



PLANNING AND PROGRAMMING COMMITTEE
September 20, 2006

**SUBJECT: SOUTHERN CALIFORNIA NATIONAL FREIGHT GATEWAY STRATEGY
MEMORANDUM OF UNDERSTANDING (MOU)**

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file the draft Memorandum of Understanding (MOU) among County Transportation Commissions, SCAG, Ports of Los Angeles, Long Beach and Hueneme, and appropriate state and federal agencies to develop the Southern California National Freight Gateway Strategy.

ISSUE

For the past several months, the CEOs of Metro, OCTA, RCTC, SANBAG and Ventura Counties have been discussing collaboration among state, federal, and local agencies responsible for goods movement. This was borne out of the realization that much of the region's burdens associated with the movement of goods are attributable to factors outside the region's direct sphere of influence; namely, federal trade and state transportation policies. To this end, the agencies entered into a consultant contract to assist with outreach to state and federal agencies and to further develop the Southern California National Freight Gateway MOU (Attachment A) to document the goals, objectives and responsibilities of the signatories.

The MOU establishes Metro, OCTA, RCTC, SANBAG, VCTC, Imperial County Transportation Commission, SCAG, the Federal Departments of Transportation, Air and Radiation, Fish, wildlife and parks, Army, State departments of Business, Transportation and Housing, Environmental Protection Agency, and California Resources Agency along with the Ports of Los Angeles, Long Beach and Hueneme as the "Principal Conveners". Other public and private agencies may request to become participants in this process, subject to approval by the Principal Conveners.

DISCUSSION

The intent of this MOU is threefold:

- To highlight the region's integral role as the gateway for goods that enter the nation and the disproportionate burden that this role places on the region's communities and infrastructure;
- To establish a formal working relationship and obtain tangible commitments from appropriate entities at all levels of government to coordinate on goods movement improvements and environmental mitigations relative to a focused area within this region called the "West Coast National Gateway Strategy" ; and,
- To encourage proactive involvement from the appropriate state and federal agencies in coordinating and streamlining their often fragmented review and approval of environmental documents.

Concurrently there was an interest on the part of Senator Dianne Feinstein's office to become more intimately involved in issues relative to the region's goods movement challenges. The senator's office convened three meetings in the last two months to assure that the issues of all stakeholders were heard and discussed. The Senator has expressed an interest in facilitating a signing ceremony in early October to execute the MOU.

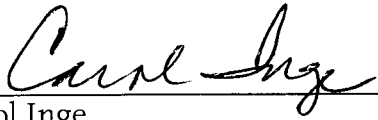
NEXT STEPS

The CEO will execute the finalized agreement on behalf of Metro.

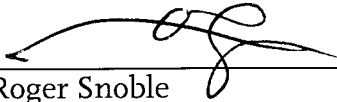
ATTACHMENT

A. Draft Memorandum Of Understanding

Prepared by: Carol Inge, Chief Planning Officer
Shahzad Amiri, Director, SGVAT



Carol Inge
Chief Planning Officer



Roger Snoble
Chief Executive Officer

**SOUTHERN CALIFORNIA
NATIONAL FREIGHT GATEWAY STRATEGY**

**MEMORANDUM OF UNDERSTANDING
AMONG FEDERAL, STATE, REGIONAL AND LOCAL AGENCIES**

October __, 2006

This Memorandum of Understanding (“MOU”) is entered into as of October __, 2006 by the undersigned federal, state and local agencies to provide for the cooperative development of a framework strategy to address environmental and community concerns, issues and opportunities relating to the increasing movement of imported goods within the “Southern California National Freight Gateway” area of the Los Angeles Metropolitan region extending from the Ports in San Pedro Bay and the Port of Hueneme to the cities of Barstow and Indio, California (“National Freight Gateway Area” or “Area”).

I. RECITALS.

Acronyms are defined below.¹

Whereas, the San Pedro Bay Ports of Los Angeles and Long Beach are the largest port complex in the Nation and fifth largest in the world. *Together, they process 14.2 million twenty foot equivalent units of containers (“TEUs”), 44% of all the imported goods entering the Nation, with only 30% of these goods being consumed within the region and 70% being distributed primarily by truck and rail nation-wide.* The number of TEUs processed per year is projected to increase to 42 million TEUs by 2030. The freight being moved annually has a value of \$200 billion, supports 2 million jobs, and generates \$16.4 billion in state and local taxes.

Whereas, the population of the National Freight Gateway Area has been projected to increase from 18.1 to 22.9 million by 2030 (an increase of 4.8 million or 25.6% within 24 years), with significant demands on the capacity of the region’s transportation infrastructure, *independent of any consideration of the increasing movement of freight.*

Whereas, the port of Hueneme is the only deep water harbor between Los Angeles and the San Francisco Bay area and is the U.S. Port of Entry for California’s central coast region. It serves international businesses and ocean carriers from the Pacific Rim and Europe. The Port of Hueneme ranks among the top seaports in California for general cargo throughput. The niche markets that Hueneme serves include: the import and export of automobiles, fresh fruit and produce, and forest products. The Port of Hueneme is the top seaport in the United States for citrus export and ranks among the ten ports in the country for automobile and banana imports. By 2020 it is estimated that total port tonnage will range between 3.4 million and 6 million

metric tons. Its unique positioning near the Santa Barbara Channel also made the Port of Hueneme the primary support facility for the offshore oil industry in the Central Coast area.

Whereas, the regional freeway and railway systems within the Area are already severely congested, with insufficient funding identified to even maintain existing infrastructure. Combined increases in population and freight volumes will significantly worsen congestion on freeways and railways and will increase the need for major new and upgraded infrastructure and increase the costs of on-going maintenance and repair. The Southern California Association of Governments' Regional Transportation Plan anticipates that daily truck traffic serving the Ports will increase from 54,600 trips in 2005 to 142,000 in 2030 and *daily* freight and passenger train traffic will increase from 176 trains in 2000 to 265 to 390 in 2025 and 441 in 2030.

Whereas, the increase in freight movement offers significant economic opportunities to the region in the form of additional business, more and better quality of jobs, and enhanced local, State and federal tax revenues.

Whereas, without major mitigation and State and federal assistance and action, the existing levels, as well as anticipated increases, of freight movement within the Area are resulting in, and threaten further, significant and adverse impacts to its communities and the environment (including but not limited to air and water quality and natural lands and wildlife) and to the health, safety and quality of life of its population. Of particular and major concern are the adverse impacts on air quality by diesel emissions from trucks, trains and ships, and the various related infrastructure and operations, which are the subject of the various plans described below. These impacts are required to be mitigated under the regulatory and policy quilt of current and future State Implementation Plans, Regional Transportation Plans (which must be found to be in conformance with the SIP), State and Federal air quality laws (e.g., with respect to emission thresholds and air toxics) and the National Environmental Policy Act of 1969 (NEPA) and the California Environmental Quality Act (CEQA). The design and implementation of such mitigation will be a daunting challenge.

Whereas, NEPA and CEQA, authorize and encourage coordination and collaboration among local, state and federal agencies and interests (including effective leadership and public participation) in addressing challenges such as those posed by the anticipated increase in goods movement and its impacts on the environment.

Whereas, USDOT, under its recently promulgated *National Strategy to Reduce Congestion on America's Transportation Network*, has established a Southern California "Inter-modal Hot Spot Team", focused on targeting major freight bottlenecks and expanding public outreach in order to assist in convening the constituency of agencies and interests, and, pursuant to Presidential Executive Order 13274, it is designating the Southern California National Freight Gateway a focused area of projects that qualify for coordinated federal agency decision-making.

Whereas, California Governor Arnold Schwarzenegger has issued an executive order, dated

September __, 2006, regarding the Southern California National Gateway Strategy which directs State agencies to cooperate and, where appropriate, collaborate with federal, regional and local agencies in addressing goods movement within the National Freight Gateway Area and related community and environmental impacts.

Whereas, CBTH and CEPA are developing a State Goods Movement Action Plan (“State GMAP”) and pursuant to the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (“Safte-a-Lu”; Pub. Law 109-59, 2005; 23 U.S.C. §326), the State has assumed certain responsibilities of the Secretary of Transportation for compliance with NEPA in connection with certain surface transportation projects within California; and, it is anticipated and intended that this MOU will be consistent with and promote the expeditious implementation of the State GMAP.

Whereas, the Ports, SCAG and the CTCs, individually and in some cases collaboratively, are in the process of conducting studies, preparing plans (including, e.g., the San Pedro Ports Clean Air Action Plan, the CTCs/SCAG Multi-County Goods Movement Action Plan, and the updating of SCAG’s Regional Transportation Plan) and undertaking projects to address goods movement and related environmental and community impacts within the National Freight Gateway Area.

Whereas, there are significant delays, inefficiencies, increases in costs and the loss of opportunities resulting from the current fragmented and complex local, state and federal governance systems, processes and practices for planning, designing, funding, implementing and constructing regional freight movement and transportation projects and the regulation thereof for other and related public concerns.

Whereas, the parties now desire through this MOU to establish a process by, among other things, providing for increased cooperation and collaboration among the constituency of affected local, state and national agencies and interests in addressing goods movement and related environmental and community impacts within the National Freight Gateway Area.

II. FURTHER DEVELOPMENT AND IMPLEMENTATION OF A SOUTHERN CALIFORNIA NATIONAL FREIGHT GATEWAY STRATEGY

Based on the foregoing and pursuant to, among other things, the above-mentioned acts and orders, and at the request of Governor Schwarzenegger, CBTH, CEPA and Cal Resources, USDOT, USEPA, USDOJ, USACOE, SCAG, the CTCs, and the Ports, will act as “Principal Conveners” a process referred to in this MOU as the Framework Strategy in convening and managing, as set forth below, a process among affected federal, state, and local agencies and interests and the public, to collaboratively and expeditiously address goods movement and related community and environmental effects within the National Freight Gateway Area in order for Southern California to fulfill its national responsibility to provide and support the conveyance of goods to the rest of the Nation, in a manner, however, that fully addresses and mitigates all adverse community, air quality and environmental effects and impacts.

A. Scoping of the Strategy.

Among other efforts, no later than January 30, 2007, the Principal Conveners shall deliver to the Governor and United States Secretary for Transportation a Phase I Scoping Report. This Report will clearly provide: (i) a preliminary outline of the decision-making and environmental review processes necessary to expeditiously advance the region's objectives of providing goods movement throughput consistent and together with the mitigation of adverse community and environmental impacts and, (ii) the protocols and procedures, schedule and budget for their work in further assisting the constituency of affected agencies and interests to cooperate in the development and implementation of the Framework Strategy.

SCAG will administer the process under the direction of the Principal Conveners. Concurrent with the taking effect of this MOU, and from time to time thereafter, the Principal Conveners may establish informal operating procedures and rules of order, including, the establishment of a chairperson or co-chairpersons and executive committee for the effort. The Principal Conveners have committed the necessary resources through Phase I of the process. It is anticipated that the Framework Strategy will be developed incrementally and will include elements that can be implemented by individual agencies or agencies acting in collaboration and will take into consideration current and past efforts. Local and public input will be critical.

The process provided for is intended only to promote cooperation, coordination and collaboration, where appropriate, among the various affected public local, state and federal agencies in carrying out their individual responsibilities and the private sector and not to limit, increase or affect the authority of any agency under the law.

B. Participation by Public Agencies and Public and Private Organizations.

Other public and private agencies and organizations may become "Participants" in the process under this MOU, as determined appropriate by the Principal Conveners, by providing notice in writing to SCAG. In addition, public participation shall be encouraged and provided for as required by law.

C. Early cooperative efforts of Participants.

The Principal Conveners will cooperate with respect to the consideration and implementation of current goods movement infrastructure projects in accordance with existing laws and regulations.

III. MISCELLANEOUS PROVISIONS.

A. Designation of Representatives.

Each Principal Convener shall designate a person to serve at its pleasure and represent it under

and for the purposes of this MOU by notification in writing to SCAG for the Principal Conveners.

B. No Obligation to Provide Funding.

The commitment to participate under this MOU is subject to existing authorities and the availability of funds. This MOU does not obligate nor commit local, State or Federal funds and will not give rise to a claim for local, State or Federal funds. Any activity involving reimbursement or contribution of funds between the parties to this MOU must be independently authorized by law and will be subject to applicable laws, regulations, and procedures.

C. Non-binding.

Notwithstanding any other provision of this MOU, this MOU will take effect upon its signing (as a single original or in counter-parts) by all of the Principal Conveners and is intended to: (i) state the intent of the parties in order to provide an informal basis for coordination among them and is and shall not be legally binding on any party for any purpose; and, (ii) shall be interpreted to be consistent with applicable provisions of State and Federal law.

D. Amendments; Termination.

Any amendment to this MOU shall be effective as to a party only if agreed to in writing by that party. Any party to this MOU may terminate its participation hereunder by written notice to the SCAG for the Principal Conveners.

IN WITNESS WHEREOF, the parties have signed this MOU on the dates set forth below their signatures.

PRINCIPAL CONVENERS

[The following signature blocks should be revised and completed by the individual agencies]

Assistant Administrator for Air and
Radiation
Environmental Protection Agency
Dated: _____

FEDERAL AGENCIES

Department of Transportation
Dated: _____

Assistant Secretary for Fish, Wildlife and
Parks
Department of the Interior
Dated: _____

Assistant Secretary of the Army
for Civil Works
United States Army Corps of Engineers
Dated: _____

STATE OF CALIFORNIA

Business, Transportation and Housing
Dated: _____

California Resources Agency
Dated: _____

Environmental Protection Agency
Dated: _____

REGIONAL/LOCAL AGENCIES

Southern California Association of
Governments
Dated: _____

“CTCs”

Los Angeles County Metropolitan
Transportation Authority
Dated: _____

San Bernardino Associated Governments
Dated: _____

Riverside County Transportation
Commission
Dated: _____

Orange County Transportation Authority

Dated: _____

Ventura County Transportation
Commission.

Dated: _____

Imperial County

Dated: _____

“Ports”

Long Beach Board of Harbor
Commissioners

Dated: _____

Los Angeles Board of Harbor
Commissioners

Dated: _____

Port of Hueneme, Oxnard Harbor District

Dated: _____

- LAEDC: Los Angeles Economic Development Corporation
- MTA: Los Angeles Metropolitan Transportation Authority
- OCTA: Orange County Transportation Agency
- Ports: Port of Los Angeles and Port of Long Beach
- RCTC: Riverside County Transportation Commission
- SANBAG: San Bernardino Associated Governments
- SCAQMD: South Coast Air Quality Management District
- SCAG: Southern California Association of Governments
- USDOT: United States Department of Transportation
- USEPA: United States Environmental Protection Agency
- VCTC: Ventura County Transportation Commission
- USACOE: United State Army Corps Of Engineers

1 Acronyms:

- CARB: Calif. Air Resources Board
- CBTH: Calif. Business, Transportation and Housing Agency
- CEPA: Calif. Environmental Protection Agency
- CTCs: County Transportation Commissions including: MTA, OCTA, RCTC, SANBAG, VCTC and IC
- DOI: United States Department of the Interior
- IC: County of Imperial