CALIFORNIA STATE TRANSPORTATION AGENCY

Gavin Newsom
Governor

David S. Kim
Secretary

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

October 28, 2021

The Honorable Pete Buttigieg
U.S. Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Dear Mr. Secretary:

I am writing to follow up on your July 15, 2021 *Supply Chain Resiliency and Port Congestion: Improving Freight Movement through the Ports of Los Angeles and Long Beach* roundtable, as well as the U.S. Department of Transportation's (U.S. DOT) more recent participation in the *California Supply Chain Success Initiative* sponsored by the California State Transportation Agency (CalSTA), Governor Gavin Newsom's Office of Business and Economic Development (GO-Biz), the Port of Long Beach and California State University Long Beach Center for International Trade and Transportation. More specifically, I am writing to express my interest in forming a strategic partnership between the U.S. DOT and CalSTA to develop and advance infrastructure projects with regional stakeholders that will strengthen supply chain resilience in California's nationally significant freight corridors, and do so in a manner that addresses issues of equity and environmental justice.

As you are aware, California's ports are one of our state's and our nation's most critical transportation assets. Throughout the pandemic, the ports of Los Angeles and Long Beach and other West Coast ports have been a vital lifeline. They have kept America connected to the world economy by moving essential goods and allowing our manufacturers and exporters to connect with world markets. On top of that, California's port workers and management have made truly heroic efforts to process record cargo volumes throughout the crisis. But we have also seen disruptions in our maritime supply chain: ships waiting at sea to

enter ports, shortages of equipment, and bottlenecks beyond the ports and further downstream in the supply chain.

Today, the ports of Los Angeles and Long Beach move roughly 35 percent of all containers in the United States. Altogether, about 40 percent of U.S. imports and 25 percent of U.S. exports transit through the San Pedro Bay. Looking ahead, the demand on our goods movement system and workforce will only grow. By 2045, imports to California are projected to increase 120 percent, and exports more than 300 percent. So together, we must act now with regional stakeholders to strengthen the resilience of California's nationally significant freight network.

In recent years, the State of California has stepped up to make significant infrastructure investments. We are eager to partner with the federal government and stand ready and willing to match increased federal infrastructure investment. California's landmark Senate Bill 1, *The Road Repair and Accountability Act of 2017*, invests $54 billion over a decade, and more ongoing, to fix roads, freeways, and bridges throughout California.

California strongly supports President Biden's *American Jobs Plan* proposal to invest an additional $17 billion in coastal ports, inland waterways, land ports of entry, and ferries, which are all essential to our nation's freight. Additional funding is proposed for highway and rail infrastructure improvements that could make goods movement cleaner and more efficient with investment in high priorities on the network.

This summer, I led a multistate coalition urging Congress to provide funding for mitigating the cumulative impacts of air pollution on neighborhoods near seaports and the inland freight corridors and critical freight facilities that move goods across the country. Moreover, Governor Newsom's State Fiscal Year 2021- 2022 Budget complements and amplifies anticipated once-in-a-generation federal investment in clean transportation with a $3.9 billion investment to accelerate the state's Zero-Emission Vehicle (ZEV) goals and lead the transition to ZEVs on a global scale, including funding for more than 1,000 zero-emission drayage trucks. And the Governor's recent *Executive Order N-19-21*directs CalSTA and other agencies to take several actions to address supply chain challenges, including developing proposals for port and transportation infrastructure improvements.[i]

Now is the time for U.S. DOT and CalSTA to coordinate on developing a program of nationally significant infrastructure projects with regional stakeholders that will strengthen supply chain resilience in California's nationally significant freight corridors. This program of projects could be eligible for consideration in federal

credit assistance programs like the Transportation Infrastructure Finance and Innovation Act (TIFIA) and Railroad Rehabilitation and Improvement Financing (RRIF) programs, federal grant programs that will be funded by the *Infrastructure Investment and Jobs Act* now pending in Congress, California state infrastructure funding and financing programs, and private investment. For these reasons, CalSTA is developing an initial *California Supply Chain Resilience Program of Projects,* with the intention of executing an Emerging Projects Agreement with U.S. DOT Build America Bureau for developing and advancing these projects with regional stakeholders. Given the national significance of California's freight network, U.S. DOT heightened technical assistance through the Emerging Projects Agreement process is required in coordinating federal, state, local and private sector stakeholders to expedite the entry of these critical freight projects into federal assistance programs that will support their delivery.

CalSTA coordinated this program of projects with key regional public and private sector stakeholders including the Port of Los Angeles (POLA), the Port of Long Beach (POLB), BNSF Railroad, Union Pacific Railroad (UPRR), Alameda County Transportation Commission (ACTC) and Fresno Council of Governments (FresnoCOG).

We have listed several project examples below that could be included in a *California Supply Chain Resilience Program of Projects*. Almost all of these project examples are included in California's statutorily mandated (49 U.S.C. § 70202) State Freight Plan for the obligation of federal assistance, the *California Freight Mobility Plan* (CFMP),[ii] and they are listed in the *Appendix M: California Freight Mobility Plan 2020 Project List* of freight projects (with corresponding CFMP ID #s) that are construction-ready by 2025.[iii] Others are listed in Regional Transportation Plans (RTPs) or California Sustainable Communities Strategies (SCS) and have also received federal funding or priority federal designations. These projects have multi-jurisdictional funding sources and are also eligible for TIFIA and RRIF credit programs.

The *California Supply Chain Resilience Program of Projects* and the examples cited below will increase supply chain resilience and throughput of goods through nationally significant freight corridors benefitting regional and national economic health (more specific project benefits are listed below). These projects, totaling more than $5 billion, are categorized as follows:

I. Port-Specific High-Priority Projects - $2.6 billion

These projects will increase capacity of goods movement on rail and roadways at port terminals, including expansion of railyards, new bridges, and deployment of zero-emission modernizations.

Project Location(s): POLA/POLB, the Ports of Hueneme, San Diego, and Oakland, and Alameda County.

Example Project(s): Multiple projects in the CFMP have potential. The Emerging Projects Agreement process will prioritize them.

- **Port of Los Angeles ($710 million)**

1. State Road (SR) 47-Seaside Avenue and Navy Way Interchange Improvement Project (CFMP ID: LAIE_209) - $40 million. SR 47 is a U.S. DOT National Highway System Intermodal Connector Route (CA29P); it is also on the National Highway Freight (NHFN) Network - Primary Highway Freight System. It is in the CFMP and Southern California Association of Governments (SCAG) 2020 RTP/SCS. The project will eliminate a traffic signal and provides grade separation of the intersection between I-110 and I-710, which is at the apex of largest port complex in Western Hemisphere - SR 47/Seaside Avenue carries 10 percent of all U.S. waterborne containers. The project is in preliminary engineering phase with construction expected to begin in July 2025.

2. Container Terminal Efficiency Program (CFMP ID: LAIE_212, LAIE_213) - $430 million. This project is in the CFMP, SCAG 2020 RTP/SCS and U.S. DOT National Multimodal Freight Network (NMFN). The project will increase POLA West Basin Container Terminal (WBCT) on-dock railyard capacity and commensurate use by 100 percent, which represents about a 10 percent increase in overall on-dock capacity in the POLA. WBCT railyard connects with the Alameda Corridor, which itself carries about 10 percent of all waterborne containers entering/exiting the entire U.S. and is also part of the NMFN. The project is in the preliminary engineering phase with construction expected to begin in July 2025.

3. Rail System Efficiency Program - Terminal Island Control Point/Pier 400 2nd lead Track and Alameda Corridor – West Basin 2nd Lead (CFMP ID: LAIE_225, LAIE_227) - $40 million. This project is in the CFMP, SCAG 2020 RTP/SCS and U.S. DOT NMFN. These rail enhancements will improve cargo velocity for 4 percent of all U.S. waterborne containers as well as access to the Alameda Corridor,

which itself carries about 10 percent of all waterborne containers entering/exiting the entire U.S. and is also part of the NMFN. The project is in the preliminary engineering phase with construction expected to begin in July 2024.

4. Container Terminal Support Facility – This project is not in the CFMP, but it is included in the SCAG RTP/SCS - $200 million. This project will construct an 80-acre facility providing chassis staging/storage to serve POLA/POLB, as well as Rail (Alameda Corridor terminus)-Highway grade separation for unimpeded access to the chassis facility. The project is in the preliminary engineering phase with construction expected to begin in July 2025.

- **Port of Long Beach ($935 million)**

1. Pier B On-Dock Rail Support Facility Project (CFMP ID: LAIE_223) - $870 million. The Pier B On-Dock Rail Project includes a phased railyard expansion, including right-of-way acquisition, utility relocations and street re-alignment. Increasing on-dock rail is a top priority for POLB to reach its goal of moving 35 percent of all cargo via rail by 2030. To date, POLB has been awarded $26.3 million in grant funds for this project. LA Metro awarded $10 million to the project under Measure R, I-710 Early Action Fund Program. Additionally, the Port was awarded $16.3 million in federal transportation bill funding managed by LA Metro and the California Department of Transportation (Caltrans). The NEPA clearance process is currently in-progress, with the U.S. DOT Maritime Administration (MARAD) serving as the federal lead.

2. Terminal Island Wye Track Replacement (CFMP ID: LAIE_221) - $40.3 million. The Terminal Island Wye Track Realignment Project will construct a second lead track to service the POLB Pier T Terminal on-dock rail yard and two storage tracks on Pier S. This project will provide for double tracking the south leg of the wye to accommodate simultaneous train switching moves from these various activities on Terminal Island. Current funding commitments include a $14.5 million Port Infrastructure Development Program (PIDP) grant award for the project. Construction of the project is expected to begin in 2022 and be completed in 2024.

3. Fourth Track at Ocean Boulevard (CFMP ID: LAIE_211) - $24.8 million. This project will improve rail access and operational efficiency for marine terminals in the Port's East Basin. Currently, there are four tracks in the northern portion of the project site, transitioning to three tracks at Ocean Boulevard, and then back to four tracks. The project will add a 3,000-foot railroad track, realign the existing lead track and reconfigure crossovers and turnouts to eliminate a bottleneck at

the Ocean Boulevard overcrossing. Construction is anticipated to begin in Spring 2022 and be completed in Fall 2023.

- **Bay Area ($733 million)**

1. 7th Street Grade Separation West (CFMP ID: BA_003) - $263 million. This project creates a new elevated intersection at 7th and Maritime Streets and provides new rail access between the Oakland Army Base and the Oakland International Gateway. The project shifts cargo from truck to rail, reduces truck congestion and emissions, and improves public access.

2. Equipment-Based Reduction Projects (CFMP ID: BA-004) - $200 million. This project includes upgrades to zero or near-zero emission equipment including: yard trucks, tug boats (including shore power), on-road Class 5/6 trucks, truck retirement project, locomotives (Class 1 and 3), ocean-going vessels (bonnets and electrification), forklifts, transport refrigeration units and top/side pick cranes. The project is focused on West Oakland but could also include other communities.

3. Freight Emission Reduction Action Plan (CFMP ID: BA_005) - $40 million. This includes regional demonstrations involving Range Extended Electric Vehicle (REEV) trucks and battery-assisted locomotive projects.

4. Port Wide Electrification (Port of Oakland) (CFMP ID: BA_008) - $218 million. This project will upgrade electrical infrastructure at the Port of Oakland to increase capacity needed to accommodate the electrification of Terminals and equipment utilized throughout all port facilities (Seaport and Aviation). This project will help the region and state move towards achieving its zero-emissions goal.

5. Roundhouse EV Charging (CFMP ID: BA_009) - $12 million. To support increased use of zero-emission trucks, the Roundhouse Electric Vehicle (EV) Charging Facility project will explore development of freight electric vehicle charging standards and will include the design and construction of infrastructure necessary to establish a permanent electric vehicle/equipment charging facility at the Seaport's Roundhouse Property.

- **Port of Hueneme** – (CFMP ID: LAIE_228 through LAIE_234) up to $114.4 million. This project includes investments that will improve air quality, including Intelligent Transportation Systems (ITS), solar installation, electric vehicle (EV) charging for reefers, auto import/export parking structures, clean energy storage, Hueneme

Road improvements, rail extension, channel deepening and intermodal improvements. Additionally, because the Port of Hueneme ranks among the top 10 in the nation for autos and is sixth on the U.S. West Coast for containerized volumes, I also request that the Port of Hueneme and critical port access facilities (US-101 to Hueneme Road) be included in the final NMFN.

- **Port of San Diego** – (CFMP ID: SDIC_323, 326, 327and 328) up to $113 million. 10th Avenue Marine Terminal Optimization project, National City Marine Terminal rail improvements, designated freight routes for port access, and truck parking information management systems.

Timing: Most projects could start construction by July 2025 (especially those at POLA/POLB); projects listed in the CFMP are construction-ready by 2025.

All projects have independent utility.

Benefits:
- Eliminates last traffic signal/provides grade separation of intersection between I-110 and I-710, which is at apex of largest port complex in Western Hemisphere - SR 47/Seaside Avenue carries 10 percent of all U.S. waterborne containers.
- Increases freight travel time reliability on the NHFN.
- Reduces emissions adjacent to "Disadvantaged/Low Income Communities."
- Addresses National Highway Freight Program Goals (23 USC § 167).
- Provides for more efficient handling of 8 percent of all U.S. waterborne containers.
- Increases WBCT on-dock railyard capacity and commensurate use by 100 percent, which represents about a 10 percent increase in overall on-dock capacity in the POLA, and 2 percent of all U.S. waterborne containers; WBCT railyard connects with the Alameda Corridor, which itself carries about 10 percent of all waterborne containers entering/exiting the entire U.S. and is also part of the NMFN.
- On-dock rail project reduces cargo dwell and transit times by as much as two days, which in turn improves reliability, and reduces transportation and inventory carrying costs.
- Reduces truck trips and miles-traveled on Congressionally approved (via the FAST Act of 2015) NHFN- Primary Highway Freight System routes, including I-710, I-110, SR 47, and several other National Highway System Intermodal Connector Routes, which in turn reduces travel times for port and domestic cargo movement, as well as all other motorists.
- Reduced truck trips inside the terminal and on external roadways.

- Shifting amount of the containers moved via off-dock to on-dock is one of the key strategies of the San Pedro Bay Ports Clean Air Action Plan 2017 Update, California Sustainable Freight Action Plan, and CFMP.
- Directly improves cargo velocity of 4 percent all U.S. waterborne containers, and access to Alameda Corridor, which itself carries about 10 percent of all waterborne containers entering/exiting the entire U.S. and is also part of the NMFN.
- Reduces rail congestion and improves rail safety and emissions.
- Reduces rail cargo transit times that in turn improves reliability, and reduces transportation and inventory carrying costs.
- Provides unimpeded access to chassis facility, which improves cargo velocity.

II. Intermodal Rail Yard Expansion and Electrification (Near-Dock and in LA Basin) - $2.0 billion

These projects will expand intermodal rail yards both near dock, near the Alameda Corridor, and in the Inland Empire to facilitate greater intermodal goods movement by rail. They will also mitigate the environmental impacts of goods movement through electrification of facilities and by establishing robust zero-emission drayage truck expansion programs in the region and improve air quality in environmental justice communities.

Project Location(s): Multiple locations near the POLA/POLB complex, both existing and potential expansion (e.g., Intermodal Container Terminal Facility (ICTF) and other near dock sites), plus additional locations (Hobart/Commerce near Alameda Corridor, and Inland Empire locations such as West Colton).

Example Projects:

1. Commerce Intermodal Facility (CFMP ID: LAIE_240) – approximately $500 million in combined rail and facility reconstruction and expansion.

2. San Bernardino Intermodal Facility (CFMP ID: LAIE_243) – approximately $800 million – used to represent Inland Empire Intermodal investments.

3. Malabar Yard reconfiguration and access improvements (part of LINK Union Station CFMP ID: LAIE_235, mitigating impacts on the West Bank Yard) – approximately $80 million.

4. Projects represented by near dock ICTF reinvestment and site expansion, Southern California International Gateway (SCIG, if newly envisioned by ports)

and additional Inland Empire expansion. These projects are not in the CFMP, but they are being publicly advanced by railroads and ports.

Timing: Some projects could begin construction within 2 to 3 years; projects listed in the CFMP are construction-ready by 2025.

All projects have independent utility.

Benefits:
- Intermodal facility expansion results in fewer miles traveled by truck in the region and the ability to transfer goods to warehouses closer to their origin or final destination.
- Facility modernization and expansion will result in substantial electrification, both at the facility itself and for the vehicles serving it. Drayage trucks in California are being converted to zero-emission through substantial state and private sector investment.
- Cleaner facilities and vehicles, along with mitigation to address neighborhood impacts, can reverse harms caused to communities from existing operations.
- Addresses truck pressure on highway capacity.

III. Highway Interchange, Auxiliary Lane and Truck Climbing Lane Improvements - $2.0 billion

These projects will improve interchanges, merging capacity, and add truck climbing lanes and truck capacity in a manner integrated with the impacts of growing capacity and improving travel time reliability across the network.

Project Location: Multiple locations throughout the region, especially on routes to/from the ports like I-710 South, or near expanded intermodal facilities. Focused on San Bernardino, Riverside, Alameda and Los Angeles Counties.

Example Projects:

1. I-10 Eastbound Truck Climbing Lane and Accelerated Freight Bridges projects in San Bernardino County (CFMP ID: LAIE_286, 287) - $62.1 million.

2. SR 86 Improvements in Riverside County (CMFP ID: LAIE_281, 282) - $65.2 million. Elements of this project include expanding and constructing a new six through lane interchange from east of Coachella Stormwater Channel bridge to east of Tyler St. Improvements include extending ramp acceleration/

deceleration lanes; relocating/realigning Avenue 50 and Tyler Street; realigning Polk Street and relocating Avenue 52 and Polk Street intersection; and constructing bike lanes, sidewalks, and reconstructing traffic signals. This project will also mitigate flooding issues.

3. I-605 Improvements in LA County (CFMP ID: LAIE_273 to 276) - $83.1 million. This project involves reconfiguring the southbound I-605 ramp by removing the horseshoe on-ramp and adding two lanes to the on-ramp. The project will also reconstruct the southbound I-605 loop off and on-ramps, and add a westbound through lane on Valley Blvd. west of Temple Avenue and add a two lane left turn pocket for southbound I-605 on-ramp on westbound Valley Blvd. It also includes proposed improvements on the I-605 connector South Street off-ramp by adding storage capacity, I-605 loop on and off-ramp removal and reconfiguration of the existing interchange at Beverly Blvd. and replacement/adjustment of two signals for the timing, which will alleviate the congestion and delays.

4. Ashby I-80 Interchange with Bicycle and Pedestrian Ramps (CFMP: BA_048) - $60 million. This project will reconstruct the Ashby Avenue interchange, including construction of a new bridge to replace existing bridges, a roundabout interchange, and bicycle/pedestrian access over the I-80 freeway at the Ashby-Shellmound interchange. This interchange connects I-880 to SR 13.

5. SR 92/Clawiter Road/Whitesell Street Interchange Improvements (CFMP: BA_051) - $62 million. This project will reconstruct the SR 92/Clawiter Rd. interchange to create the SR 92/Whitesell St interchange, addressing truck traffic access needs by: reconfiguring Clawiter/SR 92 interchange, creating new access to SR 92 at Whitesell Street, and consolidating access for these two local roads.

6. I-880 Whipple Road Interchange Improvements (CFMP ID: BA_059) - $80 million. This project includes full interchange improvements at Whipple Road/I-880, including northbound off-ramp, surface street improvements and realignment.

7. I-880 Industrial Parkway Interchange Reconstruction (CFMP: BA_062) - $57 million. This project will reconstruct the I-880/Industrial Parkway interchange to provide a northbound off-ramp and a southbound high occupancy vehicle (HOV) bypass lane on the southbound loop off-ramp, as well as reconstruct the bridge over I-880.

8. Prescott Greening Project - West Oakland Community project priority - $25 million. This project would implement vegetative barriers protecting the community from pollution and provide urban greening on major freight corridors adjacent to the West Oakland community.

9. Funding level of $790 million towards identified interchange projects as well as unidentified additional truck climbing lanes and interchange mitigations related to changing location of intermodal capacity in the region, based on knowledge that an amount greater than this is planned for investment in the I-710 South corridor by LA Metro (CFMP ID: LAIE_277).

a. Identified projects, some of which already have substantial funding, include:

- SR 91 projects in LA County (CFMP ID: LAIE_267, 268, 269 and 271) at $368 million. Proposed improvements would: reconfigure Wilmington Avenue interchange to a modified diverging diamond interchange; add one eastbound auxiliary lane from I-710 ramps at Atlantic Avenue to past Cherry Avenue undercrossing; reconfigure Central Avenue interchange to a modified diverging diamond interchange; and add an auxiliary lane between gore points, westbound from Acacia Avenue to Central Avenue.

- I-405 Auxiliary Lanes in LA County (CFMP ID: LAIE_272) at $108 million.

- SR 91/71 Connector Improvements in Riverside County (CFMP ID: LAIE_283) at $127 million. This project would replace the eastbound SR 91 to northbound SR 71 connector with a direct connector and reconstruct the Green River Road east on-ramp.

- Mt Vernon Bridge Widening over I-10 in San Bernardino County (CFMP ID: LAIE_289) at $53.8 million.

- I-10 at Cedar Avenue between Slover and Bloomington (CFMP ID: LAIE_290) at $79.2 million.

- Ramp and interchange improvements on SR 60 in San Bernardino County (CFMP ID: LAIE_292-293) at $22.2 million.

b. Unidentified projects such as those identified above that are necessary to mitigate for the intermodal facilities prioritized for expansion above under project category II "Intermodal Rail Yard Expansion and Electrification (Near-Dock and in LA Basin)."

Timing: Some projects could begin construction within two to three years; projects listed in the CFMP are construction-ready by 2025.

All projects have independent utility.

Benefits:
- Provides for substantial mitigation for the impacts of increasing goods movement.
- Strategy of targeting investments to improve assets most impacted by shifts in the manner of carrying goods within, to and from critical freight corridors.

IV. Grade Separations - $1.2 billion

These projects address the highest priority grade separations that are not yet fully funded throughout Los Angeles, Orange, Riverside, Alameda and San Bernardino counties, especially in areas of proposed significant growth in intermodal traffic. These projects also benefit numerous passenger rail services.

Project Location(s): Multiple locations, especially BNSF between Hobart and San Bernardino, on the UPRR Alameda Corridor East route, and on the Metrolink route between LA and Burbank and in Alameda county.

Example Projects:

- Identified through CFMP or San Gabriel Valley Council of Governments RTP (exceeds $800 million).

1. San Gabriel Valley COG-identified Alameda Corridor East projects - $298 million for the Montebello Blvd. Grade Separation (CMFP ID: LAIE_245), Turnbull Canyon Road Grade Separation (within CMFP ID: LAIE_249), and the Pomona At-Grade Crossings Safety Improvements. Substantial funding already in place.

2. Doran Street (CFMP ID: LAIE_250) between LA and Burbank - $159 million.

3. Fullerton Road (CFMP ID: LAIE_246) in Industry (LA County) - $152.4 million.

4. Madison Street (CFMP ID: LAIE_255) in Riverside - $38 million.

5. Mary Street (CFMP ID: LAIE_256) in Riverside County - $38 million.

6. California Avenue/UP and Pennsylvania Avenue in Beaumont (CMFP ID: LAIE_257, 262) - $38.2 million.

7. Jackson Street in Riverside (CFMP ID: LAIE_259) - $1.5 million.

8. Menifee Road in Riverside (CFMP ID: LAIE_261) - $57.3 million.

9. Mt Vernon/BNSF in San Bernardino (CFMP ID: LAIE_263) - $145.4 million.

10. Rail Crossing and Grade Separation Safety Improvements (CFMP ID: BA_044) – $130 million. This project includes grade crossing improvements at Jack London Square and in Emeryville, City of Berkeley Railroad Crossing Improvements, City of Berkeley Gilman Street Grade Separation, and City of Fremont Railroad Quiet Zones.

11. Railroad Grade Crossing Improvements and Grade Separations (CFMP ID: BA_045) - $150 million.

- Substitute Projects or Identified through local agency RTPs:

1. Remaining grade separations on BNSF between Hobart and Fullerton Junction, such as Los Nietos.

2. Additional crossings between LA and Burbank Junction.

Timing: Some projects could begin construction within 2 years, especially those on the Alameda Corridor East; projects listed in the CFMP are construction-ready by 2025.

All projects have independent utility.

Benefits:
- Significant safety benefits for both rail and road users.
- When delivered at a corridor level, these projects may pave the way for additional growth in freight traffic as well as provide safer operations for passenger trains in the same corridor.

V. Rail Capacity Expansion - $1.4 billion

These projects represent the highest priority rail capacity projects, allowing for significant growth in intermodal goods movement by rail, taking pressure off many regional and interregional highways. They will also allow for future passenger rail expansion in the region.

Project Location(s): Multiple locations, especially on mainline corridors such as UPRR Los Angeles subdivision, BNSF San Bernardino Subdivision, and on publicly owned corridors such as the Valley Subdivision (used by UPRR) and the Orange, Olive and San Diego Subdivisions (used by BNSF), as well as rail connectivity projects in Alameda county.

Example Projects:

1. Freight-Passenger Conflict Mitigation: I-5/710 Flyover (CFMP ID: LAIE_239), Hobart and Commerce Lead Track Extension, Fullerton Junction – approximately $500 million.

2. Fullerton Junction to Riverside Triple Track Completion – approximately $300 million included in the Riverside County Transportation Commission (RCTC) and Orange County Transportation Authority's (OCTA) RTPs.

3. Ventura and Santa Barbara County Siding Extensions and Double Track – approximately $100 million included in Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency planning documents.

4. Olive, Orange and San Diego Subdivision – targeted siding extensions and bridge replacements to increase freight and passenger carrying capacity – approximately $150 million included in the recently completed BNSF/LOSSAN/North County Transit District *Pathing Study*.

5. Valley Subdivision – targeted double track and siding extensions that allow more freight and passenger train capacity – about $150 million.

6. Rail Connectivity Improvements (CFMP ID: BA_040) - $240 million. Improvements include Industrial Parkway Connection and Shinn Connection New wye.

Timing: Some projects could begin construction within two years, almost all within three to four years.

All projects have independent utility.

Benefits:
- Significantly less conflict between passenger and freight, allowing for intermodal facility operational improvements and increase in the number of trains that can be dispatched.
- More daytime goods movement opportunities in corridors that today are heavily limited for freight during daytime hours (access to Hobart/Commerce, use of Valley Subdivision during commute hours, daytime freight to Port of San Diego).

VI. Inland Port Projects - $1.42 billion

Example Projects:

1. Inland Empire Inland Port Initial Projects - $500 million. Initial funding and financing for the Inland Empire inland port projects. Budget based on estimates for two initial projects in the Inland Empire (one each for BNSF and UPRR).

Project Location(s): San Bernardino, Riverside and Imperial County.

Timing – Some projects could begin construction within two years, almost all within three to four years.

All projects have independent utility, but some have significant capacity benefits when combined with other capacity and zero-emission projects.

Benefits:
- Potential to more rapidly build trains at the ports that would benefit from access to inland warehousing and transloading capacity. Relieves port congestion.
- Short distance increases the potential to operate shuttle trains with zero-emission locomotives and to invest in clean operations at each facility.
- Allows less regional and reverse-direction truck movement – removing trucks from current roadways and reducing the need for additional highway capacity projects.

2. California Inland Port Project (Central Valley) - $920 million. The California Inland Port project proposes to develop a large-scale multimodal logistics system connecting California's major seaports to rail and trucking hubs in California's Central Valley. The three main elements of the California Inland Port

project include: 1) a new port-to-market intermodal rail system; 2) development of a high-volume system rail/road spine and cargo hubs along SR 99 for clean and autonomous trucks; and 3) development of large-scale investment districts at TradePort and Satellite TradePort hubs.

The project would also be a partner in supporting more efficient cargo movements in and out of the Los Angeles seaports complex, which would contribute to more cargo throughput efficiency for east-west continental cargoes. POLA and POLB support the California Inland Port project stating that the project will result in significant reduction in air pollution by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area.

Project Location(s): While specific locations of the TradePort hubs are still TBD, in general it is estimated that the project will be anchored by one to three TradePort hubs sited at strategic locations in the Central Valley of California. This includes the region from Sacramento County in the north to Kern County in the south. Additionally, the Inland Port system will also incorporate a number of Satellite TradePort hubs that will be located in strategic demand center locations around the Central Valley.

Cost and Timing: The project is not currently in the CFMP, but it recently received $1 million under the new U.S. DOT Build America Bureau *Regional Infrastructure Accelerators* (RIA) Demonstration Program. Additionally, the California Inland Port project has a $1 million *Rebuilding American Infrastructure with Sustainability and Equity* (RAISE) planning grant under consideration at U.S. DOT. The overall project is composed of a pipeline of major transportation infrastructure projects that total approximately $920 million and cover over 425 miles throughout the center of the state.

The construction schedule is TBD. The California Inland Port Project Team aims to have the planning and engineering portion of the project complete by the end of 2023; with successful U.S. DOT *Regional Infrastructure Accelerator* and RAISE grants they believe it could be close to construction by mid-decade.

Independent Utility: While the California Inland Port is designed as a series of inter-related projects that create a logistics ecosystem, each project maintains independent utility. For example, both Truck Mobility Complex and Rail Intermodal project costs could be undertaken on their own. The success of each is reinforced by the other and the development of the wider TradePort investment hub, but they can be developed independently.

Eligibility for Relevant Federal Credit Programs: All of the core transportation projects that the California Inland Port System intends to cover would be eligible under either TIFIA or RRIF, this includes the intermodal facilities, related infrastructure upgrades, railroad improvements, any port infrastructure upgrades, and all other necessary components.

Benefits:

- The Inland Port will create a streamlined logistics system designed to move more cargo more efficiently from seaports complexes into the large and growing California market.
- Supply chain system efficiencies will be created by developing an interconnected system of cargo handling and transportation between port and key supply chain points along a high density 425-mile-long market in California via rail and clean/automated trucking.
- The rail element would remove trucks from California highways by transporting international cargo by rail to and from the seaports in Southern California to markets throughout the State. The truck component will create infrastructure that will directly support zero-emission and automated trucking.
- This California Inland Port system would cut greenhouse gas emissions, significantly improve air quality, reduce road congestion, boost traffic safety, and advance California's extraordinarily large intra-state freight movement system.

VII. Land Ports of Entry (POE): State Route (SR) 11 / Otay Mesa East POE - $1.0 billion

The SR 11 / Otay Mesa East POE Project is a joint effort between Caltrans and the San Diego Association of Governments (SANDAG), in collaboration with state and federal partners in the U.S. and Mexican governments, to create a 21st century border crossing for the San Diego-Baja California region. The project provides a unique opportunity to develop a new multimodal land port of entry, in close coordination with Mexico's future Mesa de Otay II Port of Entry.

The Otay Mesa East POE, complemented by Mesa de Otay II on the Mexican side, will use variable tolls to manage traffic demand, as well as state-of-the-art ITS. The Otay Mesa East POE will provide a new relief valve, resulting in decreased congestion and wait times at the other San Diego land ports of entry.

Project Location(s): San Diego-Baja region, U.S./Mexico Border.

Cost and Timing: The estimated total cost of the SR 11/ Otay Mesa East POE facility on both sides of the border is approximately $1 billion, of which approximately $563 million has been invested to date (51 percent federal, 40 percent state and 9 percent local). In 2016, this project received a $49 million federal FASTLANE (now INFRA) grant, and in 2018 a new U.S. Presidential Permit was secured for the project. In 2021, CalSTA, the Government of Mexico and regional project partners signed a Memorandum of Understanding that included project delivery milestones on both sides on the U.S. / Mexico border. The environmental document (CEQA/NEPA) for the project was finalized in 2012, construction of SR-11 is well underway with all right-of-way secured, and design and construction of the Otay Mesa East POE will begin in 2022.

Eligibility for Relevant Federal Credit Programs: The project is eligible for the U.S. DOT TIFIA program and the project sponsors are now considering applying for entry into the TIFIA program.

The project has independent utility.

Benefits:

- Otay Mesa East POE would help alleviate congestion at the San Pedro Bay Ports complex by providing another alternative for vessels to call at the Port of Ensenada in Baja California.
- Otay Mesa East connects some of the largest supply chains in the nation by bridging the major goods movement hubs in Southern California – the California-Baja California border region, the Ports of San Diego, Los Angeles, and Long Beach, and the Inland Empire distribution centers.
- The Otay Mesa East POE will provide resiliency in the border transportation system by adding an alternative route during disaster preparedness, response, and recovery efforts.

Thank you again for your visionary leadership, and I look forward to working closely with U.S. DOT to advance infrastructure projects that will increase the resilience of this nationally significant supply chain. If you have any questions or concerns, please contact me or CalSTA Senior Advisor Giles Giovinazzi, by phone at (916) 214-6144 or e-mail giles.giovinazzi@calsta.ca.gov.

Sincerely,

David S. Kim

DAVID S. KIM
Secretary

[i] California Executive Order N-19-21: https://www.gov.ca.gov/wp-content/uploads/2021/10/10.20.21-N-19-21-Supply-Chain-Resilience.pdf
[ii] California Freight Mobility Plan Internet Website: https://dot.ca.gov/programs/transportation-planning/freight-planning/cfmp-2020
[iii] Appendix M California Freight Mobility Plan 2020 Project List – A list of freight projects that are construction-ready by 2025: https://dot.ca.gov/-/media/dot-media/programs/transportation-planning/documents/freight-planning/cfmp-2020-final/final-cfmp-2020-appendix-remediated-a11y.pdf