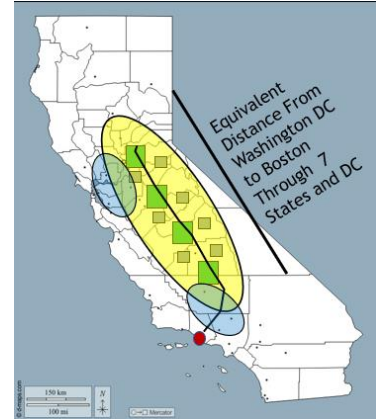


CALIFORNIA INLAND PORT SYSTEM

Abstract – September 2022

For decades, the San Joaquin Valley has served as the principal goods movement corridor for North-South goods movement in California. Approximately 1.1 million ocean containers move through the San Joaquin Valley, about half that number representing imports (mostly consumer products from Asia), the other half exports (mostly agricultural products destined for Asia). Currently, virtually all these goods are moved via our highways with internal combustion engine powered trucks.

Catalyzed by conversations between the Port of Los Angeles, California Forward and Global Logistics Development Partners, this project was originally conceived in 2019 as a way to reduce congestion, improve air quality at the San Pedro port complex area and in the San Joaquin Valley. Initially, the idea was to transfer movement of these goods from IC trucks to rail. The project has since evolved into what will be the largest and most sophisticated logistics and investment corridor in the world -- a fully integrated goods movement and economic development paradigm comprised of "TradePorts" -- multi-modal logistics hubs (long haul movement via rail or hydrogen and final mile movement via electric trucks) surrounded by "green" manufacturing, clean energy, e-commerce and distribution operations. When fully built-out, the project is expected to include two to four major "TradePorts" and six to eight smaller "Satellite TradePorts". The project offers multiple public benefits:



1. A more Efficient National Supply Chain System;
2. Substantial Reductions in GHG and Air Criteria Pollutants in California;
3. Significantly Increased Economic Competitiveness and Opportunity in the San Joaquin Valley;
4. Reduced VMT, Road Congestion, and Maintenance Costs, as well as Increased Traffic Safety;
5. Improved Social Equity and Environmental impacts;
6. Improved availability of containers for Ag exports; and
7. Leverage of Public Sector Infrastructure Investment that Attracts Private Sector Investment

The initial feasibility study -- funded by the San Pedro Ports, the air districts in the San Joaquin Valley and South Coast, and San Joaquin Valley Councils of Government -- showed significant cost advantages for rail vs. trucks as well as big environmental benefits, including 93% reduction of GHG and 84% reduction of NOx. Initial estimates are that a \$200-million-dollar public sector infrastructure investment could generate \$30 billion in private sector investment in the San Joaquin Valley.

Current planning is being funded by Caltrans and US DOT, which has identified the project as one of only five *Regional Infrastructure Accelerator* projects in the nation. The Fresno Council of Governments is managing the project on behalf of the eight San Joaquin Valley Councils of Government as well as the Sacramento COG. The Executive Advisory Group includes representation from the COGs, the Ports of L.A., Long Beach and Stockton, the South Coast, San Joaquin Valley and Sacramento Air Districts, as well as CalSTA, Caltrans, GoBiz, OPR and CDFA.

In response to a request from CalSTA to accelerate implementation of the project, a proposal for "Phase one" implementation will be submitted that would enable operations to begin in late 2024. These funds will be requested from the planned \$1.2B Ports and Goods Movement Fund. A process for selecting the TradePort sites is being launched in November, with plans to select sites in Q2, 2023.