Los Angeles/Inland Empire	164,000,000	190,000,000
San Diego/Border	53,000,000	90,000,000
Other	-	10,000,000

Savings at contract award and project completion must be returned proportionally to the California Freight Investment Program. California Freight Investment Program funding is not available to fund cost increases. Caltrans is encouraged to program a portion of State Transportation Improvement Program or State Highway Operation and Protection Program funds to pay for potential cost increases on their nominated projects. For jointly nominated projects, the Commission expects cost increases will be funded based on agreements between the agencies nominating the project.

6. Matching Requirements

Projects funded from the California Freight Investment Program will require at least a ~~30% one-to-one~~ match of local, state, or private funds except for projects nominated by Caltrans. For projects nominated by Caltrans, no match will be required. However, as noted in Section 11, the Commission will consider the leveraging and coordination of other funds when evaluating projects. For projects jointly nominated by Caltrans and another agency, 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 California Freight Investment Program funds. Costs incurred prior to allocation will not be counted towards match.

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. California Freight Investment Program funds should not supplant other committed funds and revenues otherwise available through existing private sector revenue streams.

7. Reimbursement

The California Freight Investment Program is a reimbursement program for eligible costs incurred. Costs incurred prior to Commission allocation and, for federally funded projects, Federal Highway Administration project approval (i.e. Authorization to Proceed) are not eligible for reimbursement.

III. Eligibility

8. Eligible Applicants

Eligible applicants include local, regional, and public agencies such as cities, counties, Metropolitan Planning Organizations, Regional Transportation Planning Agencies, port authorities, public construction authorities, and Caltrans. Project proposals from private entities should be submitted by a public agency sponsor.

A nomination may identify an entity other than the applicant to be the project implementing agency. The implementing agency assumes responsibility and accountability for the use and expenditure of program funds.

Applicants must comply with all relevant federal and state laws, regulations, policies, and procedures.

9. Eligible Projects

Consistent with the California Freight Mobility Plan, a freight project is a project that significantly contributes to the freight system's economic activity or vitality; relieves congestion on the freight system; improves the safety, security, or resilience of the freight system; improves or preserves the freight system infrastructure; implements technology or innovation to improve the freight system or reduce or avoid its negative impacts; or reduces or avoids adverse community and/or environmental impacts of the freight system.

To be eligible for funding under this program, a project must meet the aforementioned freight project definition, support the objectives of the program, and meet the screening and evaluation criteria.

Because the majority of funds in the California Freight Investment Program are federal funds, projects must comply with the provisions of Title 23 of the U.S. Code of Federal Regulation, and be located on the Primary Highway Freight System or a designated Critical Rural Freight Corridor or Critical Urban Freight Corridor. The designation of the Critical Rural Freight Corridor or Critical Urban Freight Corridor is not required at the time of project nomination, however, the designation must be federally approved prior to the project requesting allocation.

California Freight Investment Program funds may be used for any component of a project, however, the project must award construction by December 31, 2022.

Projects eligible for funding under the program include, but are not limited to, the following:

- Additional capacity to address highway freight bottlenecks, highway or bridge projects to improve flow of freight on National Highway Freight Network, physical separation of passenger vehicles from commercial motor freight.
- Port and/or rail projects to facilitate intermodal interchange, transfer, and access into or out of the facility (limited to 10% of yearly apportionments).
- Intelligent Transportation Systems or other technology to improve the flow of freight, real time information systems, weigh-in-motion devices, electronic screening/credentialing systems, traffic signal optimization, work zone management and information systems, ramp metering, electronic cargo and border security technologies.
- Grade Separations.
- Geometric improvements to interchanges and ramps.
- Truck only lanes, including climbing and runaway, and parking facilities.
- Adding or widening shoulders.
- Efforts to reduce environmental impacts of freight movement.
- Environmental/community mitigation for freight movement.

IV. Project Selection Process

10. Screening Criteria

Nominations will receive an initial screening for completeness, eligibility, and deliverability before moving to the evaluation process. Incomplete or ineligible applications may not be evaluated.

Nominations will be screened for the following:

- Project is included in the California Freight Mobility Plan, in an adopted regional freight plan, or an adopted regional transportation plan.
- Project can demonstrate a 30% funding match as outlined in Section 6 of these guidelines. A project that is already fully funded will not be considered for programming.
- Project must award a construction contract by December 31, 2022.
- Project must be one of the types of projects listed in Section 9 of these guidelines.

- Project must not increase the state’s overall capacity to facilitate the transportation of coal in bulk, pursuant to Government Code Section 14525.3.
- Project must meet the objectives of the California Freight Investment Program.
- Project must be located on the federally approved Primary Highway Freight System or a designated Critical Rural Freight Corridor or Critical Urban Freight Corridor. The designation of the Critical Rural Freight Corridor or Critical Urban Freight Corridor is not required at the time of project nomination, however the designation must be federally approved prior to the project requesting allocation.
- Project contributes to corridor or air basin emission reduction of greenhouse gases, diesel particulates, carbon monoxide, nitrogen oxides, and other pollutants.
- Project will stimulate economic activity, enhance trade value, and preserve/create jobs.

11. Evaluation Criteria

Evaluation criteria are outcome oriented and customizable to each corridor. Evaluation criteria are grouped into three categories.

Where a project is proposed to improve private infrastructure, the Commission’s evaluation will examine the public/private benefit assessment of the project.

Nominations will be evaluated on the following:

- Freight System Factors
 - Throughput – Project provides for increased volume of freight traffic through capacity expansion or operational efficiency.
 - Velocity – Project increases the speed of freight traffic moving through the distribution system.
 - Reliability - Project reduces the variability and unpredictability of travel time.
- Transportation System (Priorities) Factors
 - Safety - Project increases the safety of the public, industry workers, and traffic.
 - Congestion Reduction/Mitigation - Project reduces daily hours of delay on the system and improves access to freight facilities.
 - Key Transportation Bottleneck Relief - Project relieves key freight system bottlenecks where forecasts of freight traffic growth rates indicate infrastructure or system needs are inadequate to meet demand.
 - Multi-Modal Strategy - Project employs or supports multi-modal strategies to increase port and transportation system throughput while reducing truck vehicle miles/hour traveled (VMT/VHT) [or truck idling times](#).
 - Interregional Benefits - Project links regions/corridors to serve statewide or national trade corridor needs.
- Community Impact Factors

- Air Quality Impact - Project reduces local and regional emissions of diesel particulate, carbon monoxide, nitrogen oxides, greenhouse gases, and other pollutants.
- Community Impact Mitigation - Project reduces negative impacts on communities (noise, localized congestions, safety, public health, etc.).
- Economic/Jobs Growth – Project stimulates local economic activity, enhances trade value, and preserves/creates jobs.

The Commission will also consider the following factors when evaluating projects:

- The overall need, benefits and cost, of the project in the context of its contribution to advancing the California Freight Mobility Plan, [the California Sustainable Freight Action Plan](#), and an adopted regional freight plan. [Projects submitted by Caltrans should also include a description of how the project contributes to advancing the Interregional Transportation Strategic Plan.](#)
- Project readiness and reasonableness of the schedule for project implementation, including the following:
 - Progress towards achieving environmental protection requirements.
 - The comprehensiveness and sufficiency of agreements with key partners (particularly infrastructure owning railroads) that will be involved in implementing the project.
- The leveraging and coordination of funding from other private, federal, state, local or regional sources, with consideration of those sources that are discretionary compared to those that are nondiscretionary.
- The commitment of multiple partners in the delivery of the project, as evidenced by joint nomination and/or joint funding of a project.
- The project's support or use of innovated technology or practices.

12. Project Nominations

The Metropolitan Planning Organizations will be responsible for compiling and submitting project nominations from their respective agencies to the Commission. Project nominations coming from Imperial County will be submitted to San Diego Association of Governments since the County falls within the San Diego/Border corridor. All other project nominations will be submitted directly to the Commission.

Each Metropolitan Planning Organization will submit a cover letter signed by the respective Executive Director, along with their submittal that lists all nominations received and describes the process on how the nominations were selected and prioritized through a public and transparent process.

Project applications and their supporting documentation should be submitted to the Commission by June 30, 2017, in hard copy. Nominations will be treated in accordance with California Public Records Act requirements and certain information, subject to those requirements, may be publicly disclosed.

The Commission will post basic project application information on its website prior to adopting the final program of projects. After projects are selected for programming, Commission will post the status of all project applications to its website.

Each project application submittal must include three copies of the application package and one electronic copy. All application materials should be address or delivered to:

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

Each project application should be limited to 20 pages (excluding the benefits documentation and the Project Programming Request form) and must include:

- A cover letter, with signature authorizing and approving the application. Where the project is to be implemented by an agency other than the nominator, documentation of the agreement between the project nominator and implementing agency must be submitted with the application.
- A confirmation that any new bulk terminal project does not have the potential for significant environmental impacts in an environmental document as a result of the storage, handling, or transport of coal in bulk pursuant to Government Code Section 14525.3.
- A confirmation that any new non-bulk terminal project will not increase the state's overall capacity to facilitate the transportation of coal in bulk pursuant to Government Code Section 14525.3.
- A confirmation that any capacity-increasing project or a major street or highway lane realignment project was considered for reversible lanes pursuant to Streets and Highways Code Section 100.15.
- An explanation of the project and its proposed benefits, including the following:
 - Project title, which should be a brief non-technical description of the project type, scope, and location.
 - Project priority (if agency is submitting multiple applications)
 - Project background and a purpose and need statement.
 - A concise description of the project scope and anticipated benefits (outcomes and outputs) proposed for funding.
 - A description on how the project furthers the objectives of the program.
 - A map (or maps) of the project location denoting the project site and identifying impacted communities that meet either of the following criteria:
 - An area identified as among the most disadvantaged 25% in the state according to the California Environmental Protection Agency and based on the California Communities Environmental Health Screening Tool 3.0 (CalEnviroScreen 3.0) scores (score must be greater than or equal to 36.62). This list can be found at the following link under SB 535 List of Disadvantaged Communities: <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>.

An area with a median household income (reference Table B19013) that is less than 80% of the statewide median based on the most current Census Tract (reference Table 140) level data from the 2010-2014 American Community Survey (<\$49,191). Communities with a population less than 15,000 may use data at the Census Block Group (reference Table 150) level. Unincorporated communities may use data at the Census Place (reference Table 160) level. Data and Tables are available at: <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>

- A project cost estimate which includes the amount and source of all funds committed to the project and the basis for concluding that the funding is expected to be available. Cost estimates should be escalated to the year of proposed implementation and be approved by the Chief Executive Officer or other authorized office of the implementing agency.
- When proposing to fund only preconstruction project components, the applicant must demonstrate the means by which it intends to fund the construction of a useable segment, consistent with the regional transportation plan.
- A description that demonstrates the ability to absorb any cost overruns and deliver the proposed project with no additional funding from this program.
- A description of the project delivery plan, including a description of the known risks that could impact the successful implementation of the project and the response plan of the known risks. The risks considered should include, but not be limited to, risks associated with deliverability and engineering issues, community involvement, and funding commitments.
- A description of the transportation corridor and the function of the proposed project within the corridor.
- A description and quantification of improvements in trade corridor mobility, including measures of velocity, throughput, reliability and congestion reduction for freight movement in the corridor.
- A description and quantification of the local and corridor effects of the project on diesel particulate, greenhouse gases and other pollutant emissions. The Air Resources Board is working to develop standardized methods for applicants to quantify air quality impacts. If these methodologies are available prior to adoption of these guidelines, they will be incorporated into the guidelines. Additionally, the Commission intends to consult with the Air Resources Board in assessing the air quality impact of proposed projects.
- A description of how the project furthers the goals, performance measures, and targets of the regions Regional Transportation Plan, and if applicable, it's associated freight plan. For each performance measure the applicant should indicate how the project scored relative to other projects in the Regional Transportation Plan.
- A description of the corridor plan or other coordinated management strategy being implemented by the nominator and other jurisdictions within the corridor to preserve corridor mobility.
- Documentation supporting the benefits and cost estimates cited in the application should be no more than 10 pages in length, citing or excerpting, as appropriate, the project study

report, environmental document, Regional Transportation Plan, and other studies that provide quantitative measures of the project's costs and benefits, including both trade corridor mobility benefits and emission reduction benefits.

- Each applicant should provide documentation that the expected benefits of the proposed project justify its costs, recognizing that some costs and benefits can be difficult to quantify. Each application should include analysis utilizing Caltrans' Life-Cycle Benefit-Cost Analysis Model for FASTLANE grants. This model can be found at: http://www.dot.ca.gov/hq/tpp/offices/eab/LCBC_Analysis_Model.html. If another model is more applicable the application should describe why and provide the analysis based on the alternate model.
- Where investment of California Freight Investment Program funding is proposed to improve private infrastructure, this documentation should include an assessment of public and private benefits to show that the share of public benefit is commensurate with the share of public funding.
- Documentation for rail investments should acknowledge and describe how the private railroads, regional agencies and appropriate state agencies will come to agreement on public and private investment levels and resulting benefits.
- Each application must include a Project Programming Request Form. An excel template of this form may be found at <http://www.dot.ca.gov/hq/transprog/ocip.htm>. Each Project Programming Request must list federal, state, local, and private funding categories by project component and fiscal year. If the project is a scope addition to a project with a prior Project Programming Request Form, the prior Project Programming Request should be included. California Freight Investment Program funds cannot be used to supplant other committed funds.

V. Programming

The Commission intends to adopt a program of projects for the California Freight Investment Program at the August 16-17, 2017 meeting. The California Freight Investment Program must be developed consistent with the federal apportionment levels approved under the FAST Act and the amount programmed in each fiscal year may not exceed the yearly obligation authority amount.

Pursuant to federal statute, the Commission may not program more than 10 percent of the total yearly apportionment amount for freight intermodal or freight rail projects, which include the following projects:

- Within the boundaries of public or private freight rail or water facilities (including ports).
- That provide surface transportation infrastructure necessary to facilitate direct intermodal interchange, transfer, and access into or out of the facility.

The program of projects for each fiscal year will include, for each project, the amount to be funded from the California Freight Investment Program, and the estimated total cost of the project. Project costs in the California Freight Investment Program will include costs for each of the following components: (1) permits and environmental studies; (2) plans, specifications, and estimates; (3) right-of-way; and (4) construction. The cost of each project component will be listed in the program no earlier than in the fiscal year in which the particular project component can be implemented. For Caltrans implemented projects, the cost of right-of-way support and

construction support will be separated out and programmed separately from the right-of-way capital and construction capital cost.

The Commission will program and allocate funding to projects in whole thousands of dollars and will include a project only if it is fully funded from a combination of California Freight Investment Program and other committed funding. The Commission will regard funds as committed when they are programmed by the Commission or when the agency with discretionary authority over the funds has made its commitment to the project by ordinance or resolution. For federal formula funds, including Surface Transportation Program, Congestion Mitigation and Air Quality Improvement Program, and federal formula transit funds, the commitment may be by Federal approval of the Federal Statewide Transportation Improvement Program.

The Commission, with assistance from Caltrans, will monitor appropriations to, encumbrances from, and balances in the California Freight Investment Program to ensure the program contains an adequate balance to cover allocations and reimbursements.

Additionally, with assistance from Caltrans, the Commission will keep track of any available capacity from resulting project savings, rescinded allocations or project deletions. The Commission will determine the appropriate use of these funds on a program-wide basis.

VI. Program/Project Amendments

13. Project Review Committee

Commission staff may form a Project Review Committee to assist Commission staff in evaluating amendments on an as needed basis. The Project Review Committee will include representatives from Caltrans and various other transportation stakeholders.

14. Amendment Requests

Project amendments requested by implementing agencies shall receive the approval of all partner and funding entities before presentation to the Commission. Amendment requests should be submitted in a timely manner and include documentation that supports the requested change and its impact on the scope, cost, schedule and benefits.

Caltrans shall coordinate all amendment requests and utilize the Project Programming Request to help document the change. Implementing agencies must notify Caltrans in writing of proposed project scope changes. This notification must include the following:

- An explanation of the proposed scope change.
- The reason for the proposed scope change.
- The impact the proposed scope change would have on the overall cost of the project.
- An estimate of the impact the proposed scope change would have on the potential of the project to deliver the project benefits as compared to the benefits identified in the project application (increase or decrease in benefit) and an explanation of the methodology used to develop the aforementioned estimates.

Caltrans will review the proposed scope change and forward the proposed scope change with Caltrans' written analysis and recommendation to the Commission for the Commission's approval.

Commission staff may also request that the Project Review Committee review and make a recommendation on amendment requests.

Commission staff will present recommended scope changes deemed by staff to be minor changes, such as those with little or no impact to project benefits or which increase the benefits of the project, to the Commission as a part of the project allocation request. Staff will present recommendations to disapprove minor scope changes and recommendations to approve or disapprove more significant scope changes to the Commission as project amendments.

VII. Allocations

When an agency is ready to implement a project or project component, the agency will submit an allocation request to Caltrans. The typical time required, after receipt of the request, to complete Caltrans review, and recommendation and Commission allocation is 60 days.

Caltrans will review the request and determine whether or not to recommend the request to the Commission for action. The Commission will consider the allocation of funds for a project when it receives an allocation with a recommendation from Caltrans. The recommendation will include a determination of project readiness, the availability of appropriated funding, and the availability of all identified and committed supplementary funding. When Caltrans develops its construction allocation recommendation, the Commission expects Caltrans to certify that a project's plans specifications and estimate are complete, environmental and right-of-way clearances are secured, and all necessary permits and agreements (including railroad construction and maintenance) are executed.

In compliance with Section 21150 of the Public Resources Code, the Commission will not allocate funds for design, right-of-way, or construction prior to documentation of environmental clearance under the California Environmental Quality Act. As a matter of policy, the Commission will not allocate funds for design, right-of-way, or construction of a federally funded project prior to documentation of environmental clearance under the National Environmental Policy Act (NEPA). Exceptions to this policy may be made in instances where federal law allows for the acquisition of right-of-way prior to completion of NEPA review.

The Commission will approve the allocation if the funds are available and the allocation is necessary to implement the project as included in the adopted California Freight Investment Program. If there are insufficient program funds to approve an allocation, the Commission may delay the allocation of funds to a project.

Allocations must be requested in the fiscal year of project programming, and are valid for award for six months from the date of allocation unless the Commission approves an extension. Agencies should not request Commission allocations unless prepared to award contracts related to the allocation within six months. Whenever programmed funds are not allocated within the fiscal year programmed or within the time allowed by an approved extension, the project will be deleted from the California Freight Investment Program. Funds available following the deletion of a project may be programmed to a project amended into the program.

Where the project is to be implemented by an agency other than the applicant, the allocation request must include a copy of the Memorandum of Understanding or Interagency Agreement between the project applicant and implementing agency.

When Caltrans is the implementing agency, right-of-way support and construction support costs must be allocated separately from right-of-way capital and construction capital costs.

VIII. Project Delivery

15. Timely Use of Funds

California Freight Investment Program allocations must be requested in the fiscal year of project programming, and construction allocations are valid for award for six months from the date of allocation unless the Commission approves an extension. No award extensions will be granted beyond the December 31, 2022 award deadline.

Funds allocated for project development or right-of-way costs must be expended by the end of the second fiscal year following the fiscal year in which the funds were allocated. The implementing agency must invoice Caltrans for these costs no later than 180 days after the fiscal year in which the final expenditure occurred.

After award of the contract, the implementing agency has up to 36 months to complete (accept) the contract. At the time of fund allocation, the Commission may extend the deadline for completion of work and the liquidation of funds if necessary to accommodate the proposed expenditure plan for the project.

The Commission may extend the deadlines for allocation of funds, for award of a contract, for expenditures for project development or right-of-way, or for contract completion no more than one time and only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and will in no event be for more than 20 months.

Where a project component will not be ready for allocation as programmed in the current fiscal year, the implementing agency should request an extension of the allocation deadline rather than a project amendment.

16. Delivery Deadline Extensions

The Commission may extend a delivery deadline upon the request of the implementing agency. No deadline may be extended more than once. However, there are separate deadlines for allocations, for award of contract, for expenditures, and for project completion, and each project component has its own deadlines. The Commission may consider the extension for each of the deadlines separately.

All requests for project delivery deadline extensions shall be submitted directly to Caltrans for processing. The extension request should describe the specific circumstance that justifies the extension and identify the delay directly attributable to the circumstance. Caltrans will review the proposed extension requests and forward them with Caltrans' written analysis and recommendation to the Commission for action.

17. Project Inactivity

Once funds for a project are encumbered, project applicants are expected to invoice on a regular basis (for federal funds, see 23 CFR 630.106 and the Caltrans' Inactive Obligation Policy). Failure to do so will result in the project being deemed "inactive" and subject to de-obligation if proper justification is not provided.

18. Project Reporting

Caltrans, in cooperation with the implementing agencies, will report to the Commission on a semi-annual basis. The reports will include information on the activities and progress made toward implementation of the project, including those project activities taking place prior to an allocation and the commitment status of supplemental funding identified at the time of programming. A final delivery report will also be required. The purpose of the reports is to ensure that the project achieves the objectives of the program, is executed in a timely fashion, and is within the scope and budget identified when the decision was made to fund the project.

Within one year of the project becoming operable, the implementing agency must provide the following information to Caltrans to be included in a final delivery report to the Commission which includes:

- The scope of the completed project as compared to the programmed project.
- Before and after photos documenting the project.
- The final costs, by component and fund type, as compared to the approved project budget at allocation.
- Its duration as compared to the project schedule in the project application.
- Performance outcomes and benefits derived from the project as compared to those described in the project application. This should include an explanation of the methodology used to quantify the benefits.
- For the purpose of this section, a project becomes operable when the construction contract is accepted or acquired equipment is received.

19. Project Auditing

Caltrans must audit, in accordance with Generally Accepted Government Auditing Standards, a representative sample of California Freight Investment Program projects to evaluate the performance of the project, determine whether project costs incurred and reimbursed are in compliance with the executed project agreement or approved amendments thereof; state and federal laws and regulations; contract provisions; and Commission guidelines, and whether project deliverables (outputs) and outcomes are consistent with the project scope, schedule and benefits described in the executed project agreement or approved amendments thereof. A report on the projects audited, their findings and status of any corrective action must be submitted to the Commission by October 1 of each year.

ATTACHMENT B

Comment Letters

Edmund G. Brown Jr.
Governor

Brian P. Kelly
Secretary

915 Capitol Mall, Suite 350B
Sacramento, CA 95814
916-323-5400
www.calsta.ca.gov

January 18, 2017

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

Dear Chair Alvarado:

I write regarding the California Transportation Commission's work to develop guidelines for the National Highway Freight Program (NHFP), which was established by the federal Fixing America's Surface Transportation Act (FAST Act). I appreciate the Commission's quick start on these guidelines to meet the requirements of California Senate Bill 826 (Leno, Statutes of 2016) that direct federal National Highway Freight Program funds to corridor-based projects selected by local agencies and the state.

To assist the Commission in this effort, I want to provide some background on this issue. The budget bill language in SB 826 was proposed by the Administration in the May Revision of the Governor's Budget to expedite important freight infrastructure projects. Additionally, the Administration proposed trailer bill language to establish the program in statute. The Administration had positive discussions with the Legislature, and worked with the Legislature to develop statutory language to ensure both Administration and Legislative priorities were met; however, no legislation has become law to date.

As part of the discussion with the Legislature, the Administration shared priorities for these NHFP funds, which are expected to total about \$580 million for California over the five-year FAST Act period. The Administration has two top priorities for these funds: first, completing freight projects on California's border with Mexico to reduce cross border wait times from hours to minutes; and second, to achieve freight benefits through important rail grade-crossing safety projects. To accomplish these outcomes, the Administration had worked with the Legislature on language that would direct \$150 million to border projects, \$70 million to rail safety projects, and \$360 million for regionally nominated projects, with shares adjusted proportionally if revenue changes. The Administration also supports improvement to primary freight corridors, especially

January 18, 2017

Page 2

those that serve our largest ports, such as improvements to the I-710 Corridor serving the ports of Los Angeles and Long Beach.

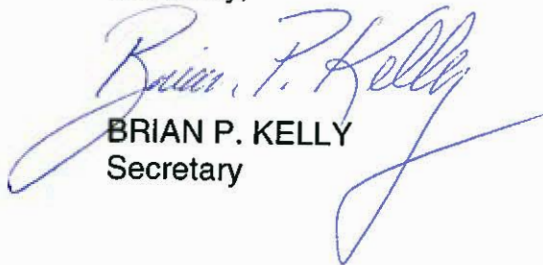
As the Commission develops National Highway Freight Program guidelines pursuant to SB 826, I ask that the Commission consider incorporation of these Administration priorities, either as outlined above, or through an alternative mechanism that would still allow for the same Administration priorities to be met.

I am sure the Commission is also aware that the Governor signed Senate Bill 1279 (Hancock, Statutes of 2016) that prohibits the Commission from programming or allocating any state funds for new bulk coal terminal projects. In his signing message, Governor Brown wrote that localities and the state should take steps to reduce, and ultimately, to eliminate the shipment of coal through all California ports. I encourage the Commission to consider how the NHFP guidelines can be crafted to further that goal.

Incorporation of these priorities is consistent with both the California Freight Mobility Plan and the California Sustainable Freight Action Plan.

I am happy to offer staff from both CalSTA and the Department of Transportation where you deem helpful for this effort, and look forward to moving important freight projects forward this year.

Sincerely,



BRIAN P. KELLY
Secretary



IMPERIAL COUNTY
TRANSPORTATION COMMISSION

1405 N. IMPERIAL AVE., SUITE 1
EL CENTRO, CA 92243-2875
PHONE: (760) 592-4494
FAX: (760) 592-4497



January 25, 2017

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

SUBJECT: California Freight Investment Program

Dear Chair Alvarado:

The Imperial County Transportation Commission (ICTC) appreciates the significant efforts taken by the California Transportation Commission and its staff to develop the California Freight Investment Program (CFIP).

As a critical source of new freight funds, the National Highway Freight Program has tremendous potential to support the delivery of transformational projects throughout the state. With this in mind, ICTC would like to express its support for the request by the California State Transportation Agency to incorporate the Administration's priorities (\$150 million to border projects, \$70 million to rail safety projects, and \$360 million for regionally nominated projects) into the CFIP guidelines or through an alternative mechanism that allows for the same Administration priorities to be met.

The value of annual trade between the United States and Mexico is more than \$525 billion, and trade between California and Mexico continues to grow an average of 10 percent each year. Further, Imperial County has the second most important commercial ports of entry in the entire California/Baja California Border.

Within the Imperial County region, the funds identified by the Administration would enable the completion of the bridge widening over the All American Canal located at the Calexico East Land Port of Entry and support the construction of the widening of State Route 98. These investments would support the much needed improvements of the Imperial County border freight network that will alleviate chronic delays for more than 18,000 privately operated vehicles and 2,300 trucks per day and contributing to a substantial decrease of carbon dioxide emissions. In addition, the investments would lead to improving significant revenue and output losses in the region. The economic output losses due to commercial and passenger vehicle delays are \$1.1 billion for Imperial County and the State of California.

CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND,
IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL

Bob Alvarado, Chairman (2)
California Transportation Commission

January 25, 2017

Investing in freight projects on the border directly addresses the objectives set forth in both the California Freight Mobility Plan and Sustainable Freight Action Plan and meets the intent of the National Highway Freight Program. In addition, having extensively collaborated with a number of key local, state, and federal stakeholders on both sides of the border, ICTC, in partnership with Caltrans, is well-positioned to immediately utilize these funds to move forward with delivery of the project.

Widening of the bridge over the All American Canal at the Calexico East Port of Entry is an ideal example of a regional project with statewide and national benefits. Together the widening of the bridge over the All American Canal and the widening of State Route 98 will be able to improve border freight network in Imperial County-Mexicali border that reduces air pollution, improves freight efficiency, and increases competitiveness of the freight system for all Californians.

Thank you for your consideration and ongoing efforts in support of the CFIP. Please feel free to contact myself or Ms. Virginia Mendoza, Senior Transportation Planner, at (760) 592-4494 or via email at virginiamendoza@imperialctc.org if you have any questions.

Sincerely,



MARK BAZA
Executive Director

MB/vm



401 B Street, Suite 800
 San Diego, CA 92101-4231
 (619) 699-1900
 Fax (619) 699-1905
 sandag.org

January 25, 2017

File Number 7300400

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

Dear Chair Alvarado:

SUBJECT: California Freight Investment Program

The San Diego Association of Governments (SANDAG) appreciates the significant efforts taken by the California Transportation Commission and its staff to develop the California Freight Investment Program (CFIP).

As a critical source of new freight funds, the National Highway Freight Program has tremendous potential to support the delivery of transformational projects throughout the state. With this in mind, SANDAG would like to express its support for the request by the California State Transportation Agency to incorporate the Administration's priorities (\$150 million to border projects, \$70 million to rail safety projects, and \$360 million for regionally nominated projects) into the CFIP guidelines or through an alternative mechanism that allows for the same Administration priorities to be met.

The value of annual trade between the United States and Mexico is more than \$525 billion, and trade between California and Mexico continues to grow an average of 10 percent each year. Further, more than 90 percent of California-Mexico trade is moved by truck, with 8 percent of total U.S.-Mexico trade value passing through San Diego-Baja California ports of entry.

Within the San Diego region, the funds identified by the Administration would enable the completion of State Route 11 (SR 11) and support the construction of the future Otay Mesa East Port of Entry—a flagship border infrastructure project that will facilitate fast, predictable, and secure border crossings across the U.S.-Mexico border. These investments would support the final piece of a new border freight network that will lead to secure processing with 20-minute wait times, thereby helping to alleviate chronic delays for more than 3,000 trucks per day and contributing to a substantial decrease of carbon dioxide emissions by 2040.

MEMBER AGENCIES

*Cities of
 Carlsbad
 Chula Vista
 Coronado
 Del Mar
 El Cajon
 Encinitas
 Escondido
 Imperial Beach
 La Mesa
 Lemon Grove
 National City
 Oceanside
 Poway
 San Diego
 San Marcos
 Santee
 Solana Beach
 Vista
 and
 County of San Diego*

ADVISORY MEMBERS

*Imperial County
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 of Transportation
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 Transit System
 North County
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 United States
 Department of Defense
 San Diego
 Unified Port District
 San Diego County
 Water Authority
 Southern California
 Tribal Chairmen's Association
 Mexico*

Investing in freight projects on the border directly addresses the objectives set forth in both the California Freight Mobility Plan and Sustainable Freight Action Plan and meets the intent of the National Highway Freight Program. In addition, having extensively collaborated with a number of key local, state, and federal stakeholders on both sides of the border, SANDAG, in partnership with Caltrans, is well-positioned to immediately utilize these funds to move forward with delivery of the project.

The SR 11/Otay Mesa East Port of Entry is an ideal example of a regional project with statewide (and nationwide) benefits. By leveraging local, state, and federal funds with CFIP investments, SANDAG and Caltrans will be able to build an innovative third port of entry along the San Diego-Tijuana border that reduces air pollution, improves freight efficiency, and increases competitiveness of the freight system for all Californians.

Thank you for your consideration and ongoing efforts in support of the CFIP. Please feel free to contact Robyn Wapner, Senior Legislative Analyst, at (619) 699-1994 or via email at robyn.wapner@sandag.org if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Roberts". The signature is fluid and cursive, with the first name "Ron" being more prominent than the last name "Roberts".

RON ROBERTS

Chair, SANDAG Board of Directors

RWA/hbr



630 S. Centre Street
San Pedro, CA 90731
(310) 830-1130 • Fax (310) 830-3489
www.ilwu13.com



350 W. 5th Street, Suite 200
San Pedro, CA 90731
(310) 521-6363 • Fax (310) 521-6343
www.ilwu63.net



411 North Harbor Blvd. #303
San Pedro, CA 90731
(310) 832-1109 • Fax (310) 832-2142
www.ilwulocal94.org

February 2, 2017

Mr. Bob Alvarado
Chairperson
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814

Dear Chairman Alvarado,

We are writing on behalf of International Longshore and Warehouse Union, Locals 13, 63 and Local 94 regarding the California Transportation Commission's mandate to develop guidelines for the expenditure of funds under the National Highway Freight Program (NHFP) and the federal Fixing America's Surface Transportation Act (FAST).

The International Longshore and Warehouse Union ("ILWU") represents port workers in California, Oregon, Washington, Alaska and Hawaii, as well as warehouse, maritime, agriculture and hotel and resort workers. ILWU Locals 13, 63 and 94 represent longshore workers, marine clerks and foremen in the Ports of Los Angeles and Long Beach.

We are in support of improving California's ports infrastructure to maintain California's economy competitive. We are also in support improving the air quality in the communities in which our families live and work. Zero or near zero-emission equipment is, in almost all cases, electric equipment. When it comes to California's ports, a transition to such equipment means, in an overwhelming majority of cases, a transition to automated or manless equipment, which results in elimination of our members' jobs.

Last year, the Brown Administration adopted the California Sustainable Freight Action Plan which makes very clear that the purpose of the plan is to enhance the growth of jobs. Eliminating good, middle-class, union jobs under the pretext of making environmental advancements is fundamentally inconsistent with that plan.

This year, State Senator Tony Mendoza has introduced SB 4 to implement and codify the FAST Act in California. That bill contains specific anti-displacement language that was agreed to by the Administration and Legislative leaders at the end of last year's legislative session. That language limits expenditures for ports to:

Infrastructure improvement projects to enhance the capacity and efficiency of ports **without having the effect of displacing workers in port operations.**

ILWU Locals 13, 63 and 94 respectfully request that the California Transportation Commission adopt similar language in its guidelines with respect to any FAST Act funds that would be made available to purchase zero and near-zero cargo handling equipment for our ports.

Thank you for your consideration.

Sincerely,



Robert Olvera, Jr.
President
ILWU Local 13



Paul Trani
President
ILWU Local 63



Daniel G. Miranda
President
ILWU Local 94



February 3, 2017

Hon. Jim Beall, Chair
Senate Transportation Committee
State Capitol
Sacramento, CA 95814

CONCERN – SB 1 (Beall) Transportation Funding

Dear Chair Beall,

The Pacific Merchant Shipping Association (PMSA) regrettably has significant concerns with SB 1, which as currently drafted contains provisions which will result in a practical ban on port projects which improve capacity or enhance efficiency from receiving funding from the Trade Corridor Infrastructure Fund (TCIF). This will functionally result in no state investments in multiple types of port investments, including signature efforts to introduce zero-emissions equipment to port operations in California on an aggressive timetable.

The use of Economic Impact screening criteria for projects in TCIF is laudable, but not as currently proposed in the seriously flawed language of Section 27 (proposed Streets & Highways Code § 2192 (c) (3)). SB 1 proposes an economic screening criteria only to one category of infrastructure (“projects to enhance the capacity and efficiency of ports”) and adds a directed economic outcome prohibition (“without having the effect of displacing workers in port operations”). Adding screening criteria, which is aimed only at the future operations of one type of infrastructure, rather than to all potential projects in TCIF is unprecedented and unwarranted. As a result, this kind of directed-outcome prohibition on certain types of post-award operations, will likely remove this funding source as an option for the ports.

Not only is this directed policy outcome unique with respect to TCIF projects in SB 1, to PMSA’s knowledge, this proposed screening criteria for transportation infrastructure projects at Ports does not exist with respect to any other infrastructure projects of any kind in the state.

In addition to these policy concerns, the practical implications of this language pose unworkable problems which will ultimately lead to Ports’ inability to compete for these grants. In order for Ports to receive funding under this category they will need to make operational commitments regarding the utilization and non-displacement of port workers. But local Port authorities in most respects do not, and cannot, direct the employment of port workers. Those matters are between longshoremen and the marine terminal operators, ocean carriers, and stevedoring companies which form a multi-employer association, the Pacific Maritime Association (PMA), to administer a collective bargaining agreement with the longshore union, the ILWU.

As a result, whether workers are “displaced” or not is not a function of the privately-bargained ILWU-PMA collective bargaining agreement. Once signed, neither the employers nor longshore employees may alter its operational constraints, much less could a public Port authority dictate separate and new terms of employment and operations to either the employers or employees as a condition of administering a TCIF grant.

The PMA and ILWU are free to negotiate in their collective bargaining agreements all kinds of terms which might result in the displacement of workers in order to facilitate the introduction of new technology into the waterfront workplace. Indeed, this is precisely what the parties did in their 2002 and 2008 agreements with respect to the implementation of new technology at the gates and on-terminal. The historic agreements regarding technology and worker displacement reached then are still part of the current ILWU-PMA contract.

Without any method of either enforcing or guaranteeing such an anti-displacement funding condition by the Port grantees, and knowing full-well that the current labor contract on the docks allows for displacement, this provision will certainly drive either one of two outcomes: it will act as a bar against all Port projects of this type for failure to meet the criteria, or the criteria will prove entirely symbolic and illusory and be devoid of practical effect.

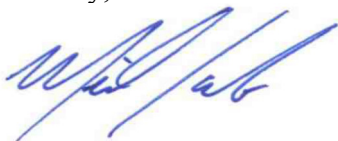
Both of these outcomes should be avoided.

Moreover, if the outcome is that this language acts as a bar against all Port projects which increase port efficiency, it is likely that this provision of SB 1 will effectively prevent public resources and financial assistance for traditional freight corridor projects as well as GHG-emissions reduction projects and other potential air quality improvement projects. This is antithetical to the Ports’ goals, the maritime industry’s goals, and the State of California’s aggressive efforts to improve local air quality in the short-term and reduce overall greenhouse gas emissions in the long-term.

As introduced, SB 1 will inevitably stymie numerous efforts to improve the economic and environmental profiles of our intermodal supply chains and freight facilities that are currently locked in extremely tight competition for discretionary cargo. As this language, intended or not, will increase costs, hurt our competitiveness, limit access to environmental improvement funding, and suppress cargo and job growth, it must be removed or amended.

We look forward to working with you on this measure.

Sincerely,



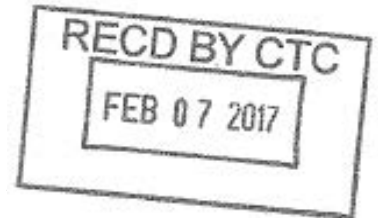
Mike Jacob
Vice President & General Counsel



INTERNATIONAL LONGSHORE & WAREHOUSE UNION COAST LONGSHORE DIVISION

Robert McEllrath Ray Familathe Frank Ponce De Leon Cam Williams

February 2, 2017



Mr. Bob Alvarado
Chairperson
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814

Dear Chairman Alvarado,

We are writing regarding the Commission's mandate to develop guidelines for the expenditure of funds under the National Highway Freight Program (NHFP) and the federal Fixing America's Surface Transportation Act (FAST).

The International Longshore and Warehouse Union Coast Longshore Division (ILWU) represent thousands of workers at California's marine terminals and we are vitally interested in how FAST Act funds are used at the ports.

Specifically, we are concerned that any funds made available to purchase zero and near-zero emissions cargo handling equipment for the ports will be spent on purchasing equipment that is fully automated and will result in the elimination of our members' jobs. While we support the goal of reducing emissions from cargo handling equipment, we believe that taxpayer funds should only be used to purchase zero and near-zero equipment that is operated by workers and will not displace the existing workforce. Such equipment is readily available and it is absolutely unnecessary to displace workers in order to achieve air quality goals.

Last year, the Brown Administration adopted the California Sustainable Freight Action Plan which makes very clear that the purpose of the plan is to enhance the growth of jobs. Eliminating good, middle-class, union jobs under the pretext of making environmental advancements is fundamentally inconsistent with that plan.

This year, State Senator Tony Mendoza has introduced SB 4 to implement and codify the FAST Act in California. That bill contains specific anti-displacement language that was agreed to by the Administration and Legislative leaders at the end of last year's legislative session. That language limits expenditures for ports to:

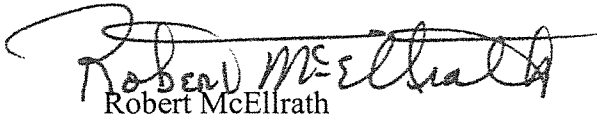
Infrastructure improvement projects to enhance the capacity and efficiency of ports **without having the effect of displacing workers in port operations.**

Mr. Bob Alvarado
February 2, 2017
Page 2 of 2

We would respectfully request that the CTC adopt similar language in its guidelines with respect to any FAST Act funds that would be made available to purchase zero and near-zero cargo handling equipment for our ports.


Thank you for your consideration.

ILWU COAST COMMITTEE


Robert McEllrath
International President


Ray Familathe
International Vice President


Frank Ponce De Leon
Coast Committeeman


Cam Williams
Coast Committeeman



METROPOLITAN
TRANSPORTATION
COMMISSION



March 2, 2017

Ms. Susan Bransen
Executive Director
California Transportation Commission
1120 N St., Room 2221, MS-52
Sacramento, CA 95814

RE: California Freight Investment Program (CFIP) Draft Guidelines


Dear Ms. Bransen,

Thank you for the opportunity for the Northern California Trade Corridors Coalition (Coalition) to comment on the draft California Freight Investment Program (CFIP) Guidelines, released on February 23, 2017. The Coalition, formed under the Proposition 1B Trade Corridors Improvement Fund (TCIF) framework, includes the Metropolitan Transportation Commission (MTC), the Sacramento Area Council of Governments (SACOG), and the San Joaquin Council of Governments (SJCOC) representing the Central Valley. CFIP funds are critical for improving Northern California's goods movement infrastructure.

The Coalition has been actively planning for goods movement, working in close collaboration inter-regionally and with Caltrans. Last year, MTC approved the San Francisco Bay Area Goods Movement Plan, which outlines a strategy for improving freight movement across the Bay Area. Similarly, SJCOC completed an Interregional Goods Movement Plans in 2013 with the San Joaquin Valley COGs. SACOG has used their regional transportation plan updates to provide refinements to their goods movement plan project list and policy priorities. The Coalition, with the Association of Monterey Bay Governments (AMBAG), is now collaborating on a Mega Region Goods Movement Study that kicked off in 2016.

The comments from the Coalition on the draft Guidelines are summarized below:

Reconsider the 40% Set-Aside for State Priorities

Other similar programs, such as the Proposition 1B Trade Corridors Improvement Fund (TCIF) program and the State Transportation Improvement Program (STIP), have much lower proportions set-aside for state discretion. TCIF included 2.6% in the "Other Corridors" category, while the STIP sets aside 25% to Caltrans for interregional projects. Since these Guidelines may be used as a basis for future new funding, the regions recommend the Commission consider setting the state's set-aside to 25%, in line with the state's share of STIP funds. In Northern California, the State's priorities closely align with regional priorities; Caltrans was closely involved in the development of our goods movement plans and continues to be an active partner in identifying and addressing freight infrastructure needs with regional partners.

Reconsider the Funding Distribution Among Corridors

The funding targets identified in the draft Guidelines have the Bay Area and Central Valley corridors on par with the San Diego region on the high target, both at \$90 million (or 15% of the high target). This seems inconsistent with other metrics for funding distribution, including the TCIF program. In TCIF, the Bay Area and Central Valley Corridors represented almost 28% of the high target, while San Diego represented 13% of the target. The parity in the draft Guidelines is especially concerning since as a whole, the Bay Area and Central Valley counties represent nearly 37% of the state's population, compared with 9% for San Diego and Imperial Counties. The draft Guideline targets do not seem to consider the importance of the Bay Area and Central Valley corridors, which are the home to the nation's fifth-largest port in Oakland and the agricultural centers of the Central Valley. The regions recommend the Commission consider using the TCIF percentages for the funding targets.

Clarify the MPO Role in the CFIP Process

In earlier CFIP workshops, the regions proposed a larger role in the screening and recommendation of projects for the CFIP program. However, the draft guidelines currently do not identify a role for MPOs. While the draft Guidelines are based on the TCIF Guidelines from 2007, the Commission should update the language in the draft Guidelines to describe the MPOs' role in screening applications and making initial recommendations to the Commission. The draft schedule should also include target dates for MPOs to provide recommendations to the Commission.

Increase Eligibility of Intermodal and Freight Rail Projects in Future Fund Sources

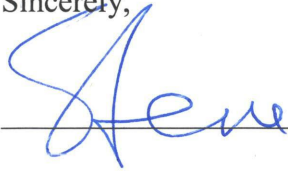
The National Highway Freight Program, which makes up the bulk of CFIP funds, limits funding of intermodal or freight rail projects at 10 percent of the State apportionment. If the Commission intends to use these guidelines for future fund sources, the regions recommend broadening the criteria to remove the cap on intermodal and freight rail projects. Intermodal and freight rail improvements are key components of the joint region's goods movement plans and would significantly increase economic competitiveness of Northern California's ports.

Extend Construction Award Deadline by One Year

The draft Guidelines list December 31, 2020 as the construction contract award deadline. Given the delay of the adoption of the program relative to the approval of the FAST Act, as well as the complexity of freight projects, the regions recommend extending the deadline by one year, to December 31, 2021. Further, the Commission should clarify that this deadline is for projects receiving construction phase funding; projects receiving CFIP funds only for pre-construction should not be held to this construction contract award deadline.

Thank you for your consideration of the regions' comments. We look forward to working closely with Caltrans and Commission staff in delivering much-needed freight improvements in Northern California. Please contact Steve Heminger at (415) 778-5210 if you have any questions about our comments.

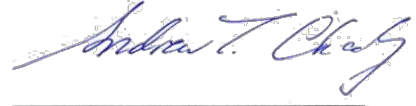
Sincerely,



Steve Heminger
Executive Director, MTC



Kirk Trost
Interim Chief Executive Officer,
SACOG



Andrew T. Chesley
Executive Director, SJCOG



AFFILIATED AGENCIES

Orange County
Transit District

Local Transportation
Authority

Service Authority for
Freeway Emergencies

Consolidated Transportation
Service Agency

Congestion Management
Agency

Service Authority for
Abandoned Vehicles

March 3, 2017

Mr. Mitchell Weiss
Deputy Director
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814

RE: **California Freight Investment Program Guidelines**

Dear Mr. Weiss:

Thank you for providing a transparent and inclusive process in the development of the California Freight Investment Program (CFIP) Guidelines. The workshops have been beneficial and informative, and the Orange County Transportation Authority (OCTA) appreciates all of the California Transportation Commission's time and careful consideration of OCTA's informal comments in drafting guidelines.

OCTA's primary comments are related to funding distribution, match rate, project eligibility, project nomination requirements and overall process. Please find a listing of OCTA's comments regarding the CFIP Guidelines attached. If you have any questions or need clarification on any of the comments, please contact Adriann Cardoso, Capital Programming Manager at (714) 560-5915.

Sincerely,

A handwritten signature in black ink that reads "Kurt Brotcke".

Kurt Brotcke
Director, Strategic Planning

KB:bk
Attachment

c: Dawn Cheser, California Transportation Commission

California Freight Investment Program – Orange County Transportation Authority Comments

- Funding Distribution
 - The Orange County Transportation Authority (OCTA) requests that the funding that is made available through the California Freight Investment Program (CFIP) is first distributed out to the identified corridors consistent with SB 826 (Leno, 2016), which directs that the funds should be allocated to corridor projects.
 - In order to maximize the funding that is available, OCTA recommends that the California Transportation Commission (CTC) designate 75 percent of the funds (50 percent match), to be nominated by the regional agencies within the corridor, and 25 percent of the funds (0 percent match) to be nominated by the California Department of Transportation (Caltrans) within the same corridor. This allows the CTC to leverage a maximum amount of the funding available and also provides opportunities for Caltrans and regional agencies to partner on corridor projects in order to further leverage funds.
 - The guidelines indicate that savings would return to the state. OCTA requests that savings that are accrued from corridor specific projects be reprogrammed within the same corridor that the savings were generated, thus encouraging corridor agencies to prudently and efficiently deliver projects using CFIP funding, with the anticipation that savings would return to the corridor to support additional projects.

- Match Requirements
 - OCTA appreciates that state, local and private funding sources may be used as match for the CFIP funding.
 - The draft guidelines limit matching funds to funds spent concurrently and proportionally to the CFIP funds. Consider allowing match above the federally required match rate (11.47 percent), to be provided from prior contributions to the project, similar to the way pre-construction phase work was allowed to contribute to the Trade Corridor Improvement Fund (TCIF) match requirement. The TCIF program limited pre-construction match to funds provided to the project following the Proposition 1B passage date. The CTC could use the Fixing America's Surface Transportation Act passage date as a similar starting point for this program.
 - The draft guidelines do not identify that federal funds may be used as a match. Please consider allowing federal funds to be used as a match.

- Project Eligibility
 - OCTA appreciates that the guidelines will allow CFIP funding to support pre-construction work. This will allow each corridor the opportunity to bring forward its most impactful freight projects regardless of current project readiness.
 - The guidelines have set a deadline to start construction by December 31, 2020. OCTA appreciates that preconstruction phase work, including environmental studies and design are eligible for funding. However, the requirement to start construction by

California Freight Investment Program – Orange County Transportation Authority Comments

December 31, 2020, makes the use of CFIP funds for this purpose impossible. Most projects require four to eight years, depending on the complexity of the project, from the start of environmental to be ready to list a project for construction. In order to meet construction start deadline, projects would already have to be in environmental and/or design. OCTA requests that the CTC, instead, follow the federal requirement that the next phase of work move forward within ten years of the obligation of federal funds. This provides sufficient time for a project to proceed within a normal timeframe for construction delivery. The December 31, 2020 delivery deadline is also contradictory to the requirement that the project not be fully funded. Most projects that are already on a federal path, and have already completed the requirement for the National Environmental Policy Act, and have already entered into final design, would have full funding determined by the time they enter final design. Consider extending the delivery deadline to bring the best possible projects into the program.

- Project Nominations
 - A map is required that identifies the project site and any impacted communities that are disadvantaged as identified through the CalEnviroScreen 2.0 or meet criteria relative to the statewide median household income. It is unclear how this information will be used or why it is being requested. OCTA would suggest that instead the map should describe how the project addresses the community impact factors that are described under Section 11 Evaluation Criteria.

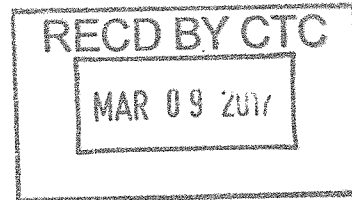
- Overall Process
 - OCTA appreciates that the Project Selection Process requires information similar to what was required under the Trade Corridor Improvement Fund (TCIF) Program. The TCIF program was an extremely successful state funding program and mirroring that process as much as possible will benefit the implementation of CFIP.
 - The project nomination and selection process do not include the requirement that the project have concurrence from the Southern California Corridor Coalition. OCTA requests that the guidelines should clarify how corridor coalitions are selecting or prioritizing projects for funding consistent with SB 826 (Leno, 2016).
 - Also, please provide guidance for Caltrans to notify the corridor coalition agencies of projects being submitted directly so that the regional agencies can coordinate with Caltrans on those submittals to confirm there are not conflicts or overlapping submittals.



March 1, 2017

Mr. Bob Alvarado, Chairman
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814

Mr. Malcolm Dougherty, Director
California Department of Transportation
1120 N Street, MS-52
Sacramento, CA 95814



RE: FAST Act –Freight Highway Investments for the San Joaquin Valley


Dear Chairman Alvarado and Director Dougherty:


The San Joaquin Valley Regional Planning Agencies Policy Council is submitting this letter urging you to support critical highway investments in the San Joaquin Valley funded by the Fixing America's Surface Transportation Act (FAST Act). As you know, the five-year authorization of the FAST Act includes billions of dollars in funding annually through formula and discretionary funded freight initiatives, specifically the National Highway Freight Program and the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) program.


Without question, the most significant project in our region is capacity and safety improvements to State Route 99. State Route 99 is not only the major thoroughfare for commuters, it is also the backbone of the San Joaquin Valley's agricultural economy. State Route 99 is part of the National Highway Freight Network and is a crucial freight corridor for California and the Nation. Renewed investment in this major corridor will reduce the time it takes for perishable commodities to get from farm to market and improve safety on this well-traveled route. State Route 99 was recently rated the deadliest highway in the nation, according to an October 2016 highway safety report.


There are five major "shovel ready" components for the State Route 99 improvements, which we ask that you consider funding with National Highway Freight Program formula grants:

- Kern County SR-99 at SR-58 Interchange. This project would construct connector ramps and bridges. The project is NEPA approved and is ready for construction advertisement.
- Tulare County SR-99 from Caldwell to Prosperity. This project would widen the freeway to six lanes. The project is NEPA approved and is ready for construction advertisement.

 (559) 623-0450

 (559) 314-6015

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 <http://sjvcogs.org/>

Chair
Mayor Rudy Mendoza
City of Woodlake

Vice-Chair
Supervisor Chuck Winn
San Joaquin County

San Joaquin
Council of
Governments

Tulare County
Association of
Governments

Fresno
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Kern
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Governments

Kings County
Association of
Governments

Madera County
Transportation
Commission

Merced County
Association of
Governments

Stanislaus
Council of
Governments

- Merced County SR-99 from Stanislaus County line to Hammatt Avenue. This project would widen the freeway to six lanes. The project is NEPA approved and is ready for construction advertisement.
- Madera County SR-99 from Avenue 12 to Avenue 17. This project would widen the freeway to six lanes. The project is NEPA approved and will be ready for construction advertisement.
- Stanislaus County SR-99/SR-132 Freeway to Freeway Interchange. This project would construct this interchange. The project could be ready for construction advertisement by December 2020.

In addition, the following project is located on the national freight network and will be ready for construction within the next five years:

- San Joaquin County SR-120 from I-5 to SR-99. This project would widen the freeway to six lanes and improve the interchange. The project could be ready for construction advertisement by December 2019.

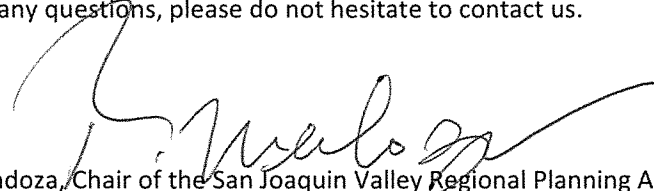
Finally, there are other freight corridors in the San Joaquin Valley that would qualify under the rural priority corridors set-aside:

- Fresno County SR-180 from Smith Avenue to Frankwood Avenue. This project would construct a four-lane freeway on existing alignment. The project is NEPA approved and is ready for construction advertisement.
- Kings County SR-41 Kings County line to Elkhorn Avenue. This project would widen the existing two-lane highway to four lanes. This project could be ready for construction advertisement by December 2021.

We understand there are many high priority projects across the state, but we hope you will pay close attention to the unique national benefits that come from investing in State Route 99 and other critical rural corridors. State Route 99 capacity and safety improvements will reduce emissions and improve air quality in our constrained air basin and help facilitate the economic growth our region needs. 25 percent of all food in the United States comes from the San Joaquin Valley, 92 percent is transported by truck primarily using State Route 99 for intra-regional travel. Over 44 percent of all employment in the San Joaquin Valley is associated with goods movement dependent industries. This percentage is higher than goods movement related employment in the Los Angeles or San Francisco Bay Area.

The San Joaquin Valley Regional Planning Agencies Policy Council is a proud supporter of economic growth, prosperity and safety for the San Joaquin Valley region. Our regional initiatives support and are consistent with the requested infrastructure improvement detailed in this letter. Thank you for your consideration to ensure that counties in the San Joaquin Valley receive national highway funding for these important projects. Should you have any questions, please do not hesitate to contact us.

Sincerely,



Rudy Mendoza, Chair of the San Joaquin Valley Regional Planning Agencies Policy Council
Mayor of the City of Woodlake, Tulare County



March 10, 2017

SUBJECT: MARCH 2017 CTC MEETING: BAY AREA HIGHLIGHTS

Dear Commissioners Alvarado, Earp, Ghielmetti, and Guardino:

In anticipation of the March 2017 CTC meeting, I would like to bring to your attention a few upcoming items on the agenda that are of importance to the Bay Area.

Policy Issues

STIP Fund Estimate and Unfunded Transportation Priorities (Agenda Tabs #16, 18)

This month's meeting includes the draft 2018 STIP Fund Estimate Assumptions and a report on Unfunded Transportation Investment Priorities. On the Fund Estimate, the region supports the various legislative bills that would stabilize and increase the STIP, and are working with our legislative delegation on those bills. Any new funding could contribute to the state's growing transportation funding needs, which are captured in the Commission's Unfunded Transportation Investment Priorities. MTC contributed to the Bay Area Super Region section, which includes details of important projects MTC previously endorsed for funding. The region supports the Commission's efforts to secure additional transportation funding through the illustration of unfunded needs.

2017 Active Transportation Program – Large MPO Component (Tab #20)

MTC adopted the 2017 Regional Active Transportation Program (ATP) in January 2017. The Regional ATP includes 14 projects totaling \$22 million in ATP funds. Projects funded include important trail gap closures and extension, safe routes to school, and complete streets projects throughout the region. MTC and Caltrans are reviewing project component eligibility and deliverability with sponsors, and may return with a revised program later in the year. The region looks forward to delivering active transportation benefits using these funds, and will work closely with Commission staff in developing the next round of ATP.

California Freight Investment Program (CFIP) Draft Guidelines (Tab #22)

California's use of National Highway Freight Program (NHFP) formula funds will be incorporated into the California Freight Investment Program. Over the past few months, MTC staff actively participated in various CTC workshops on the guidelines development. CTC staff released the discussion draft of the guidelines in late February which proposed 40% of all available funds for statewide priorities, and used older data to base the remaining corridor splits among regions. This resulted in Northern California's (Bay Area, San Joaquin, and Sacramento regions) target to be roughly 14.7% - on par with San Diego, a smaller region by a factor of four. In response, the Northern California Trade Corridors Coalition submitted a comment letter to your staff, highlighting these concerns. The region encourages CTC to ensure equitable funding distribution for freight movement projects across Northern California, and to maintain a substantial role for Corridor Coalitions established through the Proposition 1B Trade Corridors Improvement Fund (TCIF) program, as this model has worked well in the past.

Jake Mackenzie, Chair
Sonoma County and Cities

Scott Haggerty, Vice Chair
Alameda County

Alicia C. Aguirre
Cities of San Mateo County

Tom Azumbrado
U.S. Department of Housing
and Urban Development

Jeannie Bruins
Cities of Santa Clara County

Damon Connolly
Marin County and Cities

Dave Cortese
Santa Clara County

Carol Dutra-Vernaci
Cities of Alameda County

Dorene M. Giacomini
U.S. Department of Transportation

Federal D. Glover
Contra Costa County

Anne W. Halsted
San Francisco Bay Conservation
and Development Commission

Nick Josefowitz
San Francisco Mayor's Appointee

Jane Kim
City and County of San Francisco

Sam Liccardo
San Jose Mayor's Appointee

Alfredo Pedroza
Napa County and Cities

Julie Pierce
Association of Bay Area Governments

Bijan Sartipi
California State
Transportation Agency

Libby Schauf
Oakland Mayor's Appointee

Warren Slocum
San Mateo County

James P. Sperling
Solano County and Cities

Amy R. Worth
Cities of Contra Costa County

Steve Heminger
Executive Director

Alix Bockelman
Deputy Executive Director, Policy

Andrew B. Fremier
Deputy Executive Director, Operations

Programming and Project-Specific Issues

Proposition 1B TCIF Baseline Agreement (Tab #69)

In January, the CTC approved programming \$3 million in Proposition 1B Trade Corridor Improvement Fund (TCIF) moneys to the US-101 Marin-Sonoma Narrows project, Segment B2 Phase 2. This project will complete High-Occupancy Vehicle (HOV) lanes on US-101 in Southern Sonoma County. The action this month would codify the funding amounts through a baseline agreement. The region supports the project and looks forward to delivering the project on-time and on-budget.

Active Transportation Program Contract Award Extension: City of Alameda (Tab #89)

In late 2016, the City of Alameda requested a six-month award extension to its Cross Alameda Trail project, funded with Active Transportation Program (ATP) funds. However, the Commission inadvertently approved a three-month extension in December. About the same time, the project ran into further unanticipated delays related to the approval of the 2017 Transportation Improvement Program (TIP) in December 2016. The Cross Alameda Trail project was listed correctly in FY 2015-16 in the earlier 2015 TIP, but FY 2015-16 is not a valid year in the 2017 TIP. Therefore, the project could not receive federal obligation of funds. MTC immediately initiated an amendment to update the project year in the 2017 TIP, which is expected to be approved by the Federal Highway Administration later this month. Once approved, Caltrans and FHWA require a few weeks to process the federal obligation of funds. Only after federal obligation may the City advertise the project, leaving only six to eight weeks for the procurement process under a six-month award extension, and no time to address any bid increases or protests. As a result, the City of Alameda will request the Commission approve a nine-month award extension instead of six-month extension. The additional time will allow adequate time for an appropriate procurement process and for responding to any bid uncertainties.

Other Items of Regional Interest

Other items on your agenda related to regional projects are detailed below:

- Tab #51: 2017 SHOPP Ten-Year Plan and Maintenance Plan. The Ten-Year SHOPP Plan informs the programming of SHOPP funds, and the region will work closely with Caltrans District 4 to ensure important regional operational and maintenance projects are captured in these Plans.
- Tab #61: Draft 2018 California State Rail Plan. MTC is a member of the stakeholder advisory committee and provided comments on initial planning drafts. The region looks forward to reviewing and providing further comments once the Plan is released.
- Tab #70: STIP Amendment for Notice. The Contra Costa Transportation Authority (CCTA) requests updating the programming for the I-680/SR-4 Interchange project to reflect current cost estimates and schedules. The amendment will return to the Commission in May for action.
- Tabs #79-80: Transit and Intercity Rail Capital Program. The region has two TIRCP allocations this month, for Capitol Corridor and Caltrain. While the Caltrain Electrification project's funding remains fluid at this time, Caltrain prefers securing all funding in anticipation of a positive final decision from the US Department of Transportation.

- Tab #81: Draft California State Bicycle and Pedestrian Plan. MTC is reviewing the draft Bicycle and Pedestrian Plan and will provide comments to Caltrans by the deadline.
- Tabs #83, 85: ATP Allocations. Four sponsors request allocation of ATP funds for five projects: Oakland, San Jose, Daly City, and South San Francisco. Additionally, Oakland requests an advance ATP allocation under tab 85. MTC supports these allocation requests.

I appreciate your attention to these important items. Kenneth Kao will represent MTC at the Commission meeting in Los Angeles next week. If you have any questions before the meeting, please feel free to call me at (415) 778-6722.

Best regards,



Anne Richman
Director, Programming and Allocations

cc: Susan Bransen, CTC Executive Director

AR:KK

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March 13, 2017

Ms. Susan Bransen
Executive Director
California Transportation Commission
1120 N St., Room 2221, MS-52
Sacramento, CA 95814

RE: California Freight Investment Program Draft Guidelines

On behalf of the Southern California Consensus Group, thank you for the opportunity to comment on the draft California Freight Investment Program (CFIP) Guidelines, released on February 23, 2017. The Southern California Consensus Group region comprises five counties within the Southern California Association of Governments (SCAG) region, which is home to 19 million residents and nationally significant ports of entry and trade corridors, handling nearly half of all containerized freight entering and leaving the nation. It is imperative that our regional transportation system is improved to sustain and improve California's competitiveness in global and national markets and reduce the negative regional impacts of goods movement. CFIP funds are critical to ensuring the timely completion of near-term projects that will reduce emissions and improve the efficiency, safety and reliability of the Southern California goods movement system.

Our comments on the draft Guidelines are summarized below:

Reconsider Regional Corridor Targets

We recommend the adoption of regional corridor programming targets which are consistent with Trade Corridors Improvement Fund (TCIF) corridor shares, which in turn were largely commensurate with goods movement volumes by corridor and which have successfully guided project programming on a consensus basis for the past decade. As part of the TCIF program, these targets provided a valuable sense of equity among regional stakeholders to ensure freight funding was allocated commensurate to trade volumes and to projects nominated and completed by the California Department of Transportation (Caltrans), regional and local agencies and ports. The Los Angeles/Inland Empire corridor, for example, received between 56% and 60% of all TCIF funding. However, the draft CFIP Guidelines propose setting the target for our corridor between 49% and 57% of the \$334 million available for the regional corridors after taking off the top a 40% share for Caltrans priority projects. The draft regional corridor targets should be aligned with these historical targets, with the understanding that the California Transportation Commission (Commission) will establish and provide funding targets for a new Central Coast regional corridor.

Revise the 40% Set-Aside for State Priorities

The draft Guidelines currently propose a 40% share for the State. However, recent programs including the Proposition 1B TCIF program and the State Transportation Improvement Program (STIP), have a much lower set-aside for the State. Further, inter-regional truck trips constitute less than 10% of total regional truck trips in the SCAG region (much like other regions throughout the State) as the lion's share of truck trips are generated from intra-regional activities serving local industries, construction sites, domestic warehouses and truck terminals. As such, we recommend the Commission designate 75% of the CFIP funds to be allocated to the regional corridors, and 25% of the CFIP funds to be allocated to the State, a proportionally high share relative to inter-regional trips but consistent with the STIP.

Furthermore, we also recommend that the 25% of CFIP funds allocated to the State be programmed within each trade corridor region in proportion to regional corridor targets to allow for greater leveraging opportunities and facilitate closer alignment of state and regional priorities.

Should the State maintain its set-aside of CFIP funding without provisions to spend the funding within each regional corridor proportionate to each corridor's target (adjusted as proposed above), we recommend that the Commission be provided the authority to adjust regional corridor targets based on how the State allocates its share of funding to ensure equity among the regional corridors statewide.

Clarify the Regional Role in the CFIP Nomination Process

The draft Guidelines currently do not identify a role for regions and instead indicate that all eligible applicants can directly apply to the Commission. Under the TCIF program, projects were reviewed and submitted through the regional corridors, not directly to the Commission. Having the regional corridors review and nominate the projects ensures appropriate collaboration within the regional corridors. We recommend that the Commission include explicit language in the Guidelines to describe the regional process in screening applications and making initial recommendations to the Commission.

We also recommend that public construction authorities responsible for freight projects be included among the list of eligible applicants.

Clarify Requirements Applied to the National Highway Freight Program (NHFP)

The NHFP, which makes up the majority of CFIP funds, limits funding of intermodal or freight rail projects to 10% of the state apportionment. However, this requirement should not be applied to state funds or other future fund sources for trade corridors. Similarly, federal project eligibility provisions requiring projects to be located on the Primary Highway Freight System or a designated Critical Urban Freight Corridor or Critical Rural Freight Corridor should not restrict allocations of state funds.

Allow Return of Potential Savings from Regional Shares Back to the Regions

The current draft Guidelines state that savings would return to the State, even if they were derived from the regional corridor shares. Consistent with the TCIF process, we recommend that savings from the regional corridor shares be returned to the region where the cost savings was generated and as incentive to generate such savings.

Reduce the Proposed 1-to-1 Match for Regionally Nominated Projects

A 1-to-1 match requirement is challenging for many smaller agencies, particularly those counties lacking sales tax revenues. We recommend that regions be allowed to use any local funds, any state funds (including funds allocated by the Commission), and federal funds (including formula funds) as match. We further recommend that the Commission allow funds previously expended in prior project phases to count for match as well.

Revise Construction Contract Award Deadline

The draft Guidelines indicate a deadline of December 31, 2020 for construction contract award based on the five-year duration of the Fixing America's Surface Transportation Act. We recommend instead that the Commission implement a construction contract award deadline of December 31, 2023 to allow for more flexibility in identifying eligible projects for consideration for CFIP funding.

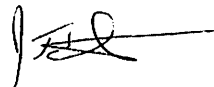
Further, for projects that have CFIP funds programmed in pre-construction phases only, we recommend consistency with the federal requirement that allows for moving forward with capital phases of work within ten years of the obligation of federal funds. This provides for flexibility and is aligned with our current practice of implementing federal projects.

Thank you for your consideration of our comments and we look forward to working with the Commission in addressing Southern California's freight transportation challenges.

Sincerely,



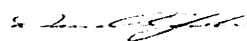
Mark Christoffels
Chief Executive Officer
Alameda Corridor-East
Construction Authority



John Doherty
Chief Executive Officer
Alameda Corridor Transportation
Authority



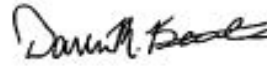
Hasan Ikhata
Executive Director
Southern California Association
of Governments



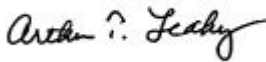
Darrell Johnson
Chief Executive Officer
Orange County Transportation
Authority



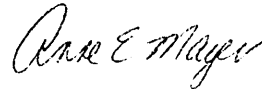
Duane Kenagy
Interim Chief Executive
Port of Long Beach



Darren Kettle
Executive Director
Ventura County Transportation
Commission



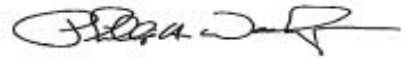
Arthur T. Leahy
Chief Executive Officer
Southern California Regional
Railroad Authority



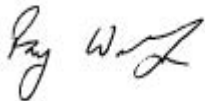
Anne Mayer
Executive Director
Riverside County Transportation
Commission



Gene Seroka
Executive Director
Port of Los Angeles



Phillip A. Washington
Chief Executive Officer
Los Angeles County Metropolitan
Transportation Authority



Ray Wolfe
Executive Director
San Bernardino County
Transportation Authority

C: California Transportation Commission members and staff