

AMENDED IN ASSEMBLY JUNE 15, 2021

AMENDED IN SENATE APRIL 28, 2021

AMENDED IN SENATE APRIL 6, 2021

SENATE BILL

No. 671

**Introduced by Senator Gonzalez
(Coauthors: Senators Archuleta, Newman, and Rubio)**

February 19, 2021

An act to amend Section 13978.8 of, and to add Sections 14517 and 65072.5 to, the Government Code, and to amend Section 2192 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 671, as amended, Gonzalez. Transportation: Clean Freight Corridor Efficiency Assessment.

Existing law imposes various limitations on the emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law establishes the California Transportation Commission and requires it to advise and assist the Secretary of Transportation and the Legislature in formulating and evaluating state policies and plans for transportation programs in the state. Existing law requires the Department of Transportation to update the California Transportation Plan every 5 years and ensure that the plan addresses how the state will achieve maximum feasible emissions reductions. Existing law also requires the Transportation Agency to prepare a state freight plan on or before December 31, 2014, and every 5 years thereafter, with specified elements to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight.

This bill would establish the Clean Freight Corridor Efficiency Assessment, to be developed by the California Transportation Commission, in coordination with other state agencies. In developing the assessment, the bill would require the commission to identify freight corridors, or segments of corridors, throughout the state that would be priority candidates for the deployment of zero-emission medium- and heavy-duty vehicles. The bill would require the commission to submit a report containing the assessment's findings and recommendations to certain committees of the Legislature by December 31, 2023. The bill would require the assessment's findings and recommendations to be incorporated into the development of the California Transportation Plan. The bill would require the state freight plan to include a description of needed infrastructure, projects, and operations for the deployment of zero-emission medium- and heavy-duty vehicles and the development of freight corridors identified in the assessment.

Existing law, except as provided, allocates revenues deposited in the Trade Corridors Enhancement Account for infrastructure projects and allocates certain federal funds for infrastructure projects, including truck corridor improvements to mitigate emissions from trucks.

This bill would provide that projects that employ advanced and innovative technology to improve the flow of freight and also environmental and community mitigation or efforts to reduce environmental impacts of freight movement are infrastructure projects eligible for this funding.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Zero-emission technologies, especially heavy-duty trucks,
- 4 are critical alternatives to internal combustion engines because
- 5 these technologies reduce both emissions of greenhouse gases and
- 6 toxic air pollutants that disproportionately burden California's
- 7 disadvantaged communities of color.
- 8 (b) In September 2020, Governor Gavin Newsom signed
- 9 Executive Order No. N-79-20, setting ambitious targets for the
- 10 decarbonization of the transportation fuel sector. As part of that
- 11 order, the Governor declared the goal of the state to reach 100

1 percent zero-emission medium- and heavy-duty vehicles in the
2 state by 2045 for all operations where feasible, and 100 percent
3 zero-emission drayage trucks by 2035.

4 (c) As part of the order, the Governor directed the State Air
5 Resources Board, to the extent consistent with state and federal
6 law, to develop and propose all of the following:

7 (1) Passenger vehicle and truck regulations requiring increasing
8 volumes of new zero-emission vehicles sold in the state towards
9 the target of 100 percent of in-state sales by 2035.

10 (2) Medium- and heavy-duty vehicle regulations requiring
11 increasing volumes of new zero-emission trucks and buses sold
12 and operated in the state towards the target of 100 percent of the
13 fleet transitioning to zero-emission vehicles by 2045, wherever
14 feasible, and for all drayage trucks to be zero emission by 2035.

15 (3) Strategies, in coordination with other state agencies, the
16 United States Environmental Protection Agency, and local air
17 quality management districts and air pollution control districts, to
18 achieve 100 percent zero-emissions from off-road vehicles and
19 equipment operations in the state by 2035.

20 (d) Air pollutants from diesel exhaust associated with freight
21 corridors disproportionately burden low-income communities and
22 communities of color. Reducing emissions from these corridors
23 is important to advancing environmental and health equity across
24 the state.

25 (e) In order to support our state goals, the state must develop
26 an assessment for the advancement of zero-emission ready freight
27 corridors and infrastructure in our statewide transportation
28 planning.

29 SEC. 2. Section 13978.8 of the Government Code is amended
30 to read:

31 13978.8. (a) The Transportation Agency shall prepare a state
32 freight plan. The state freight plan shall comply with the relevant
33 provisions of the federal Moving Ahead for Progress in the 21st
34 Century Act (MAP-21), Public Law 112-141. The agency shall
35 develop a state freight plan that provides a comprehensive plan to
36 govern the immediate and long-range planning activities and capital
37 investments of the state with respect to the movement of freight.

38 (b) (1) The agency shall establish a freight advisory committee
39 consisting of a representative cross section of public and private
40 sector freight stakeholders, including representatives of ports,

1 shippers, carriers, freight-related associations, the freight industry
2 workforce, the California Transportation Commission, the
3 Department of Transportation, the Public Utilities Commission,
4 the State Lands Commission, the State Air Resources Board,
5 regional and local governments, and environmental, safety, and
6 community organizations.

7 (2) The freight advisory committee shall do all of the following:

8 (A) Advise the agency on freight-related priorities, issues,
9 projects, and funding needs.

10 (B) Serve as a forum for discussion for state transportation
11 decisions affecting freight mobility.

12 (C) Communicate and coordinate regional priorities with other
13 organizations.

14 (D) Promote the sharing of information between the private and
15 public sectors on freight issues.

16 (E) Participate in the development of the state freight plan.

17 (c) The state freight plan shall include, at a minimum, all of the
18 following:

19 (1) An identification of significant freight system trends, needs,
20 and issues.

21 (2) A description of the freight policies, strategies, and
22 performance measures that will guide freight-related transportation
23 investment decisions.

24 (3) A description of how the state freight plan will improve the
25 ability of California to meet the national freight goals established
26 under Section 167 of Title 23 of the United States Code.

27 (4) Evidence of consideration of innovative technologies and
28 operational strategies, including intelligent transportation systems,
29 that improve the safety and efficiency of freight movement.

30 (5) In the case of routes on which travel by heavy vehicles,
31 including mining, agricultural, energy cargo or equipment, and
32 timber vehicles, is projected to substantially deteriorate the
33 condition of roadways, a description of improvements that may
34 be required to reduce or impede the deterioration.

35 (6) An inventory of facilities with freight mobility issues, such
36 as truck bottlenecks within California, and a description of the
37 strategies California is employing to address those freight mobility
38 issues.

39 (7) A description of needed infrastructure, projects, and
40 operations for the deployment of zero-emission medium- and

1 heavy-duty vehicles and the development of freight corridors
2 identified pursuant to Section 14517.

3 (d) Notwithstanding Section 10231.5, the state freight plan shall
4 be submitted to the Legislature, the Governor, the California
5 Transportation Commission, the Public Utilities Commission, and
6 the State Air Resources Board on or before December 31, 2014,
7 and every five years thereafter. The state freight plan shall be
8 submitted pursuant to Section 9795.

9 (e) The state freight plan required by this section may be
10 developed separately from, or incorporated into, the statewide
11 strategic long-range transportation plan required by Section 135
12 of Title 23 of the United States Code.

13 (f) The freight rail element of the state freight plan may be
14 developed separately from, or incorporated into, the state rail plan
15 prepared by the Department of Transportation pursuant to Section
16 14036.

17 SEC. 3. Section 14517 is added to the Government Code, to
18 read:

19 14517. (a) (1) The commission, in coordination with the State
20 Air Resources Board, Public Utilities Commission, State Energy
21 Resources Conservation and Development Commission, and
22 Governor's Office of Business and Economic Development, shall
23 develop the Clean Freight Corridor Efficiency Assessment.

24 (2) The goal of the assessment is to identify freight corridors,
25 or segments of freight corridors, and infrastructure needed to
26 support the deployment of zero-emission medium- and heavy-duty
27 vehicles. The commission shall consider the potential for
28 emission-reductions, infrastructure needed for charging and
29 alternative fueling, including parking facilities, congestion
30 reduction, improved road safety and resiliency, and impacts to
31 neighboring communities.

32 (3) The commission shall consult with *the department*, local
33 governments, metropolitan planning organizations, regional
34 transportation planning agencies, and other stakeholders, including,
35 but not limited to, the freight industry, *stakeholders from*
36 *low-income and disadvantaged communities*, environmental
37 organizations, public health representatives, and academia, to
38 develop the assessment.

39 (4) *In developing the assessment, the commission shall consult*
40 *with the State Energy Resources Conservation and Development*

1 *Commission pertaining to its work assessing deployment of vehicle*
2 *charging stations pursuant to Section 25229 of the Public*
3 *Resources Code.*

4 (b) In developing the assessment, the commission shall identify
5 all of the following:

6 (1) Freight corridors, or segments of freight corridors,
7 throughout the state that would be priority candidates for the
8 deployment of zero-emission medium- and heavy-duty vehicles.

9 (2) The top five freight corridors, or segments of freight
10 corridors, with the heaviest freight volume and near-source
11 exposure to diesel exhaust and other contaminants.

12 (3) Projects that would achieve the goals of the assessment,
13 including, but not limited to, all of the following projects:

14 (A) Medium- and heavy-duty vehicle charging and fueling
15 infrastructure.

16 (B) Highway improvements needed to accommodate charging
17 and fueling infrastructure, including parking facilities.

18 (C) Highway improvements on the corridor to increase safety
19 and throughput, such as dedicated truck lanes.

20 (D) Improvements to local or connector streets and roads to
21 support the corridor.

22 (E) An identification of areas where micro-grids or similar
23 technologies could be deployed for zero-emission vehicle charging
24 or fueling.

25 (4) Potential sponsors of projects to achieve the goals of the
26 assessment, including, but not limited to, the department, regional
27 transportation agencies, local governments, the freight industry,
28 and nonprofit organizations.

29 (5) Barriers and potential solutions to achieving the goals of the
30 assessment and the deployment of zero-emission medium- and
31 heavy-duty vehicles.

32 (6) The impact on roads and bridges due to the increased weight
33 of zero-emission vehicles.

34 (7) Methods to avoid displacement of residents and businesses
35 on the freight corridor when considering projects that achieve the
36 goals of the assessment.

37 (8) Potential funding opportunities for project types.

38 (9) Benefits from the deployment of zero-emission medium-
39 and heavy-duty vehicles, including, but not limited to,

1 environmental, air quality, public health, and highway safety
2 benefits, and economic competitiveness.

3 (c) The commission shall submit a report detailing the
4 assessment and its recommendations for the deployment of
5 zero-emission medium- and heavy-duty vehicles to the relevant
6 policy and fiscal committees of the Legislature on or before
7 December 1, 2023.

8 (d) The commission, State Air Resources Board, and State
9 Energy Resources Conservation and Development Commission
10 shall ~~incorporate~~ *incorporate, to the extent feasible and applicable,*
11 the Clean Freight Corridor Efficiency Assessment’s findings and
12 recommendations into those entities’ ~~funding~~ programs and
13 guideline documents related to freight infrastructure and
14 technology. *This subdivision shall not limit the ability to award*
15 *freight infrastructure and technology program funds on a*
16 *competitive basis.*

17 SEC. 4. Section 65072.5 is added to the Government Code, to
18 read:

19 65072.5. Development of the California Transportation Plan
20 shall incorporate the Clean Freight Corridor Efficiency
21 Assessment’s findings and recommendations made pursuant to
22 Section 14517.

23 SEC. 5. Section 2192 of the Streets and Highways Code is
24 amended to read:

25 2192. (a) The following revenues shall be allocated for
26 infrastructure projects pursuant to this section:

27 (1) The revenues deposited in the Trade Corridors Enhancement
28 Account pursuant to Section 2192.4, except for those revenues in
29 the account that were appropriated by Senate Bill 132 of the
30 2017–18 Regular Session (Chapter 7 of the Statutes of 2017).

31 (2) An amount of federal funds equal to the amount of revenue
32 apportioned to the state under Section 167 of Title 23 of the United
33 States Code from the national highway freight programs, pursuant
34 to the federal Fixing America’s Surface Transportation Act (“FAST
35 Act,” Public Law 114-94).

36 (b) The funding described in subdivision (a) shall be available
37 upon appropriation for allocation by the California Transportation
38 Commission for infrastructure improvements in this state on
39 federally designated Trade Corridors of National and Regional
40 Significance, on the Primary Freight Network, and along other

1 corridors that have a high volume of freight movement, as
2 determined by the commission and as identified in the state freight
3 plan developed pursuant to Section 13978.8 of the Government
4 Code. Projects eligible for funding shall be included in an adopted
5 regional transportation plan. Projects within the boundaries of a
6 metropolitan planning organization shall be included in an adopted
7 regional transportation plan that includes a sustainable communities
8 strategy determined by the State Air Resources Board to achieve
9 the region's greenhouse gas emissions reduction targets. In
10 developing guidelines for implementing this section, the
11 commission shall (1) apply the guiding principles, to the maximum
12 extent practicable, in the California Sustainable Freight Action
13 Plan released in July 2016 pursuant to Executive Order No.
14 B-32-15, and (2) consult the state freight plan and the applicable
15 port master plan.

16 (c) Eligible projects for these funds include, but are not limited
17 to, all of the following:

18 (1) Highway improvements to more efficiently accommodate
19 the movement of freight, particularly for ingress and egress to and
20 from the state's land ports of entry, rail terminals, and seaports,
21 including navigable inland waterways used to transport freight
22 between seaports, land ports of entry, and airports, and to relieve
23 traffic congestion along major trade or goods movement corridors.

24 (2) Freight rail system improvements to enhance the ability to
25 move goods from seaports, land ports of entry, and airports to
26 warehousing and distribution centers throughout California,
27 including projects that separate rail lines from highway or local
28 road traffic, improve freight rail mobility, and other projects that
29 improve the safety, efficiency, and capacity of the rail freight
30 system.

31 (3) Projects to enhance the capacity and efficiency of ports,
32 except that funds available under this section shall not be allocated
33 to a project that includes the purchase of fully automated cargo
34 handling equipment. For the purposes of this paragraph, "fully
35 automated" means equipment that is remotely operated or remotely
36 monitored, with or without the exercise of human intervention or
37 control. Nothing in this paragraph shall prohibit the use of funds
38 available pursuant to this section for a project that includes the
39 purchase of human-operated zero-emission equipment,
40 human-operated near-zero-emission equipment, and infrastructure

1 supporting that human-operated equipment. Furthermore, nothing
2 in this section shall prohibit the purchase of devices that support
3 that human-operated equipment, including equipment to evaluate
4 the utilization and environmental benefits of that human-operated
5 equipment.

6 (4) Truck corridor improvements, including dedicated truck
7 facilities or truck toll facilities, including the mitigation of the
8 emissions from trucks or these facilities.

9 (5) Border access improvements that enhance goods movement
10 between California and Mexico and that maximize the state's
11 ability to access funds made available to the state by federal law.

12 (6) Surface transportation, local road, and connector road
13 improvements to effectively facilitate the movement of goods,
14 particularly for ingress and egress to and from the state's land ports
15 of entry, airports, and seaports, to relieve traffic congestion along
16 major trade or goods movement corridors.

17 (7) Projects that employ advanced and innovative technology
18 to improve the flow of freight, such as intelligent transportation
19 systems, public infrastructure, excluding vehicles, that enables
20 zero-emission or near-zero emission goods movement, real time
21 information systems, weigh-in-motion devices, electronic screening
22 and credentialing systems, traffic signal optimization, work zone
23 management and information systems, ramp metering, and
24 electronic cargo and border security technologies.

25 (8) Environmental and community mitigation or efforts to reduce
26 environmental impacts of freight movement, such as projects that
27 reduce noise, overnight truck idling, or truck queues, and advanced
28 traveler information systems such as freight advanced traveler
29 information systems: *systems that optimize operations to reduce*
30 *empty-load trips.*

31 (d) Projects funded with revenues identified in paragraph (1)
32 of subdivision (a) shall be consistent with Article XIX of the
33 California Constitution.

34 (e) (1) In adopting the program of projects to be funded with
35 funds described in subdivision (a), the commission shall evaluate
36 the total potential economic and noneconomic benefits of the
37 program of projects to California's economy, environment, and
38 public health. The evaluation shall specifically assess localized
39 impacts in disadvantaged communities. The commission shall
40 consult with the agencies identified in Executive Order No.

1 B-32-15 and metropolitan planning organizations in order to use
2 the appropriate models, techniques, and methods to develop the
3 parameters for evaluating the program of projects. The commission
4 shall allocate the funding from subdivision (a) for trade
5 infrastructure improvements as follows:

6 (A) Sixty percent of the funds shall be available for projects
7 nominated by regional transportation agencies and other public
8 agencies, including counties, cities, and port authorities, in
9 consultation with the department. The commission shall provide
10 reasonable geographic targets for funding allocations without
11 constraining what an agency may propose or what the commission
12 may approve.

13 (B) Forty percent of the funds shall be available for projects
14 nominated by the department, in consultation with regional
15 transportation agencies.

16 (2) In adopting a program of projects pursuant to paragraph (1),
17 the commission shall prioritize projects jointly nominated and
18 jointly funded by the state and local agencies. In considering
19 geographic balance for the overall program, the commission may
20 adjust the corridor-based targets in subparagraph (A) of paragraph
21 (1) to account for projects programmed pursuant to subparagraph
22 (B) of paragraph (1).

23 (f) (1) The commission shall adopt guidelines, including a
24 transparent process to evaluate projects and to allocate the funding
25 described in subdivision (a) for trade infrastructure improvements
26 in a manner that (A) addresses the state's most urgent needs, (B)
27 balances the demands of various land ports of entry, seaports, and
28 airports, (C) places emphasis on projects that improve trade
29 corridor mobility and safety while reducing emissions of diesel
30 particulates, greenhouse gases, and other pollutants and reducing
31 other negative community impacts, especially in disadvantaged
32 communities, (D) makes a significant contribution to the state's
33 economy, (E) recognizes the key role of the state in project
34 identification, (F) supports integrating statewide goods movement
35 priorities in a corridor approach, and (G) includes disadvantaged
36 communities measures, as established by the California
37 Environmental Protection Agency pursuant to Section 39711 of
38 the Health and Safety Code, and other tools the commission
39 determines, for evaluating benefits or costs for disadvantaged
40 communities and low-income communities. Project nominations

1 shall include either a quantitative or qualitative assessment of the
2 benefits the project is expected to achieve relative to the evaluation
3 criteria.

4 (2) The guidelines adopted pursuant to paragraph (1) may
5 include streamlining of project delivery by authorizing regional
6 transportation agencies and other public agencies to seek
7 commission approval of a letter of no prejudice that allows the
8 agency to expend its own funds for a project programmed in a
9 future year of the adopted program of projects, in advance of
10 allocation of funds to the project by the commission, and to be
11 reimbursed at a later time for eligible expenditures. A letter of no
12 prejudice shall only be available to local or regional transportation
13 agencies for moneys that have been identified for future allocation
14 to the applicant agency. Moneys designated for the program shall
15 only be reimbursed when there is funding available in an amount
16 sufficient to make the reimbursement.

17 (g) In addition, the commission shall also consider the following
18 factors when allocating these funds:

19 (1) “Velocity,” which means the speed by which large cargo
20 would travel from the land port of entry or seaport through the
21 distribution system.

22 (2) “Throughput,” which means the volume of cargo that would
23 move from the land port of entry or seaport through the distribution
24 system.

25 (3) “Reliability,” which means a reasonably consistent and
26 predictable amount of time for cargo to travel from one point to
27 another on any given day or at any given time in California.

28 (4) “Congestion reduction,” which means the reduction in
29 recurrent daily hours of delay to be achieved.

30 (h) For purposes of this section, the following terms have the
31 following meanings:

32 (1) “Disadvantaged communities” are those communities
33 identified by the California Environmental Protection Agency
34 pursuant to Section 39711 of the Health and Safety Code.

35 (2) “Low-income communities” are census tracts with median
36 household incomes at or below 80 percent of the statewide median
37 income or with median household incomes at or below the
38 threshold designated as low income by the Department of Housing
39 and Community Development’s list of state income limits adopted
40 pursuant to Section 50093 of the Health and Safety Code.

- 1 (i) It is the intent of the Legislature for the commission to adopt
- 2 an initial program of projects using the state and federal funds
- 3 described in subdivision (a) for eligible projects as soon as
- 4 practicable and no later than May 17, 2018.

O