

SCAG hosted its third steering committee meeting for Comprehensive Regional Goods Movement Plan & Implementation Strategy on April 21, 2010. The agenda items included 1) Review of key items from the January meeting, 2) Discussion of Regional Rail Strategies from the 2008 RTP and Additional Analysis Needs, and 3) Draft Port and Modal Elasticity Study Phase II.

Summary of the meeting

Review of Key Items from the January Meeting

Two key points from the last meeting

- Clean truck lane strategy
 - There are still number of items to be clarified in terms of a clean truck lane strategy: technology, specific structural needs, alignment considerations, physical capacity to expand, and existence of market demand. No potential alignments should be taken off the table for consideration
- Warehouse analysis
 - While SCAG is finalizing the work on distribution of warehouse space over time, the interim findings are showing that there is a significant shortage of warehousing space to accommodate future demand. The future demand includes the demand based on the ports' projections and local/domestic demand.

Regional Rail Strategies from the 2008 RTP and Additional Analysis Needs

- The 2008 RTP included the following rail projects.
 - Port area rail projects based on 2006 Rail Master Plan
 - Near dock rail facilities (SCIG and ICTF expansion)
 - Mainline rail projects including Colton crossing and various improvements
 - Grade separations
 - Locomotive upgrades to Tier 4
- Additional analysis needs includes the following.
 - Projected train volume update
 - Train traffic simulation to evaluate train delays and track improvement needs
 - Re-assessment of grade crossing impacts
 - Exploring emission-reduction strategies
 - Project inventory
 - Funding related items
 - How to assess distribution of public and private benefits and costs
 - Evaluation of alternative funding mechanisms
 - Developing funding strategies
 - Public-private partnership
 - Development of marketing program

Comments and Clarifications

- The impact of passenger train volume growth needs to be considered into the freight train growth analysis. SCAG should coordinate with California High Speed Rail on this issue as they are currently assessing it.

As EPA considers new ozone standards, there's a need to evaluate application of electrification in every place to meet the new standards, i.e. trucks and rail. With existing ozone sources, including naturally occurring ozone, marine sources, aircraft and locomotives, it'll be challenging to meet the new standards.

- The source of electricity is debatable in reference to reduction in emission as it is currently generated mostly by coal. In the future however, it is assumed natural gas will be the primary source for electricity. We need to support the development of alternative electricity generation sources.
- A recommendation to have a presentation from CALSTART and Southern California Edison on alternative energy for transportation was made.
- The committee members would be interested in reviewing a scenario case that does not include ICTF or SCIG as this will require rail yards to be situated elsewhere in the region, affecting the rail strategy development.
- Demonstration of public/private benefit cost allocation is difficult in light of analysis methodologies. Committee member input will be encouraged to develop evaluation criteria, which will ultimately lead to building consensus.
- Public benefits of passenger traffic should be included in a quantified analysis.
- The timing of this process will be synchronized to the 2012 RTP development cycle. The rail analysis is expected to move forward quickly based on current assumptions for train lengths and volumes. Also if a consensus is achieved on what we need to know to proceed, it will help move the rail analysis forward fast.

Other Comments and Clarifications

- The Steering Committee was formed to establish early stakeholder involvement and provide input to plan development. The committee is used as a channel to build consensus.
- There are several uncertainties that will affect Southern California's competitiveness, including SB375 and developments in other parts of the country such as Georgia. We should explore incentive programs to promote competitiveness and also pursue a holistic approach as many variables affect outcomes.
- Most shippers evaluate cost, consistency, and capacity when making business decisions. Congestion, terminal dwell time, and travel time amount to consistency. The industry compares all segments of transportation to determine what the best strategy is.

Port and Modal Elasticity Study Phase II Findings

- The potential effects or benefits resulting from the analyses are at the aggregate level, based on the updated data and assumptions selected for each scenario case. They cannot be interpreted at an individual project or strategy level.
- Large nation-wide retailers have analytical capabilities that will factor in specific infrastructure condition when they develop supply chain strategies. Factors not related to major infrastructure also affect retailers cost/benefit models and they are used to determine ports of entry.
- Ports recommend on-going data collection and analysis to update the findings periodically as constantly changing conditions affect the outcomes. Understanding the elasticity of fees is very important in the advent of moving towards some type of container fees. Aside from fee discussions in this region, there are also national debate on freight fees, VMT fees, and land side and water side fees.
- Improving terminal design and operation to increase the efficiency, i.e. reducing dwell time and turn time, needs to be considered.
- Implications of PTC requirements to the Class 1 railroads should be taken into consideration in future analyses. Implementation cost is expected to be significant and the railroads are yet to fully understand the implications of this cost.

An Overview of Import Supply Chain

- There are opportunities and benefits to developing land near the ports for warehouse uses to reduce the transportation cost depending on the types of warehouses. Import warehouses could be located closer to the ports.
- Some of the criteria to consider to re-engineering supply chain system to reduce transportation cost are:
 - High cost of land
 - Warehousing being a leasing business
 - Incentives for land developers being different from that of supply chain players
 - Strategy that yields the lowest cost