

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 27, 2015

Reference No.: 4.17
Action

From: WILL KEMPTON
Executive Director

Subject: **COMMENTS TO THE CALIFORNIA SUSTAINABLE FREIGHT STRATEGY**

ISSUE:

Should the Commission provide input to the State Agencies charged by the Governor to develop an integrated action plan that establishes clear targets to improve freight efficiency, transition to zero-emission technologies, and increase competitiveness of California's freight system?

RECOMMENDATION:

Staff recommends that the Commission direct staff to transmit the attached letter to the Agency Secretaries for Transportation, Environmental Protection, and Natural Resources for purposes of providing input to the development of an integrated freight action plan and sustainable freight strategy.

BACKGROUND:

On July 16, 2015 the Governor issued Executive Order B-32-15 (Attachment) ordering the Secretary of the California State Transportation Agency, the Secretary of the California Environmental Protection Agency, and the Secretary of the Natural Resources Agency to lead other relevant State departments including the California Air Resources Board, the Department of Transportation, the California Energy Commission, and the Governor's Office of Business and Economic Development to develop an integrated action plan by July 2016 that establishes clear targets to improve freight efficiency, transition to zero-emission technologies, and increase competitiveness of California's freight system.

LUCETTA DUNN, Chair
BOB ALVARADO, Vice Chair
DARIUS ASSEMI
YVONNE B. BURKE
JAMES EARP
DARIO FROMMER
JAMES C. GHIEMMETTI
CARL GUARDINO
FRAN INMAN
JAMES MADAFFER
JOSEPH TAVAGLIONE

STATE OF CALIFORNIA

EDMUND G. BROWN Jr., Governor



SENATOR JIM BEALL, Ex Officio
ASSEMBLY MEMBER JIM FRAZIER, Ex Officio

WILL KEMPTON, Executive Director

CALIFORNIA TRANSPORTATION COMMISSION

1120 N STREET, MS-52
SACRAMENTO, CA 95814
P. O. BOX 942873
SACRAMENTO, CA 94273-0001
FAX (916) 653-2134
(916) 654-4245
<http://www.catc.ca.gov>

August 27, 2015

Brian Kelly, Secretary
California State Transportation Agency
915 Capitol Mall Suite 350 B
Sacramento, CA 95814

Matt Rodriguez, Secretary
California Environmental Protection Agency
1001 I Street P.O. Box 2815
Sacramento, CA 95812-2815

John Laird, Secretary
California Natural Resources Agency
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

RE: California Integrated Freight Action Plan

Dear Agency Secretaries,

The California Transportation Commission (Commission) is pleased the Governor issued Executive Order B-32-15 calling for your leadership in the development of an integrated action plan by July 2016 that establishes clear targets to improve freight efficiency, transition to zero-emission technologies, and increase competitiveness of California's freight system. The development of an action plan is consistent with previous Commission recommendations highlighting the need for a single unified freight strategy for California. It is with this spirit that the Commission is offering the comments outlined below to assist you in this effort.

The Commission places a high level of significance on projects included in statewide and regional plans. The recently completed California Freight Mobility Plan, prepared by Caltrans with input from members of the California Freight Advisory Committee, sets forth a foundation for the freight network that the Commission believes should be considered as the action plan is developed. Likewise, the Goods Movement Action Plan (GMAP) prepared by the Business, Transportation and Housing Agency and the California Environmental Protection Agency in 2007 was instrumental in informing the Trade Corridor Improvement Fund (TCIF) component of

Proposition 1B. The GMAP also provided a resource for the Commission in programing TCIF funded projects.

The Commission believes that many of the lessons learned in the development and delivery of the TCIF program should be considered in the preparation of the action plan. The achievements of the TCIF are well documented through the 87 projects funded with \$2 billion in bond funds leveraging total project costs of \$7 billion, improving freight mobility, addressing air quality impacts, creating jobs, and stimulating the economy. Given the success of this program, the Commission recommends that the following principles included in its guidelines for the TCIF should be considered as a resource as the action plan is developed:

- Build upon regional priorities
- Focus on high volume freight corridors
- Leverage state resources with federal, local, and private funds
- Identify strategic investments that address multi-agency goals (efficiency, mobility, job creation, economic vitality, environmental sustainability, quality of life, etc.)
- Balance economic, environmental and public benefits
- Build upon the established relationships with the regions and industry
- Incentivize progress and delivery deadlines

To meet the Governor's charge to increase the competitiveness of California's freight system, equal consideration of economic impacts must be an ongoing integral part of all decisions, now and well into the future. Therefore, it is important that sufficient resources are directed to performing economic competitive analyses and employing a comprehensive public-private sector approach as a filter in decision making processes.

It is also important that today's constrained funding is dedicated to the most critical needs providing the greatest overall benefit to California's mobility, economy, sustainability and quality of life. The lack of sufficient funding available to address the state's transportation needs for a growing population and recovering economy is of great concern to the Commission. As you embark on development of the statewide integrated freight strategy and action plan, the Commission encourages you to work together, across agency boundaries, to balance achievement of statewide goals recognizing program resource constraints. Funding decisions that leverage achievement of multiple goals across state programs increases the likelihood that the mobility, economic vitality, and environmental goals of the state will be achieved. Further, to ensure that limited transportation funding is directed towards freight priorities of highest importance reducing the risk of wasteful investment, statewide plans and programs must be coordinated, integrated and supported by regional agencies and the private sector.

Finally, the Commission is committed to the administration's goals of reducing greenhouse gas emissions and improving air quality. You may be assured that we recognize the importance of

Agency Secretaries

August 27, 2015

Page 3

meeting these environmental goals while at the same time protecting the critical driver that represents a staggering one-third of California's economy. It will not be an easy task to meet these co-equal goals, but it must be done. The Commission recognizes the sense of urgency that a July 2016 deadline presents. Please be assured that the Commission appreciates the opportunity to participate with you in the development of the action plan for California's freight system. If you have any questions or we can provide assistance, please contact Will Kempton, Commission Executive Director, at (916) 654-4245.

Sincerely,

LUCETTA DUNN

Chair

c: Commissioners, California Transportation Commission

Will Kempton, Executive Director, California Transportation Commission

Malcolm Dougherty, Director, California Department of Transportation

Mary Nichols, Board Chair, California Air Resources Board

Robert B. Weisenmiller, Board Chair, California Energy Commission

Panorea Avdis, Deputy Director, Governor's Office of Business and Economic Development

Richard Corey, Executive Director, California Air Resources Board

Robert Oglesby, Executive Director, California Energy Commission