

National Highway Freight Program Guideline Development Kickoff Meeting

Thursday, November 10, 2016

1:00 p.m. to 4:30 p.m.

Meeting Summary

1	Welcome	Introductions and Agenda Overview
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- Approximately 87 stakeholders participated in the meeting in person or via teleconference.
- Handouts included a FAST Act Fact Sheet, USDOT National Highway Freight Program Implementation Guidance and USDOT National Highway Freight Program Questions & Answers.

2	Statutory Background	Brief overview of state and federal enabling legislation
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- Brief overview FAST Act, SB 826 and AB 133 was provided. Although AB 2170 was veto, the proposed trailer bill language and Veto message was shared.
- Support use of TCIF as the program had well developed guidelines and metrics.
- Intent is to take the best of multiple programs to develop the guidelines.

3	Development Strategy and Schedule	Review anticipated strategy and workshop schedule
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- Purpose of workshops are to gather input/reach consensus to inform the guidelines. Try to keep workshops focused on agenda items/specific topic area. Master listing of workshops and topics will be published.
- Seven workshops are scheduled across the state plus CTC staff will seek the input of California Freight Advisory Committee.
- Announcements/Meeting materials will be posted to the CTC website.
- Ensure private sector is engaged.

4	Subject Areas for Discussion	<ul style="list-style-type: none">• Purpose of Program• Apportionment/Obligation Authority levels• Review Freight Network• Consistency with other Plans• Eligible Projects
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- Consult/Use TCIF as a model for these guidelines.
- There is a need to define what “corridors” mean in relation to the use of funds in this program. National Highway Freight Program funds can only be used on the following:
 - Primary Highway Freight System (already set by congress)
 - Critical Rural & Urban Corridors (concurrent effort being led by Caltrans to designate)
 - 10% for rail/port projects.
- Goods Movement Action Plan and TCIF followed a natural path of freight movement for key investment areas.
- \$582 M over five years. Obligation Authority estimated at 94%.
- Preference will be to have shovel ready projects.
- August redistribution may not be applicable as it is not program specific.
- Ability to obligate all five years of National Highway Freight Program funds in the first three years is dependent on several things:
 - Taking appropriations from other programs
 - Using advance construction
 - Caltrans manages the overall appropriations and Obligation Authority levels for all federal programs.
 - Completing the E76 process.
- More complicated guidelines may delay the receipt of funds. Will need to have consensus quickly in order to fully utilize all of the funding.

- Concepts to consider:
 - Use as match to FASTLANE grants
 - Fund deleted STIP projects or FASTLANE grants which were not funded.
 - Fund pre-construction activities, limited number of projects that are shovel ready. Other programs which offered this ended up with projects that have not yet gone to construction.
 - Focus on outputs we want to achieve instead of types for projects and prioritize projects based on the outputs.
 - Consider/Use goals and strategies in existing plans and state priorities.
 - Strong focus on shovel ready infrastructure projects, accelerate pre-construction activities while guidelines are being developed.

5	Next Steps and Closing	Identify action items and next workshop
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Several questions related to the Financial Investment Plan and the Critical Rural & Urban Corridors were brought up throughout the meeting. Information to address these questions was gathered by participating in the 11/16/16 Talking Freight Webinar and a follow-up call with USDOT and FHWA on 11/18/16.

Q1 - Do all the projects identified in the California Freight Mobility Plan need to be prioritized in the Financial Investment Plan or only the project that will receive National Highway Freight Program funds? *Financial Investment Plan will include all projects programmed with National Highway Freight Program funds and any additional projects the state wants to include. The projects receiving the National Highway Freight Program do not need to be prioritized.*

Q2 - Do the projects in the Financial Investment Plan need to be fully funded through construction? *Projects need to be fully funded through the phase National Highway Freight Program funds are being used for. For example, if National Highway Freight Program funds are programmed for Design the environmental and Right-of-way must be fully funded.*

Q3 - Will USDOT provide additional guidance on the development of the Financial Investment Plan? *None is anticipated at this time, although their Questions & Answers document may be updated.*

Q4 - How often can the Financial Investment Plan be revised and what will be the process? *As frequently as needed. FHWA approval will be required for each revision. FHWA encourages programming all funds up front.*

Q5 - What is the process and timeline for the approval of the Financial Investment Plan? *Once FHWA receives Financial Investment Plan from state, they will submit to USDOT for review. FHWA will issue final approval letter once USDOT has completed their review. Anticipate 60 days turn around. States should submit no later than 10/4/17 to meet the 12/4/17 deadline.*

Q6 - Must the Financial Investment Plan commit all years funding? Is the commitment at the apportionment or Obligation Authority level? *Financial Investment Plan may include less than five years of funding as the state has opportunity to amend the Financial Investment Plan when needed. Programming will be at the Obligation Authority level.*

Q7 - Can the initial Financial Investment Plan submittal include projects on proposed Critical Rural & Urban Corridors, which are concurrently waiting for FHWA approval? *It is better to have the Critical Rural & Urban Corridors designation approved by FHWA prior to submitting the Financial Investment Plan. The designation has to be completed in order for the project to be in the Financial Investment Plan. FHWA anticipates a 10 day turn-around time for approval of the Critical Rural & Urban Corridor designations.*

Q8 - Since the Critical Rural & Urban Corridors designation can be modified, does the Financial Investment Plan need to be amended each time? *Yes, the Financial Investment Plan will need to be amended to include the new designation.*

Q9 - Has other states authorized National Highway Freight Program funds? *USDOT indicated there are more states that have authorized funds than those that have not. Only one state has their Critical Rural & Urban Corridors designation approved.*

