

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 19-20, 2016

Reference No.: 4.23
Information

From: SUSAN BRANSEN
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Subject: **DEVELOPMENT OF GUIDELINES FOR NATIONAL HIGHWAY FREIGHT PROGRAM**

SUMMARY:

On June 27, 2016 the Governor signed Senate Bill (SB) 826 (Leno, 2016) which contains the 2016-17 Budget Act. This Budget Act directs the California Transportation Commission (Commission) to allocate federal National Highway Freight Program formula funds to corridor-based projects selected by local agencies and the state.

As directed by SB 826, the Commission will be responsible for allocating funds based on the federal provisions established for the National Highway Freight Program. This direction will require the Commission to adopt guidelines that describe the policy, standards, criteria and procedures for programming and allocation of the National Highway Freight Program funds.

As a first step in the development of guidelines, Commission staff will conduct a series of public workshops to solicit input on key issues. Commission staff will utilize criteria set forth in the FAST Act to create the National Highway Freight Program Guidelines. It is anticipated that these efforts will begin in November 2016 and proposed guidelines will be brought forward for Commission adoption in May 2017.

The proposed schedule for engaging key stakeholders is included below:

| Activity | Date |
|--|----------------------------|
| Kickoff meeting | November 2016 |
| Hold public workshops | December 2016 – March 2017 |
| Provide progress update | January 18-19, 2017 |
| California Freight Advisory Committee presentation | January 25, 2017 |
| Issue preliminary draft Guidelines | February 2017 |
| Present draft Guidelines | March 16-17, 2017 |
| Adopt final Guidelines | May 18-19, 2017 |

BACKGROUND:

The Fixing America's Surface Transportation (FAST) Act was signed into law on December 4, 2015 and established a new formula freight fund under the National Highway Freight Program for a five-year period. The National Highway Freight Program provides approximately \$582 million of apportionments to California over the five-year period of the FAST Act. This equates to about \$110 million per year beginning with the 2015/16 federal fiscal year.

The purpose of the National Highway Freight Program is to improve the efficient movement of freight on the National Highway Freight Network and support the following goals:

- Invest in infrastructure and operational improvements that strengthen economic competitiveness, reduce congestion, reduce cost of freight transportation, improve reliability, and increase productivity.
- Improve safety, security, efficiency and resiliency of freight transportation in rural and urban areas.
- Improve the state of good repair of the National Highway Freight Network.
- Use innovation and advanced technology to improve National Highway Freight Network safety, efficiency and reliability.
- Improve the efficiency and productivity of the National Highway Freight Network.
- Improve State flexibility to support multi-State corridor planning and address highway freight connectivity.
- Reduce environmental impacts of freight movement on the National Highway Freight Network.