



Memorandum

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• www.AlamedaCTC.org

DATE: March 3, 2014

SUBJECT: Goods Movement Collaborative and Plan Update

RECOMMENDATION: Receive an update on the Goods Movement Collaborative and Plan development

Approve creation of an Ad Hoc Committee to provide focused input into Goods Movement Collaborative and Plan

Summary

Goods movement is an essential part of a thriving economy and has important environmental and community benefits as well as impacts. Alameda County's geography and transportation system assets make it critical to the goods movement system in the Bay Area, the Northern California megaregion, and the nation. The Alameda CTC, in partnership with the Metropolitan Transportation Commission (MTC), the Port of Oakland, Caltrans, and the East Bay Economic Development Alliance, is undertaking goods movement work including organizing a Goods Movement Collaborative that will bring together key partners and stakeholders to advocate for freight and goods movement. In addition, Alameda CTC is developing a Countywide Goods Movement Plan to identify short- and long-term needs, strategies, and priorities for investing in the goods movement system. These efforts are being closely coordinated with the development of a regional goods movement plan and will in turn inform state and federal freight planning efforts currently underway.

This memorandum provides an update on the Goods Movement Collaborative and Plan development. In addition, the memorandum recommends that the Alameda CTC form an Ad Hoc Committee in order to participate as an interest group of local elected officials (who are a key goods movement stakeholder) in the Goods Movement Collaborative.

Background

Freight and goods movement planning is underway at the local, regional, state and federal levels. Alameda CTC and its partners have engaged at all levels of these processes.

Federal and State Processes

The Federal surface transportation act, Moving Ahead for Progress in the 21st Century (MAP-21), was signed into law in 2012 and included the development of a national freight policy that will establish a national freight network and create a national freight strategic plan. The development of the network and strategic plan will be done with a National Freight Advisory Committee (NFAC). NFAC representatives from California include: Kristin Decas, CEO & Port Director, Port of Hueneme; Genevieve Giuliano, Professor, Director and Senior Associate Dean, University of Southern California; Fran Inman, Senior Vice President, Majestic Realty Company and Member, California Transportation Commission; Randy Iwasaki, Executive Director, Contra Costa Transportation Authority; and Bonnie Lowenthal, State Assembly Member.

The California Department of Transportation (Caltrans) has established a California Freight Advisory Committee (CFAC), including Art Dao as a member, to assist with the development of a California Freight Mobility Plan. This plan will provide input into the national plan and will be incorporated into the overall California Transportation Plan which will be completed in 2015. The state is guiding its effort using the same strategic goals and definitions as those that are included in MAP-21.

The federal process requires the establishment of an initial primary freight network (PFN) of 27,000 centerline miles of existing roadway that are most critical to the movement of freight. The United States Department of Transportation (USDOT) released a Draft Highway Primary Freight Network in November 2013. USDOT developed both a Primary Freight Network which includes critical corridors using statutory criteria and respects the 27,000 mile statutory cap and a Comprehensive Freight Network which uses the statutory criteria but ignores the mileage cap, resulting in a 41,000 mile network. The 27,000 mile Primary network results in many gaps at the state level, however critical freeway routes in Alameda County including I-80, I-880, I-580 (east of I-238), I-238, and I-680 (south of I-580) are included in both the Primary and Comprehensive networks, as shown in Attachment A.

The State of California's comments on the NPFN were submitted on February 14, 2014. The State's comments were developed with input from the California Freight Advisory Committee (CFAC) and are included as Attachment B.

In addition to the NPFN, MAP-21 requires that USDOT develop the national freight strategic plan within three years of the bill's passage. The strategic plan will be updated thereafter every five years. MAP-21 encourages states to develop freight plans that address immediate and long-range freight needs. In California, the development of a California Freight Mobility Plan (CFMP) was initiated in spring 2013. The state plans to develop a set of policy principles to influence the federal strategic plan development. A draft of these policy principles was presented to the CFAC in January and is included as Attachment C.

MTC also adopted its federal freight advocacy principles in January. These principles are included as Attachment D.

The current timeline for development of the CFMP is that a preliminary draft version of the document will be ready by for review by the CFAC by March 2014, with the document made ready for a draft release in July for a 60-day comment period from July through August 2014. The final plan is expected to be completed by October 2014 and will be approved by the California State Transportation Agency Secretary by the end of the year. The CFMP will rely on Metropolitan Planning Organization (MPO) level goods movement plans, including the Caltrans District 4 plan discussed below.

Also at the state level, the California Air Resources Board approved a resolution in January directing staff to develop a Sustainable Freight Strategy. The Strategy document will include elements including stakeholder engagement forums, technology assessments, criteria for freight transportation projects, criteria for new freight facilities, and actions needed over the next 5 years.

Regional and Local Processes

Caltrans District 4 and MTC are finalizing a short-term Bay Area Freight Mobility Planning effort that feed into the CFMP. The Bay Area Freight Mobility Plan will be completed by Spring 2014 and will serve as a basis for both the update of the Regional Goods Movement Plan and for part of the Alameda County Goods Movement Plan.

In addition, MTC is updating its Regional Goods Movement Plan, and this effort will be conducted as a task in the consultant contract for the Alameda Countywide Goods Movement Collaborative and Plan effort. Because of Alameda County's central role in the regional goods movement system and the fact that goods movement markets and commodity flows cross geographic boundaries, the integration and simultaneous work on the regional and the countywide plans is an efficient use of the consultant contract to deliver high quality data, outreach with stakeholders and develop the advocacy portion of this work through the development of the Goods Movement Collaborative. The regional goods movement plan and the Alameda Countywide Goods Movement Plan are intended to inform the next updates of the Regional Transportation Plan and Countywide Transportation Plan, respectively.

Update on Alameda CTC Goods Movement Collaborative and Plan

Work on the Alameda Countywide Goods Movement Collaborative and Plan commenced in October 2013. The scope of this effort is being further refined to include the development of a closely coordinated regional goods movement plan update. This work will build on the analysis already completed through the District 4 freight plan. While the regional and county level efforts will proceed simultaneously, the most in-depth analysis will be conducted within

Alameda County, including detailed assessment of goods movement performance on arterial and local roads, detailed assessment of specific goods movement strategies, and a greater depth and breadth of stakeholder interviews. Close coordination with Northern California mega-region partners will also be done through the joint MTC and Alameda CTC planning efforts.

The Goods Movement Collaborative is governed by a Leadership Team which includes the Alameda CTC, East Bay Economic Development Agency, MTC, Caltrans District 4, and the Port of Oakland. In recognition of the regional goods movement plan update, the Leadership team will be expanded to include additional partners for regional representation.

The Goods Movement Collaborative Leadership Team is supported by a Technical Team of city and agency staff which can provide an initial review of work products. ACTAC is being used as the county-level Technical Team, and the Alameda County Public Health Department and Air District are also invited to these meetings. An initial survey of ACTAC members to identify local goods movement issues and data available at the local level has been conducted, and ACTAC members have received a detailed briefing on the project scope and timeline. At the regional level, the CMA Planning and Project Delivery Directors, supplemented with staff from the BAAQMD and Port of Oakland, will serve the Technical Team function. The regional Technical Team is comprised of planning and project delivery directors in all nine counties.

The Goods Movement Collaborative efforts also include interviews of key interest groups. Several rounds of interviews will be conducted throughout the project, and the first round of interviews is underway. The project team has completed an interview of trucking industry representatives. Interviews are scheduled with the Alameda Labor Council, with business stakeholders, and with the Ditching Dirty Diesel coalition which includes community and environmental justice interests. Interviews are tentatively scheduled with maritime businesses, railroad and goods movement dependent industries.

Six roundtables scheduled throughout the project will bring together various parties from the Collaborative. The first roundtable, which is envisioned as a full-day kick-off event is targeted for May 2014. The project team is working to develop the agenda and invite speakers.

As part of the Goods Movement Plan, a number of work products are under development. These include an advocacy white paper, draft vision and goals, and technical memoranda on existing policies and plans and on infrastructure trends.

An updated project timeline is included as Attachment E.

Creation of Ad Hoc Committee

As part of the Goods Movement Collaborative efforts, in-depth interviews of key goods movement interest groups are being conducted. These meetings generally follow an open-ended interview style format and allow stakeholders to identify issues and opportunities in the goods movement system.

Local elected officials are a key goods movement stakeholder, and the Alameda CTC is a natural body of local elected officials to offer input to the Countywide Goods Movement Collaborative about issues in their respective jurisdictions. However, the typical Commission meeting structure is not well-matched to the focus group structure. Therefore, it is recommended that the Alameda CTC approve the creation of an ad hoc committee to offer more targeted input about goods movement issues in a focus group format.

Fiscal Impact:

There is no fiscal impact.

Attachments

- A. Bay Area Draft National Primary Freight Network
- B. State of California Comments on Draft National Primary Freight Network
- C. California Federal Freight Policy Principles
- D. [MTC Federal Freight Policy Principles](#) (hyperlinked)
- E. Alameda Countywide Goods Movement Collaborative and Plan Project Timeline

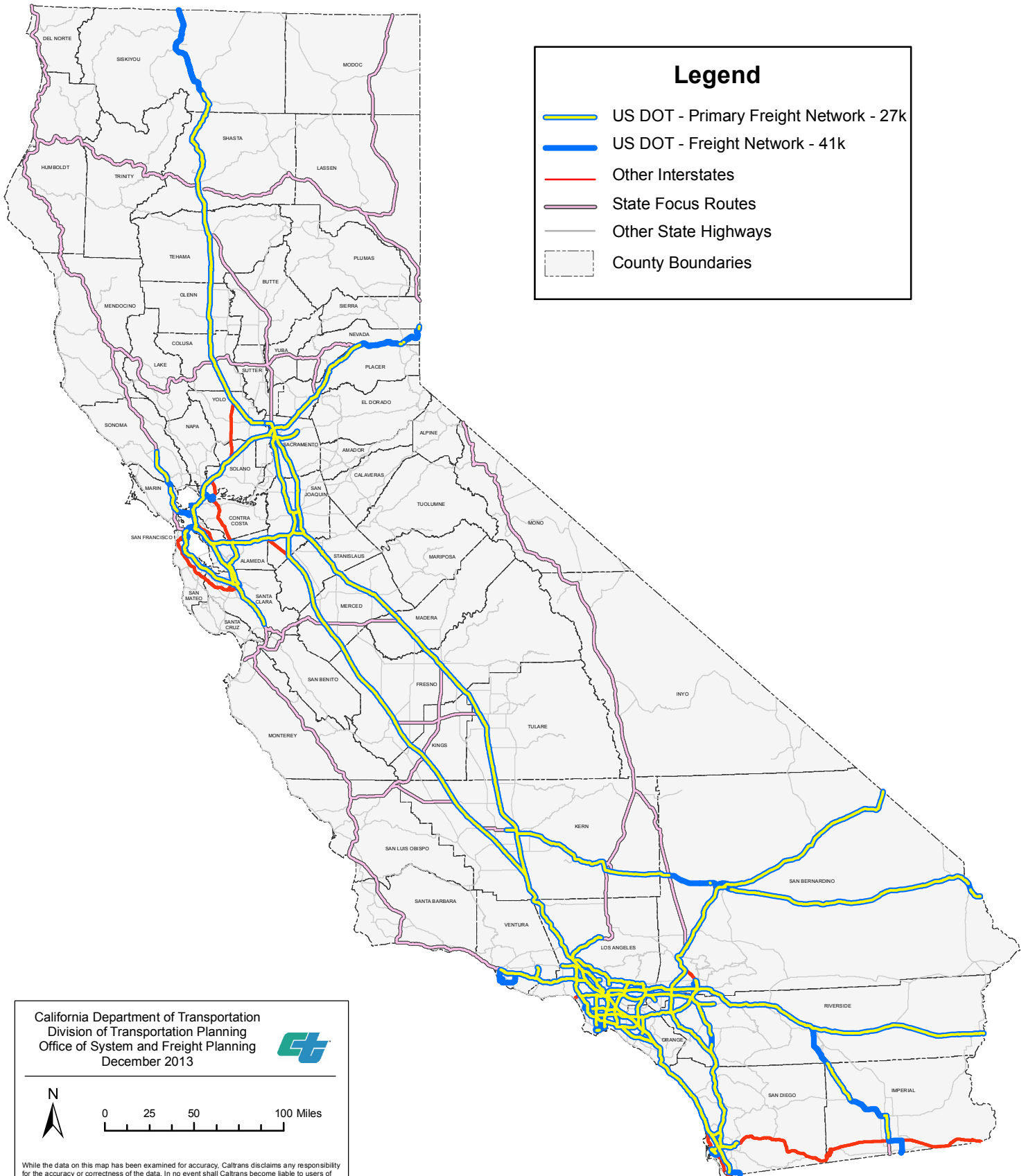
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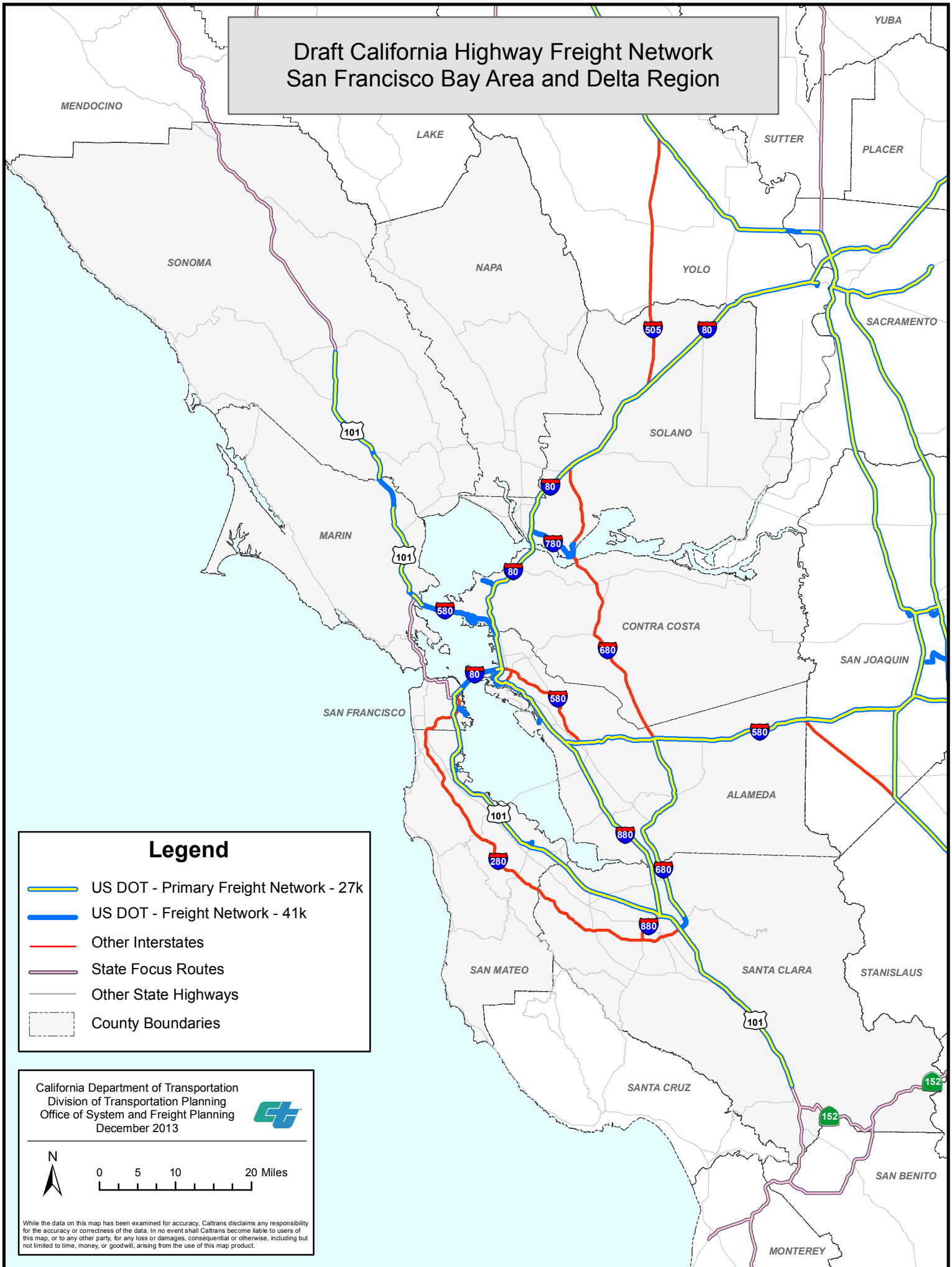
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Draft California Highway Freight Network



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Draft California Highway Freight Network San Francisco Bay Area and Delta Region



Legend

- US DOT - Primary Freight Network - 27k
- US DOT - Freight Network - 41k
- Other Interstates
- State Focus Routes
- Other State Highways
- County Boundaries

California Department of Transportation
Division of Transportation Planning
Office of System and Freight Planning
December 2013



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February 14, 2014

Docket Management Facility
U.S. Department of Transportation
1200 New Jersey Avenue, SE, W12-140
Washington, D.C. 20590-0001

RE: Federal Highway Administration (FHWA), [Docket No. FHWA-2013-0050]; Designation of the Primary Freight Network

Dear Sir or Madam:

Thank you for the opportunity to comment on the proposed Primary Freight Network (PFN) and for extending the comment period to enable more extensive consultations with our freight stakeholders. Identifying the nation's primary freight corridors is an important step in providing more resources to improving the United States (U.S.) freight system and our international competitiveness. I commend the work done by the U.S. Department of Transportation (USDOT) given the constrained circumstances provided under the Moving Ahead for Progress in the 21st Century Act (MAP-21).

California is the nation's international trade leader in terms of value and quantity of goods that are handled by its seaports, airports, railroads, and roadways. It is essential to California's future that we ensure the continued strength of the State's freight industry, and the larger national economy it supports, in ways that are more efficient and that minimize impacts to communities and the environment. The USDOT's freight program can help to accomplish this goal in California and other states. Despite the statutory limitations governing the extent of the proposed PFN, the USDOT has envisioned a rational highway network that can serve as the foundation for the eventual designation of a more expansive PFN that fully represents California's and the nation's full multi-modal freight system.

Although this letter represents the views of the State of California, the State has had extensive consultations with its diverse, 62-member California Freight Advisory Committee (CFAC) regarding the proposed PFN. Additionally, many of our CFAC member organizations submitted their own comments to the Federal Register to convey their particular needs and interests. Given the enormous scale of California's freight industry, it is important that regional and local issues are fully considered. In reviewing the entire set of comments submitted by California's freight stakeholders, the USDOT will find an overall consistency in the identification of the major needs of the PFN, including:

- Inclusion of all freight modes – not just highways – as part of the PFN.
- Creation of a national freight funding program.
- Description of how the PFN will guide policy at USDOT and other federal agencies.
- Substantial expansion of the proposed 27,000 centerline-mile PFN.
- Flexibility to adjust the PFN within the states based on state and local knowledge.
- Closure of critical first- and last-mile gaps in the PFN.
- Recognition of environmental and community impact mitigation as an eligible project funding category and as part of the overall freight program.

In addition, I would like to provide the following comments on funding and the timing for updates to the PFN:

- The PFN focuses attention on the nation's most important freight highway routes, thereby increasing the likelihood that additional funding will be directed to these vital corridors through a new, dedicated national freight funding program. Absent a new freight funding program, the designation of the PFN may have little impact, as there is insufficient funding capacity within existing transportation programs to support additional demands. Substantial and sustainable funding will be critical to the success of the national freight program.
- There is some concern that updating the PFN on a ten-year cycle is inadequate; therefore, I recommend at least a minimum five-year update cycle. With the metropolitan transportation planning process based on a four-year cycle, and freight and rail plans updated on five-year cycles, it is impractical to have the PFN updated only every ten years. Global trade is dynamic and will certainly experience significant change much more frequently than a ten-year update cycle can address. The update process should also include the ability for states to amend their designated network between update cycles as changing circumstances necessitate.

The Request for Comments listed five areas to address. Responses to each are detailed below.

(1) Specific route deletions, additions, or modifications to the draft initial designation of the PFN:

Expansion of the PFN is necessary to create a unified national highway freight network rather than a set of disconnected regional networks. It is not possible to create a truly national PFN under the 27,000 centerline-mile restriction.

California's portion of the proposed PFN has numerous gaps and missing segments that, if closed, would create a coherent, continuous, linked freight network within the State. Key among these missing and vital network segments are highways and local roads that make up the "first- and last-mile" connections to seaports, cargo airports, intermodal

yards, and commercial border ports of entry. It is essential that the PFN not abruptly terminate a few miles from these critical freight facilities, which the proposed PFN often does.

In addition, states should be granted authority to reallocate PFN miles within their state. Due to the limitations of national data sets used to designate the PFN, the USDOT has insufficient local knowledge to identify which PFN reallocations are the most important and strategic for a given locale. As such, I recommend that states be authorized to effect any of the following reallocations of PFN miles:

1. A portion of a proposed PFN route to another portion of that same route.
2. A portion of a proposed PFN route to a different proposed PFN route.
3. A portion of a proposed PFN route to a more critical non-PFN route that may have been overlooked during the initial PFN designation process, so long as the replacement segment has been determined by the state to be of higher priority.

Furthermore, states would be required to provide a technically supported justification for any reallocation and the total PFN centerline miles for a state would not change. Final approval for reallocations would be made by the USDOT.

(2) The methodology for achieving a 27,000-mile final designation:

I applaud the USDOT's utilization of a data-supported approach to identifying routes under this restriction. California's portion of the proposed PFN is largely consistent with the State's own analysis and largely represents California's highest-volume and most important highway freight routes, which are also critical routes serving the entire country.

If, however, adjustments are made to the methodology, the adjustments should consider freight routes that have high seasonal peak truck traffic, such as in the often overlooked agricultural and extractive industry regions. Averaged over an entire year, many of these critical routes do not reach the PFN threshold, but still accommodate high numbers of trucks during the planting, harvesting, extraction, and processing seasons. This is particularly true for California's Central Valley, the Central Coast, and the North State, each of which are nationally and internationally significant exporters of agricultural, forest, and mineral products. For example, the Central Coast's Salinas Valley, often referred to as the "salad bowl of the nation," does not have an extension of the PFN that reaches the Salinas Valley under the proposed 27,000- or conceptual 41,518-mile PFN; this omission should be remedied.

(3) How the National Freight Network (NFN) and its components could be used by freight stakeholders in the future:

As previously noted, absent a new freight funding program, the designation of the PFN may have little practical application, as there is no funding capacity within existing transportation programs to absorb new freight program needs. Further, the freight program must be funded in a way that creates a reasonable level of certainty that funding will be available when freight projects are ready for construction. This assurance is particularly important when private funding is being devoted to freight projects through public-private partnerships. Moreover, new funding opportunities must not eliminate current freight funding options.

In addition, designation of the NFN and PFN highlights the need to address community and environmental impacts along freight corridors at the time projects are initially proposed. Impacts from diesel emissions and freight activities are well-documented and particularly concentrated along the highest-volume freight corridors and hubs. Within any funding program that is targeted to serve freight, addressing air quality and public health impacts in the project selection process must be a priority. Freight projects also must address greenhouse gas (GHG) emissions.

I recommend that funding be made available to projects within 1,000 feet of a PFN route, and that it addresses and prioritizes air quality and public health benefits. Such prioritization has been successfully implemented through public-private collaboration, via both regulatory and voluntary means, to reduce environmental and public health impacts throughout California, as demonstrated by the use of more-efficient and lower-polluting engines, fuels, and operations strategies. These actions dramatically reduced diesel particulates and other pollutants emitted by the State's freight industry. Expanding such efforts to also apply to the NFN and PFN would be an appropriate and needed initiative.

(4) How the NFN may fit into a multimodal National Freight System:

MAP-21's highway-centric NFN is inadequate to meet the needs of the complex, dynamic intermodal national freight system. The NFN highway component is a good beginning, but the other freight modes must be added before the NFN can be considered a complete, integrated freight network. The NFN should be expanded to include the nation's major maritime ports and navigation channels, transcontinental railroad mainlines, major intermodal facilities, major air cargo airports, and major commercial border ports of entry. It is important that the connections to such facilities are on the PFN and not relegated to the more extensive NFN. I urge the USDOT to consult with states, regional agencies, and local freight interest prior to expanding the NFN to be multimodal.

(5) Suggestions for an urban-area route designation process:

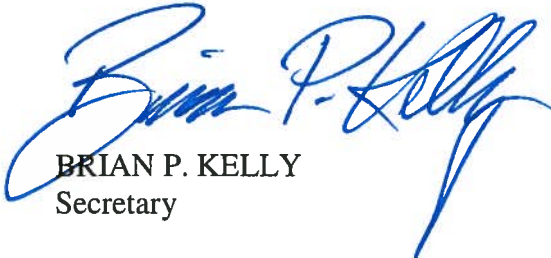
I appreciate that the USDOT is specifically requesting input regarding the designation of urban-area freight routes. The tremendous amount of urban-based transloading, consolidation, packaging, warehousing, final assembly, manufacturing, and other freight-

related activities does not occur directly on the PFN, but these activities take place in facilities located near the PFN that are accessed by local roads. Thus, increased demand placed on these local roads and the needs of surrounding communities require that designation decisions be made at the local level.

Without knowing the implications of an urban-area route designation, it is challenging to recommend a unified national approach. Many local roads in California handle truck volumes that rival the volumes of most national PFN routes. Help is needed for communities where such roads exist, such as improving the routes and mitigating related impacts so the costs of accommodating the nation's international trade does not disproportionately burden low income communities. Therefore, I recommend that states be given the ability to work with their regional and local partners to designate urban-area freight routes. These routes should be eligible for enhanced pavement preservation, operational improvement, and impact-mitigation funding.

Although this initial effort to establish a national freight program and designate a national freight network does not address all issues that need attention, it is an important turning point for the nation's transportation program. The efficient movement of freight is essential to the United States' international competitiveness, and addressing the impacts that freight has on communities and the environment is essential to the nation's sustainability.

Sincerely,



BRIAN P. KELLY
Secretary

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California's National Freight Policy Recommendations

The national transportation program, Moving Ahead for Progress in the 21st Century (MAP-21), encourages states to develop state freight plans that are consistent with national guidance. Such guidance was needed and now that the plan development process is underway, states and the Federal Government can plan for coordinated actions to improve the efficiency, reliability, sustainability, and safety of the entire freight system while working toward eliminating impacts to communities and the environment.

In an increasingly competitive world, it is vital that the United States have an integrated, continually improving freight transportation system that is well maintained and operated. However, without a long-term, dedicated funding mechanism that generates new revenue and does not appropriate transportation funds from other programs, the state and national freight plans cannot be implemented, regardless of how innovative they may be. The reauthorization of MAP-21 must create a freight program that includes substantial new funding that is allocated on performance-based criteria.

California is the unparalleled trade gateway to the Nation, which is evidenced by the State having the highest concentration of goods movement dependent industries and associated employment in the country (e.g., transportation and warehousing, retail trade, manufacturing, construction and wholesale trade). The State is one of the 10 largest economies in the world with a gross state product of over \$2 trillion. As a global trade leader, freight is critical to the State's economy and by extension, California's freight based economy is critical to the national economy. Federal freight policies must be responsive to California's position as an international trade leader that:

- handles more than 40 percent of all the waterborne, containerized cargo entering the nation;
- processes more than \$665 billion in two-way trade value annually;
- has the most extensive supply chain in the nation, encompassing manufacturing, retail and wholesale trade, construction, transportation, and warehousing sectors;
- generates 600,000 direct jobs at our seaports, airports and border crossings, and 1.6 million logistics jobs in the Southern California region alone; and
- supports more than 3 million logistics jobs throughout the nation from containerized trade.

California's commitment to improving its freight system is unmatched in the U.S. In 2006, voters approved a set of transportation state bond programs that included the \$2 billion Trade Corridors Improvement Fund (TCIF). The TCIF program is implementing approximately 70 high priority freight projects with a value in excess of \$6 billion in total private and public funding along key trade corridors that serve State, national, and international trade. These investments include seaport, railroad, international land border crossing, and highway truck projects. California is already heavily investing its funds to improve the State's freight transportation system and attracting substantial private and public matching funds. We strongly encourage the Federal Government to follow our example and invest more in the national freight transportation system.

Despite the critical importance of freight movement to our country's economy, there are impacts to local and regional economies, environment, and communities that must be mitigated simultaneously when making freight system improvements. Therefore, improving and sustaining the freight system is not only about system reliability, efficiency, safety, and job creation, it is also about stewardship of communities and the environment as freight is processed in and moved through those communities and the State.

Impacts from an inadequately funded and maintained freight transportation system have broad consequences from damage to vehicles using highways with poor pavement quality, travel time delays, lost productivity, higher greenhouse gas (GHG) emissions, reduced delivery time reliability, increased transportation costs, reduced competitiveness, loss of business investments, and an extensive list of additional negative impacts that compound over time. Without a program of strategic investments to adequately fix and maintain the existing freight system, expand capacity, employ new technologies, increase efficiency, and reduce impacts to communities and the environment, U.S. productivity and global competitiveness will suffer, consumer costs will increase, and trade investments will lag. A new Federal funding program must be established to address freight mobility, on all modes. The new funding program would incentivize state and local investment and leverage the widest array of public and private financing. The program must focus on the freight system as a whole, rather than viewing the Nation's transportation infrastructure as several different systems that occasionally interact.

Create a Federal Freight Funding Program

Under the next transportation reauthorization, it is critical that a dedicated, sustainable, and flexible freight funding program that includes a firewall against off-system uses be established. This should be in addition to, not in lieu of, existing transportation funding programs. Below are recommendations on funding sources and principles for the Federal freight program.

- **Potential Funding Sources**

- A dedicated funding stream, linked with a new Freight Trust Fund, paid for by all users of the freight system.
- Explore options to incentivize private investment. Some possibilities are increased use of public-private partnerships or offering special-purpose tax credit bonds.
- Support and explore all potential sources of funding, innovative financing tools (like credit programs, qualified tax credit bonds, and tax code incentives), and leveraging opportunities at all levels and sectors.

- **Principles for the Federal Freight Program**

- Utilize performance-based criteria for allocating funds. Funding should be allocated efficiently, in a way that guarantees the highest return on each dollar spent, and ensures that allocation intended to improve goods movement and reduce its impacts are actually directed towards that purpose. Funds should be dispersed through a competitive, performance-based process, rather than by formula.
- Target funding to key national priority freight corridors and the full set of multi-modal facilities associated with the corridor.
- Environmental and community impact reduction projects should be eligible for funding under the freight program.
- Priority should be given to zero-emission and near zero-emission freight projects and projects that mitigate both regional and local environmental impacts from freight.

- Priority should be given to projects which will maintain and utilize existing infrastructure to sustain and grow the throughput, velocity, efficiency, and economy of freight movement. Prioritizing in this manner will build upon critical investments already made by states, local agencies, and their private sector partners.
- Priority should be given to projects which are located in states and local jurisdictions that have adopted rules, regulations, incentives, and operating agreements which will necessarily provide for higher levels of environmental benefits, particularly with respect to air quality and GHG emissions. Prioritizing in this manner will encourage broader adoption of such measures and reward states and local jurisdictions that have taken a leadership role in addressing impacts from freight movement.
- To the maximum extent possible, expend revenues generated from any new user fees in the corridors where they are collected.
- To ensure that the Freight Program is sustainable for the long term, funding sources should ensure that alternative fuel vehicles also pay a fair amount for using the freight system.

General Funding Recommendations

- Balance the Highway Trust Fund. Whether through user fees, enhanced, and/or indexed fuel tax increase, tolls, pricing, or any combination of measures. Do not continue to deficit finance our nation's transportation infrastructure.
- The California Freight Advisory Committee echoes the National Freight Advisory Committee's unanimously approved recommendation to pass legislation that will ensure that the Harbor Maintenance Tax is utilized for its intended purpose - to keep the nation's harbors and channels dredged and maintained at their maximum authorized depth for the safe shipping of commerce.

In recent years, more fees have been collected than expended and the Harbor Maintenance Trust Fund contains a significant surplus. At the same time, there is a growing backlog of dredging needs throughout the nation's harbors, including California harbors.

- Identify options for levying user fees on those beneficiaries of trust fund investments who do not currently contribute to the Harbor Maintenance Trust Fund. These include commercial fishing vessels and private recreational craft that pay no fees, as well as domestic freight carriers.
- Evaluate the potential benefits of altering the Harbor Maintenance Trust Fund tax in such a way that a portion of the tax would be levied based on ship volume instead of only cargo value, thereby adapting to the costs associated with larger ships. Currently, only port authorities and governments cover these costs, as they alone are responsible for channel deepening, equipment replacement, and dock renovations.
- Preserve and build upon the Projects of National and Regional Significance program, which has been a significant source of funding for freight movement infrastructure improvements.
- Replace the 12% Federal Excise Tax on the purchase of new freight equipment with an equivalent increase in Federal Diesel Fuel Taxes so that the funding shift is revenue neutral. Transitioning freight equipment and truck fleets to low emission and zero-emission models is expensive on an individual unit and fleet basis. Adding the 12% Federal Excise Tax substantially

increases the purchase cost and discourages private investment in deploying new technologies. For the equipment or truck operator, it is often more economical to continue using old, higher polluting models for their full life-cycle, then to turnover the equipment for new, low emission models. The tax structure should support, not hinder the transition to a cleaner, more efficient freight industry.

- Allow revenue generating activities at publicly owned rest and truck stops on the National Highway System (NHS) with generated funding reinvested in maintenance, operations, rehabilitation, mitigation, and expansion of rest and truck stops in the state on the NHS.
- Create a funding program for shortline railroads for capital improvements such as improved grade crossings, track gauge upgrades, locomotive retrofits to meet air quality requirements, and other improvements.
- Specify that federally recognized Native American tribal governments are eligible recipients of federal freight transportation funds.

National Freight Network Recommendations

The parameters for the National and Primary Freight Network (PFN) set by MAP-21 are not adequate to identify the nation's complex, dynamic, and connected freight network. Below are recommendations for consideration during the next reauthorization.

- Do not set a mileage limit for the next iteration of the PFN. Forcing the network to adhere to an arbitrary mileage limit leads to significant network gaps and leaves out vital freight corridors and facilities. Goods move across the country on a complex, interconnected network which should be reflected in the PFN, without gaps. For the highway system, the result would be similar to the 41,518 centerline mile network identified in the draft released on November 19, 2013.
- Use a corridor focus that identifies the full set of associated multi-modal facilities. It is important, not only to California but to the entire nation, that the PFN adequately reflect the intermodal movement of freight trucked from docks to rail for long haul to the rest of the nation. For the cargo, each mode is a component of a multi-national, multi-state linked trip.
- Update the National Freight Network every five years. Given the complexity of the movement of goods and its dynamic nature, it would be prudent to re-evaluate the Primary Freight Network more frequently than every ten years.
- Create an amendment process for the PFN that enables states to make interim adjustments. With the approval of the U.S. Department of Transportation, enable states to address necessary changes between the 10-year updates. Nationally, there will likely be numerous instances where a previously designated PFN segment is no longer appropriate due to highway relocation or shifts freight travel patterns.
- Establish a methodology to establish urban freight corridors and network segments that puts states in the lead role of making such determinations.
- Either eliminate the 25% threshold for truck volumes for the designation of Critical Rural Freight Corridors or create an additional measure that uses Average Annual Daily Truck Traffic (AADTT).

California has many rural highways with high truck counts and also high automotive counts. The large number of automobiles dilute the truck percentage even though AADTT may exceed 3,000 – 5,000 but not reach the 25% threshold. With California's extensive agricultural sector and focus on row and tree crops, there are large numbers of agriculture related trucks on rural highways.

- Create a Critical Rural Freight Corridor designation mechanism that takes into account seasonal truck volumes. Many rural highways have very high truck counts and percents at certain times of the year serving the agricultural, forestry, and extractive industries. But during other times, truck counts and percents are quite low on those same highways. Averaged over a year, the highway does not meet minimum thresholds, though the thresholds may be met for many months of the year.
- Add a component to the Critical Rural Freight Corridor designation that addresses the need to provide freight access to federally recognized Native American Tribal Government lands.
- Expand the Primary Freight Network to reflect all its modes. Include major seaports, maritime navigation channels connecting to seaports included in the PFN, railroads and major intermodal yards, air cargo airports, commercial border ports of entry, and other key freight facilities.

Community and Environmental Impact Reduction Recommendations

The freight industry, while providing essential jobs for community residents and being a critical component of the larger economy, generates negative community and environmental impacts in terms of health, noise, glare, vibrations, air quality, water quality, traffic congestion, and infrastructure degradation. Freight planning and funding must address these issues as part of developing a sustainable freight transportation system on a project-by-project basis and at the programmatic level.

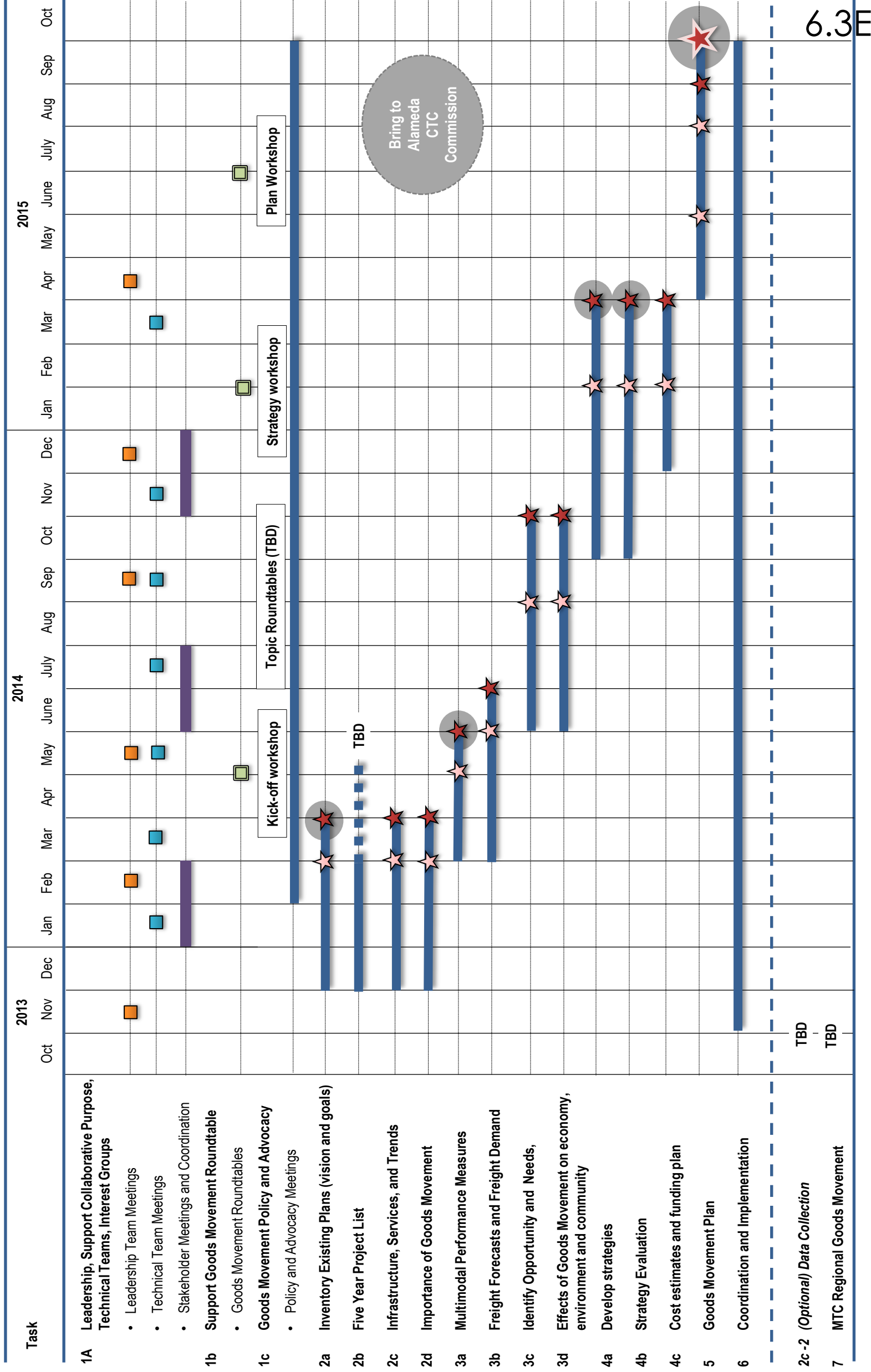
- In addition to the existing national air quality requirements, include GHG reductions as a goal of the national freight program and make projects that achieve a specified level of GHG reduction eligible for an enhanced federal funding share.
- Create a separate federal railroad grade separation program targeted to rail lines on a newly-designated primary freight rail network. Focus on crossings with the highest vehicle delays and crashes.
- Create a truck parking program to increase parking opportunities so that trucks do not have to park in neighborhoods, on freeway ramps, and other locations that impact communities and create various social and environmental problems.

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Alameda County Transportation Commission Goods Movement Plan

WORKING CALENDAR

February 13, 2014



6.3E

- Activity** (Blue bar)
- Draft Deliverable** (Pink star)
- Final Deliverable** (Red star)
- Leadership Team Meetings (6)** (Orange square)
- Technical Team Meetings (6)** (Blue square)
- One-on-one Groups (60)** (Purple square)
- Goods Movement Roundtables (3)** (Green square)
- Goods Movement Workshop Roundtables (3)** (Green square)
- Coordination with Other Regional / Legislative Activities (30)** (Black square)
- Notes**
- Alameda CTC Commission meetings occur the 4th Thursday of every month.
 - Alameda CTC Planning Policy Legislative Committee meets 2nd Monday of every month.
 - There are no Alameda CTC commission / committee meetings in August.

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