



November 21, 2014

VIA FACSIMILE AND EMAIL

Mr. Christopher Calfee, Senior Counsel
Governor's Office of Planning and Research
1400 Tenth Street
Sacramento, California 95814-3044

Re: Comments on Preliminary Discussion Draft of Updates to the CEQA Guidelines Implementing Senate Bill 743 (Steinberg, 2013)

Dear Mr. Calfee:

The following comments are submitted by OnTrackNorthAmerica and the California Clean Energy Committee on the Preliminary Discussion Draft of Updates to the CEQA Guidelines Implementing Senate Bill 743 (Steinberg, 2013).

OnTrackNorthAmerica (OTNA) is a whole-system, multi-stakeholder think tank, serving the public interest. OTNA was founded in 2007 by Michael Sussman, who is also the President of Strategic Rail Finance, a 20-year infrastructure finance and consulting company. OTNA's 25-member advisory board is comprised of industry, policy and academic experts in transportation and the environment including Rod Diridon, Emeritus Executive Director of the Mineta Transportation Institute created by Congress in 1991 and housed at San Jose State University.

The OTNA non-profit Board of Directors includes Jolene Molitoris, former Administrator of the Federal Railroad Administration and Leo Penne, former Program Director for Intermodal and Industry Activities at the American Association of State Highway and Transportation Officials. OTNA's Directors and Advisory Board ensure its autonomy as an independent facilitator of new thinking in the area of national, regional, and local transportation, logistics, and land use planning. Mr. Sussman has an extensive background advising Congress, the Executive Branch, and state and local governments on transportation finance and planning.

California Clean Energy Committee (CCEC) is a non-profit research, education and advocacy organization that develops, compiles and makes available information pertaining to renewable energy generation and energy efficiency. The Committee focuses on the identification and implementation of cost-effective energy conservation practices. CCEC works

with local communities and statewide organizations to advocate for cost-effective clean energy policies, bridging the gap between clean energy research and public policy development.

1. Promoting the Development of Multimodal Networks

SB 743 requires the Secretary to adopt regulations that “promote . . . the development of multimodal transportation networks.” However, the regulations as proposed do not contain provisions that define or promote multimodal networks.

“Multimodal transport” primarily refers to freight transport that is performed by at least two different means of transport.

Multimodal transport (also known as combined transport) is the transportation of goods under a single contract, but performed with at least two different means of transport¹

“Intermodal freight” is the predominant manifestation of multimodal transport in today’s freight industry. Intermodal freight refers to “the transportation of freight in an intermodal container or vehicle, using multiple modes of transportation (rail, ship, and truck) without any handling of the freight itself when changing modes.”²

The “multimodal transportation networks” in existence today in California are primarily “intermodal freight” networks. In 2010 the San Pedro Bay ports handled just over 20,000,000 intermodal freight containers or TEUs.³ Container traffic at the ports is expected to exceed 40,000,000 annually by 2035.⁴

It is plainly the Legislature’s intent that under SB 743 the Secretary would adopt regulations that promote the development of multimodal transportation networks and do this in a manner that will reduce the environmental impacts of freight movement.

Intermodal freight offers a combination of environmental benefits and economic benefits, making it an essential tool for reducing freight transportation impacts. Intermodal freight allows shipments to travel each leg of their journey by the most efficient mode. Using the most efficient mode helps to reduce freight vehicle miles travelled (VMT), air

¹ Wikipedia, Multimodal Transport, http://en.wikipedia.org/wiki/Multimodal_transport.

² Wikipedia, Intermodal Freight Transport, http://en.wikipedia.org/wiki/Intermodal_freight_transport.

³ Since “containers” vary in length, container counts are measured in TEUs or twenty foot equivalent units.

⁴ Southern California Association of Governments, 2012-2035 Regional Transportation Plan, Goods Movement Appendix, http://www.freightworks.org/DocumentLibrary/2012fRTP_GoodsMovement.pdf

quality emissions, diesel emissions, road damage, noise, and the serious-accident risk that accompanies heavy-duty trucking.

One intermodal train replaces 280 trucks, while reducing shipping costs by 20 percent.⁵ Freight rail is three times more fuel efficient than trucking, saving energy and reducing emissions. Shifting 10 percent of long-haul freight from truck to rail would save nearly one billion gallons annually, according to the Federal Railroad Administration. According to the U.S. EPA replacing over-the-road trucking with intermodal transportation for shipments of more than 1,000 miles, reduces GHG emissions by 65 percent.⁶

According to the Environmental Defense Fund,

Many shippers also are utilizing rail to reduce freight costs and emissions. Intermodal ground transportation—where a container is moved a long distance by rail and then delivered to its final destination by truck—allows shippers to maximize the efficiency of rail while still leveraging the flexibility of trucks. The result can be large carbon and cost savings. Two of the leaders adopting intermodal are Baxter and Levi's.⁷

These are vital environmental benefits which the Legislature plainly intended to leverage through SB 743 by requiring that the regulations promote the development of intermodal networks.

The California Environmental Quality Act (CEQA), which the proposed regulations would supplement, is an information disclosure statute. It requires that feasible measures be adopted for the mitigation of significant environmental impacts. Under such a statute, achieving the Legislative purpose of promoting intermodal freight networks requires that the implementing regulations include at a minimum—

- A definition of multimodal transportation networks,
- A description of the goals of using multimodal networks,
- A statement of how the project description should address multimodal networks,
- A statement of what the impacts on multimodal networks may be, and

⁵ Hamilton, S., Is Intermodal Right for You?, *Inbound Logistics* (Oct. 2010), <http://www.inboundlogistics.com/cms/article/is-intermodal-right-for-you/>

⁶ *Ibid.*

⁷ Environmental Defense Fund, *Smart Moves: Creative Supply Chain Strategies Are Cutting Transport Costs and Emissions*, http://business.edf.org/files/2014/03/smartmoves_07_screen1.pdf.

- A discussion of mitigation measures that can compensate for a range of different impacts by enabling greater use of multimodal networks.

Such provisions could be similar in format to the goals and other provisions contained in the CEQA Guidelines for energy conservation. (Appendix F.)

Pursuant to SB 743, regional transportation plans and general plans adopted across the state must now promote multimodal freight networks, or parts of them, that pass within their jurisdictions. Unfortunately, the regulations as drafted provide local agencies with virtually no guidance in carrying out that planning function.

A range of potential mitigation measures that would promote multimodal systems are available to consider in this regulatory process. The California Energy Commission (CEC) has published the Energy Planning Guide, which is a comprehensive resource that supports local government energy conservation efforts with a view toward delivering cost savings to the public while promoting aggressive greenhouse gas (GHG) reductions.⁸

Among other things, the CEC articulates a range of land use strategies that local agencies can adopt to mitigate adverse impacts on freight networks—

- *Designating truck routes,*
- *Supporting efficient and safe movement of goods by rail where appropriate,*
- *Promoting coordinated operation of freight rail lines and intermodal yards,*
- *Promoting improved safety and operating conditions for freight rail transport and rail track crossings,*
- *Protecting rail-related industries from competing with non-industrial uses for scarce rail-served industrial land and sites,*
- *Ensuring an adequate supply of land for freight distribution in urban core areas,*
- *Subsidizing alternative freight modes such as rail sidings and other improved track access facilities,*
- *Shifting freight to rail by supporting short-line railroads that serve locally or regionally important industries and major suitable sites,*

⁸ California Energy Commission, Energy Aware Planning Guide, pp. L.1.5 1 – 5, <http://www.energy.ca.gov/2009publications/CEC-600-2009-013/CEC-600-2009-013.PDF>.

- *Supporting the development of freight villages that link multiple modes such as road, rail, water, and air transportation, and*
- *Developing urban freight consolidation centers that consist of smooth interfaces for the easy delivery and transfer of goods to smaller vehicle transportation options.*

More generally, the CEC reports—

Efforts to improve the efficiency of freight movement can reduce transportation impacts such as road maintenance costs, congestion, and road noise and may also increase levels of bicycling and walking, since the presence of trucks is a deterrent to bicyclist and pedestrians. Heavy trucks can result in road deterioration hundreds of times greater than that imposed by cars, resulting in expensive maintenance costs for cities and taxpayers.⁹

Further information on measures that will promote multimodal transportation networks can be found at Victoria Transport Policy Institute¹⁰ or through the Caltrans Office of Goods Movement.

2. Recognizing the Impacts of Excessive Heavy Duty Trucking

Section 15064.3(a), as proposed, would provide that “primary considerations include the amount and distance of automobile travel associated with the project.” Similarly, subsection (b) defines vehicle miles travelled (VMT) as the “distance of automobile travel associated with a project.” The use of the term “automobile travel” in this section would exclude trucks of all sizes, including even light trucks and delivery vans.

There is no explanation in the accompanying discussion by OPR of why the regulation would focus agencies on “automobile travel” and exclude the impacts of trucking, as a potentially significant impact. SB 743 itself uses the term “vehicle” miles travelled, not automobile miles travelled.

The historic problem has not been lead agencies failing to turn their attention to automobiles. Rather, there has been an historic failure to recognize and plan for efficient freight movement. The phrasing of the regulation should not carry forward any assumption that efficient freight movement is not a significant concern or that freight traffic should be considered in all respects to be the same phenomenon as automobile traffic.

What is needed in view of the vast increases in freight traffic that will take place over the next 20 years in California is more attention to planning for efficient freight movement

⁹ *Id.* at L.1.5 4.

¹⁰ Victoria Transport Policy Institute, Freight Transport Management, <http://www.vtpi.org/tdm/tdm16.htm>.

including multimodal freight movement. Heavy-duty trucking generates unhealthy emissions that may disproportionately impact environmental justice communities. This means that California needs better land use planning to enable the most efficient and environmentally-friendly modes of freight movement, including multi-modal systems as well as avoid increased adverse air quality impacts, particularly on those most vulnerable communities.

The Los Angeles Basin in particular is facing a very considerable increase in freight traffic. The Southern California Association of Governments (SCAG) projects that truck traffic is “expected to grow significantly through 2035.” The number of trucks entering and leaving the San Pedro Bay Ports every day is expected to almost triple, growing from 54,000 in 2008 to 134,000 in 2035.¹¹

SCAG’s 2012-2035 Regional Transportation Plan projects that warehousing space in the region will almost double by 2035, increasing from approximately 700 million square feet in 2008 to 1,250 million square feet in 2035.

As a result of this growth, there is an increasing demand for large parcels for the development of warehouse projects, which are now sprawling into the Inland Empire.¹² For example, the City of Moreno Valley is presently evaluating the World Logistics Center proposal—44 million square feet of high-cube warehousing, that will be entirely truck-served. The City of Perris is currently evaluating the Integra Perris Distribution Center with over 800,000 square feet of high-cube warehousing, that will be entirely truck served. The City of Fontana is evaluating Citrus Commerce Park which will consist of 3,171,449 square feet of high-cube warehousing, that will be entirely truck served. The City of Stockton is currently evaluating the NorCal Logistics Center which involves in excess of 6,000,000 square feet that will have no direct rail service.

The emissions and other impacts of trucking to and from these projects are quite substantial and will be built into the urban landscape for many decades to come. The location of and access to warehousing directly impacts transportation, climate, energy, air quality, and other natural resources. The California Air Resources Board¹³ is working actively on

¹¹ Southern California Association of Governments, *On the Move: Southern California Delivers the Goods*, http://www.freightworks.org/DocumentLibrary/CRGMPIS_Summary_Report_Final.pdf

¹² Dablanc, L., *Logistics Sprawl and Urban Freight Planning Issues in a Major Gateway City: the Case of Los Angeles*.

¹³ California Air Resources Board, Sustainable Freight Transport Initiative, <http://www.arb.ca.gov/gmp/sfti/sfti.htm>.

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these issues as is Caltrans,¹⁴ Southern California Air Quality Management District (SCAQMD),¹⁵ SCAG, and many other agencies across the state.

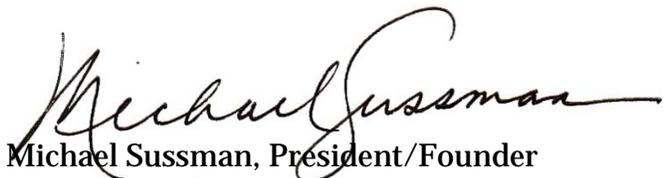
By directing lead agencies to focus on “automobile travel,” the proposed regulations would work at cross-purposes to the efforts of other agencies and would only serve to carry forward the historic failure to address freight movement impacts in the land use planning process.

It is vital to the achievement of California’s aggressive climate goals that the proposed regulations recognize the impacts of excessive reliance on heavy-duty trucking and carry out the Legislature’s goal of effectively promoting the use of multimodal networks.

Respectfully submitted,



Eugene S. Wilson, President
California Clean Energy Committee



Michael Sussman, President/Founder
OnTrackNorthAmerica

¹⁴ Caltrans, California Freight Mobility Plan,
http://www.dot.ca.gov/hq/tpp/offices/ogm/california_freight_mobility_plan.html

¹⁵ South Coast Air Quality Management District, New Zero-Emission Freight Transport Project to Be Built (July 2013) <http://www.aqmd.gov/docs/default-source/publications/aqmd-advisor/july-2013-advisor.pdf?sfvrsn=2>.