

# California Inland Port Feasibility Study – A Transformative Project for the State of California

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## At A Glance

A collaborative consortium of California partners has joined forces to analyze the feasibility of developing a new, inter-modal rail spine to connect seaports to key markets via the Central Valley. This California “Inland Port” system would cut greenhouse gases, significantly improve air quality, reduce road congestion, boost traffic safety, and advance California’s extraordinarily large intra-state freight movement system.

Given the scale of California’s market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project; a key to advancing California’s ambitious climate, economy, and equity goals.

## Project Stakeholders

The primary stakeholders on this project represent a unique blend of public and private partners, all committed to increasing the competitiveness of the San Joaquin Valley: The Port of Los Angeles; The Port of Long Beach; Union Pacific Railroad; BNSF Railroad; The San Joaquin Valley Air Pollution Control District; South Coast Air Quality Management District; San Joaquin Valley Metropolitan Planning Organizations (Kern County, Kings County, Tulare County, Fresno County, Madera County, Stanislaus County, San Joaquin County); Sacramento County; Sacramento Council of Governments; Sacramento Metropolitan Air Quality Management District; and the Central Valley Community Foundation.

## Project Objectives

The implementation of the inland port concept in the Sacramento region and the San Joaquin Valley supports a wide range of State and local community public policy objectives, including a significant improvement in economic competitiveness, a substantial decrease in greenhouse gas emissions and a sizable reduction in highway congestion, particularly along CA-99. Moving forward, given the scale of the California market, the vastness of its geography and the Asian-market orientation of its seaports, the California Inland Port is well positioned to become a nationally significant logistics, environmental improvement, and economic development project.

The objectives of the California Inland Port are:

- Support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the San Joaquin Valley region.
- Create a more robust and efficient distribution system with a specific focus on high-value manufacturing, e-commerce, and the agriculture sectors.
- Reducing shipping costs for shippers that manage global supply chains through direct intermodal rail service to/from the San Pedro seaports.
- **Significantly reduce air pollution and greenhouse gas emissions by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area.**
- **Reduce highway road congestion, with a parallel reduction in the requirement for road maintenance; accident-avoidance savings; all of this reducing cost.**

### **Phase One**

*Phase One* of this project analyzed the size of the market; reviewed the underlying truck versus rail transportation costs; and analyzed the reduction in criteria pollutants, fuel use and GHG emissions.

*Phase One* is complete and further documents are available.

### **Phase Two**

*Phase Two* is developing market readiness and acceptance, estimating costs, developing a partnership with one or both Class One railroads, reviewing the economic competitiveness impact to the region, and understanding the environmental process to move forward. This phase is where the Executive Advisory Group (EAG) is formed, helping to inform decision making as the study moves forward. All major stakeholders will have a role in this group. The private sector, including major shippers and experts, will inform the EAG through a Shipper's Committee.

*Phase Two* is fully funded and is proceeding through GLDPartners under the management of the Fresno Council of Governments.

### **Phase Three**

*Phase Three* will require a similar approach as used in the previous phases and will move the project forward to the delivery stage, utilizing the contribution and involvement by a range of partners and other stakeholders. Tasks will be sequenced to *Phase Two* so that there is a logical progression, culminating with clear direction to support advancing the project to delivery. *Phase Three* will specifically detail a Project Financial Performance Model, develop a Business Plan for Green, High-Efficiency Logistics/Investment Hubs Around Intermodal Facilities, plan for an Intermodal Facility Site Selection, develop Detailed Capital Cost Programs, deliver a Railroad Agreement to Collaborate, and develop Public-Private Delivery Options.

*Phase Three* is seeking a Caltrans Strategic Partnership grant for funding, with Fresno Council of Governments submitting an application.

### **Phase Four**

Utilizing the US Department of Transportation's Regional Accelerator Program funding, the California Inland Port project can benefit from a partnership with the Build America Bureau and the US Department of Transportation, by specifically enhancing the pipeline of projects that may utilize the TIFIA and RRIF programs and create a foundation for leveraging substantial local and private co-investment. *Phase Four* would again build on the prior phases and include design and preliminary engineering on the intermodal hub(s) and TradePort district(s), conducting environmental analyses, developing the aforementioned project pipeline for project funding, and looking at implementation. Specifically, *Phase Four* would be looking at an implementing entity, including best practices, legal structure, governance funding, and financing options.

*Phase Four* is seeking funding from the USDOT Regional Infrastructure Accelerators Program, with Fresno Council of Governments as the Applicant. The application received immense support for partners around the state, including the California State Transportation Agency and Governor's Office of Planning and Research.

*Further information is available through Fresno COG.*