

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25-26, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8v.(11), Action Item

Prepared By: Dee Lam, Chief  
Division of Local Assistance

Subject: **REQUEST TO AMEND THE PERIOD OF PROJECT ALLOCATION FOR A  
LOCALLY-ADMINISTERED SENATE BILL 1 TRADE CORRIDOR  
ENHANCEMENT PROGRAM PROJECT, OFF THE STATE HIGHWAY SYSTEM  
WAIVER 26-157, AMENDING WAIVER 25-69**

### **ISSUE:**

Should the California Transportation Commission (Commission) amend the period of project allocation for the locally-administered Senate Bill 1 (SB 1) Trade Corridor Enhancement Program (TCEP) Port of Los Angeles Maritime Support Facility (MSF) Access/Terminal Island Rail System Grade Separation Project (PPNO 6201), in Los Angeles County, for the time period as identified in the attachment?

### **RECOMMENDATION:**

The California Department of Transportation recommends that the Commission amend the period of project allocation for the locally-administered SB 1 TCEP Port of Los Angeles Maritime Support Facility (MSF) Access/Terminal Island Rail System Grade Separation Project (PPNO 6201), in Los Angeles County, for the time period as identified in the attachment.

### **BACKGROUND:**

In May 2025, the Commission approved a 12-month project allocation time extension for the Construction phase of the SB 1 TCEP Port of Los Angeles Maritime Support Facility (MSF) Access/Terminal Island Rail System Grade Separation Project (PPNO 6201). The local agency will not be able to request allocation for funds by the June 30, 2026, deadline. The attachment shows the details of the project and the explanations for the delay. The respective agency is requesting an amendment to the time extension, and the regional planning agency concurs.

Current SB 1 TCEP Guidelines adopted by the Commission, stipulate that funds programmed for all components of local grant projects are available for allocation only until the end of the fiscal year. The Commission may approve a waiver to the Timely Use of Funds deadline, one-time only, for up to 12 months.

Attachment

**Amendment Time Extension/Waiver – Project Allocation  
Trade Corridor Enhancement Program**

Project Number: 1  
Applicant: Port of Los Angeles  
County: Los Angeles  
District: 07  
PPNO: 6201  
Allocation Amount: \$14,936,000  
1st Waiver: Waiver 25-69  
Approved: May 2025  
Phase: Construction  
Number of Months Requested: ~~12 Months~~ **24 months**  
Extended Deadline: ~~06/30/2026~~ **06/30/2027**  
Department Recommendation: Support

**Port of Los Angeles Maritime Support Facility (MSF) Access/Terminal Island Rail System Grade Separation Project**

The Port of Los Angeles (Agency) requests an additional 12 months, from 12 months to 24 months, for the period of project allocation for the Construction (CON) phase of the Port of Los Angeles Maritime Support Facility (MSF) Access/Terminal Island Rail System Grade Separation Project. The Agency experienced unforeseen delays during the design phase.

The project proposes to construct a 4-lane, rail-roadway grade separation that will eliminate a significant truck access impediment to a container terminal support facility.

In May 2025, the Commission approved a 12-month project allocation time extension for the CON phase of the project. The project has experienced delays primarily due to the regulatory review process required by the California Public Utilities Commission (CPUC) for new railroad grade crossings. Under Public Utilities Code Sections 1201–1205 and CPUC Rule 3.7, the Agency must obtain formal CPUC approval before constructing a new crossing. This requirement is a statutory mandate and cannot be waived or expedited by the Agency. Although the CPUC’s Rules of Practice and Procedure establish only two fixed statutory periods, a 30-day protest period following publication in the Daily Calendar and a 30-day public review period for the Proposed Decision, the CPUC’s internal processing timeline is significantly longer. At the time the first allocation time extension was approved, the Agency relied on publicly available CPUC guidance indicating a processing duration of six months. Accordingly, the schedule accounted for six months to obtain CPUC approval. The 12 to 18-month internal CPUC review period was neither identified in publicly available guidance nor reasonably foreseeable. On January 27, 2026, CPUC staff informed the Agency that the typical internal review and approval process for a grade-crossing application requires 12 to 18 months. This extended duration reflects internal CPUC workload, detailed engineering and safety reviews by the Rail Safety Division, and the requirement for an Administrative Law

Judge (ALJ) to issue a proposed decision before the Commission can act. These steps are mandatory and cannot be accelerated by the Agency.

Based on current information provided by CPUC staff, the anticipated timeline for the application review process is summarized below:

- Application review and completeness verification: 1 - 2 months
- Preliminary determinations of category for proceedings: 1 - 2 months
- Response to the application: 1 - 2 months
- Notice of pre-hearing conference to all parties: 1 month
- Assigned Commissioners scoping memo and ruling: 1 - 2 months
- ALJ Ruling: 1 - 2 months
- Prehearing Conference: 1 month
- Joint statement of the Rail Safety Division and the Agency: 1 - 2 months
- Public comment, Commission review, and final decision: 4 months

While the Rail Safety Division has indicated support for the project and the risk of denial is minimal, the CPUC's established internal processing schedule remains the controlling factor for project delivery. Since submission of the previous allocation extension request in May 2025, the Agency has completed the environmental assessment, advanced project design in order to maintain the project schedule, held a pre-diagnostic field meeting with the CPUC and impacted stakeholders, and engaged in multiple rounds of review and comment with CPUC staff prior to submitting the formal application on January 21, 2026. The Agency continues to actively coordinate with CPUC staff to ensure the timely advancement of CPUC approval. Despite these efforts, the CPUC approval timeline remains a critical path for the project and is outside of the Agency's control. Due to the reasons described above, the Agency needs additional time to complete the CPUC regulatory review process and proceed to construction.

Therefore, the Agency requests an additional 12 months for the period of project allocation for the CON phase from June 30, 2026 to June 30, 2027.