

CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

ASSEMBLY BILL

No. 371

Introduced by Assembly Member Frazier

February 05, 2019

An act to amend Section 13978.8 of, and to add Section 12096.3.5 to, the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 371, as introduced, Frazier. Transportation: freight: statewide economic vitality assessment.

The Economic Revitalization Act establishes the Governor's Office of Business and Economic Development, also known as GO-Biz, to serve as the Governor's lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. The act authorizes the office, among other things, to make recommendations to the Governor and the Legislature regarding policies, programs, and actions to advance statewide economic goals.

This bill would require GO-Biz, in consultation with the State Air Resources Board, the California Transportation Commission, and the Transportation Agency, to prepare a statewide economic vitality assessment of the California freight industry on or before December 31, 2021, and to update the assessment at least once every five years. The bill would require the assessment to identify specified information, and would require the office, in developing the assessment, to consult with representatives from a cross section of public and private sector freight stakeholders.

Existing law 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 require the Transportation Agency to incorporate the findings of the assessment into the state freight plan, as specified.

Digest Key

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

Bill Text**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS**

FOLLOWS:

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

(a) In 2013, the Legislature enacted Chapter 223 of the Statutes of 2013, which required the Transportation Agency to develop a state freight plan that provides for governance of the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight.

(b) In 2014, the final California Freight Mobility Plan was completed by the Transportation Agency and the Department of Transportation in consultation with the California Freight Advisory Committee, and was submitted to the Legislature, the Governor, the California Transportation Commission, the Public Utilities Commission, and the State Air Resources Board.

(c) In July 2015, Governor Brown issued Executive Order No. B-32-15, which directed the Secretary of Transportation, the Secretary for Environmental Protection, and the Secretary of the Natural Resources Agency to lead other relevant state departments in developing an integrated action plan by July 2016 that “establishes clear targets to improve freight efficiency, transition to zero-emission technologies, and increase competitiveness of California’s freight system.” Participating state departments include the State Air Resources Board, the Department of Transportation, the State Energy Resources Conservation and the Development Commission, and the Governor’s Office of Business and Economic Development.

(d) In July 2016, the California Sustainable Freight Action Plan was completed in response to Executive Order No. B-32-15 and included recommendations on, among other things, “[a] long-term 2050 Vision and Guiding Principles for California’s future freight transport system,” and “[t]argets for 2030 to guide the State toward meeting the Vision.”

(e) Efforts by the state, private industry, and seaports that have resulted in emissions reductions and improvements in environmental quality at California’s seaports over the past decade have been substantial, significant, and unprecedented.

(f) Improving the efficiency of California’s freight transport system is vital to the state’s economy. Traditional routes of moving freight face increasing competition from across the globe, and California’s system should anticipate and stay ahead of these changes. Currently, California is the nation’s largest gateway for international trade and domestic commerce, with an interconnected system of ports, railroads, highways, and roads that allow freight from around the world to move throughout the state and nation. This system is responsible for one-third of the state’s economic product and jobs, with freight-dependent industries accounting for over \$740,000,000,000 in gross domestic product and over five million jobs in 2014. However, California’s freight transport system is under pressure to serve the state’s growing population and satisfy dynamic market demands, while other locations in the United States and across the world are fiercely competing for this economic activity.

(g) Maintaining the state’s cargo competitiveness is not just an imperative for the economic health of California but is necessary to preserve reductions in emissions of greenhouse gases. Studies have demonstrated that when California loses market share and volumes of imports to other ports and gateways on the Gulf and Atlantic coasts that increases of emissions of greenhouse gases associated with this diversion are substantial. Emissions of greenhouse gases are, on average, 22 percent higher when cargo that originates in the Far East is diverted from West Coast ports in favor of East Coast and Gulf Coast ports.

SEC. 2. Section 12096.3.5 is added to the Government Code, immediately following Section 12096.3, to read:

12096.3.5. (a) The office, in consultation with the State Air Resources Board, the California Transportation Commission, and the Transportation Agency, shall prepare a statewide economic vitality assessment of the California freight industry.

(b) The assessment shall expand on the California Sustainable Freight Action Plan developed pursuant to Executive Order No. B-32-15 and shall do all of the following:

(1) Identify the economic competitiveness of all sectors of freight movement and an appropriate baseline as a means to compare economic growth in California.

(2) Identify and develop metrics to measure financial performance, market share performance, workforce performance, and overall economic performance by freight group.

(3) Identify the ability of the freight sector to successfully compete with other states and countries as measured by using existing comparable metrics.

(4) Identify and develop goals to increase economic competitiveness and the ability to track these goals.

(5) Identify strategies California is employing to address freight mobility issues that affect freight economic competitiveness, such as truck bottlenecks, inefficiencies, and congestion, and recommend to the California Transportation Commission and the Transportation Agency complementary or additional strategies to reduce these mobility issues.

(6) Identify challenges the freight industry faces in meeting the state's emission reduction goals and emission-reducing regulations and how these challenges may affect the overall vitality of moving freight in the state, and recommend strategies the state can use to address these challenges.

(7) Ensure economic competitiveness is being prioritized in the freight sector.

(c) In developing the assessment, the office shall consult with representatives from a cross section of public and private sector freight stakeholders, including representatives of ports, shippers, carriers, freight-related associations, the freight industry workforce, 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.

(d) The office shall prepare the assessment on or before December 31, 2021, and shall update the assessment at least once every five years.

SEC. 3. 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.
- (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.
- (g) (1) The Transportation Agency shall incorporate the findings of the statewide economic vitality assessment of the California freight industry, which is prepared by the Governor's Office of Business and Economic Development pursuant to Section 12096.3.5, into the 2019 state freight plan as an addendum by December 31, 2022.*
- (2) The Transportation Agency shall incorporate the findings of the statewide economic vitality assessment of the California freight industry into the 2024 state freight plan.*
- (3) The Transportation Agency shall incorporate the findings of the most recent update to the statewide economic vitality assessment of the California freight industry into each new state freight plan.*