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An act to amend and renumber Section 2192.3 of, and to add Section 2192.3 to, the Streets and Highways Code, relating to transportation.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 2192.3 is added to the Streets and Highways Code, to read:

2192.3. (a) (1) Revenues apportioned by formula to the state under Section 167 of Title 23 of the United States Code from the National Highway Freight Program, pursuant to the federal Fixing America's Surface Transportation Act ("FAST Act," Public Law 114-94), shall be available, upon appropriation, for allocation by the commission for infrastructure improvements in this state on federally designated trade corridors of national and regional significance, on the primary freight network, and on other corridors that have a high volume of freight movement, as determined by the commission. In determining the projects eligible for funding, the commission shall consult the Transportation Agency's state freight plan prepared pursuant to Section 13978.8 of the Government Code, the State Air Resources Board's sustainable freight strategy adopted by Resolution 14-2 of the state board, and the Sustainable Freight Action Plan developed pursuant to Executive Order B-32-15 by the Secretary of Transportation, the Secretary for Environmental Protection, the Secretary of the Natural Resources Agency, and other relevant state agencies, including the State Air Resources Board, the department, the State Energy Resources Conservation and Development Commission, and the Governor's Office of Business and Economic Development. The commission, when determining eligible projects for funding, shall also consult trade infrastructure and goods movement plans required by state and federal law and the statewide port master plan prepared by the California Marine and Intermodal



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Transportation System Advisory Council (Cal-MITSAC) pursuant to Section 1730 of the Harbors and Navigation Code.

(2) Eligible projects for the revenues governed by this section shall include, but are not limited to, all of the following:

(A) Highway capacity improvements and operational improvements to more efficiently accommodate the movement of freight, particularly for ingress and egress to and from the state's land ports of entry and seaports, including navigable waterways used to transport freight between seaports, land ports of entry, and airports, and to relieve traffic congestion along major trade or goods movement corridors.

(B) Freight rail system improvements to enhance the ability to move goods from seaports, land ports of entry, and airports to warehousing and distribution centers throughout California, including projects that separate rail lines from state highway or local road traffic, improve freight rail mobility through mountainous regions, relocate rail switching yards, and other projects that improve the efficiency and capacity of the rail freight system.

(C) Projects to enhance the capacity and efficiency of ports.

(D) Truck corridor improvements, including dedicated truck facilities or truck toll facilities.

(E) Border access improvements that enhance goods movement between California and Mexico and that maximize the state's ability to access coordinated border infrastructure funds made available to the state by federal law.

(F) Surface transportation and connector road improvements to effectively facilitate the movement of goods, particularly for ingress and egress to and from the



state's land ports of entry, airports, and seaports, to relieve traffic congestion along major trade or goods movement corridors.

(b) (1) In determining the allocation of FAST Act funds for trade infrastructure improvements, the commission shall evaluate the total potential costs and total potential economic and noneconomic benefits of the projects to be undertaken to California's economy, environment, and public health. The commission shall consult with the State Air Resources Board in order to utilize the appropriate models, techniques, and methods to develop the evaluation parameters. The commission shall allocate FAST Act funds in a manner that (A) addresses the state's most urgent needs, (B) balances the demands of various land ports of entry, seaports, and airports, (C) provides reasonable geographic balance between the state's regions, (D) places emphasis on projects that improve trade corridor mobility while reducing emissions of diesel particulate matter and other pollutant emissions, and (E) supports meeting the state's greenhouse gas emissions reduction goals.

(2) The commission shall also consider the following factors when allocating FAST Act funds subject to this section:

(A) "Velocity," which means the speed by which large cargo would travel from the land port of entry or seaport through the distribution system.

(B) "Throughput," which means the volume of cargo that would move from the land port of entry or seaport through the distribution system.

(C) "Reliability," which means a reasonably consistent and predictable amount of time for cargo to travel from one point to another on any given day or at any given time in California.



(D) "Congestion reduction," which means the reduction in recurrent daily hours of delay to be achieved.

(c) The commission shall allocate FAST Act funds subject to this section based on the following formula:

(1) (A) Fifty percent for projects proposed by local agencies.

(B) The commission shall ensure that projects to be funded are consistent with the guidelines adopted pursuant to subdivision (d) and shall adopt a program based on the projects proposed by local agencies.

(C) For projects funded pursuant to this paragraph, the commission shall consider the proportionate allocation levels established in subdivision (b) of Section 8879.52 of the Government Code to provide reasonable geographic balance among the state's regions.

(D) The supplemental funding requirements in Section 2192.2 apply to projects proposed for funding pursuant to this paragraph.

(2) (A) Fifty percent for projects proposed by the department.

(B) The commission shall ensure that projects to be funded are consistent with the guidelines adopted pursuant to subdivision (d) and shall adopt a program based on the projects proposed by the department.

(C) The department may identify supplemental funding from state, local, federal, or private sources for projects proposed pursuant to this paragraph. However, the supplemental funding requirements in Section 2192.2 do not apply to projects proposed for funding pursuant to this paragraph.



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(d) The commission shall adopt guidelines for expenditures of FAST Act funds subject to this section, which shall be modeled after the guidelines for the Trade Corridors Improvement Fund, and shall also conform to policy direction from the Sustainable Freight Action Plan developed pursuant to Executive Order 32-15 and any other updates that the commission deems appropriate. The guidelines shall be adopted within six months of the enactment of the act adding this section.

SEC. 2. Section 2192.3 of the Streets and Highways Code is amended and renumbered to read:

~~2192.3.~~

2192.4. The commission shall include in its annual report to the Legislature, required by Section 14535 of the Government Code, a summary of its activities related to the administration of this chapter. The summary shall, at a minimum, include a description and the location of the projects contained in the program funded by the fund, the amount of funds allocated to each project, the status of each project, and a description of the mobility and air quality improvements the program is achieving.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: National Highway Freight Program funds: allocation.

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) created the Trade Corridors Improvement Fund and provided for allocation by the California Transportation Commission of \$2 billion in bond funds for infrastructure improvements on highway and rail corridors that have a high volume of freight movement and specified categories of projects eligible to receive these funds. Existing law continues the Trade Corridors Improvement Fund in existence in order to receive revenues from sources other than the bond act for these purposes, including moneys that may be appropriated to the fund from the Greenhouse Gas Reduction Fund.

This bill would require the California Transportation Commission to allocate certain federal Highway Freight Program funds made available to the state by formula under the federal Fixing America's Surface Transportation Act ("FAST Act") to the



same types of projects that are eligible for funding from the Trade Corridors Improvement Fund, subject to appropriation. The bill would require the commission to consult various plans and strategies in making funding allocations and would require 50% of available funds to be allocated to projects proposed by local agencies and 50% to projects proposed by the Department of Transportation. The bill would require the commission to adopt guidelines for expenditure of these funds.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

