

Memorandum

Tab 19

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 17-18, 2016

Reference No.: 4.5
Action

From: 
SUSAN BRANSEN
Executive Director

Subject: COMMISSION COMMENT LETTER ON THE INTERIM NATIONAL MULTIMODAL FREIGHT NETWORK

ISSUE:

Should the Commission approve staff comments to the U.S. Department of Transportation (U.S. DOT) on the Federal Register Notice (Docket Number OST– 2016–0053) regarding the establishment of an Interim National Multimodal Freight Network (NMFN)?

RECOMMENDATION:

Staff recommends the Commission approve the attached letter for transmittal in response to the Federal Register Notice regarding the interim NMFN. The comment period deadline is September 6, 2016. Items addressed in the attached draft Commission comment letter include the following:

1. States should have flexibility to designate freight facilities and corridors.
2. Seasonal agricultural truck traffic volumes should be incorporated into the NMFN.
3. Additional allowances should be made for international gateway states.

BACKGROUND:

The Fixing America's Surface Transportation (FAST) Act required the U.S. DOT to establish a NMFN that will assist states to direct resources to improve freight movement; inform freight transportation planning; assist in prioritization of federal investment; and support federal investments to achieve national freight policy goals. The federal government will replace the highway focused Primary Freight Network (PFN) established in 2012 under Moving Ahead for Progress in the 21st Century Act (MAP-21), with a multimodal freight system as specified under the FAST Act.

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August 17, 2016

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U.S. Department of Transportation
1200 New Jersey Ave. SE., W12-140
Washington, DC 20590-0001

RE: Establishment of Interim National Multimodal Freight Network
Docket No. DOT-OST-2016-0053

The California Transportation Commission (Commission) appreciates the opportunity to comment on the establishment of an Interim National Multimodal Freight Network (NMFN) and commends Congress for their efforts in recognizing the importance of freight infrastructure to the Nation's economic well-being.

The Commission supports the federal leadership efforts underway to replace the highway focused Primary Freight Network (PFN) established under the Moving Ahead for Progress in the 21st Century Act (MAP-21), with a multimodal freight system as specified under the Fixing America's Surface Transportation (FAST) Act. Provisions of the FAST Act requiring the U.S. Department of Transportation (U.S. DOT) to establish a NMFN are critical to align resources to improve freight movement; inform freight transportation planning; assist in prioritization of federal investment; and support federal investments to achieve national freight policy goals.

California is the nation's largest gateway for international trade with annual freight shipments valued at more than \$1.5 trillion dollars. Further, the freight industry employs approximately 650,000 people in California. Therefore, an efficient freight structure is of high economic importance to our state. It is with this perspective that the Commission offers the following comments in response to the Interim NMFN.

1. **Ensure NMFN is Comprehensive and Allows States Flexibility to Designate Freight Facilities and Corridors** - The draft Multimodal Freight Network (MFN) released in 2015 identified a total of 4,501 miles of freight routes and connectors in California. However, the

June 2016 Interim NMFN identified only 3,480 miles of freight routes and connectors; **this is a reduction of over 1,000 miles of critical California freight routes.**

Prior to finalizing the NMFN, the U.S. DOT should recognize the importance and volume of freight utilizing California's freight infrastructure by comprehensively including California's critical freight routes. In addition, states should be allowed to designate additional freight routes, rail lines, ports and airports and to identify and address gaps in the freight network. U.S. DOT should also specify how the NMFN relates to FAST Act federal freight funding.

2. **Seasonal Agricultural Truck Traffic Volumes Should be Incorporated into the NMFN** - The NMFN should incorporate routes that incur high seasonal truck volumes as a result of agricultural production. California's agricultural industry includes more than 400 commodities worth approximately \$229 billion in value annually. Over a third of the country's vegetables and two-thirds of the country's fruits and nuts are grown in our state. Truck volumes particularly in the California's San Joaquin Valley and Central Coast increase dramatically during harvest season. Rather than annual volumes, states should be given the flexibility to incorporate routes into the NMFN that receive high seasonal truck traffic.
3. **Acknowledge International Gateway States** - The U.S. DOT should ensure key freight infrastructure in international gateway states is included in the NMFN. California serves as the nation's primary gateway to the Pacific Rim, linking our State to the national and global economies. States such as California that serve as international gateways and receive a high percentage of international cargo should be assured that key freight routes, rail lines, intermodal terminals, etc., are included in the NMFN.

This comment letter is intended to address several high-level issues of concern to California and also complement more specific comments submitted by the California Department of Transportation as well as California's regional and local transportation agencies. The Commission urges U.S. DOT to address these collective comments prior to finalizing the Interim NMFN.

We appreciate the opportunity to provide these comments. Please contact Garth Hopkins, Commission Deputy Director, at (916) 653-3148 if you have any questions.

Sincerely,

BOB ALVARADO
Chair

c: Commissioners, California Transportation Commission
Susan Bransen, Executive Director, California Transportation Commission
Brian P. Kelly, Secretary, California State Transportation Agency
Malcolm Dougherty, Director, California Department of Transportation

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 17-18, 2016

Reference No.: 4.5
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Katie Benouar Chief
Division of
Transportation Planning

Subject: **COMMENTS ON THE FINAL CALIFORNIA SUSTAINABLE FREIGHT ACTION PLAN AND ESTABLISHMENT OF THE INTERIM NATIONAL MULTIMODAL FREIGHT NETWORK**

FINAL SUSTAINABLE FREIGHT ACTION PLAN

ISSUE

In response to an Executive Order issued last year by Governor Edmund G. Brown Jr., State agency leaders released on July 29, 2016, the California Sustainable Freight Action Plan, a comprehensive document that serves as a blueprint for transforming the state's multi-billion dollar freight transport system into one that is environmentally cleaner, more efficient, and more economically competitive than it is today.

BACKGROUND:

Developed in response to Governor Brown's Executive Order B-32-15, which calls for a single integrated action plan for California, the Action Plan was prepared by the California State Transportation Agency, California Environmental Protection Agency, California Natural Resources Agency, California Air Resources Board, California Department of Transportation, California Energy Commission, and the Governor's Office of Business and Economic Development, with broad stakeholder input.

The Executive Order directs the State agencies to pursue a shared vision to "improve freight efficiency, transition to zero-emission technologies and increase the competitiveness of California's freight system." Benefits include meeting the State's freight infrastructure, public health, air quality, and climate goals.

The Action Plan includes a long term-2050 vision and guiding principles for California's future freight transport system along with these targets for 2030:

- Improve freight system efficiency 25 percent by 2030.
- Deploy over 100,000 zero-emission vehicles/equipment and maximize near-zero by 2020.
- Foster future economic growth within the freight and goods movement industry.

The revised document is similar to the draft version issued in May 2016, but reflects new input provided by industry, labor, regional and local government, and community and environmental group stakeholders, who submitted more than 85 comments on the draft plan. Among the new additions to the final plan are placing more focus on key partnerships and a discussion of toxic hot spots. Changes have also been made throughout the document to clarify and emphasize the

collaboration between the responsible agencies and other regional planning efforts, including funding.

The plan also identifies opportunities to leverage State freight transport system investments, pinpoints actions to initiate over the next five years to meet goals, and lists possible pilot projects to achieve concrete progress in the near term. Next steps for State agencies will include continued work with federal, State, industry, labor, regional, local and environmental and community-based partners to refine and prioritize the strategies and actions outlined in the Action Plan. The State agencies will also create collaborative stakeholder working groups on competitiveness, system efficiency, workforce developments, and regulatory and permitting process improvements. Regular California Freight Advisory Committee meetings will continue, and by July 2017, the State agencies will establish work plans for chosen pilot projects.

ESTABLISHMENT OF THE INTERIM NATIONAL MULTIMODAL FREIGHT NETWORK

ISSUE

The California Department of Transportation (Department) is providing written comments to the United States Department of Transportation (US DOT) regarding the June 6, 2016, Notice of the Code of Federal Register entitled “Establishment of Interim National Multimodal Freight Network.” Comments are due by September 6, 2016.

BACKGROUND:

Section 70103 of Title 49, United States Code (U.S.C.), Multimodal Freight Policy, which was established in Section 8001 of the Fixing America’s Surface Transportation (FAST) Act, directs the Undersecretary of Transportation for Policy to establish a National Multimodal Freight Network (NMFN). Also, 49 U.S.C. 70103(c)(4)(A) requires each state that proposes additional designations to consider nominations for additional designations from a wide range of stakeholders, including Metropolitan Planning Organizations, State Freight Advisory Committees, and owners and operators of port, rail, pipeline, and airport facilities. Each state proposing additional designations is required to ensure that all additional designations are consistent with the State Transportation Improvement Program or freight plan.

The purpose of the NMFN is to assist states in strategically directing resources toward improved system performance for the efficient movement of freight on the NMFN, inform freight transportation planning, assist in the prioritization of federal investment, and assess and support federal investments to achieve the national multimodal freight policy goals described in Section 70101(b) of Title 49 U.S.C. and the national freight program goals described in Section 167 of Title 23 U.S.C. that established the National Highway Freight Network.

The Department has developed the attached preliminary comments (Attachment) and will be submitting final comments to the US DOT.

Attachment

Interim National Multimodal Freight Network

California Department of Transportation (Caltrans)

Division of Transportation Planning

Preliminary Comments

Background

The California Department of Transportation (Caltrans) is in the process of preparing detailed comments responding to the United States Department of Transportation (US DOT) Docket No. DOT-OST-2016-0053 on the establishment of a *National Multimodal Freight Network (NMFN)*.

- In October 2015, US DOT released a draft Multimodal Freight Network (MFN) – a 65k mile network, as part of the development of the National Freight Strategic Plan. Shortly thereafter, the US DOT established an Interim NMFN, based on the criteria given by Congress.
- Commenting on this Interim NMFN will result in the Final NMFN. The due date for US DOT to establish the Final NMFN is December 4, 2016. US DOT confirmed there is a typo on the Federal Register (2017 date is incorrect).
- The establishment of the Final NMFN is a parallel effort unrelated to the current National Highway Freight Program (NHFP) funding. The establishment of the NMFN is a planning exercise which Caltrans anticipates may have funding implications at a later date.
- The process of designating Critical Rural Freight Corridors (CRFC) and Critical Urban Freight Corridors (CUFC) for NHFP funding is NOT related to the NMFN process discussed in this Comment Letter. NOTE: Caltrans will start coordinating with regional partners on the designations of CUFC and CRFC at a later date.

Caltrans Preliminary Comments:

- Caltrans is pleased with the US DOT decision to replace the highway-centric Primary Freight Network (PFN) with a multimodal system. The PFN did not represent the most critical elements of the national freight system and lacked network continuity resulting from the statutory cap of 27,000 miles and an under-emphasis on rural and resource production regions. Furthermore, designation of the PFN was based on a general analysis of national-level datasets, which produced large gaps in the network and did not account for detailed state and local data. As a result, the limited network did not provide a full representation of typical interregional freight flows at the national scale.
- The Interim NMFN does not provide a contiguous network nor does it represent the most critical elements of the national or California's freight system. For the Final NMFN Caltrans suggests using the expanded 65k network for roadways and include all STRAHNET (Strategic Highway Network) and its connectors.
- Caltrans is concerned that the draft 2015 MFN allocated 4,227.5 highway miles to California; whereas, in the 2016 Interim NMFN, California is receiving an allocation of only 3,053.71 highway miles, which is a significant loss of 1,173.89 miles to the State.

Interim National Multimodal Freight Network—Preliminary Comments
Caltrans, Division of Transportation Planning

- Caltrans suggests including all Tier 1, 2, and 3 network of the California Freight Mobility Plan, which was completed in December 2014 as a result of collaborative statewide process (*Exhibit 1*).
- Caltrans suggests keeping the multimodal network broad and inclusive: Including all key freight railroads, rail yards, airports, maritime ports and routes, and border crossings, based on the 12 factors listed on the Federal Register.
- There appears to be inconsistencies and the proposed connectors do not always reflect up-to-date truck routes to the NMFN intermodal facilities. There are no intermodal connectors proposed for border crossings. Additionally, there are proposed intermodal connectors that link to intermodal facilities that have not been included in the Interim NMFN (i.e. the connectors to the Port of Hueneme are included in the Interim NMFN; however, the port itself is not). Critical intermodal connectors, such as the Gerald Desmond Bridge in Southern California, are missing from both the draft MFN and the Interim NMFN, among others.
- Goods shipped by aircraft are typically lightweight, have high value, must travel a significant distance and arrive in a short timeframe. Therefore, multimodal freight network airports should not be determined by weight, but instead be identified by handling cargo with the highest value. Ranking airports by cargo value would also better reflect the economic significance of airports to the nation than tonnage.
- If accurate air cargo value information is unavailable, total cargo weight should be used to rank airports as opposed to only considering landed cargo. Departing cargo weight must be added to arriving cargo weight to more accurately reflect the nation's air cargo activity, this is particularly true for airports with substantial exports. It is recommended that multimodal freight network airports should be those either transporting cargo with the highest total value, or the highest total cargo weight including belly cargo and excluding aircraft weight.
- A total annual foreign and domestic trade of at least 2,000,000 short ton threshold is used to identify the ports listed in the Interim NMFN. Two California public ports, the Port of San Francisco in northern California and the Port of Hueneme in southern California, are excluded using this new threshold in the Interim NMFN. However, these ports were included in the draft MFN. It is recommended that the tonnage threshold be reduced to include these strategic ports.
- The rail yard listing does not appear to be complete. The rail mileage for California in the MFN is 6,010; however, the Interim NMFN only accounts for 4,227 rail miles. The criteria and the sources that are being used to compile the rail mileage for NMFN should be clarified. Also, many of the rail yards are not named correctly per their formally recognized names as compiled by California's Air Resource Board. In addition, while some rail yards are not intermodal or may not meet the rail criteria as specified in the Federal Register, they are however, significant to California. For example, the Union Pacific Roseville (J.R. Davis) rail yard in Roseville, California is the largest rail yard in the Western U.S., and its omission is notable from the interim listing. The missing rail yards and their related connectors should also be included in the listing. There are many significant yards that are not listed on the interim NMFN listing. Rail yard names in the interim listing should be changed to reflect the named yards which were provided to the California Air Resources Board by the railroads. Identification and suggested name corrections will be provided in more detailed comments later. These comments will also include all significant freight short line railroads (Class II and Class III), and switching railroads in California.

- Two additional border crossings that should be included in the Interim NMFN:
 1. **Calexico West.** The Calexico West Port of Entry (POE) is also the main border crossing linking the important Imperial Valley agricultural industry to the State of Baja California in Mexico. Although Calexico West does not service trucks, it is an important crossing point for the railroad. The number of trains crossing are comparative to those at the San Ysidro border crossing (which is included in the Interim NMFN). Freight movement in California depends on all modes of transportation and the network requires mode integration to deliver goods to its final destinations. Caltrans is aware that all freight train crossings data for the Calexico West POE is reported as data for the Calexico East POE. However, the trains cross the international border physically through the Calexico West POE not the Calexico East POE.
 2. Future **Otay Mesa East POE.** As part of the criteria of the docket, US DOT is also considering future freight facilities. The State Route 11/Otay Mesa East POE Project will provide fast, predictable, and secure crossings via tolled approach roads that connect directly to a new state-of-the-art POE serving both personal and commercial vehicles. Otay Mesa East can help generate a range of tangible benefits covering improved operations and security, lower costs for travelers (both personal and commercial), reduced environmental impacts, reduced negative impacts on adjacent communities, and, of course, increased economic activity for both countries. US DOT recently recommended SR-11 Segment 2 and Southbound Connectors to be awarded a Federal FASTLANE grant for Fiscal Year 2016.
- The docket does not include nor properly describe the necessary requirements that State or other stakeholders need to provide to US DOT to include a future freight facility as part of the NMFN. Caltrans suggests that the US DOT engage the states to provide the necessary guidance.

Freight Update

Kome Ajise, CALTRANS

CTC MEETING, AUGUST 17-18, 2016



Presentation Outline

❖ **Federal FAST Act Implementation**

- National Multimodal Freight Network
- Critical Urban/Rural Freight Corridor Designations
- Freight Investment Plan
- California Freight Mobility Plan

❖ **Governor's Executive Order (B-32-15)**

- California Sustainable Freight Action Plan



National Multimodal Freight Network

- ❖ Policy/planning level network - all modes of freight
 - Highways
 - National Highway Freight Network & STRAHNET
 - Rail | Maritime | Air
 - Other
 - Border Crossings | Intermodal Facilities
- ❖ NOT tied to FAST Act funds (National Highway Freight Program)
- ❖ Revisit every 5 years
- ❖ Comments due to US DOT by September 6, 2016
- ❖ **Caltrans collaborating state wide for commenting**



National Multimodal Freight Network

Timeline 2016

- ❖ June 6th: Federal Register released
- ❖ July 6th: Caltrans emailed CFAC, MPOs/RTPAs, and Districts to initiate collaboration on commenting
- ❖ July-August: Caltrans exchanged comments with CFAC, MPOs/RTPAs, CTC, AASHTO etc.
- ❖ **September 6th: Comments due to US DOT**
- ❖ December 4th: Final NMFN to be adopted by US DOT



National Multimodal Freight Network

Caltrans Preliminary Comments

- ❖ Caltrans coordinating comments with MPOs, RTPAs, AASHTO, CTC etc., for all modes of travel
- ❖ **Caltrans advocating for larger network**
 - Include additional highways, airports, maritime ports, border crossings, etc.
 - Include all of the National Highway System, 227k centerline miles if possible
 - Or, the 65k mile network, plus STRAHNET, connectors, and Tier-1, 2, and 3 highways (*from 2014 California Freight Mobility Plan*)
 - AASHTO and other states concur



Critical Urban/Rural Freight Corridors

Designations

- ❖ Designate by Dec 2017 for FAST Act Funding (*formula and discretionary*)
 - Rolling designations possible
 - Re-designations and De-designations possible
- ❖ **Caltrans proposes statewide collaboration with all MPOs and RTPAs**
- ❖ Designations NOT related to the National Multimodal Freight Network

Critical Urban/Rural Freight Corridors

Designations

❖ National Highway Freight Network (NHFN) includes:

- Primary Highway Freight System (PHFS) – 3117 miles
(adopted by Congress)
- Non-PHFS Interstates – 362 miles *(adopted by Congress)*
- **Critical Urban Freight Corridors (CUFC) – 311 miles**
 - Large Urban (pop. > 500k) and
 - Small Urban (pop. >50k and <500k)
- **Critical Rural Freight Corridors (CRFC) – 623 miles**
 - For regions with population <50k

Freight Investment Plan

❖ Freight Investment Plan (*FIP*)

- New FAST Act requirement
- List of financially constrained projects (Federal funds)
- Awaiting guidance from FHWA

❖ FAST Act Formula Funds

- TCIF II Approach
- Pending Legislation

California Freight Mobility Plan

❖ **California Freight Mobility Plan (CFMP)**

- FAST Act requirements update due December 2017, and full update every 5 years
- State requirement update due December 2019
- Caltrans to have focused update by December 2017 for FAST Act compliance and funding eligibility
- CFAC involvement throughout
- Sustainable Freight Action Plan Influence

CA Sustainable Freight Action Plan

Implementation

- ❖ Governor's EO B-32-15
- ❖ **Long term-2050 vision and guiding principles for California's future freight transportation**
- ❖ **Targets**
 - Improve freight system efficiency
 - Transition to Zero Emission Technology
 - Increase competitiveness and economic growth
- ❖ **72 Implementation Steps (29 Caltrans) | 3 Pilot Projects (2 Caltrans)**



CA Sustainable Freight Action Plan

Next Steps

- ❖ Late summer 2016: Host meetings of both the **competitiveness** and **efficiency** stakeholder workgroups.
- ❖ September 2016: Discuss Action Plan implementation at California Freight Advisory Committee meeting
- ❖ Early 2017: Host a meeting of the **sustainable freight think tank**.
- ❖ By July 2017: Establish work plans for pilot projects.
- ❖ By July 2018: Provide a full progress report on Action Plan efforts.

Questions