

**2020**  
**TRADE CORRIDOR**  
**ENHANCEMENT PROGRAM**  
**DRAFT GUIDELINES**

*March 10, 2020*

**California Transportation Commission**



**CALIFORNIA TRANSPORTATION COMMISSION  
2020 TRADE CORRIDOR ENHANCEMENT PROGRAM  
DRAFT GUIDELINES**

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## **I. Introduction**

### **1. Authority and Purpose**

The Road Repair and Accountability Act of 2017 or Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), established the Trade Corridor Enhancement Account to fund corridor-based freight projects nominated by local agencies and the state.

Implementing legislation was enacted with the approval of SB 103 (Chapter 95, Statutes of 2017) which directs the California Transportation Commission (Commission) to allocate the Trade Corridor Enhancement Account funds and the federal National Highway Freight Program funds to infrastructure improvements along corridors that have a high volume of freight movement.

The National Highway Freight Program was established with the approval of Fixing America's Surface Transportation (FAST) Act, on December 4, 2015.

The Commission is responsible for programming and allocating these state and federal funds and the funds will be administered through the Trade Corridor Enhancement Program.

The Trade Corridor Enhancement Program guidelines build from the 2007 Proposition 1B Trade Corridors Improvement Fund guidelines, which provided a one-time infusion of state funds for freight-related infrastructure improvements along corridors with a high volume of freight movement.

These guidelines describe the policy, standards, criteria, and procedures for the development, adoption and management of the Trade Corridor Enhancement Program. The guidelines were developed in consultation with stakeholders representing state, regional, and local government entities, advocacy groups and private industry.

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 Trade Corridor Enhancement Program is to fund infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on California's portion of the National Highway Freight Network, as identified in the California Freight Mobility Plan, and along other corridors that have a high volume of freight movement as determined by the Commission. The Trade Corridor Enhancement Program will also support the goals of the National Highway Freight Program, the California Freight Mobility Plan, and the guiding principles in the California Sustainable Freight Action Plan. Attachment 1 provides a list of the various goals and guiding principles.

### 3. Program Schedule

The following schedule lists the major milestones for the development and adoption of the Trade Corridor Enhancement Program:

Present Draft Guidelines to Commission	January 29, 2019
Commission Adoption of Guidelines	March 25, 2020
Call for Project Applications	March 25, 2020
Project Applications due to Commission (postmark date)	July 15, 2020
Release Staff Recommendations	November 12, 2020
Commission Adopts Program	December 2, 2020

## II. Funding

### 4. Funding and Program Cycle

The 2020 Program will provide three years of programming in fiscal years 2020-21, 2021-22, and 2022-23, for an estimated total of \$1.001 billion (\$1,001,000,000) of Trade Corridor Enhancement Program funds. Any unused balance or savings generated will be added to the available funding in the following cycle. Subsequent program cycles will include two new years of programming.

The 2020 Program funding will be developed based on the federal National Highway Freight Program continuing under the next federal transportation act. If necessary, adjustments to the total program funding will be made at a later date. Over the three years in this programming cycle (2020-21, 2021-22, and 2022-23) it is estimated that \$391 million (\$391,000,000) of National Highway Freight Program Funds will be available. A three-year Fund Estimate is provided in Appendix 5.

### 5. Distribution

The Commission supports a corridor-based programming approach to the Trade Corridor Enhancement 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, Placer, Fresno, Kern, Kings, Madera, Merced, 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)
- Other (Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tahoe Basin Counties, Tehama, Trinity, Tuolumne, and Yuba 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 of projects nominated by other agencies.

Pursuant to Streets and Highways Code, Section 2192, the target for Caltrans is 40% of the identified program funding. The remaining 60% is available for projects nominated by regional transportation agencies and other public agencies, including counties, cities, and port authorities.

In considering geographic balance for the overall program, the Commission may program below the corridor-based targets in a region or regions to account for projects programmed from the statewide target.

### **Regional Corridor Target Methodology**

Current adopted guidelines include funding targets for regional corridors that are based on data that is more than ten years old. Commission staff is working with Caltrans and regional agencies to update these targets, but additional work is needed before a methodology can be finalized.

For the 2020 Trade Corridor Enhancement Program, the 2018 regional corridor targets will be used. Staff will continue to work with Caltrans and the regional agencies to update these targets for the 2023 program.

The 2018 Trade Corridor Enhancement Program regional corridor targets were based on the original Proposition 1B Trade Corridors Improvement Fund program targets, which were based on key freight indicators from the 2007 Goods Movement Action Plan. Commission staff intend to use, in consultation with stakeholders, a similar

methodology to develop the 2023 Trade Corridor Enhancement Program regional corridor funding targets.

**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		\$556,800,000
Regional Corridor Targets		
	Percentage	Target
Bay Area/Central Valley	27%	\$225,504,000
Central Coast	2%	\$16,704,000
Los Angeles/Inland Empire	58%	\$484,416,000
San Diego/Border	11%	\$91,872,000
Other	2%	\$16,704,000

## 6. Matching Requirements

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

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

The Commission may, at the time of programming or allocation, approve non-proportional spending. For projects receiving federal National Highway Freight Program funds, the non-proportional spending must be approved by the Federal Highway Administration prior to allocation. Adjustments will be made at project closeout to ensure matching funds were spent proportionally to the Trade Corridor Enhancement Program funds.

The applicant must provide a project funding plan through construction that demonstrates the supplemental funding in the plan (local, federal, state, private sources) is reasonably expected to be available and sufficient to complete the project. The investment of public funding must be tied to public benefits as demonstrated through a public/private benefit cost analysis. The benefit cost analysis should take into account who owns the asset once the project is completed.

Priority will be given to projects that have committed discretionary federal funds at time of project nomination. The commitment should be in the form of a letter or public announcement issued by the authorizing federal agency.

## **7. Leveraging of Nationally Significant Freight and Highway Project Funds**

The Commission will program up to **50 percent of the applicable regional corridor target** to match a project that has been awarded federal funds in the **2020** Nationally Significant Freight and Highway Projects (INFRA Grant) program, if the project is otherwise eligible under the Trade Corridor Enhancement Program.

**Caltrans is encouraged to demonstrate support for INFRA Grant projects by committing to provide financial assistance from their 40 percent of statewide Trade Corridor Enhancement Program funding.**

For INFRA Grant projects that are jointly nominated by Caltrans and another agency, the programmed amount will be equally split between the statewide **amount** and **up to 50 percent of the applicable** regional corridor target. In the event the **amount available from the** regional corridor target is less than one half of the programmed amount, the difference will be taken from the statewide target. For all other INFRA Grant projects, the programmed amount will be taken from **up to 50 percent of** the applicable regional corridor target.

The project may be programmed and allocated prior to the adoption of the Trade Corridor Enhancement Program of projects in **December of 2020** but not before the INFRA Grant funding is awarded. In the event the INFRA Grant funding is awarded after the **December 2020** program adoption, the appropriate targets will be adjusted in the next program cycle.

**If more than one INFRA Grant project from the same regional corridor is awarded INFRA Grant funds and requests funds under this section, up to 50 percent of the applicable regional corridor target will be distributed to eligible projects proportionally based on the total amount of non-federal match requested.**

Recipients of INFRA Grant funding must provide the Commission a copy of the INFRA grant application, documentation of the official award of INFRA grant funds within 15 days of receipt of the notice of award, along with a cover letter describing how the project is eligible for Trade Corridor Enhancement Program funding. The allocation of funds will be processed as outlined in Section **22** of these guidelines.



**If an INFRA Grant project is programmed under this section, Commission staff will take this into account when reviewing applications submitted by that same entity as part of the call for projects.**

In the event a project is successful in the Trade Corridor Enhancement Program and **in receiving an INFRA Grant**, the Commission will program state funds to the project rather than the federal National Highway Freight Program funds **so long as the project meets Article XIX requirements.**

**Commission staff will work with stakeholders to develop a process to address all federal discretionary funds and will include it in the next update of the guidelines.**

## **8. Funding Restrictions**

Trade Corridor Enhancement Program funds shall not supplant other committed funds and are not available to fund cost increases except as noted below. Trade Corridor Enhancement Program funds shall not be shifted between programmed project components.

Trade Corridor Enhancement Program funding may be used to fund cost increases on Caltrans nominated projects. The statewide target in future programming cycles will be adjusted accordingly. The Commission will allocate the cost increase on a project by project basis consistent with Section 22 of these guidelines. For jointly nominated projects, the Commission expects cost increases will be funded based on agreements between the agencies nominating the project.

Projects must commence right-of-way acquisition or actual construction with-in 10 years of receiving pre-construction funding through the Trade Corridor Enhancement Program, or the implementing agency must repay the Trade Corridor Enhancement Program funds. Repaid funds will be made available for redistribution in the subsequent programming cycle.

Projects on the state highway system and/or projects implemented by Caltrans require a Caltrans approved Project Initiation Document if requesting funds for the Project Approval and Environmental Document component, and a Caltrans approved Project Report for all other components.

Project nominations requesting funds for Project Approval and Environmental Document, will not be considered for funding for Plans, Specifications, and Estimates; Right-of-Way; or Construction **in that program cycle. However, this does not preclude an entity from requesting Trade Corridor Enhancement Funds for another component in a future program cycle.**

A project that is already fully funded or is a capital improvement that is required as a condition for private development approval or permits is not eligible for funding from the Trade Corridor Enhancement Program.

## 9. Reimbursement

The Trade Corridor Enhancement Program is a reimbursement program for eligible costs incurred. An agency may begin incurring eligible costs upon allocation, however, reimbursement is dependent upon entering into an agreement with Caltrans. 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.

## 10. 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 must be submitted by a public agency sponsor.

The Commission expects collaboration and cooperation between the applicant, implementing agency, and Caltrans for all projects on the state highway system.

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

The Metropolitan Planning Organizations will be responsible for compiling project nominations from their respective agencies as described in Attachment 4 Project Nominations.

## 11. Eligible Projects

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; or improves system connectivity.

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.

### **Projects receiving state funds must be consistent with Article XIX of the California Constitution.**

Projects receiving federal National Highway Freight Program funds must comply with the provisions of **Section 167 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. Grade Crossing improvement projects, Grade Separation projects, Intermodal projects, and Intelligent Transportation System projects are not required to have a Critical Rural Freight Corridor or Critical Urban Freight Corridor designation.

Pursuant to federal statute, the Commission may not program more than 10 percent of the total federal 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).
- Projects that provide surface transportation infrastructure necessary to facilitate direct intermodal interchange, transfer, and access into or out of the facility.

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

- Highway improvements to more efficiently accommodate the movement of freight, particularly for ingress and egress to and from the state's land ports of entry, rail terminals, and seaports, and to relieve traffic congestion along major trade or goods movement corridors.
- Freight rail system improvements to enhance the ability to move goods from seaports, land ports of entry, and airports to warehousing and distribution centers, including grade separations.
- Port capacity and efficiency enhancements, excluding the purchase of fully automated cargo handling equipment.
- Truck corridor improvements, including dedicated truck facilities or truck toll facilities, including the mitigation of the emissions from trucks or these facilities.
- Border access improvements to enhance goods movement.
- Surface transportation, local road, and connector road improvements to effectively facilitate the movement of goods, particularly for ingress and egress to and from the state's land port of entry, airports, and seaports, to relieve traffic congestion along major trade or goods movement corridors.
- Port and/or rail projects to facilitate intermodal interchange, transfer, and access into or out of the facility (limited to 10% of federal yearly apportionments).
- **Advanced Technology – Projects that employ advanced and innovative technology to improve the flow of freight, such as Intelligent Transportation Systems (ITS), public infrastructure (excluding vehicles) that enables zero-emission or near-zero emission goods movement, 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.

- Environmental/community mitigation or efforts to reduce environmental impacts of freight movement, such as projects that reduce noise, overnight truck idling, or truck queues and advanced traveler Information Systems such as Freight Advanced Traveler Information Systems (FRATIS).

## **12. Eligible Components**

Trade Corridor Enhancement Program funds may be used for any project component (project approval and environmental document; plans, specifications, and estimates; right-of-way; and construction), however, right of way and construction capital costs will only be programmed if the project has completed a project level environmental process in accordance with the California Environmental Quality Act (CEQA), within six months of program adoption. If the project level environmental document is not filed within six months, the project will be deleted from the program.

## **13. Delivery Methods**

The Commission supports and encourages innovative delivery methods. If a project is expected to use a delivery method other than design-bid-build, the nomination should identify the delivery method as part of the proposal. If the delivery method is unknown at time of nomination, it should be reported as soon as it is known.

For a project expected to use design-build or design-sequencing delivery method, the Commission will program the Trade Corridor Enhancement funds in the construction component of the project. The allocation however may be a combined amount to include design, right-of-way, and construction.

When using the Construction Manager/General Contractor delivery method, the project will be programmed and allocated in the same manner as design-bid-build. During the environmental or design phase, Construction Manager/General Contractor contract costs are considered environmental and/or design phase expenditures. As the project advances in the design phase, it may be desirable to separate the project into packages for efficiencies in the construction delivery. If this is the case, the project may be separated into separate delivery contracts and the Commission must be notified as soon as possible. The delivery dates and the scope of work must be consistent with the approved baseline agreement. If there is a change in cost, the change must be identified as specified in Section 21.

## **14. Project Segmenting**

Scaling a project in segments because of its size, funding or delivery schedule may be necessary for certain large corridor projects. When segmenting a project into separate independent segments, the nomination should discuss the total corridor and the reasons for segmenting the project. The nomination should address how each segment of the corridor project will be delivered and include an estimated time line for completing the overall project and each segment in the corridor.

The evaluation of the project will be based on the segment proposed for funding. Therefore, the nomination should: clearly identify the benefits (outputs/outcomes) for the segment proposed for funding; provide a full funding plan of the segment; and demonstrate the segment has independent utility.

### **15. Multimodal Projects / Modes / Contracts**

Project nominations may include multiple modes to be delivered in separate contracts (i.e. roadwork, port/rail work, advanced technology elements) referred to as project modes. The applicant must clearly identify the scope of work for each mode. The benefits (outputs/outcomes) that will be achieved may be described for all project modes combined in the project nomination. If a proposed project mode does not show a clear connection or a benefit to the corridor, the Commission may choose not to fund that individual project mode.

If the scope of a project mode includes multiple independent contracts to achieve the benefits as proposed (i.e. roadwork, advanced technology), the application must identify the scope, funding plan and schedule for each contract (each contract should have a Project Programming Request Form), including any contracts not requesting Trade Corridor Enhancement Funds. The nomination should explain the strategy for project delivery. If subsequent to program adoption, the project is divided into independent contracts, it should be reported as soon as possible. A project amendment will need to be approved by the Commission prior to allocation.

### **16. Screening Criteria**

Nominations will receive an initial screening by the Commission for completeness and eligibility, before moving to the evaluation process. An agency submitting multiple project applications must clearly prioritize its project nominations.

Incomplete or ineligible applications may not be evaluated

Nominations will be screened for the following:

- The Project Nomination form in Attachment 4 must be complete.
- Project must be included in an adopted regional transportation plan and if applicable, consistent with a Sustainable Communities Strategy determined by the State Air Resources Board to achieve the region's greenhouse gas emissions reduction targets.
- Nomination must describe how the project supports the Freight Investment Themes identified in the California Freight Mobility Plan and included in Attachment 3 of these guidelines.
- Project must demonstrate a 30% funding match for each programmed component as outlined in Section 6 of these guidelines.
- Project demonstrates that all other funds for the proposed project (segment) are committed, except as noted in section 20 of these guidelines.

- Project must be one of the types of projects listed in Section 10 of these guidelines.
- Project must not have the purpose or intent to increase the state's overall capacity to facilitate the transportation of coal in bulk, pursuant to Government Code Section 14525.3. In evaluating each new terminal project, if related environmental documents are not yet complete, the Commission shall base their review on written confirmation from the project applicant.
- Project must meet the objectives of the Trade Corridor Enhancement Program and support the goals of the National Highway Freight Program, The California Freight Mobility Plan, and the California Sustainable Freight Action Plan.
- Project must provide information for the required Performance Metrics as outlined in Section 17.
- Project contributes to corridor or air basin emission reduction of greenhouse gases, diesel particulates (PM 10 and PM 2.5), carbon monoxide, nitrogen oxides, and other pollutants.
- Project demonstrates that negative environmental/community impacts will be avoided or mitigated.
- Project will stimulate economic activity, enhance trade value, and preserve/create jobs.

### **17. Project Rating Process**

All project nominations that meet the screening criteria will be selected through a competitive process by evaluating the applications for compliance with the objectives of the program and rating them based on the evaluation criteria as specified in Section 17.

Each evaluation criteria will be scored with a "High", "Medium-High", "Medium", "Medium-Low" or "Low". The highest-ranking nominations will be selected for funding. The Commission may group projects for the purposes of comparing the ratings of like applications or for purposes of comparing projects within a region.

The Commission will prioritize projects jointly nominated and jointly funded by Caltrans and local agencies, and construction ready projects. Caltrans' commitment of State Transportation Improvement Program funds or State Highway Operation and Protection Program funds will be considered joint funding.

Priority will also be given to projects that have committed discretionary federal funds at time of project nomination. The commitment should be in the form of a letter or public announcement issued by the authorizing federal agency.

To maximize the effectiveness of program funds, the Commission's intent is to fund a small number of projects which provide for the greatest benefits and may elect to only evaluate the highest priority application(s) submitted by each applicant.

The Commission may collaborate with the following state agencies when evaluating project nominations: The Air Resources Board to review the air quality benefits and Caltrans to review the Life-Cycle Benefit-Cost Analysis.

## 18. Evaluation Criteria

A project nomination must include documentation that includes quantitative metrics and qualitative information demonstrating how the project meets the criteria below. Each section must be addressed. For performance metrics, the methodology, data sources, and assumptions used must be noted in the Attachment 4, Appendix 3: Performance Metrics Form.

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 to improve the interregional transportation network and move goods to, through, and from ports.
  - Velocity – Project increases the speed of freight traffic moving through the distribution system, including critical freight corridors and ports.
  - Reliability - Project reduces the variability and unpredictability of travel time.
- Transportation System 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, this includes bottlenecks on critical freight corridors and near our state's borders.
  - 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 and to improve the interregional transportation network.

- Advanced Technology – Project employs advanced and innovative technology and integrates transformative ideas to increase the amplitude of benefits for the state’s people, economy, and environment. Examples include Intelligent Transportation Systems (ITS) or supporting infrastructure for deployment of current and future technologies, such as zero and near-zero emission equipment ~~or vehicles~~ or ITS elements.
- Community Impact Factors.
  - Air Quality Impact - Project reduces local and regional emissions of diesel particulate (PM 10 and PM 2.5), 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. Project enhances California’s competitiveness while protecting its community and environmental assets.

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 if applicable, an adopted regional freight plan. Caltrans nominated projects 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 level of demonstrated support for the project from community-based organizations.**
- **For Project Approval and Environmental Document component applications, include a copy of the Notice of Preparation document required for the California Environmental Quality Act process if possible. Include a**



**description demonstrating there is sufficient planning capacity and community support for the project.**

**19. Programming Capacity**

The Trade Corridor Enhancement Program will be developed consistent with the estimated annual amount of funds available based on 50% of the revenues generated by the diesel fuel excise tax imposed by state statute and the obligation authority limits on the National Highway Freight Program.

**20. Program of Projects**

The program of projects for each fiscal year will include, for each project, the amount to be funded from the Trade Corridor Enhancement Program, and the estimated total cost of the project. Project costs in the Trade Corridor Enhancement Program will include costs for each of the following components: (1) project approval and environmental document; (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.

**21. Committed/Uncommitted Funds**

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 Trade Corridor Enhancement Program funds and other committed funds and uncommitted funds.

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 Regional Surface Transportation, Congestion Mitigation and Air Quality, and federal formula transit funds, the commitment may be by federal Transportation Improvement Program adoption. For federal discretionary funds, the commitment may be by federal approval of a full funding grant agreement or by grant approval

Uncommitted funds may only be from the following competitive programs: the Solutions for Congested Corridors Program and the Local Partnership Program. The applicant must indicate its plan for securing a funding commitment; explain the risk of not securing that commitment, and its plan for securing an alternate source of funding should the commitment not be obtained. If a project with uncommitted funds is programmed, all funding commitments must be secured prior to July 1 of the year in which the project is programmed, or the project will be removed from the program.

Projects programmed by the Commission in the Trade Corridor Enhancement Program will not be given priority in other programs under the Commission's purview.

### **III. Project Amendments**

#### **22. Amendment Requests**

Project amendments will be considered for the Trade Corridor Enhancement Program as follows:

- **Scope Changes** – The Commission will not consider changes to the scope of the project unless the change is minor and has no impact to the project benefits or the scope change increases the benefits of the project. The Commission should be notified as soon as possible of a change in project scope. In the case where scope changes are significant, and the project benefits are less, the Commission will evaluate the proposed changes and make a determination to continue funding the project or deleting the project from the program through a formal amendment.
- **Cost Changes** – The Trade Corridor Enhancement Program will not participate in cost increases to the project, except as allowed under Section 7 for Caltrans nominated projects. Any cost increases must be funded from other fund sources. If there is a change in the cost estimate, the Commission should be notified as soon as possible in writing explaining the change and the plan to cover the increase. A revised Project Programming Request form identifying the source of funding must also be included as described below.

**Schedule Changes** – Schedule changes to a project will not be considered unless a time extension was approved as specified in Section 24. For projects programmed in the last year of the Trade Corridor Enhancement Program, the implementing agency may request by June 1, 2020 to reprogram the project only once with justification. The request must include: a cover letter from all the partners that nominated the project; a clear and concise explanation for the request; the extraordinary circumstances that led to the request; consequences if the request is not approved; and an updated Project Programming Request as described below. The Commission may approve the request only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the change at the time the 2020 Program is adopted.

General Instructions for All Amendments:

- Implementing agencies must notify Caltrans in writing of proposed project amendments.
- Caltrans shall coordinate all amendment requests and utilize the Project Programming Request to help document the change.
- Caltrans will review the proposed amendment change and forward the proposed amendment change with Caltrans' written analysis and recommendation to the Commission for the Commission's approval.
- The written notification to Caltrans must include:

- An explanation of the proposed change.
  - The reason for the proposed change.
  - The impact the proposed change would have to the project.
  - An estimate of the impact the proposed 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 benefits) and an explanation of the methodology used to develop the aforementioned estimate.
  - A revised Project Programming Request form must be included in the notification.
- 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 (outputs and outcomes).
  - Commission staff will present recommended 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 all other amendment changes to the Commission as project amendments.

### **23. Allocation Requests**

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 request with a recommendation from Caltrans. The recommendation will include a determination of project readiness, the availability of appropriated funding, the availability of all identified and committed supplementary funding, and consistency with the executed Baseline Agreement, if applicable.

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. Projects not ready for advertisement will not be placed on the Commission's agenda for allocation approval.

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 plans, specifications, and estimate; right-of-way; or construction of a federally funded project prior to documentation of environmental clearance under the 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.

Projects receiving federal National Highway Freight Program funds 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 must be federally approved prior to the project requesting allocation. Grade Crossing improvement projects, Grade Separation projects, Intermodal projects, and Intelligent Transportation System projects are not required to have a Critical Rural Freight Corridor or Critical Urban Freight Corridor designation.

The Commission will approve the allocation in whole thousands of dollars if the funds are available and the allocation is necessary to implement the project as included in the adopted Trade Corridor Enhancement 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. Agencies should not request Commission allocations unless prepared to award contracts related to the allocation within six months.

The implementing agency must not award the contract for a project until the Commission has allocated funds for the project.

Whenever programmed funds are not allocated within the fiscal year programmed or within the time allowed by an approved allocation extension, the project will be deleted from the Trade Corridor Enhancement 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.

#### **24. Letter of No Prejudice**

The Commission will consider approval of a Letter of No Prejudice (LONP) to advance a project programmed in the Trade Corridor Enhancement Program. Approval of the LONP will allow the agency to begin work and incur eligible expenses prior to allocation. The LONP Guidelines are on the Commission's website.

#### **25. Timely Use of Funds**

Trade Corridor Enhancement Program allocations for any programmed project component 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. When programmed funds are not allocated within the fiscal year programmed or within the time allowed by an approved extension, the project component will be deleted from the Trade Corridor Enhancement Program.

The Commission may extend the deadline only once for allocation 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 cannot exceed twelve months.

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.

The Commission may extend the deadline only once for contract award 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 cannot exceed twelve months.

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.

Upon request of the implementing agency, the Commission may extend the deadlines for expenditures for project development or right-of-way, or for contract completion no more than one time, 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 cannot exceed more than 20 months for project completion and 12 months for expenditure.

Except for the allocation of funds, the request to extend the deadline for any of the above must be received by Caltrans prior to the expiration date. For allocation of funds, the time extension must be approved by the Commission by June 30<sup>th</sup> of the year the funds are programmed; otherwise the funds will lapse as specified in this section. 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.

## **26. Delivery Deadline Extensions**

The Commission may extend a delivery deadline, as described in Section 24, upon the request of the implementing agency. No deadline may be extended more than once. However, there are separate deadlines for allocations, contract award, expenditures, and

project completion. 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 prior to the expiration date. The extension request should describe the specific circumstance that justifies the extension and identify the delay directly attributable to the circumstance. Caltrans will review and prepare a written analysis of the proposed extension requests and forward the written analysis and recommendation to the Commission for action.

### **27. 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 and deallocation if proper justification is not provided.

### **28. Project Cost Savings**

Project cost savings generated by a project in the regional corridor program will be returned to that regional programming target.

Savings at construction contract award may be used to expand the scope of the project only if the expanded scope provides additional quantifiable benefits. The expanded scope must be approved by Commission staff prior to contract award. All other contract award savings will be returned proportionally and made available for redistribution in subsequent programming cycles.

Savings at project completion must be returned proportionally except when an agency has, subsequent to project programming, committed additional funds to the project to fund a cost increase. In such instances, savings at project completion may be returned to other fund types first, until the proportions match those at programming. Any additional savings must be returned proportionally, through a Commission action, and made available for programming in subsequent programming cycles.

### **29. Project Reporting**

SB 1 places responsibility on the Commission to track the performance of and report to the public how well funding recipients are delivering projects receiving Trade Corridor Enhancement Program funds. The reporting requirements as outlined in the Commission's Accountability and Transparency Guidelines are required for all projects programmed in the Trade Corridor Enhancement Program.

The National Highway Freight Program funds administered under the Trade Corridor Enhancement Program will be subject to the National Performance Management Measures for assessing Performance of Freight Movement. These are Federal Highway Administration performance measures used to help identify needed transportation improvements and monitor their effectiveness. Contact Caltrans' Division of Transportation Planning for further information. Below is a link to a website about

these measures:

[https://ops.fhwa.dot.gov/freight/freight\\_analysis/perform\\_meas/index.htm#fhwa](https://ops.fhwa.dot.gov/freight/freight_analysis/perform_meas/index.htm#fhwa)

### **30. Project Tracking Database**

Caltrans is responsible for developing, upgrading and maintaining an electronic database record of the adopted Trade Corridor Enhancement Program and Commission actions. The database will include project specific information, including project description, location, cost, scope, schedule, progress of the project and a map. The project information from the database will be accessible through Caltrans' website.

### **31. Project Auditing**

The audit requirements as outlined in the Commission's Accountability and Transparency Guidelines will be required for all projects programmed in the Trade Corridor Enhancement Program.

### **32. Project Signage**

The implementing agency must, for all projects, include signage stating that the project was made possible by SB 1 – The Road Repair and Accountability Act of 2017. The signage should be in compliance with applicable federal or state law, and Caltrans' manual and guidelines, including but not limited to the provisions of the California Manual on Uniform Traffic Control Devices. Information about signage can be found here: <https://dot.ca.gov/programs/traffic-operations/pfi>

## IV. Attachments

### 33. Attachment 1. Trade Corridor Enhancement Program Goals and Guiding Principles

2020 CFMP Goal	Related California Sustainable Freight Action Plan Guiding Principles	Related National Highway Freight Program Goals (23 USC 167)
<p><b>1. Multimodal Mobility</b></p> <p>Strategic investments to maintain and modernize the multimodal freight transportation system with innovative approaches including advanced technology to optimize integrated network efficiency, improve travel time reliability, and to achieve sustainable congestion reduction.</p>	<p>Invest strategically to improve travel time reliability and to achieve sustainable congestion reduction on key bottlenecks on primary trade corridors.</p> <p>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.</p>	<p>(b)(1) Invest in infrastructure improvements and to implement operational improvements on the highways of the United States that-</p> <p>(b)(1)(A) strengthen the contribution of the NHFN to the economic competitiveness of the US;</p> <p>(b)(1)(B) reduce congestion and bottlenecks on the NHFN;</p> <p>(b)(1)(C) reduce the cost of freight transportation;</p> <p>(b)(1)(D) improve the year-round reliability of freight transportation; and</p> <p>(b)(1)(E) increase productivity, particularly for domestic industries and businesses that create high-value jobs</p> <p>(b)(6) Improve the flexibility of States to support multi-State corridor planning and the creation of multi-State organizations to increase the ability of States to address highway freight connectivity.</p>
2020 CFMP Goal	CSFAP	NHFP Goals (23 USC 167)
<p><b>2. Economic Prosperity</b></p> <p>Grow the economic competitiveness of California's freight sector through increased system efficiency, productivity, and workforce preparation.</p>	<p>Grow the economic competitiveness of California's freight sector.</p> <p>Grow the number of well-paying employment opportunities in the freight sector.</p>	<p>(b)(5) Improve the efficiency and productivity of the NHFN</p> <p>(b)(1) Invest in infrastructure improvements and to implement operational improvements on the highways of the United States that-</p> <p>(b)(1)(A) strengthen the contribution of the NHFN to the economic competitiveness of the US;</p> <p>(b)(1)(B) reduce congestion and bottlenecks on the NHFN;</p>



		(b)(1)(C) reduce the cost of freight transportation; (b)(1)(D) improve the year-round reliability of freight transportation; and (b)(1)(E) increase productivity, particularly for domestic industries and businesses that create high-value jobs
<b>2020 CFMP Goal</b>	<b>CSFAP</b>	<b>NHFP Goals (23 USC 167)</b>
<b>3. Environmental Stewardship</b>  Support strategies that reduce, avoid and/or mitigate adverse environmental impacts of the freight transportation system while promoting ecological restoration approaches in the planning process.	Invest strategically to accelerate the transition to zero and near-zero emission equipment powered by renewable energy sources, including supportive infrastructure.  Apply innovative and green technology, along with accompanying infrastructure and applicable practices, to optimize the efficiency of the freight transportation system.  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.  Site freight projects to avoid greenfield development by enhancing existing freight infrastructure or targeting infill development near compatible land uses.	(b)(7) Reduce the environmental impacts of freight movement on the NHFN.  (b)(4) Use innovation and advanced technology to improve the safety, efficiency, and reliability of the NHFN
<b>2020 CFMP Goal</b>	<b>CSFAP</b>	<b>NHP Goals (23 USC 167)</b>
<b>4. Healthy Communities</b>  Enhance community health and wellbeing by distributing the benefits of the goods movement system equitably across California's communities.	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.	(b)(2) Improve the safety, security, efficiency and resiliency of freight transportation in rural and urban areas.
<b>2020 CFMP Goal</b>	<b>CSFAP</b>	<b>NHFP Goals (23 USC 167)</b>
<b>5. Safety and Resiliency</b>	Reduce freight-related deaths and injuries, and security threats.	(b)(2) Improve the safety, security, efficiency and resiliency of freight

Reduce freight-related deaths/injuries and improve system resilience by addressing infrastructure vulnerabilities associated with security threats, expected climate change impacts, and natural disasters.		transportation in rural and urban areas.  (b)(4) Use innovation and advanced technology to improve the safety, efficiency, and reliability of the NHFN
<b>2020 CFMP Goal</b>	<b>CSFAP</b>	<b>NHFP Goals (23 USC 167)</b>
<b>6. Asset Management</b>  Maintain and preserve infrastructure assets using cost-beneficial treatment.	Improve the state-of-good-repair of the multi-modal freight transportation system.	(b)(3) Improve the state of good repair of the NHFN.
<b>2020 CFMP Goal</b>	<b>CSFAP</b>	<b>NHFP Goals (23 USC 167)</b>
<b>7. Connectivity and Accessibility</b>  Provide transportation choices and improve system connectivity for all freight modes.	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.	(b)(6) Improve the flexibility of States to support multi-State corridor planning and the creation of multi-State organizations to increase the ability of States to address highway freight connectivity.

### 34. Attachment 2. California Freight Mobility Plan Goals and Objectives

<b>CFMP Goals</b>	<b>CFMP Objectives</b>
<b>Multimodal Mobility</b>	<ul style="list-style-type: none"> <li>a) Identify causes and solutions to freight roadway bottlenecks</li> <li>b) Invest strategically to optimize system performance</li> <li>c) Develop, manage, and operate an efficient integrated freight system</li> <li>d) Identify causes and solutions to Freight Rail Network Improvements bottlenecks</li> <li>e) Identify freight rail network operational improvements and mode shift options</li> </ul>
<b>Economic Prosperity</b>	<ul style="list-style-type: none"> <li>a) Promote economic development by investing in freight infrastructure projects and operational movements</li> <li>b) Promote freight projects that enhance the environment, economic activity, freight mobility, reliability, and global competitiveness</li> <li>c) Increase opportunities for high-quality jobs through workforce investments and development not only for existing freight industry workforce but also expand employment opportunities within the sector</li> <li>d) Support freight investments that reduce economic disparities and contribute to the economic strength of each region</li> <li>e) Promote the State's competitive logistics advantages</li> <li>f) Develop partnerships between the public and private sectors to initiate programs/activities that advance the economic competitiveness of the freight industry</li> </ul>

<p><b>Environmental Stewardship</b></p>	<ul style="list-style-type: none"> <li>a) Integrate environmental health considerations into the freight Planning, development implementation, and operations of projects</li> <li>b) Minimize criteria pollutants and GHGs emitted from freight vehicles including freight equipment and operations</li> <li>c) Create an environmentally balanced freight economy</li> </ul>
<p><b>Healthy Communities</b></p>	<ul style="list-style-type: none"> <li>a) Prioritize social equity for all freight-related projects by developing alternative methods that avoid negative impacts on or near existing communities adjacent to high-volume freight routes and facilities</li> <li>b) Conduct meaningful outreach to environmental justice communities including low-income populations and those disproportionately burdened by the freight transportation system not just in urban areas but also in rural areas</li> <li>c) Promote noise and other pollution abatement strategies associated with the movement of goods alongside residential areas and sensitive habitat near freight corridors</li> </ul>
<p><b>Safety and Resiliency</b></p>	<ul style="list-style-type: none"> <li>a) Reduce rates of incidents, collisions, serious injuries, and fatalities associated with freight movements</li> <li>b) Utilize technology to provide for the resilience and security of the freight transportation system</li> <li>c) Develop a Freight Resiliency Strategic Plan</li> </ul>
<p><b>Asset Management</b></p>	<ul style="list-style-type: none"> <li>a) Apply sustainability preventative maintenance and rehabilitation strategies</li> <li>b) Support the Federal and State Transportation Asset Management Plan</li> </ul>
<p><b>Connectivity and Accessibility</b></p>	<ul style="list-style-type: none"> <li>a) Support research, demonstration, development, and deployment of innovative technologies</li> <li>b) Promote innovative technologies and practices utilizing real time information to move freight on all modes more efficiently</li> <li>c) Coordinate with local and regional partners of freight facilities, siting, design, and operations</li> <li>d) Develop freight data collections and modeling tools to enhance knowledge and planning for freight corridor improvement and State investments</li> <li>e) Study the viability of utilizing inland port facility, short-haul rail shuttle, and inland seaports with less impact on nearby communities</li> <li>f) Improve truck trip planning, coordination, operational and management strategies</li> </ul>

### 35. Attachment 3. 2020 California Freight Mobility Plan Critical Freight Investment Themes

Theme	Description
<p><b>Improving Port Access Reliability</b></p>	<p>With some of the busiest maritime port complexes in the nation, imports from the Pacific Rim to California and national markets are a significant economic engine for California. With one of the largest concentrations of warehouses and distribution centers, California's transportation network must be reliable, efficient, and cost effective for operators to ensure continued competitiveness. This is especially critical for California's export-dependent industries. As one of the largest exporters of high-value electronic goods in the nation, and one of the largest exporters of agricultural goods in the world, California's competitiveness in the world and national markets depend on the intricate and interdependent roles of the public and private sectors working cohesively to move goods to, through, and from the ports.</p>
<p><b>Border Efficiency</b></p>	<p>Mexico is California's largest trading partner and trade between the two partners will continue to grow as manufacturers' supply chains continue integrate the unique workforce skillsets, economies, and resources from both sides of the border. Similar to other infrastructure systems, this continued growth will also exacerbate the border infrastructure systems. Capacity expansion, existing system integration, and efficiency activities will need to address how they will not only mitigate but also enhance the surrounding environment and communities.</p>
<p><b>Interregional Freight Movement and Resiliency</b></p>	<p>California is a large and diverse state and serves as a gateway for the nation. In addition to California markets, goods traveling within the state make their way on the interregional transportation network to the rest of the nation as well as Mexico and Canada. Improving the interregional transportation network is a critical component to increase the state's economic competitiveness. Critical freight corridors such as I-5, I-10, I-15, I-80, US99 and others, connect with the largest metropolitan areas within the state and serve as the pillars to move goods between regions and to other states. Improvements to these, as well as other interregional routes will increase travel reliability, reduce congestion, and enable more volume and value of goods into and through the state. System resiliency within the interregional system is also necessary. With continued increase of climate change related events, California must plan for efficient and cost effect routes to ensure all necessary goods are transported to impacted areas.</p>
<p><b>Sustainability and Innovations</b></p>	<p>As the world's innovation epicenter, California has been at the forefront in countless sectors to deliver ideas, products, and services that have tremendous impact to the world. Within California's freight sector, the innovative aspiration continues to transpire. With adoption of the CSFAP, Executive Order N-19-19, and other climate change initiatives, combined with local and regional policies, California is committed to enhance all aspects of freight in a manner that will advance the economy, its people, and the natural environment. Initiatives such as work force development, community advancement, environment improvement programs, freight intelligent transportation systems, renewable energy infrastructure, and smart land use decisions are only first of many new norms that complement the state's thriving freight sector. As freight investments continue, each investment should strongly consider how it may integrate transformative ideas to increase the amplitude of benefits for the state's people, economy, and environment. In alignment with this principle, the following types, but not limited to, projects will not only provide added benefits to the freight transportation system but also enhance California's competitiveness while protecting its community and environmental assets.</p>

### **36. Attachment 4. Project Nominations**

Project nominations and supporting documentation must be submitted to the Commission by **July 15, 2020**. Nominations will be treated in accordance with California Public Records Act requirements and information, subject to those requirements, may be publicly disclosed.

The Metropolitan Planning Organizations will be responsible for compiling project nominations from their respective agencies to the Commission. Project nominations coming from Imperial County will be considered as part of the San Diego/Border programming target, but the project nominations from Imperial County will be compiled and submitted through the Southern California Association of Governments as its Metropolitan Planning Organization. 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. The submittal will include a full list of all nominations received and confirm consistency with an adopted Regional Transportation Plan and if applicable, its Sustainable Communities Strategies and adopted regional freight plan

The application must clearly identify ineligible elements of a project and certify (or confirm) that those ineligible elements will not be funded with Trade Corridor Enhancement Program funds.

Applicants must submit two (2) hard copies of the nomination package and one (1) electronic copy. Electronic copies should be sent via e-mail to [TCEP@catc.ca.gov](mailto:TCEP@catc.ca.gov).

All nomination materials should be bound, addressed and delivered to:

California Transportation Commission  
Executive Director  
1120 N Street, MS-52  
P.O. Box 942873  
Sacramento, CA 95814

Each project nomination should be limited to 35 pages, excluding information requested in appendices. Each project nomination must utilize the lettering convention outlined below.

#### **A. Cover Letter**

The cover letter must be addressed to the California Transportation Commission's Executive Director and clearly identify the nominating agency or agencies. Nominations from regional agencies must include the signature of the Chief Executive Officer or other authorized officer of the agency. Nominations from Caltrans must include the signature of the Director of Transportation or a person authorized by the Director to submit the nomination. Jointly nominated projects must have the duly authorized signatures of all agencies. Where a project is to be implemented by an agency or multiple agencies other than the nominating agency,

the nomination must also include the signature(s) of the Chief Executive Officer or other authorized officer(s) of the implementing agency or agencies.

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 nomination.

## **B. Fact Sheet**

- A one-page fact sheet describing the project scope, cost, schedule, and benefits (outputs/outcomes). The fact sheet will be posted on the Commission's website and therefore must meet the latest state and federal web accessibility laws. Information about California website accessibility laws can be found here: <https://webstandards.ca.gov/accessibility/>

## **C. General Information**

- Project title, with a brief non-technical description of the project, total project cost and requested amount. If the project includes multiple project modes, each project mode must be described.
- Project Background and a purpose and need statement, including a description of how the project is consistent with the projects described in Section 10 (eligible projects) of the guidelines.
- A concise description of the type of project, scope and anticipated benefits (outputs/outcomes) proposed for funding.
- A description of how the project will stimulate economic activity, enhance trade value, and preserve/create jobs.
- A map (or maps) of the project location
- Project priority (if submitting multiple nominations)
- When proposing a segment of a corridor, the applicant should discuss the total corridor and why the project is being segmented. The project must demonstrate the segment proposed for funding has independent utility and include a narrative of the plan to complete remaining improvements of the corridor. Address how each segment of the corridor project will be delivered and include an estimated time line for completing the overall project and each segment in the corridor. If proposing the last segment of the corridor, the nomination should discuss the benefits that have been achieved of all the other segments that have been completed and the benefits of completing the corridor. Conversely, the nomination should address the impacts of not completing the last segment. The analysis should be coordinated with other jurisdictions if the corridor crosses multiple jurisdictions.
- A description of the transportation corridor and the function of the proposed project within the corridor.

- 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.
- A description of how the project uses advanced, clean, or innovated technologies to support the freight transportation system. Also include a description of any associated supporting infrastructure that is included in the project.
- For projects in the state highway system, evidence must be provided of cooperation between the nominating agency and Caltrans.
- Confirmation that any new terminal project will not have significant environmental impacts, as described in related environmental documents as a result of the storage, handling, or transport of coal in bulk pursuant to Government Code Section 14525.3. In evaluating each new terminal, if related environmental documents are not yet complete, the Commission shall base their review on written confirmation from the project applicant.
- 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.
- Confirmation that the proposed nomination is consistent with the current approved Regional Transportation Plan and Sustainable Communities Strategies and to the best of the nominating agency's knowledge, the project(s) proposed for funding is not anticipated to be impacted by the implementation of the Safer Affordable Fuel-Efficient Vehicles Rule.
- If a delivery method other than design-bid-build is used for the project, identify the delivery method used. If the delivery method is unknown at the time of nomination, it should be reported as soon as it is known.
- Clearly identify the scope of work for each mode used. Describe the benefits (outputs/outcomes) that will be achieved for all project modes combined in the project nomination.
- Identify the scope, funding plan and schedule for each contract (each contract should have a Project Programming Request Form), including any contracts not requesting Trade Corridor Enhancement Funds, that are being used for the project. Explain the strategy for project delivery. If subsequent to program adoption, the project is divided into independent contracts, it should be reported as soon as possible. A project amendment will need to be approved by the Commission prior to allocation.

#### **D. Screening Criteria**

- A description of how the project supports the goals of the National Highway Freight Program, the California Freight Mobility Plan, and the guiding principles of the California Sustainable Freight Action Plan.
- A description of how the project meets the Freight Investment Themes identified in the California Freight Mobility Plan and in Attachment 3 of these guidelines.
- A description of how the project furthers the goals, performance measures, and targets of the region's Regional Transportation Plan, and, if applicable, the Sustainable Communities Strategy. A link to the approved Regional Transportation Plan / Sustainable Communities Strategy must be included.
- For project components other than preliminary analysis and environmental documentation, a description of environmental and community impacts as identified in the environmental document (this includes both CEQA and NEPA for federalized projects). This may be demonstrated with the final environmental document or documents. A link to the final environmental document/s, or the draft environmental document/s, must be included for all project segments.
- If the project nomination is a request for preliminary analysis and environmental documentation funding, provide documentation that describes the feedback received during the stakeholder engagement process and describe how the public participation and planning process improved or informed the preliminary analysis and environmental documentation. Describe how stakeholders will continue to be engaged in the implementation of the project.

#### **E. Evaluation Criteria**

A quantitative and qualitative analysis of the proposed project compared to the no-build environment. Each Criteria identified in Section 17 of the guidelines must be addressed. If a criterion is not addressed the project may not be funded in the Trade Corridor Enhancement Program.

The required performance metrics in Attachment 4, Appendix 3 will support the narrative of the criteria.

#### **F. Funding and Deliverability**

- 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. If uncommitted funding is identified, the requirements as outlined in Section 20 must be included.
- 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 or the Interregional Transportation Strategic Plan for projects implemented by Caltrans.
- Uncommitted funds may only be from those programs identified in Section 20. If uncommitted funding is proposed, the nomination must address the plan for securing



a funding commitment, explain the risk of not securing that commitment, and its plan for securing an alternate source of funding.

- Cost estimates should be escalated to the year of proposed implementation and be approved by the Chief Executive Officer or other authorized officer of the implementing agency.
- Demonstrate the required 30% funding match for each programmed component as outlined in section 6 of the guidelines.
- Identify any discretionary federal funds that have been committed at time of project nomination. The commitment should be in the form of a letter or public announcement issued by the authorizing federal agency.
- A description that demonstrates the ability to absorb any cost overruns and deliver the proposed project with no additional funding from this program, except as noted in Section 21 of these guidelines.
- 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.

## **G. Community Impacts**

- A description of how local residents and community-based organizations were engaged in developing the project.
- A description of how the final project will address community-identified needs along the corridor with a description and quantification of the specific benefits the project will provide for disadvantaged communities and low-income areas.
- A description of any negative impacts to a disadvantaged community and low-income community, in terms of displacement or other negative impacts, and any related mitigations.
- Include a map to identify whether or not the project is located in a disadvantaged community or low-income community using the Disadvantage and Low-income Community Maps found at:  
<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>

Identify impacted communities that meet either of the following criteria.

- Disadvantaged Communities - an area identified as among the most disadvantaged 25% in the state according to the California Environmental Protection Agency pursuant to Section 39711 of the Health and Safety Code, or

- **Low-income Communities** - an area with median household income at or below 80 percent of the statewide median or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093 of the Health and Safety Code.
- Describe the feedback received during the stakeholder engagement process and describe how the public participation and planning process has improved the project's overall effectiveness at meeting the purpose of the program.
- Describe how stakeholders will continue to be engaged in the implementation of the project.
- A description and map (or maps) of how the final project will address community-identified needs along with a description and quantification of the benefits the project will provide for other communities not falling under the above definitions.

#### **H. Other**

- Where investment of Trade Corridor Enhancement Program funding is proposed to improve private infrastructure, the nomination must include documentation of assessment of public and private benefits to show that the share of public benefit is commensurate with the share of public funding. The investment of public funding must be tied to public benefits as demonstrated through a public/private benefit cost analysis. The benefit cost analysis should take into account who owns the asset once the project is completed.
- 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.

### **37. Attachment 4. Appendix 2: Project Programming Request**

Each application must include a Project Programming Request form. The Project Programming Request must list federal, state, local, and private funding categories by project component and fiscal year. If the proposed project includes multiple project modes to be delivered under separate contracts, each project mode must have its own Project Programming Request. The scope, benefits, schedule and funding plan of the Project Programming Request must be consistent with the information in the application. The template of the Project Programming Request form may be found at: <https://dot.ca.gov/programs/transportation-programming/office-of-capital-improvement-programming-ocip>.

### 38. **Attachment 4. Appendix 2: Performance Metrics Instructions**

- Please fill in the table included in this section with the requested information for the proposed project. This information must be consistent with the information in the electronic Project Programming Request form that is submitted with the application under Attachment 4. Appendix 1.
- **Commission staff may contact applicants for additional information.**
- Please refer to the Trade Corridor Enhancement Program Project Metrics Instructions Document which includes additional information and resources for completing this table: <https://catc.ca.gov/-/media/ctc-media/documents/programs/Senate-Bill-1/TCEP/3-2-20-FINAL-TCEP-Performance-Metrics-Guidance-a11y.pdf>.
- Project metrics are expected to be provided for the scope of the project as defined in the application and as projected for the “Build” scenario versus the “No Build” scenario over a 20-year horizon (with no other alternatives consideration required). If a horizon other than 20 years is utilized, it must be specified in the table. Provide current conditions where applicable and explain current conditions as part of project purpose and need.
- These metrics cover estimated project benefits based on what is known at the time of application.
- Project types include: Freight Road, Rail, Sea Port, Land Port, or Airport, or any combination thereof. Benefits are reported for the project as a whole.
- A few tools have been identified in the Trade Corridor Enhancement Program Project Metrics Instructions Document <https://catc.ca.gov/-/media/ctc-media/documents/programs/Senate-Bill-1/TCEP/3-2-20-FINAL-TCEP-Performance-Metrics-Guidance-a11y.pdf> including the Regional Travel Demand Model, Sub-Regional or Project-Level Models, as well as the Cal-B/C Tools which use travel model data or engineering estimates as inputs to generate project benefits. Applicants are encouraged to use tools that are industry standard to the extent possible, but when there is a need to use an alternate tool, applicants should explain their choice of model and underlying assumptions.
- For cost-effectiveness, documentation supporting the benefits and cost estimates provided in the application should cite, as appropriate, the project study report, environmental document, Regional Transportation Plan, corridor plans, and other studies that provide quantitative and qualitative measures of the project’s costs and benefits, including both congestion and emission reduction benefits.
- The intent of these metrics is not to require a RTDM run for every project. It is anticipated that project applicants will utilize existing analyses (i.e. project level modeling conducted for the environmental analysis) and use that information coupled with additional off model tools or other simple calculations to estimate the project benefits for the application process.
- For each measure area please specify the horizon year, **and describe the methodology, assumptions, and data source(s) used as indicated in the SB 1 Accountability and Transparency Guidelines.** Columns for this information have been provided in the table below. **For Caltrans Benefit Cost model data and**

**assumptions, applicants must provide an electronic copy of the complete Excel workbook as part of the application submittal.**

- Modeled and observed data may be used. Modeled data used must be calibrated per federal standards.

**39. Attachment 4. Appendix 3: Performance Metrics Form**

(Project Types include freight road, freight rail, freight sea port, freight land port.)

Measure	Metric	Project Type (All Freight)	Build	Future No Build	Change	Methodology	Data/ Assumptions
Congestion Reduction	Daily vehicle hours of travel time reduction	Road, sea port, land port					
	Daily truck trips	Rail, sea port					
	Daily truck miles traveled	Rail, sea port					
	(Optional) other possible information for narrative discussion	All					
Throughput	Change in <b>annual</b> truck volume that can be accommodated due to improvement	Road, land port, airport					
	Change in <b>annual</b> rail volume that can be accommodated due to improvement	Rail, sea port					
	Change in <b>annual</b> cargo volume that can be accommodated due to improvement	Sea port, airport					
	(Optional) other possible information for narrative discussion	All					

Measure	Metric	Project Type (All Freight)	Build	Future No Build	Change	Metho dology	Data/ Assumptions
System Reliability	Truck travel time reliability index	National and State Highway System only (subcategory that falls under "Road" project type)					
	Daily vehicle hours of travel time reduction	Road, sea port, land port					
	(Optional) other possible information for narrative discussion	All					
Velocity	Travel time or total cargo transport time (including dwell time in logistics facility - port, railyard etc.) if applicable for project	All					
	(Optional) Change in average peak period weekday speed for road facility	Road					
	(Optional) Average peak period weekday speed for rail facility	Rail					
	(Optional) other possible information for narrative discussion	All					

Measure	Metric	Project Type (All Freight)	Build	Future No Build	Change	Methodology	Data/ Assumptions
Air Quality	Particulate Matter (PM 2.5 PM 10)	All					
	Carbon Dioxide (CO <sub>2</sub> )						
	Volatile Organic Compounds (VOC)						
	Sulphur Dioxides (SO <sub>x</sub> )						
	Carbon Monoxide (CO)						
	Nitrogen Oxides (NO <sub>x</sub> )						
Safety	Number of Fatalities (including actual reported injury and fatality collisions for the last 5 full years)	Road, land port					
	Rate of Fatalities per 100 Million VMT						
	Number of Serious Injuries						
	Number of Serious Injuries per 100 Million VMT						
	Number of Non-Motorized Fatalities and Non-Motorized Serious Injuries						
	(Optional) other possible information for narrative discussion	All					



March 10, 2020

<b>Measure</b>	<b>Metric</b>	<b>Project Type (All Freight)</b>	<b>Build</b>	<b>Future No Build</b>	<b>Change</b>	<b>Methodology</b>	<b>Data/ Assumptions</b>
Cost Effectiveness	Cost Benefit Ratio	All					
	(Optional) other possible information for narrative discussion	All					
Economic Development	Jobs Created (Direct and Indirect)	All					
	(Optional) other possible information for narrative discussion	All					

**40. Attachment 4. Appendix 4: State Highway System Project Impact Assessment Instructions and Form (CTC-0002)**

Applicant must complete ALL fields in sections I and II. Write N/A if not applicable.

1. Nominating Agency
2. Name of Person submitting the nomination
3. Title
4. Phone
5. Email
6. Project Title - The title must be consistent with the nomination and all project documentation
7. Percentage of project area within State Right of Way:  $(\text{Area within State Right of Way} \div \text{Total project area}) \times 100$
8. Total construction cost of physical project elements within State Right of Way: Provide a separate estimate for the total construction cost (capital and support costs) of the project for only those physical elements and/or portions of elements that are on or within State Right of Way. This includes project elements within State airspace.
9. Indicate the anticipated environmental document that will be required for California Environmental Quality Act and National Environmental Policy Act (ex. Negative Declaration, EIR/ EIS, etc.) Indicate N/A if a National Environmental Policy Act document is not required.
10. Check all that apply.
11. Fully describe the scope of work to be performed within State Highway Right of Way. This includes all new or modifications to any physical assets within State Right of Way.
12. Expected level of Caltrans involvement: Check one based on the amount entered for item 8.

**STATE HIGHWAY SYSTEM PROJECT IMPACT ASSESSMENT****Attachment 4: Appendix 4**

CTC-0002 (NEW 9/2019)

**I. APPLICANT INFORMATION****1. NOMINATING AGENCY****2. NAME OF PERSON SUBMITTING THE NOMINATION****3. TITLE****4. PHONE****5. EMAIL****II. PROJECT INFORMATION****6. PROJECT TITLE****7. PERCENT OF PROJECT AREA WITHIN STATE R/W****8. TOTAL CONSTRUCTION COST WITHIN STATE R/W****9. ANTICIPATED ENVIRONMENTAL DOCUMENT FOR:****CEQA:****NEPA:****10. CHECK ALL OF THE FOLLOWING THAT APPLY:**

PROJECT IS NOT IN AND WILL NOT DISCHARGE INTO AN ENVIRONMENTALLY SENSITIVE AREA AND IS NOT EXPECTED TO NEED AN EIR/EIS

PROJECT DOES NOT REQUIRE FHWA COORDINATION OR APPROVAL

PROJECT DOES NOT REQUIRE RIGHT OF WAY DEDICATION FROM CALTRANS

PROJECT DOES NOT REQUIRE CALTRANS STRUCTURE DESIGN APPROVAL FOR MODIFICATION TO A CALTRANS BRIDGE OR STRUCTURE.

PROJECT DOES NOT REQUIRE DESIGN EXCEPTIONS TO MANDATORY DESIGN STANDARDS (REF. HIGHWAY DESIGN MANUAL, DESIGN INFORMATION BULLETIN 78)

PROJECT DOES NOT REQUIRE ENCHROACHMENT EXCEPTIONS APPROVAL (REF. ENCHROACHMENT PERMIT MANUAL, CH. 300)

**11. DESCRIBE THE SCOPE OF WORK TO BE DONE WITHIN STATE HIGHWAY RIGHT-OF-WAY****12. EXPECTED LEVEL OF CALTRANS INVOLVEMENT:****Cooperative Agreement Oversight Process:** Cooperative Agreement oversight process reviews are generally used for projects with a construction cost within the State Right of Way greater than \$1 Million.**Encroachment Permits Oversight Process:** Office of Encroachment Permits oversight process reviews are generally used for projects with a construction cost within the State Right of Way of \$1 Million or less.**III. CALTRANS PROJECT SUPPORT****SIGNATURE:** \_\_\_\_\_**DATE:** \_\_\_\_\_**PRINT NAME:** \_\_\_\_\_**Deputy District Director Program Project Management**

The above signature indicates, based on available information:

1. Caltrans supports the project;
2. The project is consistent with Caltrans's standards;
3. Durations and start and end dates to achieve the major milestones are reasonable;
4. The funding plan is reasonable.

**IV. ATTACHMENTS**

The Project Programming Request must be provided to Caltrans with this form. Additional information may be required by Caltrans, including, but, not limited to: (1) project level documents and (2) draft funding application(s).

41. **Attachment 4. Appendix 5: Fund Estimate**

**TRADE CORRIDOR ENHANCEMENT PROGRAM (TCEP)  
 FUND ESTIMATE  
 (\$ millions)**

	2019-20	2020-21	2021-22	2022-23	3-Year Total	4-Year Total
<b>RESOURCES</b>						
<b>STATE RESOURCES</b>						
Trade Corridor Enhancement Account <sup>1</sup>	\$308	\$323	\$335	\$343	\$1,001	\$1,309
Previously Programmed Resources <sup>2</sup>	(296)	0	0	0	0	(296)
<b>State Resources Subtotal</b>	<b>\$13</b>	<b>\$323</b>	<b>\$335</b>	<b>\$343</b>	<b>\$1,001</b>	<b>\$1,014</b>
<b>FEDERAL RESOURCES</b>						
National Highway Freight Program <sup>3</sup>	\$124	\$127	\$130	\$133	\$391	\$515
Previously Programmed Resources <sup>2</sup>	(127)	0	0	0	0	(127)
<b>Federal Resources Subtotal</b>	<b>(\$3)</b>	<b>\$127</b>	<b>\$130</b>	<b>\$133</b>	<b>\$391</b>	<b>\$388</b>
<b>LOAN REPAYMENTS</b>						
Loan Repayment per Assembly Bill 133 <sup>4</sup>	\$11	\$0	\$0	\$0	\$0	\$11
<b>Loan Repayments Subtotal</b>	<b>\$11</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$21</b>	<b>\$450</b>	<b>\$465</b>	<b>\$477</b>	<b>\$1,392</b>	<b>\$1,412</b>

Note: Individual numbers may not add to total due to independent rounding.

<sup>1</sup> Amounts provided by the Department of Finance and includes adjustments for inflation.

<sup>2</sup> Resources that were already programmed from the 2018 TCEP Fund Estimate.

<sup>3</sup> Federal Resource dollars are representative of obligation authority and are an estimated percentage of California apportionments under the Fixing America's Surface Transportation (FAST) Act including reductions for post-apportionment set-asides, penalties, and sequestration. Fiscal Year 2020-21 extends beyond FAST Act authorization, but is assumed to be funded at the same approximate escalation rate in absence of a new Federal Act.

<sup>4</sup> The loan repayment reflects a one-time transfer from the General Fund for trade corridors per Assembly Bill 133 (Chapter 2, Statutes of 2016). Repayment occurred July 2019, and is available 2019-20.