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SB-671 Transportation: Clean Freight Corridor Efficiency Assessment. (2021-2022)



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Senate Bill No. 671

CHAPTER 769

An act to amend Section 13978.8 of, and to add Sections 14517 and 65072.5 to, the Government Code, and to amend Section 2192 of the Streets and Highways Code, relating to transportation.

[Approved by Governor October 09, 2021. Filed with Secretary of State October 09, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 671, Gonzalez. Transportation: Clean Freight Corridor Efficiency Assessment.

Existing law imposes various limitations on the emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law establishes the California Transportation Commission and requires it to advise and assist the Secretary of Transportation and the Legislature in formulating and evaluating state policies and plans for transportation programs in the state. Existing law requires the Department of Transportation to update the California Transportation Plan every 5 years and ensure that the plan addresses how the state will achieve maximum feasible emissions reductions. Existing law also requires the Transportation Agency to prepare a state freight plan on or before December 31, 2014, and every 5 years thereafter, with specified elements to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight.

This bill would establish the Clean Freight Corridor Efficiency Assessment, to be developed by the California Transportation Commission, in coordination with other state agencies. In developing the assessment, the bill would require the commission to identify freight corridors, or segments of corridors, throughout the state that would be priority candidates for the deployment of zero-emission medium- and heavy-duty vehicles. The bill would require the commission to submit a report containing the assessment's findings and recommendations to certain committees of the Legislature by December 1, 2023. The bill would require the assessment's findings and recommendations to be incorporated into the development of the California Transportation Plan. The bill would require the state freight plan to include a description of needed infrastructure, projects, and operations for the deployment of zero-emission medium- and heavy-duty vehicles and the development of freight corridors identified in the assessment.

Existing law requires the California Transportation Commission, upon appropriation by the Legislature, to allocate certain revenues deposited in the Trade Corridor Enhancement Account and certain federal funds for eligible infrastructure projects, including truck corridor improvements to mitigate emissions from trucks, located on or along specified transportation corridors.

This bill would make projects that employ advanced and innovative technology to improve the flow of freight and also environmental and community mitigation or efforts to reduce environmental impacts of freight movement eligible for this funding.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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

SECTION 1. The Legislature finds and declares all of the following:

- (a) Zero-emission technologies, especially heavy-duty trucks, are critical alternatives to internal combustion engines because these technologies reduce both emissions of greenhouse gases and toxic air pollutants that disproportionately burden California's disadvantaged communities of color.
- (b) In September 2020, Governor Gavin Newsom signed Executive Order No. N-79-20, setting ambitious targets for the decarbonization of the transportation fuel sector. As part of that order, the Governor declared the goal of the state to reach 100 percent zero-emission medium- and heavy-duty vehicles in the state by 2045 for all operations where feasible, and 100 percent zero-emission drayage trucks by 2035.
- (c) As part of the order, the Governor directed the State Air Resources Board, to the extent consistent with state and federal law, to develop and propose all of the following:
 - (1) Passenger vehicle and truck regulations requiring increasing volumes of new zero-emission vehicles sold in the state towards the target of 100 percent of in-state sales by 2035.
 - (2) Medium- and heavy-duty vehicle regulations requiring increasing volumes of new zero-emission trucks and buses sold and operated in the state towards the target of 100 percent of the fleet transitioning to zero-emission vehicles by 2045, wherever feasible, and for all drayage trucks to be zero emission by 2035.
 - (3) Strategies, in coordination with other state agencies, the United States Environmental Protection Agency, and local air quality management districts and air pollution control districts, to achieve 100 percent zero-emissions from off-road vehicles and equipment operations in the state by 2035.
- (d) Air pollutants from diesel exhaust associated with freight corridors disproportionately burden low-income communities and communities of color. Reducing emissions from these corridors is important to advancing environmental and health equity across the state.
- (e) In order to support our state goals, the state must develop an assessment for the advancement of zero-emission ready freight corridors and infrastructure in our statewide transportation planning.
- **SEC. 2.** Section 13978.8 of the Government Code is amended to read:
- **13978.8.** (a) The Transportation Agency shall prepare a state freight plan. The state freight plan shall comply with the relevant provisions of the federal Moving Ahead for Progress in the 21st Century Act (MAP-21), Public Law 112-141. The agency shall develop a state freight plan that provides a comprehensive plan to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight.
- (b) (1) The agency shall establish a freight advisory committee consisting of a representative cross section of public and private sector freight stakeholders, including representatives of ports, shippers, carriers, freight-related associations, the freight industry workforce, the California Transportation Commission, the Department of Transportation, the Public Utilities Commission, the State Lands Commission, the State Air Resources Board, regional and local governments, and environmental, safety, and community organizations.
 - (2) The freight advisory committee shall do all of the following:
 - (A) Advise the agency on freight-related priorities, issues, projects, and funding needs.
 - (B) Serve as a forum for discussion for state transportation decisions affecting freight mobility.
 - (C) Communicate and coordinate regional priorities with other organizations.
 - (D) Promote the sharing of information between the private and public sectors on freight issues.
 - (E) Participate in the development of the state freight plan.
- (c) The state freight plan shall include, at a minimum, all of the following:
 - (1) An identification of significant freight system trends, needs, and issues.
 - (2) A description of the freight policies, strategies, and performance measures that will guide freight-related transportation investment decisions.

- (3) A description of how the state freight plan will improve the ability of California to meet the national freight goals established under Section 167 of Title 23 of the United States Code.
- (4) Evidence of consideration of innovative technologies and operational strategies, including intelligent transportation systems, that improve the safety and efficiency of freight movement.
- (5) In the case of routes on which travel by heavy vehicles, including mining, agricultural, energy cargo or equipment, and timber vehicles, is projected to substantially deteriorate the condition of roadways, a description of improvements that may be required to reduce or impede the deterioration.
- (6) An inventory of facilities with freight mobility issues, such as truck bottlenecks within California, and a description of the strategies California is employing to address those freight mobility issues.
- (7) A description of needed infrastructure, projects, and operations for the deployment of zero-emission medium- and heavy-duty vehicles and the development of freight corridors identified pursuant to Section 14517.
- (d) Notwithstanding Section 10231.5, the state freight plan shall be submitted to the Legislature, the Governor, the California Transportation Commission, the Public Utilities Commission, and the State Air Resources Board on or before December 31, 2014, and every five years thereafter. The state freight plan shall be submitted pursuant to Section 9795.
- (e) The state freight plan required by this section may be developed separately from, or incorporated into, the statewide strategic long-range transportation plan required by Section 135 of Title 23 of the United States Code.
- (f) The freight rail element of the state freight plan may be developed separately from, or incorporated into, the state rail plan prepared by the Department of Transportation pursuant to Section 14036.
- **SEC. 3.** Section 14517 is added to the Government Code, to read:
- **14517.** (a) (1) The commission, in coordination with the State Air Resources Board, Public Utilities Commission, State Energy Resources Conservation and Development Commission, and Governor's Office of Business and Economic Development, shall develop the Clean Freight Corridor Efficiency Assessment.
 - (2) The goal of the assessment is to identify freight corridors, or segments of freight corridors, and infrastructure needed to support the deployment of zero-emission medium- and heavy-duty vehicles. The commission shall consider the potential for emission-reductions, infrastructure needed for charging and alternative fueling, including parking facilities, congestion reduction, improved road safety and resiliency, and impacts to neighboring communities.
 - (3) The commission shall consult with the department, local governments, metropolitan planning organizations, regional transportation planning agencies, and other stakeholders, including, but not limited to, the freight industry, stakeholders from low-income and disadvantaged communities, environmental organizations, public health representatives, and academia, to develop the assessment.
 - (4) In developing the assessment, the commission shall consult with the State Energy Resources Conservation and Development Commission pertaining to its work assessing deployment of vehicle charging stations pursuant to Section 25229 of the Public Resources Code.
- (b) In developing the assessment, the commission shall identify all of the following:
 - (1) Freight corridors, or segments of freight corridors, throughout the state that would be priority candidates for the deployment of zero-emission medium- and heavy-duty vehicles.
 - (2) The top five freight corridors, or segments of freight corridors, with the heaviest freight volume and near-source exposure to diesel exhaust and other contaminants.
 - (3) Projects that would achieve the goals of the assessment, including, but not limited to, all of the following projects:
 - (A) Medium- and heavy-duty vehicle charging and fueling infrastructure.
 - (B) Highway improvements needed to accommodate charging and fueling infrastructure, including parking facilities.
 - (C) Highway improvements on the corridor to increase safety and throughput, such as dedicated truck lanes.
 - (D) Improvements to local or connector streets and roads to support the corridor.
 - (E) An identification of areas where micro-grids or similar technologies could be deployed for zero-emission vehicle charging or fueling.

- (4) Potential sponsors of projects to achieve the goals of the assessment, including, but not limited to, the department, regional transportation agencies, local governments, the freight industry, and nonprofit organizations.
- (5) Barriers and potential solutions to achieving the goals of the assessment and the deployment of zero-emission mediumand heavy-duty vehicles.
- (6) The impact on roads and bridges due to the increased weight of zero-emission vehicles.
- (7) Methods to avoid displacement of residents and businesses on the freight corridor when considering projects that achieve the goals of the assessment.
- (8) Potential funding opportunities for project types.
- (9) Benefits from the deployment of zero-emission medium- and heavy-duty vehicles, including, but not limited to, environmental, air quality, public health, and highway safety benefits, and economic competitiveness.
- (c) The commission shall submit a report detailing the assessment and its recommendations for the deployment of zero-emission medium- and heavy-duty vehicles to the relevant policy and fiscal committees of the Legislature on or before December 1, 2023.
- (d) The commission, State Air Resources Board, and State Energy Resources Conservation and Development Commission shall incorporate, to the extent feasible and applicable, the Clean Freight Corridor Efficiency Assessment's findings and recommendations into those entities' programs and guideline documents related to freight infrastructure and technology. This subdivision shall not limit the ability to award freight infrastructure and technology program funds on a competitive basis.
- **SEC. 4.** Section 65072.5 is added to the Government Code, to read:
- **65072.5.** Development of the California Transportation Plan shall incorporate the Clean Freight Corridor Efficiency Assessment's findings and recommendations made pursuant to Section 14517.
- **SEC. 5.** Section 2192 of the Streets and Highways Code is amended to read:
- 2192. (a) The following revenues shall be allocated for infrastructure projects pursuant to this section:
 - (1) The revenues deposited in the Trade Corridors Enhancement Account pursuant to Section 2192.4, except for those revenues in the account that were appropriated by Senate Bill 132 of the 2017–18 Regular Session (Chapter 7 of the Statutes of 2017).
 - (2) An amount of federal funds equal to the amount of revenue apportioned to the state under Section 167 of Title 23 of the United States Code from the national highway freight programs, pursuant to the federal Fixing America's Surface Transportation Act ("FAST Act," Public Law 114-94).
- (b) The funding described in subdivision (a) shall be available upon appropriation for allocation by the California Transportation Commission for infrastructure improvements in this state on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement, as determined by the commission and as identified in the state freight plan developed pursuant to Section 13978.8 of the Government Code. Projects eligible for funding shall be included in an adopted regional transportation plan. Projects within the boundaries of a metropolitan planning organization shall be included in an adopted regional transportation plan that includes a sustainable communities strategy determined by the State Air Resources Board to achieve the region's greenhouse gas emissions reduction targets. In developing guidelines for implementing this section, the commission shall (1) apply the guiding principles, to the maximum extent practicable, in the California Sustainable Freight Action Plan released in July 2016 pursuant to Executive Order No. B-32-15, and (2) consult the state freight plan and the applicable port master plan.
- (c) Eligible projects for these funds include, but are not limited to, all of the following:
 - (1) Highway improvements to more efficiently accommodate the movement of freight, particularly for ingress and egress to and from the state's land ports of entry, rail terminals, and seaports, including navigable inland 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.
 - (2) 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 highway or local road traffic, improve freight rail mobility, and other projects that improve the safety, efficiency, and capacity of the rail freight system.
 - (3) Projects to enhance the capacity and efficiency of ports, except that funds available under this section shall not be allocated to a project that includes the purchase of fully automated cargo handling equipment. For the purposes of this paragraph, "fully

automated" means equipment that is remotely operated or remotely monitored, with or without the exercise of human intervention or control. Nothing in this paragraph shall prohibit the use of funds available pursuant to this section for a project that includes the purchase of human-operated zero-emission equipment, human-operated near-zero-emission equipment, and infrastructure supporting that human-operated equipment. Furthermore, nothing in this section shall prohibit the purchase of devices that support that human-operated equipment, including equipment to evaluate the utilization and environmental benefits of that human-operated equipment.

- (4) Truck corridor improvements, including dedicated truck facilities or truck toll facilities, including the mitigation of the emissions from trucks or these facilities.
- (5) Border access improvements that enhance goods movement between California and Mexico and that maximize the state's ability to access funds made available to the state by federal law.
- (6) Surface transportation, local road, 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.
- (7) Projects that employ advanced and innovative technology to improve the flow of freight, such as intelligent transportation systems, public infrastructure, excluding vehicles, that enables zero-emission or near-zero emission goods movement, real time information systems, weigh-in-motion devices, electronic screening and credentialing systems, traffic signal optimization, work zone management and information systems, ramp metering, and electronic cargo and border security technologies.
- (8) Environmental and community mitigation or efforts to reduce environmental impacts of freight movement, such as projects that reduce noise, overnight truck idling, or truck queues, and advanced traveler information systems such as freight advanced traveler information systems that optimize operations to reduce empty-load trips.
- (d) Projects funded with revenues identified in paragraph (1) of subdivision (a) shall be consistent with Article XIX of the California Constitution.
- (e) (1) In adopting the program of projects to be funded with funds described in subdivision (a), the commission shall evaluate the total potential economic and noneconomic benefits of the program of projects to California's economy, environment, and public health. The evaluation shall specifically assess localized impacts in disadvantaged communities. The commission shall consult with the agencies identified in Executive Order No. B-32-15 and metropolitan planning organizations in order to use the appropriate models, techniques, and methods to develop the parameters for evaluating the program of projects. The commission shall allocate the funding from subdivision (a) for trade infrastructure improvements as follows:
 - (A) Sixty percent of the funds shall be available for projects nominated by regional transportation agencies and other public agencies, including counties, cities, and port authorities, in consultation with the department. The commission shall provide reasonable geographic targets for funding allocations without constraining what an agency may propose or what the commission may approve.
 - (B) Forty percent of the funds shall be available for projects nominated by the department, in consultation with regional transportation agencies.
 - (2) In adopting a program of projects pursuant to paragraph (1), the commission shall prioritize projects jointly nominated and jointly funded by the state and local agencies. In considering geographic balance for the overall program, the commission may adjust the corridor-based targets in subparagraph (A) of paragraph (1) to account for projects programmed pursuant to subparagraph (B) of paragraph (1).
- (f) (1) The commission shall adopt guidelines, including a transparent process to evaluate projects and to allocate the funding described in subdivision (a) for trade infrastructure improvements 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) places emphasis on projects that improve trade corridor mobility and safety while reducing emissions of diesel particulates, greenhouse gases, and other pollutants and reducing other negative community impacts, especially in disadvantaged communities, (D) makes a significant contribution to the state's economy, (E) recognizes the key role of the state in project identification, (F) supports integrating statewide goods movement priorities in a corridor approach, and (G) includes disadvantaged communities measures, as established by the California Environmental Protection Agency pursuant to Section 39711 of the Health and Safety Code, and other tools the commission determines, for evaluating benefits or costs for disadvantaged communities and low-income communities. Project nominations shall include either a quantitative or qualitative assessment of the benefits the project is expected to achieve relative to the evaluation criteria.
 - (2) The guidelines adopted pursuant to paragraph (1) may include streamlining of project delivery by authorizing regional transportation agencies and other public agencies to seek commission approval of a letter of no prejudice that allows the

agency to expend its own funds for a project programmed in a future year of the adopted program of projects, in advance of allocation of funds to the project by the commission, and to be reimbursed at a later time for eligible expenditures. A letter of no prejudice shall only be available to local or regional transportation agencies for moneys that have been identified for future allocation to the applicant agency. Moneys designated for the program shall only be reimbursed when there is funding available in an amount sufficient to make the reimbursement.

- (g) In addition, the commission shall also consider the following factors when allocating these funds:
 - (1) "Velocity," which means the speed by which large cargo would travel from the land port of entry or seaport through the distribution system.
 - (2) "Throughput," which means the volume of cargo that would move from the land port of entry or seaport through the distribution system.
 - (3) "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.
 - (4) "Congestion reduction," which means the reduction in recurrent daily hours of delay to be achieved.
- (h) For purposes of this section, the following terms have the following meanings:
 - (1) "Disadvantaged communities" are those communities identified by the California Environmental Protection Agency pursuant to Section 39711 of the Health and Safety Code.
 - (2) "Low-income communities" are census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093 of the Health and Safety Code.
- (i) It is the intent of the Legislature for the commission to adopt an initial program of projects using the state and federal funds described in subdivision (a) for eligible projects as soon as practicable and no later than May 17, 2018.