Fresno Council of Governments

Regional Infrastructure Accelerators Program

California Inland Port

Proposed By:
Fresno Council of Governments

United States Department of Transportation
Build America Bureau

Region of Designation: California Inland Port District
Category of Designation: Corridor (Urban and Rural)
RIA Budget Amount: $1,000,000

March 2021

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Applicant

The Fresno Council of Governments is applying as the lead applicant for participation in the USDOT Regional Infrastructure Accelerator Demonstration Program for the California Inland Port. This application is being submitted on behalf of the consortium of San Joaquin Valley Regional Transportation Planning Agencies (RTPAs) which includes the Fresno Council of Governments, Kern Council of Governments, Kings County Association of Governments, Madera County Transportation Commission, San Joaquin Council of Governments, Stanislaus Council of Governments, and Tulare County Association of Governments.

The Fresno Council of Governments has assembled a unique group of public and private partners in support of this application and the associated entities are listed below. Over the past two years these partners have worked together to identify innovative approaches to enable mode shift from truck to rail, support adoption of clean and autonomous trucks, increase traffic safety, reduce road congestion, reduce adverse environmental effects, and increase economic competitiveness for the San Joaquin Valley and Sacramento regions. These public partners include the Port of Los Angeles and Port Long Beach, three air quality districts (South Coast, San Joaquin Valley, and Sacramento), the Sacramento Council of Governments, and non-profit organizations California Forward and the Central Valley Community Foundation.

Implementation of the project will be undertaken in collaboration with several globally recognized expert corporate partners that bring best-in-breed expertise and technology in advanced logistics and facility planning, infrastructure/industrial project planning, telecommunications and data systems, and public-private delivery vehicles. These companies include Jacobs, Kalmar Global/Cargotec, Zayo, and Global Logistics Development Partners.

Since 2006 the partner RTPAs have joined forces to create a partnership based upon a problem-solving approach to meet the San Joaquin Valley's numerous regional needs. Working regionally, the RTPAs identify action items that are implemented by individual Regional Planning Agencies and result in an overarching vision for the entire San Joaquin Valley.

Created by California statute, every county in California is served by a regional transportation planning agency. RTPAs are known locally by several names such as local transportation commissions, county transportation commissions, councils of government, and associations of governments. Counties with urbanized areas over 50,000 people also have Metropolitan Planning Organizations (MPOs) to guide regional transportation planning. By law, both MPOs and RTPAs are required to develop an Overall Work Program (OWP) and Regional Transportation Plan (RTP). They also select projects identified in the Transportation Improvement Programs (TIPs). RTPAs play an important role in the California Department of Transportation (Caltrans) overall planning efforts and utilize federal and State

funds to achieve regional transportation goals as outlined in their OWPs. They are integral parts of the statewide transportation planning apparatus.

The role of the California RTPAs has been shaped by the changing dynamics in federal, state, and local government relations, and the growing recognition that the region is the arena in which local governments must work together to resolve social and environmental challenges. The members of the San Joaquin Valley Regional Transportation Planning Agencies have proven themselves as reliable agents and have taken on projects which are independent of federal funding. They are currently reducing per capita greenhouse gas emissions and criteria pollutants by integrating the transportation network and related strategies with overall land use patterns that account for projected growth, housing needs, changing demographics, and forecasted transportation needs among all modes of travel. All of this is done while ensuring that the public, especially those traditionally underserved by the transportation system, have opportunities to participate in the decision-making process.

RTPAs Collaborative Planning Efforts

Some of the most collaborative planning efforts undertaken by the San Joaquin Regional Transportation Planning Agencies since 2006 have been goods movement strategies. They are continually evaluating and refining the San Joaquin Valley goods movement system. Interstate 5 (I-5) and State Route 99 (SR 99), which run the full length of the Central Valley to Sacramento, have been identified as part of the United States Department of Transportation (USDOT) National Primary Freight Network and are vital to region's economy. The Valley economy relies on an efficient and well-functioning goods movement system to support its massive agricultural industry, distribution system, and manufacturing base. The RTPA's goals are focused on improving economic competitiveness; preserving infrastructure; improving mobility and travel time reliability; improving safety; reducing greenhouse gas and criteria pollutants; deploying innovative technologies and practices; and planning and funding investments in a collaborative manner.

The San Joaquin Valley is California's geographic and agricultural production center generating more than $50B of value every year in nuts, lettuce, tomatoes, wine, and other grains and agricultural products. It also plays a major role in the national and international distribution of processed foods and energy products and has a burgeoning logistics and distribution industry. The region is California's fastest-growing region, with a population of almost 7M that is anticipated to grow to approximately 9M people by 2035. The SR 99 and I-5 Corridors provide the bulk of the capacity for this goods movement flow that primarily benefits external domestic and global markets, while negatively impacting the Valley's air emissions.

California Inland Port Opportunity

The California Inland Port is a transformational project that will create fundamental change to logistics, air quality, road planning, and economic competitiveness in California. The vision for the California Inland Port is the development of a large-scale multimodal logistics ecosystem system. There are three main elements to the project: 1) a new port-to-market intermodal rail system, 2) development of a high-volume system spine for clean and autonomous trucks, and 3) development of large-scale investment districts at new intermodal/truck mobility hubs.

The vision is for two new intermodal/logistics hubs to be built in the San Joaquin Valley, each anchored by a rail intermodal facility and truck mobility complex. These combined hubs would be built near/along SR 99 and would be served by a fleet of clean and automated trucks on routes to nearby Inland Port Market Shed areas. This ecosystem would be nationally significant and would redefine west coast logistics by setting a new standard for a system of efficient and clean cargo transportation.

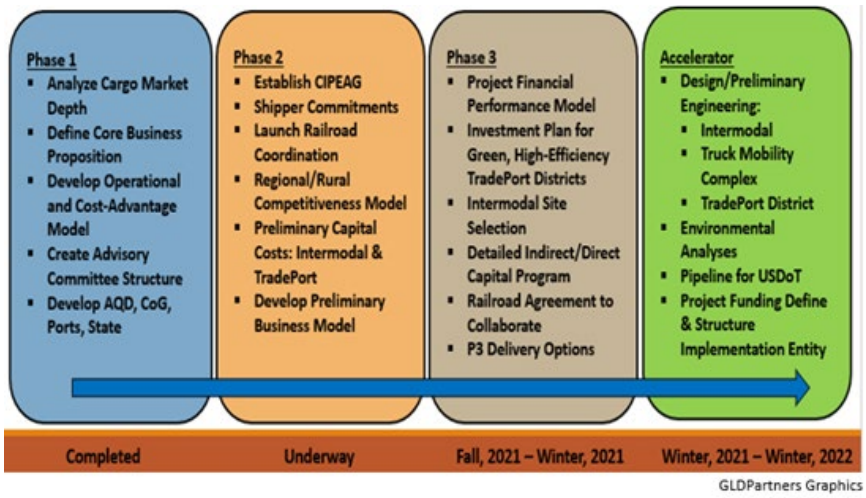
A compelling proposition to utilize intermodal rail for a portion of the products moving in and out of the San Joaquin Valley region can be made when analyzing the current truck commodity movement in the Market Shed. Analytics undertaken in the project's Phase 1 has shown that intermodal rail would yield substantial transport cost savings over truck, with as much as $500 savings per container on longer-haul segments. This cost differential saving is reduced with shorter distances and could result as near-break-even over shorter segments. The Phase 1 analysis shows that there is a strong business case for such a service, given the large volumes currently moving via truck and the concentration of cargo moving long distances.

The Truck Mobility Complexes will be hubs for both mid-mile and last-mile trucks serving the nearby investment district and also long-haul trucks operating on long-haul through routes. These complexes will combine fueling and charging infrastructure for clean truck propulsion systems with facilities to support cargo hand-offs from autonomous truck to manned truck and specialized maintenance facilities.

Capitalizing on newly developed supply chain efficiencies, two investment districts (TradePorts) would be developed around these intermodal and truck mobility infrastructure elements. TradePorts will be significant economic hubs for investments in manufacturing and distribution projects that will benefit from highly efficient logistics connectivity through the major seaports.

Project Progress Status

The project has been in development since the Fall of 2018 when a number of business and government leaders came together to discuss establishing new cargo transportation options moving from the Port of Los Angeles to distant California markets. An agreement was reached among leaders to analyze the intra-State cargo market and possible methods for shifting cargo from truck to rail. This work manifest as a Phase 1 review for establishing the California Inland Port and this was completed in the Spring, of 2020. Both the Ports of Los Angeles and Long Beach were involved in the project, as were the air quality districts in the Los Angeles region and the San Joaquin Valley. The resulting analytics illustrated that the market was quite substantial, and that the economics



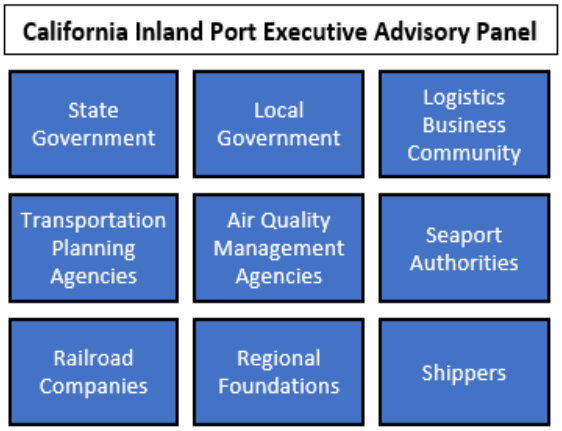
GLDPartners Graphics

could work for establishing a new cargo transport spine moving cargo north and south to/from the San Pedro ports complex in Los Angeles. The regional MPOs became involved in early 2020 and moved the project forward, now with the State of California becoming involved. A path forward was agreed, which carefully mapped a series of action steps leading to the establishment of an inland port delivery entity. These steps are outlined in the figure above. Work is now underway for Phase 2 with plans to seamlessly proceed to Phase 3 in Q3, 2021. Work in Phase 3 will advance the project to the point of action delivery, which creates a fortuitous intersection with the Accelerator.

Objective of This Application

This application is requesting financial and technical assistance for a strategic transportation infrastructure network initiative, the California Inland Port, which capitalizes on the San Joaquin Valley's central location at the intersection of multiple modes of transportation and positions the area as a premier inland port warehousing, distribution, and manufacturing hub. The overall project is composed of a pipeline of major transportation infrastructure projects which total approximately $785M and cover over 425 miles throughout the center of the state. This project has been sustained by coalescing and coordinating the input and planning with the myriad of stakeholders and has required a commitment by all of those involved. Advancing a project like this in California is extraordinarily challenging and cannot occur without the dedication of a team of public and private players.

To assist in the oversight of this project, The California Inland Port Executive Advisory Group (CIPEAG) has been formed to guide and oversee the project through its planning stages. The CIPEAG has a clear mandate to guide and shape the project into an investment project that meets the requirements for private investment and supports a myriad of public policy objectives, largely centered on improving air quality, increasing economic competitiveness, and reducing congestion and maintenance on the state's highway system.



Inland Port Public-Private Partnership

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 California State Transportation Agency, Caltrans; the Port of Los Angeles; the Port of Long Beach; Union Pacific Railroad; BNSF Railroad; the San Joaquin Valley Air Pollution Control District (Kern County, Kings County, Tulare County, Fresno County, Madera County, Stanislaus County, San Joaquin County); South Coast Air Quality Management District; San Joaquin Valley MPOs/RTPAs (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, California Forward, and the Central Valley Community Foundation, which will bring social equity considerations in project design.

The project's private partners bring highly critical real-world project planning, delivery expertise, and implementation tools to the project. These partners understand the complex public objectives

that are associated with the Inland Port and provide the project an integrated capability that is unique and matched to the specific requirements associated with building a next-generation mobility technology-led logistics, infrastructure, and economic development platform. Specifically, the private partners have specialty in the following areas:

- **Global Logistics Development Partners**
  - Global project developer of logistics investment districts
  - Expertise: supply chain, market, infrastructure & financial/delivery structures
- **Kalmar Global/Cargotec**
  - Leading global manufacturer of cargo handling equipment, cranes, and automation systems
  - Expertise: next-generation cargo handling equipment & systems integration
- **Zayo**
  - Leading fiber system investor/operator; holdings through North America and Europe
  - Expertise: Logistics hub connectivity investment and systems for high-capacity, networks
- **Jacobs**
  - Global leader for next-generation industrial and logistics environments
  - Expertise: complex infrastructure engineering and P3 structures
- **Various Companies**
  - Truck equipment manufacturer and technology/cargo transport services companies
  - Expertise: Truck mobility technology and adapted district and corridor services applications

Path Forward

Currently there is no existing organization in California that has the ability to take on a project of this magnitude and lead its implementation. The Fresno Council of Governments is submitting this application on behalf of all the previously mentioned California Inland Port stakeholders with the understanding that participation in this Accelerator project will allow for the proper due diligence to be undertaken to assist in the creation of an RIA, an entity that would have the power and the authority to act on behalf of the stakeholders to implement the project pipeline of approximately $785M as identified by work already underway, which will be described later in this application.

This California Inland Port project is born from the accumulation of issues that are beginning to challenge every transportation planning agency in the US, a need to create:

- An environmentally sustainable transportation system
  - A significant improvement in economic competitiveness
  - A substantial decrease in greenhouse gas emissions and criteria pollutants
  - A sizable reduction in highway congestion and maintenance costs

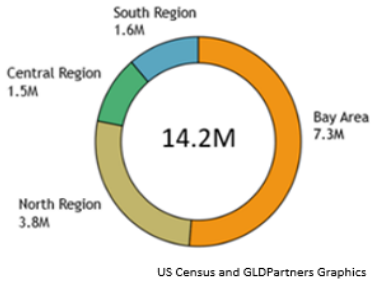
If the Fresno Council of Governments application is selected to participate in the Regional Infrastructure Accelerator Demonstration Program, the demonstration program will have an opportunity to share across the country the lessons learned from the work in California, which is arguably the most progressive state on environmentally sustainable transportation systems.

Description of Proposed Geographic/Jurisdictional Region

Market Region Geography and Demographic Characteristics: The Inland Port market region is completely within the State of California. The region is 425 miles in length, stretching north from the seaports complex in the Los Angeles area through the San Joaquin Valley to Sacramento and the San Francisco Bay Area in the north. The California Inland Port is being proposed as a USDOT Regional Accelerator for a project that will be the largest of its kind in the world, and a significant element of remaking logistics on the US West Coast. The Inland Port market region can be generally characterized as a *large corridor district*.

The Inland Port region is comprised of zones that are complex urban areas, and with very large portions of the region being rural. In addition to the Los Angeles and Bay Area mega-regions in the north and south, the market region includes the urban regions of Sacramento, Stockton, Modesto, Merced, Fresno, Tulare, and Bakersfield. These urban areas are transportation and business hubs for a very large rural mega-region that can be characterized as a largely agricultural area with many small communities that exist as agricultural nodes. Cities such as Chowchilla, Wasco, Dos Palos, and Galt were founded in the early 1900's as business and civic centers and due to the prominence of the San Joaquin Valley of California as a national food producing area, continue today in an important role in the nation's agribusiness supply chain.

The market region includes a geographic area that includes 14 counties, the jurisdiction of four air quality districts, and eight councils of governments and transportation planning agencies. The following counties are within the market region: Alameda, Contra Costa, Santa Clara, San Francisco, San Mateo, Sacramento, San Joaquin, Stanislaus, Merced, Madera, Fresno, Tulare, Kings, and Kern. Taken together, the Inland Port region is an extremely large consumption market, with a population of 14.2M people. If the market region were a state, this area would be the 5th largest state in the United States. Outside of the Los Angeles area, the main regional population hubs in the market zone are the Bay Area (7.1M people), Sacramento (2.3M people), Stockton (900,000 people), Modesto (500,000 people), Fresno (1M people), and Bakersfield (1M people). A series of second-tier population hubs are also in the market region, including Merced (80,000 people), Madera (70,000 people), Tulare (100,000 people), and Visalia (50,000 people). Approximately 850,000 people live in the market region in rural areas.



Market Region's Business Base: The Inland Port region includes three distinct zones: 1) the Los Angeles area, 2) the Bay Area, and 3) the San Joaquin Valley. In the context of the Inland Port, the Los Angeles region functions mainly as the global logistics portal, with international cargos transiting through the busiest seaports complex in North America. The Bay Area is an urban conurbation that generates large cargo volumes, and the San Joaquin Valley has both a multimodal transportation spine and is also a large consumption and production district. Most of the Inland Port's logistics assets are expected to be located in the San Joaquin Valley, servicing cargo to and from the Bay Area market via a high-volume cargo corridor connecting to the Ports of Long Beach and Los Angeles.

The populated inland region of inland California (Sacramento to Bakersfield) has a sizable economy that is dominated by government, logistics and distribution, agriculture, manufacturing, and energy. Some key highlights that describe the market region:

- Being the State capitol to the most populous state in the country, the Sacramento region is the 2nd most concentrated government center in the United States.
- The market region has become a nationally significant logistics and distribution area with three distinct hubs, 1) in the north in San Joaquin County serving the Bay Area, the northern portion of the San Joaquin Valley; 2) in the center around Fresno, and 3) in the south around Bakersfield.
- The region has a Gross Regional Product of $283B or approximately 10% of the Gross State Product.
- The region is the main core for the State's agribusiness sector, supporting 415,000 jobs. This sector is detailed separately below.
- The market region has a variety of manufacturing clusters, largely in food production, chemicals, and industrial machinery.
- Mostly in the southern portion of the Central Valley, the oilfield-driven natural resource extraction sector produces about 10% of the nation's oil.

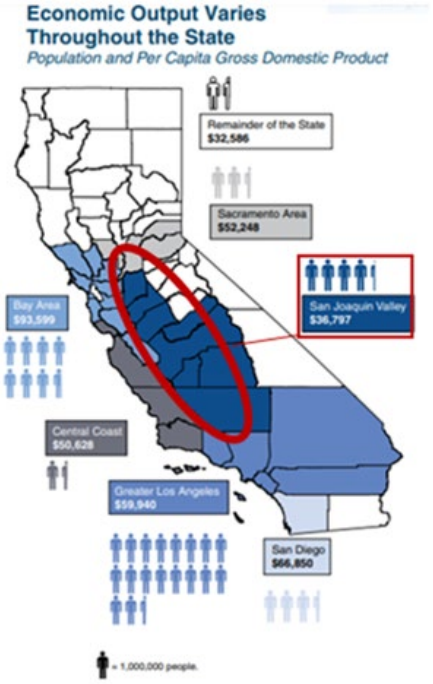
Though the scale of the economy is significant, the market region substantially lags the rest of the State of California in good jobs and personal income. Unemployment and poverty rates in the region are much higher than the rest of the State and are typically among the highest in the country. Outside of Sacramento, the counties in the San Joaquin Valley have low high school graduation rates and comparatively low levels of university graduation. Six of the ten highest metropolitan unemployment rates in the country were found in the Valley, according to the federal Bureau of Labor Statistics. BLS records cover 389 metropolitan areas. An estimated 12.6% of Californians lived in poverty in the most recent year according to US Census data. The poverty rate was higher than California's overall rate in every county in the San Joaquin Valley and was more than 20% in five of the region's eight counties. In part due to the adjacency to the Bay Area, the north end of the Valley has generally done better than the south Valley.

County	Population	Unemployment	Poverty rate	High school graduation	Bachelor's degree or higher
California	**39,927,315**	4.1%	13%	83%	34%
San Joaquin	770,385	5.8%	14%	81%	18%
Stanislaus	558,972	5.8%	16%	79%	17%
Merced	282,928	7.2%	22%	69%	14%
Madera	159,536	6.5%	20%	71%	14%
Fresno	1,018,241	6.6%	21%	76%	20%
Kings	153,710	7.0%	17%	74%	13%
Tulare	479,112	9.2%	22%	70%	14%
Kern	916,464	7.4%	20%	73%	16%

US Bureau of Labor Statistics Data

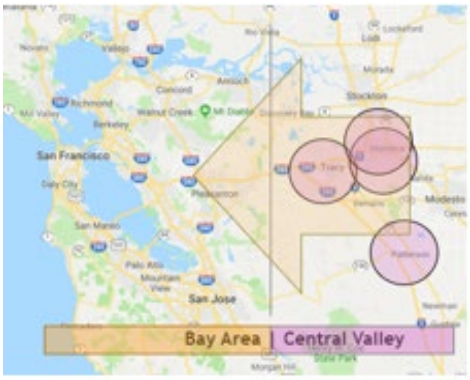
By a large margin, the region lags the rest of the State in per capita income, performing at about 40% of the incomes of the Bay Area and 60% of the Los Angeles region. Moreover, the region's per capita income is 36% below the US average. Due to its proximity to the Bay Area and Los Angeles and major national logistics hubs, the region's potential for increased logistics and manufacturing investment is significant. Many in the region believe that negative conditions

impact the San Joaquin Valley the hardest and with the region always the slowest to recover, while people of color are the most impacted (primarily Latino, Southeast Asian, and Black).



Source: California Department of Finance, California Employment Development Department, US Census Bureau/American Community Survey

From an industrial base perspective, the region houses over 500M square feet of industrial property, and this would be the equivalent of a major global regional market region. The market region includes the Bay Area, and this is important for two reasons: 1) a large portion of the cargo volume to and from the region currently moves (via truck) through the San Pedro ports complex, and 2) because much of the Bay Area's distribution base is located in the San Joaquin Valley. The dynamic of a number of large-format distribution developments in the areas adjacent to the Bay Area is increasing its pace as the urban region is extraordinarily expensive and there is little land available for such large-footprint uses. Much of this growth is occurring in the distribution triangle that has been established between Tracy, Stockton, and Patterson. Recent distribution center investment projects in that area include: Restoration Hardware, Amazon, Crate & Barrel, Kellogg's, CVS, Costco, among others.



GLDPartners Graphics

The South Valley's economic structure has been quite different. Its dependence on agriculture has been much higher and its economic performance has lagged, with unemployment and poverty more severe. Over the past five years though, the logistics sector has grown in this area substantially with numerous large-scale warehouse and distribution investments by companies such as Walmart, Amazon, and Target.

Rural/Agriculture Market: The richness of the agribusiness base in this sizable geographic region supports a significant amount of commercial food processing investment and jobs, for production of cheese and dairy products, processed meat, fruit, and nuts. Today, this region produces products that are exported to 93 countries. The meaningful cost reductions that are associated with reduced shipping costs would make this region far more competitive and would support new agribusiness investment, for both domestic and international destination markets. This investment would support thousands of new jobs and develop new commercial tax revenues for local government in a part of the State that substantially lags its coastal urban neighbors in the Bay Area and Los Angeles.

Much of the cargo moving to and from the market region transits through wide swaths of California's rural regions. Approximately half of the market region's total cargo market is outbound (for export) agricultural product cargos that originate in rural areas and small towns throughout the San Joaquin Valley. As an extremely fertile growing zone, this region has

historically been recognized as America's Breadbasket with fruits, vegetables, meats, milk products, and processed food products being grown, processed, and shipped all over North America and throughout the world.

The agricultural industry is significant to the State's economy and a backbone for the inland communities in the market region. The agribusiness sector generates approximately $40B of gross economic output in the market region, with three counties (Fresno, Kern, and Tulare) producing more than $7B of value. The San Joaquin Valley region grows over 250 different crops and is the nation's sole exporter of many agricultural commodities, supplying 99% or more of the following: almonds, artichokes, dates, prunes, figs, garlic, kiwifruit, olives and olive oil, pistachios, raisins, table grapes, and walnuts. Occupying less than 1% of US farmland, California is the largest agribusiness producer in the US and the leading state for agricultural exports, shipping $21B of product or approximately 26% of the nation's food production. California's agricultural export values have realized tremendous gains in the past decade. The annual growth rate for the last 10 years for agricultural exports is 4.9%.

Supporting this large industry, the region is home to an extremely large agricultural employment base of 415,100 people. These jobs are a critical foundation for local economies in dozens of small rural communities from Kern County in the south to the rural regions around Sacramento. This employment base includes work in the growing field, crop processing and near-field food production. The State's agricultural products are shipped all over the world with the top 10 export markets as follows: 1) European Union, 2) Canada, 3) China/Hong Kong, 4) Japan, 5) Mexico, 6) Korea, 7) India, 8) UAE, 9) Turkey, and 10) Vietnam.

California Agricultural Exports

Rank	Country/Region	Value ($M)	Leading Export Products
1	European Union	3,373	Almonds, Pistachios, Wine
2	Canada	3,193	Wine, Lettuce, Almonds
3	China	2,252	Pistachios, Almonds, Dairy and Products
4	Japan	1,557	Almonds, Rice, Beef and Products
5	Korea	1,011	Oranges and Products, Almonds, Beef
6	Mexico	907	Dairy and Products, Table Grapes, Almonds
7	India	816	Almonds, Cotton, Pistachios
8	Vietnam	485	Almonds, Beef and Products, Pistachios
9	UAE	365	Almonds, Walnuts, Pistachios
10	Taiwan	307	Table Grapes, Beef and Products, Almonds

California Dept of Agricultural and USDA

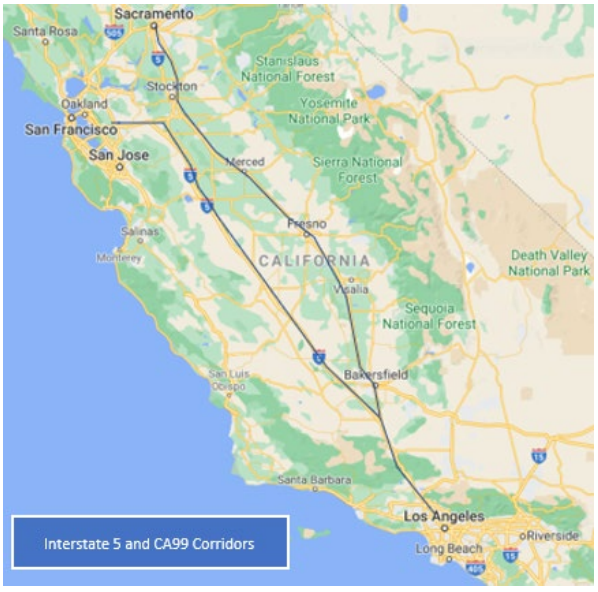
Key Market Region Transportation Infrastructure Assets

The market region has significant transportation infrastructure assets that move cargo internally within California and that allow cargo movement between the State and domestic and global markets. The key transportation and logistics assets that service the market region are:

Seaports: Major cargo handling facilities are located in Los Angeles, Long Beach, Hueneme, Stockton, and Oakland. Significant amounts of cargo through all of these ports, although Los Angeles and Long Beach are by far the busiest, carrying 74% of all container movements.

Rail: The region is serviced by two Class One rail systems, the Union Pacific Railroad and the Burlington Northern and Santa Fe Railroad. Both railroads service the major seaports and carry cargo through the State to/from domestic markets. Neither railroad serves intra-California markets with container rail service. Even though there are long distances from port to markets within the State, there is no scheduled container rail service for movements. There are a number of short-line rail operators operating in the market area, mostly carrying bulk and manifest cargos to/from mainline points. There are two domestic rail intermodal facilities located in Manteca (UPRR) and Lathrop (BNSF). There are rail yard switching facilities in Barstow and Tehachapi.

Air: The market region is serviced by several medium-sized airports, in Sacramento, Fresno, and Bakersfield. These airport support primarily passengers but have modest logistics integrator presence. Amazon Prime Air also has an established presence at the Stockton airport. Otherwise, all other high-value air cargo moves through airports in the Los Angeles region at LAX and Ontario (UPS service) and the Bay Area (mostly SFO and OAK for FedEx service).



Highway: The market region is bisected by two highways (I-5 and SR 99) that run from north to south, connecting to major east-west interstate highways. I-5 connects the Los Angeles metro region with the Bay Area, while SR 99 also connects Los Angeles with the Bay Area, but also the major urban regions along the San Joaquin Valley. SR 99 is the primary transport link for the region's agricultural products to move from field to processing locations and to end-markets. These products move: 1) within the State via highway and local road system, 2) eastbound to domestic markets via I-80 and I-10, and 3) to and from key seaports.

Market Region Cargo Shed

The market region generates the equivalent of over 1.1M containers of international cargo demand (inbound and outbound), this being the equivalent of the total container cargo handled at a mid-tier seaport, such as Baltimore or Miami. If all of this cargo where to shift from truck to rail – an unrealistic assumption because of seasonality and other considerations - it would result in 20,000 fewer truck trips per week. In assessing the cargo market, commodity shipment data was obtained from Transearch, a data product from IHS Markit the leading global intelligence company. The following freight movement information was used for all freight movement through the California Inland Port market area:

- Origin/Destination,
- Commodity Type,
- Mode,
- Tons, load, and value

Approximately 74% of the international cargo that moves to/from the market region currently transits through the Ports of Long Beach and Los Angeles and practically all of this volume is moved by truck along the Los Angeles region and San Joaquin Valley highways. Some containers are moved through Oakland, but this represents a junior share of the market. The inbounds goods are dominated by consumer goods while the outbound product is basically agriculture and processed food products, except for scrap waste. The total amount of product moving in and out of the Market Shed is relatively evenly balanced between import and export.

California Inland Port Market Area – Containerized Units (2019)

Region	Inbound	Outbound	Total TEU Volume
Bay Area	316,902	171,322	488,224
North Region	104,340	138,551	242,891
Central Region	80,338	150,499	230,837
South Region	47,830	84,250	132,080
Total Market Shed	549,410	544,622	1,094,032

Transearch Data

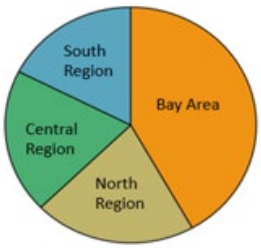
The cargo model was designed to review point-to-point cargo/trade information throughout the market region, along corridors and to/from the San Pedro ports. The data is extremely deep and detailed and requires customizing to shape into an analytical tool with customized value to the California Inland Port market situation. This database is produced annually and contains US county-level freight movement data which includes data flows for more than 450 individual commodities and seven modes of transportation: for-hire truckload, less-than-truckload, private truck, conventional rail, rail/truck intermodal, air, and water.

Volume is presented in terms of tonnage, and then translated to units (such as truck counts), value, vehicle-miles travelled (VMT), and ton-miles. For any given county, traffic coverage includes flows that are intra-market (internal), inbound and outbound (external-internal and internal-external), and overhead (external-external) or through traffic.

The database combines primary shipment data obtained from some of the nation's largest rail and truck freight carriers with information from public Freight Analysis Framework data as a base and then is layered with commercial and proprietary sources to generate a yearly estimate of freight flows at the county level. The NAICS commodities are converted to 4-digit Standard

Transportation Commodity Codes (STCCs); and for each STCC, there is a price per ton, which is used to translate each commodity from nominal dollars into tonnage.

For this study, the Market Shed has been divided into four distinct regions: The Bay Area, the North Region, the Central Region, and the South Region. The Bay Area portion of the market is clearly the dominant destination for inbound consumer goods for distribution while the outbound shipments were much more evenly divided between the four sub-markets.



When analyzing the product mix of the three remaining submarkets (North, Central and South), the dominance of outbound agricultural products becomes very obvious. Another important consideration is the seasonality of the agricultural markets. The peak shipping season is June-August with December-January generally the lowest level, depending on the product. Fortunately, there is a variety of agricultural products coming from the region including cheese/dried dairy product, wine, and nuts which are shipped year-round.

Mode Shift Objectives and Opportunity

Shifting truck movements to rail can reduce the number of heavy trucks on I-5, SR 99, SR 101, and connecting routes, and will reduce criteria pollutants, fuel use, and GHG emissions. To be successful, a rail logistics option must meet the needs of shippers in terms of reliability, transit time, shipment size, frequency, access, and cost. The intermodal service analyzed could provide a cost effective, viable transportation alternative to the existing single-mode (truck) transport system. A rail option must meet the needs of both shipper and receiver in terms of reliability, transit time, shipment size, frequency, access, and cost.

Container Rail Intermodal System

The Inland Port will provide a container freight rail option for shippers moving international cargo through the Ports of Los Angeles and Long Beach to and from California market locations. For inbound consumer goods and industrial supply chain cargos, the Inland Port will provide a direct vessel-to train container hand-off for movements to markets in Central and Northern California. Containers would be onloaded onto a dedicated container train at the seaports for intermodal destinations serving markets including Bakersfield, Fresno, Stockton, Sacramento, and the Bay Area. Cargo would be off loaded at a rail intermodal facility and drayed via truck to a final destination in the regional market. A significant portion of that cargo would be drayed short distances within the adjacent TradePort district while other cargo would be transported within the intermodal facility hinterland. Supporting round-trip logistics economics, outbound cargos, would be mainly comprised of containerized agricultural exports. These cargos would be containerized at the field or processing center.

Historically, railroads built their facilities based upon customer demand and an acceptable return on investment and intermodal development occurred due to the relationship between the shipper and carrier (railroad). This model has now changed to include the public sector at all levels. Incentives, tax abatements, federal government grants and loans, and other government programs have created additional opportunities for communities looking to explore intermodal development.

Railroads think regionally, which means they focus on economic boundaries, not political ones. They are not constrained by political boundaries as they want to grow their business with a variety of potential customers. A well thought out plan, involving multiple jurisdictions, will have a greater success rate in working with them to develop additional opportunities or solutions.

The proposed California Inland Port network represents to both the BNSF and the UP railroads a strategy that spans multiple jurisdictions and is based upon an international intra-California market that the railroads have historically ignored. The volumes that are being shipped today were not predicted even five years ago. The increased volumes generated by the COVID-19 pandemic have now gone on for a year and there is no end in sight and may very well be a permanent behavioral shift. E-commerce requirements are requiring the railroads to look at markets differently than they did just a few years ago. As discussions continue between the California Inland Port and the railroads, the conversations have now pivoted to how the railroads will participate based upon these caveats:

- Participation must not negatively impact the railroad's core long-haul business; it is well-understood that, historically, the core business for both railroad companies has been carrying long-haul east-west cargo.
- Participation must produce economics that allow for net-profitable operations, including both operational and capital cost considerations. It should be noted that the railroad companies likely have no current capital commitments to such a service, and that there is a complex matrix of associated operating costs including track maintenance, labor/crew costs, etc.
- Participation must not create labor relations challenges for shippers, railroads, ocean carriers, or seaports.

TradePort Districts

The Inland Port's rail intermodal hubs would be anchors to large-scale master planned investment districts, or TradePorts. The TradePorts would be logistics and investment ecosystems that are purpose-designed as the most efficient commerce centers in the world. The TradePort concept will be to provide the most efficient and automated logistics and trade hubs in the world. The TradePort efficiency platform will yield dramatic reductions in operating cost while also providing dramatic improvements in regional air quality while also generating substantial greenhouse gas reductions.

The TradePort concept will be the models for next-generation industrial requirements:

- Seamless logistics via adjacency to high-volume transport corridors
- Efficiencies of automated cargo transfer to/from the rail intermodal and within the business district
- Provision for very high capacity, high security telecom infrastructure for real time data transfer
- All cargo handling equipment at the intermodal and moving cargo to inventory, distribution, and production will be powered by clean propulsion systems
- Centers for highway-adjacent fueling and charging for clean energy trucks that will be carrying through cargo along SR 99
- Specialty maintenance facilities for clean and automated trucks and cargo handling equipment

Shippers transporting freight across complex supply chains are demanding increasing efficiencies and paying dramatically more attention to environmental stewardship. The advances that have been made in cargo handling mobility technology and in clean energy propulsion systems have yielded a tremendous opportunity to harness these developments toward creating next-generation logistics and trade hubs. The TradePort represents a careful blend of mobility technology and automation, world-class logistics infrastructure, and revolutionary logistics solutions.

As further described below, TradePorts will also be industrial investment hubs for manufacturing, e-commerce, and forward-deployment distribution.

Environmental Conditions and Benefits

By taking a certain portion of trucks off the road from this region, significant emissions reductions can be realized. Based upon analyses completed in California Inland Port Feasibility Study, NO_x emissions would be reduced by up to 83% while greenhouse gas emissions would be reduced by up to 93%. Moving large quantities of freight via rail provides significant benefits to the air quality of the region, as shown by the emissions reduction analysis section of this report. The emissions reduction analysis was based upon Transearch data which detailed cargo volumes routed along truck corridors throughout the subject region.

The San Joaquin Valley Air Pollution Control District (SJVAPCD) calculated the estimated emissions reductions that would result by the transfer of freight from truck to rail, made possible by the proposed central valley intermodal rail service. The emissions reduction was estimated using EMFAC2017 which is the latest emissions inventory model that calculates emissions inventories for motor vehicles operating on roads in California. EMFAC2017 represents the next step forward in the ongoing improvement process for EMFAC and reflects the California Air Resources Board's current understanding of how vehicles travel and how much they pollute.

Truck Shipment Emissions: The following assumptions were modelled: 2010 or newer diesel trucks, model HHDT, travelling 55 MPH were selected for this analysis.

Pollutants: The EMFAC model can be used to estimate emissions of criteria air pollutants, greenhouse gas emissions, and mobile source air toxics. For this analysis, the following pollutants were included: Particulate Matter (PM_{10}), Carbon Monoxide (CO), Nitrogen Oxides (NO_x), Volatile Organic Compounds (VOC), and Greenhouse Gases (GHG) including Carbon Dioxide (CO_2), Methane (CH_4), and Nitrous Oxide (N_2O). GHG emissions were provided in CO_2 equivalent (CO_2e). Refueling emissions were not included in the truck emissions calculations, since those emissions are typically assigned to fueling stations, rather than vehicles.

Rail Shipment Emissions: To estimate the emissions that might be associated with replacing truck trips with rail, line haul locomotive emission factors in terms of grams per gallon representative of the mix of the locomotive fleet in 2010 were used. The core assumptions for these calculations were for full trainloads of 250 truckloads per train, travelling at 55 miles per hour. EPA line haul emission factors for Tier 2 and 3 were used for this calculation.

Emissions Reduction: Based upon this analysis, NO_x emissions would be reduced by up to 84% while greenhouse gas emissions would be reduced by up to 93%. Moving large quantities of freight via rail provides significant benefits to the air quality of the region and additionally, by removing some of these trucks from the public roadway, congestion on key transportation corridors such as Highways SR 101, SR 99, and I-5 will be reduced, thereby improving the flow of traffic and the safety of the roadways in this region. Based on the total annual reduction of emissions as shown in the adjacent chart, the proposed central valley intermodal rail service would provide a significant reduction in annual emissions.

Pollutant	Reduction (tons)	Reduction (%)
NOx	960.88	84.13%
SOx	2.22	92.25%
VOC	18.42	79.47%
PM10	6.94	70.31%
CO	4.16	8.15%
CO2	215,229.49	93.01%
CH4	0.55	55.80%
N2O	35.04	96.35%
CO2e	225,686.51	93.16%

San Joaquin Valley Air Pollution Control District

Economic Benefits

The Inland Port will be the lynchpin for economic development throughout inland California. By providing a business environment that is built on a seamless, low-cost, and green platform, the Inland Port and its TradePort assets will provide an extraordinarily competitive investment location. Critically, the project will open a new set of investment attraction opportunities for regions that have struggled with high levels of unemployment and poverty for many years, Governor Newsom has identified the Central Valley region as a high priority for economic development in an effort to lift the population out of its stagnation. For California, creating a world trade focus in this area provides an entirely new element in a high-cost state.

Seamless and efficient supply chain connectivity to global markets combined with a strategic and highly cost-effective West Coast location will be a very attractive product for new investment, especially in these areas:

- Retail and Ecommerce Inventory Management and Distribution
- Manufacturing and assembly; particularly in the following sectors:
  - Industrial machinery
  - Food production
  - Automotive technology, particularly given proximity to Silicon Valley
  - Electronic products
  - Industrial products
- Specialty maintenance for clean and automated trucks and other cargo handling equipment

These investment projects will result in tens of thousands of new jobs and significant new public revenues to local and State government. Some of these will be reshoring projects, with repatriated US investment to customized US locations for supporting corporate Asia-supply chain systems. Many of these projects will be sited in the US specifically due to the competitive comprehensive offer linking ocean transport, inland logistics, and cost competitive strategic facility locations.

Traffic/Road System Benefits

The Inland Port would remove significant numbers of trucks from California highways, both in the Los Angeles region and through the San Joaquin Valley along both I-5 and SR 99. By taking trucks off the road, congestion on key transportation corridors would be reduced, thereby improving the flow of traffic and the safety of the roadways in this region. Shifting cargo on long-

haul cargo trips would significantly lessen traffic congestion-related delays and reduce requirements for road maintenance on these heavily trafficked commercial routes. Reductions in congestion will provide some relief to long-term State planning for long-term road widening. Depending on the rate of market acquisition, the Inland Port could remove between 3,000 (low estimate) and 10,000 (high estimate) trucks per week from the highway system.

There are two distinct traffic congestion benefits associated with the California Inland Port, especially considering development of concentrated logistics and industrial areas around the rail intermodal hubs.

1. Reducing point-to-point long and medium haul highway trips, mostly on SR 99.
2. Medium-haul intra-urban region truck trips from origin or destination point to the highway system and then onward to the seaport; these hauls would be reduced because in the TradePort districts, cargo would be moved only for short drays between the intermodal facility and sites in the TradePort.

Accelerator Proposal

Capabilities & Composition: California Inland Port Regional Infrastructure Accelerator

The creation of the California Inland Port Network has been led by CIPEAG which was formed to guide and oversee the project through its planning stages. The CIPEAG has had a clear mandate to guide and shape the project into an investment strategy that meets the requirements for private investment and supports a myriad of public policy objectives, largely centered on improving air quality, reducing greenhouse gas, increasing economic competitiveness, and reducing congestion and maintenance on the State's highway system. This body represents State and local government, transportation planning agencies, air quality management agencies, seaport authorities, regional foundations, logistics community, and shippers. The CIPEAG believes that the time is right in the evolution of the project for a formal entity to be created to move this project into the delivery stage.

The purpose of this new entity would be to support the creation and maintenance of a more efficient multi-regional corridor to serve domestic and international markets and to help San Joaquin Valley businesses compete and grow. This entity will build new infrastructure that will accelerate the San Joaquin Valley's transition to a low carbon economy as well as strengthen economic growth. Examples of potential projects include developing intermodal complexes and related infrastructure as well as developing sufficient expansion opportunities for allied trade and transportation service providers and space for light manufacturing and distribution facilities known as TradePorts. Investments will be made in revenue generating infrastructure projects that are in the public interest and seek to attract investment in projects from the private sector and institutional investors.

The California Inland Port needs a single entity to champion and implement its development. It needs an entity that understands the issues and needs of the San Joaquin Valley; an entity that will be a tool for state, county, and local project sponsors to combine public funding and private and institutional investment for trade and transport infrastructure priorities. A critical mandate of the new entity will be to define, coalesce, and deliver high-impact projects that are difficult to execute because they cross political jurisdictions, require sizable investments, have large footprints, and substantial equipment needs. Its objective will be to catalyze new infrastructure projects and to shorten the critical paths to construction and ultimately accelerate the realization of multiple public benefits, including environmental benefits as well as employment and economic growth.

There is not an existing organization that could perform the role described above. The California Inland Port Executive Advisory Group (CIPEAG) is inclined toward the creation of a new independent authority whose primary mission is to drive the California Inland Port development process and help address the region's transportation and logistics needs. This newly formed entity would be called the California Inland Port Regional Infrastructure Accelerator and will spearhead, through a pipeline of projects, the development of the California Inland Port. The RIA's vision is to help public dollars go further by adopting a new model of partnerships to build public infrastructure and to participate in complex infrastructure deals in new and innovative ways.

California Inland Port Regional Infrastructure Accelerator Operations

The California Inland Port Regional Infrastructure Accelerator would be formed under existing California statutes and given the authority to plan and facilitate 'inland port' uses throughout the San Joaquin Valley. The statute would allow the new entity to "do all things necessary" to carry out the purposes of the statute such as soliciting and accepting gifts, grants, loan, and other assistance from any source, including the federal, state, and local governments; financing, directing, or aiding in planning, constructing, and designing facilities; making grants, loans, and investments; constructing, acquiring, purchasing, leasing, improving, and equipping facilities; borrowing money and issuing bonds or notes; acquiring or contracting to acquire, improve, and dispose of real or personal property; procuring insurance against loss; investing money of the entity; contracting for goods and services; charging, imposing, and collecting fees and charges; mortgaging or creating security interests in an inland port facilities.

Upon receiving the Accelerator grant in the Fall of 2021, the CIPEAG will continue its interim oversight until the Accelerator is launched. The Steering Committee of the CIPEAG will be named as the interim Board during this period. In this year they will work to stand-up the organization by establishing bylaws and policies, creating a financial plan outlining the revenue sources needed to support the ongoing operations of a financially self-sustaining organization, laying the groundwork for a strategic plan, and conducting a nationwide search for the Regional Infrastructure Accelerator's first executive director.

During this period, the Fresno Council of Governments will be responsible for coordinating the project with the CIPEAG and the private corporate partners will lead the execution of the project pipeline and structuring financial delivery strategies. The Fresno Council of Governments will also have the ability to enter into a contractual agreement with the California Infrastructure and Economic Development Bank to perform financial due diligence on pipeline projects. By the fall of 2022, the California Inland Port RIA will launch.

Capabilities and Services of the California Inland Port Regional Infrastructure Accelerator

The role of the California Inland Port Regional Infrastructure Accelerator will be to deliver the business plan for the California Inland Port, catalyze new infrastructure projects, attract private and institutional capital to infrastructure projects, promote creativity and new ideas in infrastructure projects, and build a high performing and effective organization that will result in long-term job creation and other economic opportunities for the San Joaquin Valley of California.

- Champion and promote new models for funding infrastructure
- Develop and implement operational plans
- Attract new private capital to infrastructure projects
    - Influence investment structure on projects

    - Structure terms to drive private sector performance
    - Transfer appropriate risk to the private sector
- Create pipeline of projects
- Buy/sell/lease real and personal property, issue debt, receive or administer public and private grants, expend tax revenues and appropriated funds,
- Structure proposals, undertake due diligence, negotiate agreements, and support project delivery
- Enter into contractual agreements
- Operate facilities and provide services
- Maximize infrastructure built from federal government investment
- Promote delivery of environmentally friendly and sustainable infrastructure

Milestones & Timelines: California Inland Port Regional Infrastructure Accelerator

Fall 2021- Fall 2022

Announcement of the Regional Infrastructure Accelerator award - Fall 2021

Organizational Structure - *Through March 2022*

- CIPEAG will continue oversight of the project while the Accelerator is being formed
- Steering Committee of CIPAEG will be named as the interim Board of Directors
- Legal and regulatory analysis to establish RIA
- Development of organizational policies and procedures
- Identification of start-up capital

Proposed Financial Structure – *Through July 2022*

- Develop sustainable financial operating plan for RIA
- Define investment criteria for reviewing projects
- Formulate a strategy for conducting due diligence to advance projects for investment
- Develop an investment risk management strategy
- Prepare investment strategy to leverage private investor funds

Intermodal and Connecting Roadway Design, Engineering, and Environmental Analysis – *By November 2022*

- Intermodal facility design and preliminary engineering
- Utilities engineering and design (broadband, water/sewer, electrical)
- Traffic analysis and roadway design
- Preliminary environmental analysis and mitigation

Fall 2022 – Fall 2023

Launch Entity and Begin RIA Operations

- Hire key personnel
- With Board and USDOT, finalize project pipeline timeline implementation plan
- Advance and finalize agreements with key private partners
- Acquire firm market commitments for intermodal service
- Finalize sites and develop cooperation agreement with railroad(s), and develop community agreements for intermodal and supporting infrastructure projects
- Complete engineering and environmental approvals

- Develop preliminary agreements with strategic private infrastructure investors
- Undertake final project reviews, structure project business plans and funding agreements

Infrastructure/Project Pipeline Overview

A major goal of the pipeline of infrastructure projects related to the California Inland Port is to increase the competitiveness of the San Joaquin Valley both in attracting new investment and jobs and also in creating a competitive advantage for its existing companies to compete in the global economy. The San Joaquin Valley region has struggled economically for years. Due to its unique geography and natural resources, the economy of the San Joaquin Valley has been predominantly based on farming and related industry sectors which have historically been low-wage, relatively low-output, and low-education industry sectors. In the meantime, other parts of the state, including the Los Angeles Basin and the Silicon Valley/San Francisco areas, have developed a more diversified industry base with more balance across industry sectors and a much higher proportion of technology-oriented employment.

Over the past two decades, as the San Joaquin Valley's population has grown from 4.7M to almost 7M - a growth rate faster than that of the rest of the State, however in the bulk of the region unemployment has consistently been higher than the rest of the State and has never dropped below 6%. As a region, it suffered from one of the highest unemployment rates in the country from 2007-2010, reaching a high of nearly 17% in 2010. Even though the unemployment rate in the San Joaquin Valley had fallen prior to the pandemic, it has remained at persistently high levels. The San Joaquin Valley currently has more than 200 designated Opportunity Zones out of 879 designated throughout the State.

The San Joaquin Valley has a fast-growing and young population base, which can present opportunities for economic growth if this asset is successfully leveraged with investment in infrastructure and workforce training. The region has underlying competitiveness and economic development potential due to its proximity to major west coast consumption and production markets, comparatively low costs, globally significant agribusinesses, and clear logistics advantages for global trade, especially to Asia and South America. It is notable that while the growth of California's manufacturing sector has not kept up with national trends, due to lower costs, land availability, and aggressive local governments, the San Joaquin Valley is best positioned to support manufacturing investment in the State. These ingredients along with the competitive advantage of close proximity to the State's major seaports positions the region to support national objectives for reshoring projects that rely on Asia-North America supply chains. Practically all asset monetization, revenue development, and regional economic development is oriented around how well an asset and its region is positioned for investment to specific sectors. It is fundamental to understand specific markets, supply chains, and the evolution of competition in which the San Joaquin Valley can be competitive.

Stage 1 Rail Intermodal and Connecting Infrastructure

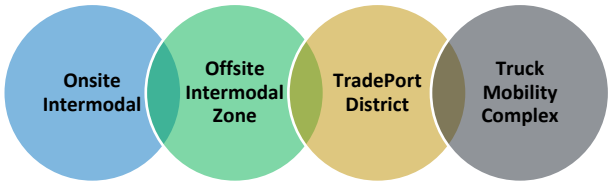
Stage 2 Truck Mobility Investment and Early TradePort District

Stage 3 Full TradePort District Development

Each of the infrastructure projects that will be created in conjunction with the integrated California Inland Port will offer companies another option to enhance their supply chain optimization via streamlined logistics. It is critically important that the Inland Port not just be seen as a new logistics option for existing companies but also be viewed as a competitive advantage for attracting new companies to the region. While access to labor and its costs are still considered to be the number-one criteria for most companies in selecting a new location, for manufacturing and distribution location projects, logistics is a very close second. In some investment project cases the most important criteria is logistics and supply chain management-related costs. When operational, the California Inland Port will create new business advantages for shippers - lower shipping costs and more dependable high-volume supply chain management.

To activate and develop the Inland Port, a system of infrastructure investments will be required within ten years of establishment. Some core infrastructure will be required at project launch, while other project elements will progressively follow over the next ten years. Core rail-related infrastructure is fundamental at the outset, with clean energy, mobility, and investment district infrastructure trailing.

Generally speaking, the Inland Port's overall infrastructure project system is broadly characterized in the following categories: Onsite Intermodal, Offsite Intermodal Zone, TradePort District, and Truck Mobility Zone. Each of these four Inland Port infrastructure categories include a spectrum of projects, each requiring a bespoke delivery strategy. Some project types are by custom generally considered the responsibility of government, others will require a combination of both public and private resources, while some projects will be a wholly private responsibility. The Inland Port entity will deploy an integrated investment strategy with a tailored project-specific implementation plan. This plan will blend resources to create a system investment strategy.



Without considering a system of investments, the Inland Port project would not be viable. Rail-related investment will be supported by both the existing market demand and the aggregation of new demand in the TradePort District. In turn, TradePort investment will be enabled by rail and clean energy/mobility investments.

Project categories and specific project types are outlined below. In each category, approximate overall project investment is outlined and specific Accelerator/USDOT project opportunities are identified. By strategy, the overall Inland Port project will be developed in logical "stages", with the outlined investment occurring over a 20-year period in three stages. Stage 1 core projects are foundational investments that create value and act as anchors to subsequent investments (years 1-5). Stage 2 projects are developed to support the autonomous and clean trucking elements of the project, and these projects are timed to map to scale technology adoption and State clean fuel requirements (years 3-8). Stage 3 projects follow the core elements of the transport infrastructure and are developed in tandem with the market growth (years 3-20).

Onsite Intermodal Infrastructure

Rail intermodal infrastructure are anchors to the Inland Port system spine and will be critical elements of the overall project. These projects are important logistics hubs where rail and truck modes intersect. Trains will transport inbound cargo containers from the seaports to strategic inland hub locations for onward movement to distribution centers and direct recipients. Export containerized cargo would be transported by truck from factories and agricultural fields to the intermodal facility for transport to the seaports for vessel export. These projects are complex logistics hubs and will be envisioned as purpose-designed high-efficiency hubs and components of an overall logistics system. Intermodal facility projects include a wide range of facility infrastructure and supporting utility infrastructure. The Inland Port is envisioned to include two intermodal projects, each requiring between $50M to $100M of capital investment, depending on specific location and final design capacity. To maximize market acquisition over the entire market zone, one intermodal hub would be located in the north region and the other in the central/south region. This provides each hub a significant market catchment area, and at the same time maximizes optimization for efficient coverage of a district that is long and linear in shape.

Precise project construction estimates are being developed in the course of the current work that is underway. Within this category, these projects will require a range of investments including the following:

- Land acquisition cost (50 acres)
- Engineering
- Construction of:
  - Rail bed/track improvements
  - Large concrete platform
  - Onsite utilities including water, sewer, electricity, gas, and telecommunications infrastructure
  - Vertical buildings for administration and equipment storage
- Cargo handling equipment; cranes, automation technology, and clean propulsion equipment
- Security technology and fencing

Total Category Investment: $100M – 200M
Investment Responsibility: Expected to be cocktail of railroad, public, and private investment.
Accelerator/USDOT Project Opportunities: Two rail intermodal complexes. Overall Project Investment Required: $100M – 200M (Stage One); likely RRIF of at least $150M.

Offsite Intermodal Zone Infrastructure

Roads and Utilities: Associated with the intermodal facilities are a series of necessary infrastructure projects to support cargo access from the TradePort District and other intermodal hinterland areas. This category of project refers to public infrastructure specifically associated with transport access to each intermodal complex. The assumed scope of each project would be for a half-mile of project scope length at a cost ranging from $3-15M. There are likely improvements that may need to be

undertaken in the immediate vicinity of the Intermodal and Truck Mobility Complex in this category, including interchange improvements. These projects will require a range of investment including:

- Land acquisition
- Engineering
- Construction of:
  - Road capacity expansion; width, weight strength
  - Offsite utilities including water, sewer, electricity, gas, and telecommunications infrastructure
  - Lighting

Total Category Investment: $25-35M (without SR 99 improvements)
Total Category Investment: $100M – 200M (with SR 99 improvements)
Investment Responsibility: Public (potential indirect participation from railroad)
Accelerator/USDOT Project Opportunities: $25M – 35M (Stage One); likely TIFIA investment of $25M – 35M.

Offsite TradePort District

The TradePort element of the California Inland Port is an essential component of the project. The California TradePort is designed to become the model for the most efficient trade and logistics business environment in the world. The Inland Port strategy weaves together transportation logistics, infrastructure, mobility tech, and industrial planning to create the next-generation industrial district. We believe that this model will be replicated elsewhere, and this project can be seen as a showcase for how to blend together public objectives and resources with aligned private interests.

California TradePort

Supporting the viability of the rail intermodal system and supporting economic competitiveness, TradePorts will be built with a next-generation clean and automated surface transportation system. To accomplish this, it will require splicing transportation, infrastructure, and technology elements together in a fundamentally unique structure. Creating an investment district around the intermodal assets is important to the California Inland Port due to a number of key factors.

By integrating the seaport, rail and TradePort components, this will create significant economic development by increasing demand for industrial investment for distribution and manufacturing over a vast area of inland California regions. There is a clear trend for corporate investment decisions to favor strategic port-centric supply chain locations at and around seaports, airports, and strategic inland logistics hubs. We are seeing corporate supply chain network planners seek assets that forward-deploy product proximate to customer concentrations, while limiting the number of cargo movements and reducing transportation costs. The TradePort provides a location that can serve the rich and vast West Coast/California market for cargos moving from international locations into US West Coast supply chains. The integrated product would be unique in the United States, especially when it would be built on a highly attractive clean and automated platform.

Be benefitted by direct-access multimodal logistics connectivity, reducing transit time, handling cost, and line-haul cost. Direct cargo transport system logistics produces cost-efficient point-to-point connectivity from inland locations through the Los Angeles port complex creating

a near seamless system for international cargo. The westward-facing orientation of California's seaports creates a unique advantage for companies that operate Asia-US supply chains.

Have a purpose-design and built infrastructure system to support high-volume and high-efficiency cargo movement. The TradePort will be built with road, development utility and telecommunications utility infrastructure that is specified to support high volumes of cargo movement to and from the Rail Intermodal and Truck Mobility Complex.

Have a forward-oriented business plan that utilizes a clean fleet of renewable energy cargo handling equipment. The TradePort business offer to its business clients and to its community is a thoroughly sustainable business system. The TradePort's business objective is to produce a near carbon neutral logistics-industrial system.

Implement an integrated system of high-efficiency cargo handling equipment automation. The District will support automated cargo movements between the rail intermodal asset and high-volume shippers, this reducing transport and operating costs.

A concentration of industrial activity supports the success of the rail intermodal system. Reflecting the integrated nature of the California Inland Port system, the presence of an intermodal ramp and service directly into the busiest ports complex in North America creates a mutually beneficial synergy between industrial district development economics and rail service and infrastructure economics.

Become a flagship economic development offer, by capitalizing on the transport investment and enhanced logistics connectivity; directly creating a significant number of new jobs, and substantial new public tax revenues.

The development of an advanced concept investment district around the Intermodal hub will require an integrated plan for common infrastructure to support industrial development and a fully integrated clean and automated transport system. The TradePorts are envisioned as projects of scale to 1) maximize the opportunity for port-centric investment attraction, and 2) to support amortization of critical infrastructure associated with clean propulsion and automated cargo movement. Depending on the chosen locations, the districts will be customized to the setting and will be approximately three (3) miles square, or nine (9) square miles. Given realistic conditions, it is assumed that the TradePorts will not be created as a clean-sheet condition, but rather will combine existing public infrastructure and development with new investment.

TradePort Infrastructure Plan

The TradePort business proposition is built around a purpose-planned core infrastructure strategy. The TradePort infrastructure plan integrates a master planned system of infrastructure that supports high-value and high-volume cargo investments. The TradePort infrastructure strategy has three components, as detailed below:

Transport Infrastructure

Mobility Infrastructure

Development-Related Infrastructure

- Transport Infrastructure – including road design, engineering, construction, and support utilities
- Mobility Infrastructure – including fiber and related telecommunications infrastructure, electric charging and hydrogen fueling, mobility support infrastructure, truck mobility complex
- Development-Related Infrastructure – including water and sewer improvements in support of development sites
  - Utilities: including water, sewer, electricity, gas, and telecommunications infrastructure
  - Industrial property development-related for new development zones

Transport Infrastructure

Transport Infrastructure: This infrastructure program will support road design, engineering, construction, and support utilities

- District road system improvements
- Technology for intermodal hub to the TradePort for short-haul container movements
- Technology for hinterland market movements to TradePort and intermodal hub for mid-mile movements; containers and non-container

Total Subcategory Investment: $75-175M
Investment Responsibility: Public
Accelerator/USDOT Project Opportunities: First elements of the TradePort road system and District clean energy fueling infrastructure: $10M (Stage 2); TIFIA

Mobility Infrastructure

Mobility Infrastructure: The TradePorts are designed to offer industrial users a unique high-efficiency automated cargo handling system. This system will be built around a future-proofed plan that adapts current truck autonomy technologies and forward plan adaptations. Automated trucking service will initially be offered on dedicated routes from high-volume shipping sites to the Intermodal Facility and the Truck Mobility Complex and this will require a dedicated fleet of situation-appropriate autonomous truck equipment operating on dedicated routes. This will include the following:

- Clean energy truck equipment servicing the TradePort and hinterland
- Automated truck equipment servicing the TradePort and hinterland
- Charging/fueling equipment and supporting utility infrastructure

Total Subcategory Investment: $10M
Investment Responsibility: Private (Public as supporting source)
Accelerator/USDOT Project Opportunities: $10M (Stage 2); TIFIA

Development-Related Infrastructure

Development-Related Infrastructure: The TradePorts will generate investment demand for manufacturing, distribution, and clean/automated fleet maintenance projects. As the success of the intermodal and truck mobility infrastructure is in-part dependent on demand from new investment in the immediate vicinity, it is critical to support the District's growth to reinforce the viability of the intermodal and truck mobility infrastructure, and

to support regional economic development. In this regard, the Inland Port's coordinating body will have a role in creating state-of-the-art industrial assets that become part of an overall transportation-industrial development system. It will be important to support bringing modern large-scale transportation-oriented industrial sites to market, requiring expansion of utility capacity and extension of utilities and roads. This will include the following:

- Water distribution system infrastructure
- Wastewater infrastructure
- Electric distribution system infrastructure
- Natural gas distribution system infrastructure
- Telecommunications system infrastructure

Total Subcategory Investment: $100 – 200M
Investment Responsibility: Private (Public)
Accelerator/USDOT Project Opportunities: None (Stage 3)

Total TradePort Category Infrastructure Investment: $185-385M
Total Accelerator/USDOT Project Opportunities: $140M - 250M

Truck Mobility Complex Infrastructure

Technological advancement in vehicle guidance and powertrain systems have set the stage for a massive disruption to the existing trucking industry. With their promise of increased safety, improved productivity, and lower costs, autonomous guidance technology in long haul, mid-mile, and last mile trucking will significantly alter the shape of the trucking industry. Similarly, tremendous advancement in electric and hydrogen powertrains have created a new propulsion system paradigm that will reduce long-term operating costs and have an enormous and positive impact on air quality by reducing harmful emissions.

Over the next 5-10 years, market adoption will accelerate for deployed autonomous truck and electric and hydrogen trucks and this will occur at varying paces. Autonomous trucking holds promise in an industry that has increasingly struggled to secure enough long-haul drivers and to contain costs. Autonomous trucking will initially be centered around 1) high density long-haul point to point routes between urban markets, and 2) mid or last mile applications, especially on repetitive routes. There are currently a substantial number of highway trials now underway between technology developers, truck OEMs, and major shippers refining the technology, with early long-haul point-to-point applications expected to begin in the next few years and accelerating to become a significant portion of some high-volume long-haul markets. We are now beginning to see real-world commercial deployment of autonomous truck services in the mid and last mile segments, with significant growth expected over the next two decades.

In the powertrain technology space, advances in electric and hydrogen propulsion systems have defined a radical transformation of the trucking industry that is occurring now and will accelerate over the next five years. Both legacy truck OEMs and new-entrant technology companies and manufacturers have brought or are now bringing a raft of new products to market in the Class 8 heavy truck category and in specialty and light and medium-duty trucks. Electric truck powertrain technology for last mile and mid-mile deployments

has evolved quickly and is quickly becoming the preferred by fleets, witness Amazon's investment in and purchase of 100,000 vehicles from Rivian a start-up located in Michigan. Amazon is just now deploying the first of those vehicles in Los Angeles, acting on its goal to operate a carbon neutral fleet by 2040. Other players in this medium duty electric truck category are Arrival, Workhorse, and Chanje which are building vehicles for others including UPS and FedEx. Heavy truck electric powertrain technology is also developing quickly with companies like BYD, Daimler Trucks, Paccar, Scania, Tesla, and Volvo bringing new products forward. According to a Forbes article, the total cost of ownership for electric freight trucks could be 50% cheaper than for diesel trucks by 2030, generating billions in savings. Plunging costs, ever-increasing battery range, and an expanding fast charging network are creating an on-ramp to an electrified trucking future.

In the context of the Inland Port, the Truck Mobility Complex is a facility that will act as a mode-twin to the rail intermodal facility. The rail intermodal facility supports cargo container movement between seaport and TradePort and the Truck Mobility Complex supports clean energy and autonomous trucking to, from and through the TradePorts.

Autonomous trucks are best suited to long-distance highway driving, while it is expected that humans will be needed to navigate freight carriers on local streets and handle non-driving tasks for some years to come. Many industry experts and technology developers expect that self-driving trucks will soon be deployed on the open highway, but that it will take far longer (perhaps several decades) before driverless trucks will be able to routinely navigate local streets packed with cars, pedestrians, cyclists, road work, and other unexpected challenges. Additionally, humans will also be needed to handle the many non-driving tasks that drivers currently perform, such as coupling tractors and trailers, fueling, inspections, paperwork, communicating with customers, loading and unloading, etc.

The most likely scenario for widespread truck autonomy adoption involves local human drivers bringing trailers from factories or warehouses to a truck mobility center located on the outskirts of metropolitan regions near to a major highway exit. Here, they will swap the trailers over to autonomous tractors for long stretches of open highway driving between major supply chain points. At the other end, the process will happen in reverse: a human driver will pick up the trailer at a truck mobility center and take it to the final destination.

There are dozens of companies currently engaged in the research and product development of the technology components and integrated whole truck system products to support autonomous trucks. This list includes large legacy OEMs such as Daimler Trucks and PACCAR, to small new technology companies such as Einride and GATIK. Much of this development is occurring in the US, but the there is substantial development happening in Europe and Asia as well.

The integration of autonomous trucks into the massive over the road logistics system will have a major impact on what are now substantial constraints on moving freight between 300 and 1,000 miles. The use of new truck technology will also allow the trucking industry to move over longer distances, including massive volumes moving to and from the major gateway seaports. This dynamic will provide alternatives to moving freight by rail.

In some ways and in certain locations, the Truck Mobility Complex will become the next-generation truck stop and will become a critical component of the national over the road logistics system. In locations that have developed key infrastructure and a structured business plan, the Truck Mobility Complex will become a core component of a mobility investment hub. We envision a system of Truck Mobility Complexes located at strategic logistics points across the US, in perhaps 30-40 locations with the first such projects embedded into the California Inland Port.

The Truck Mobility Complex will require the following infrastructure investments:

- Fueling and charging infrastructure
- Concrete apron infrastructure
- Security and fencing
- Cargo transfer station
- Truck services building

Total Category Investment: $50-100M
Investment Responsibility: Private/Public
Accelerator/USDOT Project Opportunities: $50-100M PABs (Stage 2)

Budget, Sources and Uses for Full Accelerator Funds

Project Investment to-date: California is a large and complex nation-state which can make large-scale initiatives like the Inland Port quite challenging. There are many organizations and layers of public and private complexity which make it uniquely challenging to vision, plan, build support, and implement a project as wide-ranging as the Inland Port. By extensive work to undertake analysis and plan a multifaceted project, the Inland Port has now developed widespread support from all layers of government and throughout the business community. This has occurred following the political and financial commitments made to the project by a multi-layered group of participants, with a range of public sector entities supporting the project over the past few years.

In order to advance the project to RIA stage, a total of $872,000 will have been committed by local government, air quality districts, MPOs/RTPAs, port authorities, and State Government. Through extraordinary work to assemble a collaboration, these funds have enabled the project to advance to the point where the RIA can support and accelerate the project into its implementation.

The investments that will have been made by California public entities include:
Phase One **(completed):** $142,000; with participation by the Port of Los Angeles, Port of Long Beach, San Joaquin Air Pollution Control District, South Coast Air Quality Management District, Fresno County, Merced County, and the Central Valley Community Foundation.
Phase Two **(funded and in-process):** $250,000; with participation by the Port of Los Angeles, Port of Long Beach, San Joaquin Air Pollution Control District, South Coast Air Quality Management District, and Sacramento Metropolitan Air Quality Management District.
Phase Three **(pending):** $480,000; with participation from the State of California, Fresno Council of Governments, Stanislaus Council of Governments, Madera County Transportation Commission, Kern Council of Governments, Sacramento Council of Governments, Kings County Association of Governments, Tulare County Association of Governments, and San Joaquin Council of Governments.

The Regional Infrastructure Accelerator request is for $1,000,000. This is justified by the substantial amount of funding already committed by a spectrum of government partners in California and required to support the critical next steps. *Phase Three* will be undertaken alongside and overlapping with the launch of Accelerator activities and will serve as a contemporaneous and supporting investment.

Proposed Federal Funds Uses

Organizational Structure	**$175,000**
Funding Structure	**$285,000**
Engineering and Environmental Reviews and Final Cost Estimations	**$500,000**
Administration	**$40,000**
	$1,000,000

Budget Detail

Organizational Structure $175,000

- Legal and regulatory analysis to establish RIA
- Development of organizational policies and procedures
- Identification of start-up capital

Proposed Financial Structure $285,000

- Develop sustainable financial operating plan for RIA
- Define investment criteria for reviewing projects
- Strategy for due diligence to advance projects for investment
- Develop an investment risk management strategy
- Prepare investment strategy to leverage private investor funds

Intermodal/Roadway Design & Engineering & Environmental Analysis $500,000

- Intermodal facility design and preliminary engineering
- Utilities engineering and design
- Traffic analysis and roadway design
- Preliminary environmental analysis and mitigation

Applicant/MPO Administration $40,000

Creating a Sustainable Organization: The Inland Port entity is being developed as public-purpose commercial model which is designed to create commercial value and from that value will receive compensation for its role. The Inland Port will be led by an entity that is creating vast economic value with a business model that will be self-sustaining. The Inland Port will use its expertise, relationships, and powers to assemble (public and private) project funding and it will be supported by fees associated with these activities. Though the entity may receive some limited start-up funds from government sources, the Inland Port is designed to function as a self-sustaining entity.

The RIA's business model is being structured to deliver a number of large capital infrastructure projects with a blend of public and private resources. Some projects will be better suited to public investment while others can be crafted as public-private investments. There are a number of institutional investors that are seeking to invest capital in assets that provide long-term, relatively predictable revenues and infrastructure generally, and revenue generating-asset infrastructure is an asset class that can provide these return characteristics for investors. To the extent possible, the delivery entity will maximize investment from private investors and minimize investment from

public sources. In this regard, the RIA entity will mobilize and leverage private sector and institutional investment to help public dollars go further by adopting a partnership model where appropriate and possible. This will require standing up "investable" projects and that will be a key objective of the entity.

The RIA will operate as a self-sustaining entity by creating value by producing value in assembling projects and acting as a coordinator, project manager, project developer, and as a conduit for project financing. The organization will champion and promote new models for funding and make strategic investments in public projects through the use of innovative tools that will provide a stream of revenue to the RIA.

Selection Criteria

Experience/Qualifications/Partnerships: The California Inland Port is being developed as a best in breed project, which has brought together a spectrum of expertise from government, logistics community, and private sector players that are recognized authorities in their fields. As the applicant, the Fresno Council of Governments has a demonstrated track record of over 50 years of experience working collaboratively within the San Joaquin Valley to coordinate regional transportation planning activities and assuring project delivery. Joined with the combined leadership from the CIPEAG, the project has an extraordinary depth of transportation, logistics, and capital project delivery expertise and experience. With an understanding of the region and strong relationships with local, state, and federal transportation agencies, they create the ideal public sector management and support apparatus for the creation of the California Inland Port Regional Infrastructure Accelerator. With the public sector expertise as a foundation, the project also benefits from the dedicated expertise of a team of private partners that are supporting from two perspectives: 1) capital project design, engineering, business modelling, and delivery structure, and 2) P3 organizational structure development and launch.

Regional Viability: This application covers a 425-mile corridor which transverses nine (9) and serves fourteen (14) counties within California. This region has a history of common issues and of working collaboratively to solve these issues and the Inland Port addresses many of the common challenges that face the region, including improving air quality, increasing economic competitiveness, and addressing income inequality and traffic mitigation.

Business Model/Pipeline/Readiness: The Inland Port_business model has been developed to match the specific needs of the circumstance in California. As stated earlier in this document, the reality is that currently there is no entity that has the expertise, tools, and powers to address the issues, challenges, and opportunities that have been identified in this document. With a bootstraps initiative of local government, ports, and the State over the past two years, necessary work has been done to identify solutions, projects, and tools necessary to address the tremendous potential to support public policy objectives associated with cleaner air, greenhouse gas reductions, job growth, and traffic reduction. The business entity that will deliver the significant pipeline of projects is recognized as the appropriate tool for the situation. The business model was built to enable an active delivery entity that has the responsibility, tools, and powers to take plans and advance projects to implementation. All of the work to date, currently underway and programmed

over the next six months readies the Inland Port to proactively deliver the projects outlined in this proposal. We project that the work accomplished during the Accelerator period in 2022 will enable projects to move forward with engineering and construction in the following year.

Value: The Inland Port Accelerator will prove an effective value for the Department's investment and attention. As a baseline, the Department's investment capitalizes on almost two and a half years of local leadership and investment in developing the project. Moving forward, an Accelerator award will support twin-track implementation; 1) it will tangibly support the advancement of specific and core infrastructure projects, and 2) it will help complete the structuring of the Inland Port delivery entity. At the end of the Department's period of support, the Inland Port delivery entity will be formed, and its initial projects will be under capital structuring development. This supportive investment will enable the launch of a self-sustaining entity that is developing a quite substantial array of investment projects.

Rural Assistance: This application covers both rural and urban areas within California, beginning in the South at the Ports complex in Los Angeles and extending north to the Sacramento Valley. As has been described in this document, despite its relatively close proximity, the San Joaquin Valley region has not enjoyed the same economic success as California's coastal areas and has generally struggled economically. The region substantially lags the rest of the State in per capita income and job creation as well as experiencing high unemployment and poverty rates. This region includes a string of urban regions including Bakersfield, Fresno, Modesto, Stockton and Sacramento, but within its 425-mile length, there are dozens of small rural communities that by far are the largest component of the region. These communities are generally the most in-need and suffer from the lack of economic opportunity and very poor air quality. The Inland Port project addresses these inequalities by creating new economic competitiveness while also supporting dramatic improvement to air quality and reductions of greenhouse gas.

Self-Sustainability: The Inland Port will be led by an entity that is creating vast economic value with a business model that will be self-sustaining. The Inland Port will create value by assembling and acting as a coordinator, project manager, and developer of projects. The Inland Port entity is being developed as a public-purpose commercial model where it is designed to create commercial value and from that value will receive financial compensation for its role. The Inland Port will use its expertise, relationships, and powers to assemble (public and private) project funding and it will be supported by fees associated with these activities. Though it may receive some limited start-up funds from government sources in California, the Inland Port is not being structured to receive substantial ongoing public funding.

Risk: The Inland Port project has been methodically organized in its development planning, and the critical benchmarks for its development and project launch are well-understood by the partners. Going forward, due to the recognized high need and a consensus among community and business leaders, there is a high level of confidence in proceeding with the Inland Port plan and its key projects.

Table of Contents - Letters of Support

Gavin Newsom
Governor

David S. Kim
Secretary

Kate Gordon
Director

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April 7, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Support for California Inland Port Project (submitted by the Fresno Council of Governments on behalf of a number of California MPOs, seaport and air quality district bodies) for Acceptance as a USDOT Regional Infrastructure Accelerator

Dear Secretary Buttigieg:

The Fresno Council of Governments, acting on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, San Joaquin, Kings, Kern and Tulare counties), the Sacramento Area Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District, is requesting acceptance of a proposed California Inland Port as a project under the USDOT Regional Infrastructure Accelerators Program.

The State of California has been tracking this initiative since inception because we see it as a project of state-wide significance. The findings of a feasibility assessment suggest the Inland Port will make a significant contribution to the attainment of goals identified in California's recently released draft Climate Action Plan for Transportation Infrastructure (CAPTI), which calls for alignment of state transportation investments with the state's climate, health, and social equity goals.

We see the California Inland Port as truly transformational, with dramatic benefits to the State and its residents from a transportation, environmental, economic and social equity perspective. The Inland Port will support a range of State and local community objectives, including a dramatic decrease in greenhouse gas emissions, improved air quality, increased road safety, sizable reduction in highway congestion, significant improvement in economic competitiveness, and positive social equity impacts. Much of this region is comprised of small rural communities and has high levels of unemployment and poverty, primarily among people of color. We are very excited about the potential for the Inland Port to be a foundation for remaking the economies in these areas. The Central Valley region perennially has among the worst air quality in the country and with this comes tremendous health challenges to residents, particularly children. Given this, we have little choice but to act boldly.

The California Inland Port will operate over a 425-mile-long market zone that is home to over 14 million Californians, representing an area that would otherwise be the 5th largest state in the US. Currently, *almost all* of the cargo that flows through our seaports to locations around the State moves via truck. Over one million ocean containers per year move in and out of this market, generating over 20,000 heavy truck trips weekly. This produces significant negative consequences, namely poor air quality, congested highways and road maintenance challenges.

The Inland Port is designed to create a next-generation cargo spine that runs through a large part of our State. This spine is defined by three key components: 1) it shifts cargo from truck to rail via new intermodal rail service, 2) it directly supports clean and automated trucking over long-haul and short-haul routes, and 3) it capitalizes on the special economic competitiveness of our urban and rural inland regions to produce new economic development and much needed good quality jobs.

Inland Port hubs would include rail intermodal facilities and integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. The Inland Port will partner with leading private cargo handling and automated truck technology firms to support a clean-sheet strategy for developing the most efficient logistics hubs in the world, all operating on a carbon neutral platform. Site selection as well as design of the intermodal and TradePorts hubs will prioritize locations that avoid localized environmental impacts and beneficially affect social equity by creating middle-income job opportunities for residents of disadvantaged communities.

We believe that 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, RRIF and Private Activity Bond instruments and create a foundation for leveraging substantial local and private co-investment. As the Inland Port corridor traverses a series of urban centers and also wide swaths of rural regions, the proposal to Build America supports the Bureau's intentions to diversify the pipeline of eligible projects by geography. Supporting Bureau objectives, the Inland Port includes a spectrum of transportation mode projects including, rail, rail intermodal, road, and automation-related infrastructure.

As the project proceeds towards the execution phase, the State of California, in coordination with our regional government partners, is reviewing delivery structure options and anticipates creating a robust, empowered and resourced P3 delivery entity.

We believe that the Inland Port/TradePorts can serve as a model that is later customized to other locations in the United States and we look forward to working with the Build America Bureau and the USDOT in this regard.

The State of California appreciates consideration of this project and is pleased to submit this letter of support. We look forward to partnering with the USDOT to bring this project to fruition.

Sincerely,

David S. Kim

DAVID S. KIM
Secretary
California State Transportation Agency

KATE GORDON
Director
Governor's Office of Planning and Research

DIANNE FEINSTEIN
CALIFORNIA

United States Senate
WASHINGTON, DC 20510-0504

March 25, 2021

The Honorable Pete Buttigieg
Secretary
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, D.C. 20590

Dear Secretary Buttigieg:

I write in support of the Fresno Council of Governments' application for funding from the Regional Infrastructure Accelerator grant program, administered through the U.S. Department of Transportation's Build America Bureau. The Fresno Council of Governments is submitting its application on behalf of a spectrum of public organizations including the Port of Los Angeles, Port of Long Beach, San Joaquin Council of Governments, Stanislaus Council of Governments, Madera County Transportation Commission, Kings County Association of Governments, Tulare County Association of Governments, Kern Council of Governments, Sacramento Council of Governments, San Joaquin Valley Air Pollution Control District, Sacramento Metropolitan Air Quality Management District, and South Coast Air Quality Management District.

The Fresno Council of Governments and its partner agencies are requesting $1 million for the fourth phase of the California Inland Port Feasibility Study. The California Inland Port Study features a state-of-the-art system for moving goods that will provide significant economic and environmental benefits across California. The project would include a new freight rail service designed to remove trucks from highways by transporting containers via rail to and from seaports and markets throughout California.

The California Inland Port would support a range of state and local community objectives, including a substantial decrease in greenhouse gas emissions, increased roadway safety, and a sizable reduction in highway congestion. Further, the proposed project would support job creation and economic development. A series of logistics and investment hubs would be located across the Central Valley, stimulating economic competitiveness in the region. The project will also add value to a variety of sectors, including manufacturing.

I urge you to give the application for funding Phase Four of the California Inland Port Study your full consideration. If you have any questions, please do not hesitate to contact my Fresno office at (559) 485-7430.

Sincerely,

Dianne Feinstein
United States Senator

DF/ks

ALEX PADILLA
CALIFORNIA

United States Senate
WASHINGTON, DC 20510

March 22, 2021

The Honorable Pete Buttigieg
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

RE: Regional Infrastructure Accelerator Grant Program (Fresno Council of Governments)

Dear Secretary Buttigieg:

I write in support of the Regional Infrastructure Accelerator Grant Program (RIAP) application submitted by the Fresno Council of Governments (COG) to fund the California Inland Port Feasibility (CIPF) Study, Phase 4 to create a project that will better move commerce to and from the ports of the San Francisco Bay Area to the ports of Los Angeles.

Currently, there are over 1.1 million international containers that move into and out of California's Central Valley, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people. Most of this cargo is moved via truck from the coastal ports, through the Los Angeles metro region then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento. These trucks negatively impact air quality and create congestion and wear and tear on an already stressed highway system. Sole reliance on truck over long-haul distances is expensive for shippers and inhibits economic development.

The CIPF Study showcases a nationally significant economic and goods movement project that would have substantial benefits to the State of California across a wide variety of sectors. The CIPF Study would reduce air pollution by reducing the

number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area. Additionally, it will improve highway and roadway safety with the removal of larger trucks from the State and local highway/roadway system. It also will support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. This will be accomplished by giving specific focus on high-value manufacturing sectors and a more robust and efficient distribution system, direct rail service to/from deep seaports that would reduce shipping costs for shippers that manage global supply chains

For all the aforementioned reasons, I support the RIAP application submitted by the Fresno COG and respectfully request your full and fair consideration. Creating a safe, clean, and economically beneficial project is not only good for the Central Valley but to the entire state of California.

Please keep my office informed of the status of this application, and if I can be of further assistance, do not hesitate to contact my Senior Field Representative, Margaret Arechiga, at (559) 509-0222. Thank you for your attention and consideration.

Respectfully submitted,

ALEX PADILLA
United States Senator

JIM COSTA
16TH DISTRICT, CALIFORNIA
WEB PAGE: www.costa.house.gov

COMMITTEE ON AGRICULTURE
CHAIR – SUBCOMMITTEE ON LIVESTOCK AND FOREIGN AGRICULTURE

COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEE ON WATER, OCEANS, AND WILDLIFE

COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON EUROPE, EURASIA, ENERGY AND THE ENVIRONMENT

TRANSATLANTIC LEGISLATORS' DIALOGUE
CHAIR

NATO PARLIAMENTARY ASSEMBLY
MEMBER

Congress of the United States
House of Representatives
Washington, DC 20515

March 24, 2021

The Honorable Pete Buttigieg
Secretary
US Department of Transportation (USDoT)
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and air quality districts) for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg,

It is with great pleasure that I offer my support to the U. S. Department of Transportation's Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, San Joaquin, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

As envisioned, the project would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail; to and from seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region. Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people.

Most of this cargo is moved via truck from the ports, through the Los Angeles metro region then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento. These trucks negatively impact air quality and create congestion and wear and tear on an already stressed highway system. Further, from a market and competitiveness perspective, the sole reliance on truck over long-haul distances is expensive for shippers and inhibits economic development.

Inland Port hubs would include rail intermodal facilities and integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. The Inland Port will partner with leading private cargo handling and automated truck technology firms to support a clean-sheet strategy for developing the most efficient logistics hubs in the world, all operating on a carbon neutral platform. The project is of statewide significance and will be a

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2081 Rayburn HOB
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Fax: (202) 225-9308

positive change for the national logistics system and is designed as a ground-up next-generation modern logistics and investment center model.

The proposed inland port will support a range of State and local community objectives, including a substantial decrease in greenhouse gas emissions, increased roadway safety, a sizable reduction in highway congestion (particularly along CA99/Interstate-5), in addition to significant improvement in economic competitiveness of the region. Much of California's Central Valley is comprised of small rural communities and the region has high levels of unemployment and poverty. The region also suffers from among the worst air quality conditions in the United States.

In support of California's strategic objectives, the project is designed with Caltrans' core objectives in mind:

- To significantly reduce air pollution by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area
- To reduce highway road congestion, with a parallel reduction in the requirement for road maintenance; thus, reducing cost and creating more capacity from existing infrastructure
- To improve highway and roadway safety from the removal of larger trucks from the State and local highway/roadway system
- To support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. With specific focus on high-value manufacturing sectors and a more robust and efficient distribution system, direct rail service to/from deep seaports would reduce shipping costs for shippers that manage global supply chains

As the representative of California's 16th District, I am pleased to offer my support of this important project. It is my hope that the application receives full and fair consideration.

Sincerely,

JIM COSTA
Member of Congress

DAVID G. VALADAO
21ST DISTRICT, CALIFORNIA

WWW.VALADAO.HOUSE.GOV

UNITED STATES
HOUSE OF REPRESENTATIVES

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION

SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS AND RELATED AGENCIES

March 19, 2021

The Honorable Pete Buttigieg
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Buttigieg:

I am writing in support of the Fresno Council of Governments application for funding for California Inland Port Project through the U.S. Department of Transportation's (DOT) under the Regional Accelerator Program.

Currently, there are more than 1.1 million international containers that move into and out of the Central Valley region. This figure is expected to grow significantly over the next 25 years as the region grows from its current population shed of 14.2 million people.

According to the Fresno Council of Governments, the California Inland Port Project would create a new freight rail service designed to transport containerized cargo by rail to and from seaports to markets throughout the state. This would include a series of next-generation logistics and investment hubs in the Central Valley region.

Much of the Central Valley is comprised of small rural communities facing poor air quality conditions and high levels of unemployment and poverty. The proposed inland port will support a range of state and local community objectives, including a substantial decrease in greenhouse gas emissions, increased roadway safety, a sizable reduction in highway congestion, and significant improvement in economic competitiveness of the region. The project is also of statewide significance and is designed as a ground-up next-generation modern logistics and investment center model.

Work is now underway related to the Inland Port infrastructure plan and delivery structure that will confirm company-specific contingent commitments from shippers, develop plans for state-of-the art intermodal infrastructure assets, specify class one railroad requirements, estimate capital costs and indirect costs, and complete projections of revenue and costs.

As the Inland Port corridor traverses a series of urban centers and wide swaths of rural regions,

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SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS AND RELATED AGENCIES

UNITED STATES
HOUSE OF REPRESENTATIVES

the proposal supports intentions to diversify the pipeline of eligible projects by geography. The Inland Port also includes a spectrum of transportation mode projects including, rail, rail intermodal, road, and automation-related infrastructure, also supporting Bureau objectives.

I believe the Fresno Council of Government's proposal to the Regional Accelerator Program would benefit both the Central Valley's communities and the state of California while building a model for future containerized cargo transportation infrastructure. I respectfully ask for your full and fair consideration of this proposal. Thank you for your time and attention to this matter.

Sincerely,

David G. Valadao
Member of Congress

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DEVIN NUNES
22ND DISTRICT, CALIFORNIA

RANKING MEMBER
PERMANENT SELECT
COMMITTEE ON INTELLIGENCE

COMMITTEE ON WAYS AND MEANS
RANKING MEMBER
SUBCOMMITTEE ON HEALTH

SUBCOMMITTEE ON TRADE

DEPUTY REPUBLICAN WHIP

UNITED STATES
HOUSE OF REPRESENTATIVES

1013 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
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March 22, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and air quality districts) for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg,

I write to express my strong support for the U.S. Department of Transportation Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, San Joaquin, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

As envisioned, the project would include a new freight rail service designed to remove trucks from interstate and state highways by transporting containerized cargo via rail to and from seaports to markets throughout the state with a series of next-generation logistics and investment hubs in the Central Valley. Currently, there are over 1.1 million international containers that move in and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people.

Practically all this cargo is moved via truck from the ports, through the Los Angeles metro region, northward over a 425-mile-long corridor to the Bay Area and Sacramento. These trucks create congestion and wear and tear on an already stressed highway system. Moreover, the sole reliance on truck over lang-haul distances is expensive for shippers and inhibits economic development.

Inland Port hubs would include rail intermodal facilities and integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. The Inland Port will partner with leading private cargo handling and automated truck technology firms to support a clean-sheet strategy for developing the most efficient logistics hubs in the world, operating on carbon neutral platforms. Exerting statewide significance, the project will create a positive change for the national logistics system and is designed as a ground-up next-generation modern logistics and investment center model.

A Phase One analysis funded by a coalition of seaports, air districts, San Joaquin Valley governments and the Central Valley Community Foundation concluded that a California Inland Port clearly has the potential to significantly reduce costs to shippers as well as to reduce truck traffic – thereby beneficially impacting highway congestion, safety and maintenance – and materially reduce greenhouse gas emissions and criteria pollutants. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

Work is now underway on Phases Two and Three of the Inland Port infrastructure plan, funded by local sources and the State of California. This work will confirm company-specific contingent commitments from shippers, develop plans for state-of-the-art intermodal infrastructure assets, specify class one railroad requirements, estimate capital costs and indirect costs, and complete projections of revenue and costs. This work also identifies sites for TradePort hubs, project level environmental impact analysis, development of a full profitability model, and identification of financing sources.

In support of California's strategic objectives, the project is designed with Caltrans core objectives in mind:

- To significantly reduce air pollution by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area.
- To reduce highway road congestion, with a parallel reduction in the requirement for road maintenance; thus, reducing cost and creating more capacity from existing infrastructure.
- To improve highway and roadway safety from the removal of larger trucks from the state and local highway/roadway system.
- To support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. With specific focus on high-value manufacturing sectors and a more robust and efficient distribution system, direct rail service to/from deep seaports would reduce shipping costs for shippers that manage global supply chains.

The California Inland Port project can benefit from a partnership with the Build America Bureau and the U.S. Department of Transportation by 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. As the Inland Port corridor traverses a series of urban centers and wide swaths of rural regions, the proposal supports the Bureau's intentions to diversify the pipeline of eligible project by geography. The Inland Port also supports the Bureau's goal of promoting a spectrum of transportation mode projects, including rail, rail intermodal, road, and automation-related infrastructure.

I urge the Build America Bureau and the US Department of Commerce to give this project its fullest consideration.

Sincerely,

Devin Nunes
Member of Congress

March 31, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and air quality districts) for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg,

The San Joaquin Valley Regional Planning Agencies' Directors' Committee strongly supports the USDoT Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, seven of the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, San Joaquin, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

As envisioned, the project would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail to and from seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region. Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people.

Most this cargo is moved via truck from the ports, through the Los Angeles metro region then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento. These trucks negatively impact air quality and create congestion and wear and tear on an already stressed highway system. Further from a market and competitiveness perspective, the sole reliance on truck over long-haul distances is expensive for shippers and inhibits economic development.

Inland Port hubs would include rail intermodal facilities and integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. The Inland Port will partner with leading private cargo handling and automated truck technology firms to support a clean-sheet strategy for developing the most efficient logistics hubs in the world, all operating on a carbon neutral platform. The project is of statewide significance and will be a positive change for the national logistics system and is designed as a ground-up next-generation modern logistics and investment center model.

Kings County Association of Governments
Terri King - Chair

Kern Council of Governments
Ahron Hakimi - Vice Chair

Tulare County Association of Governments
Ted Smalley

Madera County Transportation Commission
Patricia Taylor

Stanislaus Council of Governments
Rosa Park

Merced County Association of Governments
Stacie Guzman

San Joaquin Council of Governments
Diane Nguyen

Fresno Council of Governments
Tony Boren

(559) 266-6222
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339 W. D. St. Suite B
Lemoore, CA 93245

A Phase One analysis funded by a coalition of seaports, air districts, San Joaquin Valley governments and the Central Valley Community Foundation concluded that a California Inland Port clearly has the potential to significantly reduce costs to shippers as well as to reduce truck traffic -- thereby beneficially impacting highway congestion, safety and maintenance -- and materially reduce greenhouse gas emissions and criteria pollutants. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

Toward developing the Inland Port infrastructure plan and delivery structure, work is now underway on Phases Two and Three, funded by local sources and the State of California. This work will confirm company-specific contingent commitments from shippers; develop plans for state-of-the art intermodal infrastructure assets; specify class one railroad requirements; estimate capital costs and indirect costs; and complete projections of revenue and costs. This work also identifies sites for TradePort hubs, project level environmental impact analysis, development of a full profitability model, and identification of financing sources.

The proposed inland port will support a range of State and local community objectives, including a substantial decrease in greenhouse gas emissions, increased roadway safety, a sizable reduction in highway congestion (particularly along CA99/Interstate-5), in addition to significant improvement in economic competitiveness of the region. Much of this region is comprised of small rural communities and the region has high levels of unemployment and poverty. The region also suffers from among the worst air quality conditions in the United States.

In support of California's strategic objectives, the project is designed with Caltrans core objectives in mind:

- To significantly reduce air pollution by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area.
- To reduce highway road congestion, with a parallel reduction in the requirement for road maintenance; thus, reducing cost and creating more capacity from existing infrastructure.
- To improve highway and roadway safety from the removal of larger trucks from the State and local highway/roadway system.
- To support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. With specific focus on high-value manufacturing sectors and a more robust and efficient distribution system, direct rail service to/from deep seaports would reduce shipping costs for shippers that manage global supply chains.

We believe that 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 Transportation Infrastructure Finance and Innovation Act (TIFIA) and Railroad Rehabilitation and Improvement Financing (RRIF) programs and create a foundation for leveraging

substantial local and private co-investment. As the Inland Port corridor traverses a series of urban centers and also wide swaths of rural regions, the proposal to Build America supports the Bureau's intentions to diversify the pipeline of eligible project by geography. The Inland Port also includes a spectrum of transportation mode projects including, rail, rail intermodal, road, and automation-related infrastructure, also supporting Bureau objectives.

We also believe that the Inland Port/TradePort can serve as a model and later customized to other locations in the United States and we look forward to working with the Build America Bureau and the Department of Transportation in this regard. The San Joaquin Valley Regional Planning Agencies' Directors' Committee appreciates the Build America Bureau and the US Department of Commerce consideration of this project and is very pleased to submit this letter of support.

Sincerely,

Terri King
Executive Director for the Kings County Association of Governments
Chair of the San Joaquin Valley Regional Planning Agencies' Directors' Committee

SACOG
Sacramento Area Council of Governments

1415 L Street,
Suite 300
Sacramento, CA
95814

916.321.9000
sacog.org

March 15, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and air quality districts) for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg:

The Sacramento Area Council of Governments, SACOG, strongly supports the USDoT Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, San Joaquin, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

As envisioned, the project would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail to and from seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region. Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people.

Practically all of this cargo is moved via truck from the ports, through the Los Angeles metro region then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento. These trucks negatively impact air quality and create congestion and wear and tear on an already stressed highway system. Further from a market and competitiveness perspective, the sole reliance on truck over lang-haul distances is expensive for shippers and inhibits economic development.

Inland Port hubs would include rail intermodal facilities and integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. The Inland Port will partner with leading private cargo handling and automated truck technology firms to support a clean-sheet strategy for developing the most efficient logistics hubs in the world, all operating on a carbon neutral platform. The project is of statewide significance and will be a positive change for

the national logistics system and is designed as a ground-up next-generation modern logistics and investment center model.

A Phase One analysis funded by a coalition of seaports, air districts, San Joaquin Valley governments and the Central Valley Community Foundation concluded that a California Inland Port clearly has the potential to significantly reduce costs to shippers as well as to reduce truck traffic -- thereby beneficially impacting highway congestion, safety and maintenance -- and materially reduce greenhouse gas emissions and criteria pollutants. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

Toward developing the Inland Port infrastructure plan and delivery structure, work is now underway on Phases Two and Three, funded by local sources and the State of California. This work will confirm company-specific contingent commitments from shippers; develop plans for state-of-the art intermodal infrastructure assets; specify class one railroad requirements; estimate capital costs and indirect costs; and complete projections of revenue and costs. This work also identifies sites for TradePort hubs, project level environmental impact analysis, development of a full profitability model, and identification of financing sources.

The proposed inland port will support a range of State and local community objectives, including a substantial decrease in greenhouse gas emissions, increased roadway safety, a sizable reduction in highway congestion (particularly along CA99/Interstate-5), in addition to significant improvement in economic competitiveness of the region. Much of this region is comprised of small rural communities and the region has high levels of unemployment and poverty. The region also suffers from among the worst air quality conditions in the United States.

In support of California's strategic objectives, the project is designed with Caltrans core objectives in mind:

- To significantly reduce air pollution by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area.
- To reduce highway road congestion, with a parallel reduction in the requirement for road maintenance; thus, reducing cost and creating more capacity from existing infrastructure.
- To improve highway and roadway safety from the removal of larger trucks from the State and local highway/roadway system.
- To support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. With specific focus on high-value manufacturing sectors and a more robust and efficient distribution system, direct rail service to/from deep seaports would reduce shipping costs for shippers that manage global supply chains.

We believe that 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. As the Inland Port corridor traverses a series of urban centers and also wide swaths of rural regions, the proposal to Build America supports the Bureau's intentions to diversify the pipeline of eligible project by geography. The Inland Port also includes a spectrum of transportation mode projects including, rail, rail intermodal, road, and automation-related infrastructure, also supporting Bureau objectives.

We also believe that the Inland Port/TradePort can serve as a model and later customized to other

locations in the United States and we look forward to working with the Build America Bureau and the Department of Transportation in this regard,

SACOG appreciates the Build America Bureau and the US Department of Commerce consideration of this project and is very pleased to submit this letter of support.

Sincerely,

James Corless
Executive Director

THE PORT OF LOS ANGELES
425 S. Palos Verdes Street Post Office Box 151 San Pedro, CA 90733-0151 TEL/TDD 310 SEA-PORT www.portoflosangeles.org

March 26, 2021

Secretary Pete Buttigieg
United States Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project for the acceptance as a United States Department of Transportation (USDOT) Regional Accelerator

Dear Secretary Buttigieg:

The Port of Los Angeles strongly supports the California Inland Port proposal submitted by the Fresno Council of Governments. As envisioned, the Inland Port would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail to and from California seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region.

Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people. The Port of Los Angeles participated in a Phase One analysis concluding that a California Inland Port clearly has the potential to significantly reduce costs to shippers as well as to reduce truck traffic – thereby beneficially impacting highway congestion, safety and maintenance – and materially reduce greenhouse gas emissions and criteria pollutants. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

The Inland Port will support a range of national, state, and local community objectives, including:

- Significant reduction in air pollution by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area;
- Reduction of highway road congestion, with a parallel reduction in the requirement for road maintenance; thus, reducing cost and creating more capacity from existing infrastructure;
- Improved highway and roadway safety from the removal of larger trucks from the State and local highway/roadway system; and
- Supports new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. With specific focus on high-value manufacturing sectors and a more robust and efficient distribution system, direct rail service to/from deep seaports that would reduce costs for shippers that manage global supply chains.

Under a partnership with the Build America Bureau and the US Department of Transportation, we believe the California Inland Port project can create a pipeline of projects that can benefit from enhanced use of the TIFIA and RRIF programs while creating a foundation for leveraging substantial local and private co-investment.

Furthermore, because the Inland Port corridor traverses a series of urban centers and wide swaths of rural regions, the proposal supports the Bureau's intentions to diversify the pipeline of eligible project by geography. Lastly, we believe that the California Inland Port can serve as a model and be adapted to other locations in the United States.

The Port of Los Angeles appreciates your consideration of this project and is very pleased to submit this letter of support.

Sincerely,

EUGENE D. SEROKA
Executive Director

EDS:DJL:mn

Port of
LONG BEACH
THE PORT OF CHOICE

March 26, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Regional Infrastructure Accelerators Demonstration Program – California Inland Port Project

Dear Secretary Buttigieg:

The Port of Long Beach strongly supports the California Inland Port proposal submitted by the Fresno Council of Governments. As envisioned, the Inland Port would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail to and from California seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region.

Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people. The Port of Long Beach participated in a Phase One analysis concluding that a California Inland Port has the potential to significantly reduce costs to shippers as well as to reduce truck traffic – thereby beneficially impacting highway congestion, safety and maintenance – and materially reduce greenhouse gas emissions and criteria pollutants. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

The Inland Port will support a range of State and local community objectives, including:

- To significantly reduce air pollution by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area;
- To reduce highway road congestion, with a parallel reduction in the requirement for road maintenance; thus, reducing cost and creating more capacity from existing infrastructure;
- To improve highway and roadway safety from the removal of larger trucks from the State and local highway/roadway system; and

- To support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. With specific focus on high-value manufacturing sectors and a more robust and efficient distribution system, direct rail service to/from deep-water seaports would reduce shipping costs for shippers that manage global supply chains.

Under a partnership with the Build America Bureau and the US Department of Transportation, we believe the California Inland Port Project can create a pipeline of projects that would benefit from enhanced use of the TIFIA and RRIF programs and create a foundation for leveraging substantial local and private co-investment. Furthermore, because the Inland Port corridor traverses a series of urban centers and also wide swaths of rural regions, the proposal supports the Bureau's intentions to diversify the pipeline of eligible project by geography. Lastly, we believe that the California Inland Port can serve as a model and adapted to other locations in the United States.

The Port of Long Beach appreciates your consideration of this project and is very pleased to submit this letter of support.

Sincerely,

Mario Cordero
Executive Director
Port of Long Beach

San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

March 29, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and air quality districts) for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg:

The San Joaquin Valley faces one of the most significant air quality challenges in the country, and is currently in nonattainment of the latest federal ozone and PM2.5 standards. The San Joaquin Valley is also home to 20 of the 30 most disadvantaged communities in California. Reductions from mobile sources are critical to attaining federal air quality standards in the San Joaquin Valley. Over 85% of NOx emissions in the Valley come from mobile sources, of which over 40% come from heavy-duty diesel trucks. The San Joaquin Valley is intersected by two major transportation corridors connecting Northern and Southern California, and a majority of all of truck traffic within California occurs within the San Joaquin Valley.

The San Joaquin Valley Air Pollution Control District (District) supports the USDoT Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, San Joaquin, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

As envisioned, the project would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail to and from seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region. Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people.

Samir Sheikh
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585

www.valleyair.org www.healthyairliving.com

Practically all of this cargo is moved via truck from the ports, through the Los Angeles metro region then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento. These trucks negatively impact air quality and create congestion and wear and tear on an already stressed highway system. Further from a market and competitiveness perspective, the sole reliance on truck over lang-haul distances is expensive for shippers and inhibits economic development.

A Phase One analysis funded by a coalition of seaports, air districts, San Joaquin Valley governments and the Central Valley Community Foundation concluded that a California Inland Port clearly has the potential to significantly reduce costs to shippers as well as reducing truck traffic -- thereby beneficially impacting highway congestion, safety and maintenance -- and materially reduce greenhouse gas emissions and criteria pollutants. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

Toward developing the Inland Port infrastructure plan and delivery structure, work is now underway on Phases Two and Three, funded by local sources and the State of California. This work will confirm company-specific contingent commitments from shippers; develop plans for state-of-the art intermodal infrastructure assets; specify class one railroad requirements; estimate capital costs and indirect costs; and complete projections of revenue and costs. This work also identifies sites for TradePort hubs, project level environmental impact analysis, development of a full profitability model, and identification of financing sources.

The proposed inland port will support a range of State and local community objectives, including a substantial decrease in criteria pollutant and greenhouse gas emissions, increased roadway safety, a sizable reduction in highway congestion (particularly along CA99/Interstate-5), in addition to significant improvement in economic competitiveness of the region. Much of this region is comprised of small rural communities and the region has high levels of unemployment and poverty. The region also suffers from among the worst air quality conditions in the United States.

The District appreciates the Build America Bureau and the US Department of Commerce consideration of this project and is very pleased to submit this letter of support.

Sincerely,

Samir Sheikh
Executive Director/APCO

SACRAMENTO METROPOLITAN
AIR QUALITY
MANAGEMENT DISTRICT

March 19, 2021

The Honorable Pete Buttigieg, Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and Air Quality Districts) for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg:

The Sacramento Metropolitan Air Quality Management District (Sac Metro Air District) strongly supports the U.S. Department of Transportation (USDoT) Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley Metropolitan Planning Organizations (including Fresno, Madera, Stanislaus, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Metropolitan Air Quality Management District and the South Coast Air Quality Management District. The Sac Metro Air District is the local agency with responsibility for advancing the greater California state capital region towards meeting all national ambient air quality standards and the state's decarbonization commitments for protection of the global climate. As envisioned, the project would include a new freight rail service designed to remove heavy duty on-road trucks from California highways by transporting containerized cargo, via rail, to and from seaports to markets throughout the State with a series of next-generation logistics hubs in the Sacramento and Central Valley regions.

Inland Port hubs would include rail intermodal facilities, integrated logistics, and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. The Inland Port will partner with leading private cargo handling and automated truck technology firms to support a clean-sheet strategy for developing the most efficient logistics hubs in the world, all operating on a carbon neutral platform. The project is of statewide significance, will be a positive change for the national logistics system, and is designed as a next-generation modern logistics and investment center model.

A Phase One analysis funded by a coalition of seaports, air quality management districts, San Joaquin Valley governments and the Central Valley Community Foundation concluded that a California Inland Port clearly has the potential to

significantly reduce costs to shippers and reduce truck traffic, thereby impacting highway congestion, safety and maintenance, and reducing greenhouse gas emissions and criteria pollutants. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

Toward developing the Inland Port infrastructure plan and delivery structure, work is now underway on Phases Two and Three, funded by local sources and the State of California. This work will confirm company-specific contingent commitments from shippers, develop plans for state-of-the art intermodal infrastructure assets, specify class one railroad requirements, estimate capital costs and indirect costs, and complete projections of revenue and costs. This work also identifies sites for TradePort hubs, project level environmental impact analysis, development of a full profitability model, and identification of financing sources.

The proposed inland port project will support a range of State and local community objectives and is designed with Caltrans core objectives in mind. This includes a significant reduction in air pollution from reduced truck trips, reduced highway congestion, reduced required road maintenance, improved highway and roadway safety, and the creation of jobs. These benefits are true for the Sacramento region as well. An inland port would remove trucks from our roadways thus reducing impacts on our infrastructure, improve air quality in areas most hard hit by pollution, and increase efficiency in our manufacturing and shipping sectors. In addition, the Sac Metro Air District is working with several partners to demonstrate a hydrogen locomotive and fueling station near major regional goods movement corridors. This builds upon the projects goals of reducing emissions by providing opportunities for new and cleaner rail technologies.

We believe that the California Inland Port project can benefit from a partnership with the Build America Bureau and the U.S. Department of Transportation by specifically enhancing the pipeline of projects that may utilize the Transportation Infrastructure Finance and Innovation Act and Railroad Rehabilitation & Improvement Financing programs and create a foundation for leveraging substantial local and private co-investment. As the Inland Port corridor traverses a series of urban centers and also wide swaths of rural regions, the proposal to Build America supports the Bureau's intentions to diversify the pipeline of eligible project by geography. The Inland Port also includes a spectrum of transportation mode projects including, rail, rail intermodal, road, and automation-related infrastructure, also supporting Bureau objectives.

We also believe that the Inland Port/TradePort can serve as a model to other locations in the U.S. and we look forward to working with the Build America Bureau and the U.S. Department of Transportation in this regard. The Sac Metro Air District appreciates the Build America Bureau and the U.S. Department of Transportation consideration of this project and is very pleased to submit this letter of support. Should you have any questions or need further clarification, please do not hesitate to contact Mr. Jaime Lemus, Manager, Transportation and Climate Change Division at jlemus@airquality.org or (916) 874-2911. Thank you for your consideration.

Sincerely,

Alberto Ayala, Ph.D., M.S.E.
Executive Director/Air Pollution Control Officer

California State Senate
SENATOR
MELISSA HURTADO
FOURTEENTH SENATE DISTRICT

STATE CAPITOL
SACRAMENTO, CA 95814
TEL (916) 651-4014
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COMMITTEES
HUMAN SERVICES
CHAIR
BUDGET & FISCAL REVIEW
GOVERNANCE & FINANCE
HEALTH
VETERANS AFFAIRS
SUBCOMMITTEE
BUDGET SUBCOMMITTEE NO. 3
ON HEALTH & HUMAN SERVICES

March 19, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project submitted by the Fresno Council of Governments for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg,

I am writing to express my support for the U.S. DoT Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, San Joaquin, Kings, Kern, and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. Practically all of this cargo is moved via truck from the ports, through the Los Angeles metro region then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento. Much of this region is comprised of small rural communities and the region has high levels of unemployment, poverty, and suffers from among the worst air quality conditions in the United States. These trucks negatively impact air quality and create congestion and wear and tear on an already stressed highway system. Additionally, this sole reliance on truck over long-haul distances is expensive for shippers and inhibits economic development.

It is my understanding that this proposal would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail to and from seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region. These Inland Port hubs would include rail intermodal facilities and integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. A Phase One analysis concluded that a California Inland Port has the potential to significantly reduce costs to shippers as well as to reduce truck traffic -- thereby beneficially impacting highway congestion, safety, and maintenance -- and materially reduce greenhouse gas emissions and criteria pollutants.

The proposed inland port would support a range of State and local community objectives, including a significant improvement in the economic competitiveness of the region, a substantial decrease in greenhouse gas emissions, increased roadway safety, and a sizable reduction in highway congestion. Particularly along CA99 and Interstate-5 which serve as the backbone for transportation and commerce. For these reasons, I respectfully request that you give full and fair consideration to this proposal submitted by the Fresno Council of Governments.

Sincerely,

MELISSA HURTADO
Senator, 14th District

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0023
(916) 319-2023
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Assembly
California Legislature

DISTRICT OFFICE
6245 N.FRESNO STREET #106
FRESNO, CA 93710
(559) 446-2029
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JIM PATTERSON
ASSEMBLYMAN, TWENTY-THIRD DISTRICT

March 25, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: SUPPORT: California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and air quality districts) for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg,

Please accept this letter of support for the USDoT Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of the Ports of Los Angeles and Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, San Joaquin, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

This project is of statewide significance and would represent a positive change for the national logistics system. It would include a new freight rail service, which would transport containerized cargo via rail to and from seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region. Currently, there are over 1.1 million international containers that move in and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population of 14.2 million people.

Practically all of this cargo is moved via truck from the ports, through the Los Angeles metro region, then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento. These trucks negatively impact air quality, create congestion and wear and tear on an already stressed highway system.

Inland Port hubs would include rail intermodal facilities, integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. The Inland Port will partner with leading private cargo handling and automated truck technology firms to support a clean-sheet strategy for developing the most efficient logistics hubs in the world, all operating on a carbon neutral platform.

The proposed inland port will support a range of State and local community objectives, including a substantial decrease in greenhouse gas emissions, increased roadway safety, a sizable reduction in highway congestion (particularly along CA99/Interstate-5), in addition to significant improvement in economic competitiveness of the region. Much of this region is comprised of small rural communities and the region has high levels of unemployment and poverty. The region also suffers from among the worst air quality conditions in the United States.

A Phase One analysis funded by a coalition of seaports, air districts, San Joaquin Valley governments and the Central Valley Community Foundation concluded that a California Inland Port clearly has the potential to significantly reduce costs to shippers as well as reduce truck traffic. It would have a positive impact on our highways in reducing congestion and improving safety and maintenance. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

Work is now underway on Phases Two and Three of the Inland Port infrastructure plan and delivery structure. This plan will confirm company-specific contingent commitments from shippers; develop plans for state-of-the art intermodal infrastructure assets; specify class-one railroad requirements; estimate capital costs and indirect costs; and complete projections of revenue and costs. This work also identifies sites for TradePort hubs, project level environmental impact analysis, development of a full profitability model, and identification of financing sources.

As the representative of the 23rd Assembly District in California, I appreciate the Build America Bureau and the US Department of Commerce's consideration of this project.

Sincerely,

Jim Patterson
Assemblymember, 23rd District

March 19, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and air quality districts) for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg,

California Forward is a triple-bottom-line nonprofit organization that seeks to concurrently advance environmental sustainability, shared economic prosperity and social equity. That is why we strongly support the USDoT Regional Accelerator application submitted by the Fresno -Council of Governments on behalf of a diverse coalition of California counties, seaports and air districts to create a California Inland Port.

A preliminary feasibility analysis concluded that the project offers the potential to very substantially reduce Greenhouse Gases and criteria pollutants, reduce costs to shippers, reduce traffic congestion and road maintenance costs, while concurrently advancing economic competitiveness in an economically disadvantaged region of the State. The analysis further concluded that the scale of California's inbound and outbound cargo market through the inland port would serve a population of more than 14.2 million people, making this the largest inland port in the nation.

As envisioned, the project would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail to and from seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region. Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. Practically all of this cargo is moved via truck from the ports, through the Los Angeles metro region then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento.

The Inland Port hubs, operating on a carbon neutral platform, would include rail intermodal facilities and integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform.

Work is now underway to confirm company-specific contingent commitments from shippers; develop plans for state-of-the art intermodal infrastructure assets; specify class one railroad requirements; estimate capital costs and indirect costs; and complete projections of revenue and costs. This work will also identify sites for TradePort hubs, project level environmental impact analysis, development of a full profitability model, and identification of financing sources.

The project is being designed to address the core objectives of Caltrans:

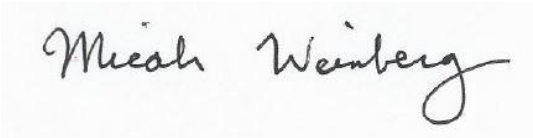
- To significantly reduce air pollution by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area.
- To reduce highway road congestion, with a parallel reduction in the requirement for road maintenance; thus, reducing cost and creating more capacity from existing infrastructure.
- To improve highway and roadway safety from the removal of larger trucks from the State and local highway/roadway system.
- To support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. With specific focus on high-value manufacturing sectors and a more robust and efficient distribution system, direct rail service to/from deep seaports would reduce shipping costs for shippers that manage global supply chains.

The California Inland Port project will 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. As the Inland Port corridor traverses a series of urban centers and also wide swaths of rural regions, the proposal supports the Bureau's intentions to diversify the pipeline of eligible project by geography. The Inland Port also includes a spectrum of transportation mode projects including, rail, rail intermodal, road, and automation-related infrastructure, also supporting Bureau objectives.

We also believe that the Inland Port/TradePort can serve as a model and later customized to other locations in the United States and we look forward to working with the Build America Bureau and the Department of Transportation in this regard,

California Forward appreciates the Build America Bureau and the US Department of Commerce consideration of this project and is very pleased to submit this letter of support.

Sincerely,



Micah Weinberg
CEO, California Forward

March 19, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and air quality districts) for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg,

The Fresno County Economic Development Corporation strongly supports the USDoT Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, San Joaquin, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

The Fresno County EDC is a private non-profit organization established to market Fresno County as the premier location for business prosperity. The EDC works tirelessly to attract, expand, and retain businesses and jobs in Fresno County. Fresno County serves as California's strategic center, equidistant between the state's major urban areas in Northern and Southern California. Interstate commerce is facilitated daily in Fresno through State Route 99 and Interstate 5 which serve as key transportation corridors that support the goods movement that is essential to supporting our local, state and national economy. As a consequence, Fresno County and surrounding Central San Joaquin Valley communities suffer from some of the worst air quality in the nation. As such, catalytic planning and investments are needed to get more pollution emitting trucks off our congested roads and highways and onto rail, which is imperative to improving our air quality, health and economy.

As envisioned, the project would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail to and from seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region. Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people.

Practically all of this cargo is moved via truck from the ports, through the Los Angeles metro region then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento. As

previously stated, these trucks negatively impact air quality and create congestion and wear and tear on an already stressed highway system. Further from a market and competitiveness perspective, the sole reliance on truck over lang-haul distances is expensive for shippers and inhibits economic development.

Inland Port hubs would include rail intermodal facilities and integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. The Inland Port will partner with leading private cargo handling and automated truck technology firms to support a clean-sheet strategy for developing the most efficient logistics hubs in the world, all operating on a carbon neutral platform. The project is of statewide significance and will be a positive change for the national logistics system and is designed as a ground-up next-generation modern logistics and investment center model.

A Phase One analysis funded by a coalition of seaports, air districts, San Joaquin Valley governments and the Central Valley Community Foundation concluded that a California Inland Port clearly has the potential to significantly reduce costs to shippers as well as to reduce truck traffic -- thereby beneficially impacting highway congestion, safety and maintenance -- and materially reduce greenhouse gas emissions and criteria pollutants. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

Toward developing the Inland Port infrastructure plan and delivery structure, work is now underway on Phases Two and Three, funded by local sources and the State of California. This work will confirm company-specific contingent commitments from shippers; develop plans for state-of-the art intermodal infrastructure assets; specify class one railroad requirements; estimate capital costs and indirect costs; and complete projections of revenue and costs. This work also identifies sites for TradePort hubs, project level environmental impact analysis, development of a full profitability model, and identification of financing sources.

The proposed inland port will support a range of State and local community objectives, including a substantial decrease in greenhouse gas emissions, increased roadway safety, a sizable reduction in highway congestion (particularly along CA99/Interstate-5), in addition to significant improvement in economic competitiveness of the region. Much of this region is comprised of small rural communities and the region has high levels of unemployment and poverty. The region also suffers from among the worst air quality conditions in the United States.

In support of California's strategic objectives, the project is designed with Caltrans core objectives in mind:

- To significantly reduce air pollution by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area.
- To reduce highway road congestion, with a parallel reduction in the requirement for road maintenance; thus, reducing cost and creating more capacity from existing infrastructure.
- To improve highway and roadway safety from the removal of larger trucks from the State and local highway/roadway system.
- To support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. With specific focus on high-value manufacturing sectors

and a more robust and efficient distribution system, direct rail service to/from deep seaports would reduce shipping costs for shippers that manage global supply chains.

We believe that 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. As the Inland Port corridor traverses a series of urban centers and also wide swaths of rural regions, the proposal to Build America supports the Bureau's intentions to diversify the pipeline of eligible project by geography. The Inland Port also includes a spectrum of transportation mode projects including, rail, rail intermodal, road, and automation-related infrastructure, also supporting Bureau objectives.

We also believe that the Inland Port/TradePort can serve as a model and later customized to other locations in the United States and we look forward to working with the Build America Bureau and the Department of Transportation in this regard,

The Fresno County Economic Development Corporation appreciates the Build America Bureau and the US Department of Commerce consideration of this project and is very pleased to submit this letter of support. If you would like to discuss further, I can be reached at leager@fresnoedc.com or 559-476-2513.

Sincerely,

Lee Ann Eager
President/CEO, Fresno County Economic Development Corporation

LAE/wo

California Food Producers

We Help Bring California's Goodness to the World

March 24, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg,

The California League of Food Producers (CLFP) strongly supports the USDoT Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

CLFP represents forty-seven industrial food processors in California including canned fruit and vegetables processors, dried and dehydrated fruits and vegetables, frozen foods, nuts, and olives and olive oil manufacturers, and major dairy manufacturers producing cheese and cheese products. Many of these products are manufactured for export requiring trucks for transport to California ports. As a result, issues involving mobile source emissions and port congestion are always a concern for food processors. This project looks to help mitigate these issues in a way that will benefit the food processing industry.

As envisioned, the project would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail to and from seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region. Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people.

Practically all of this cargo is moved via truck from the ports, through the Los Angeles metro region then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento. These trucks negatively impact air quality and create congestion and wear and tear on an already stressed highway system. Further from a market and competitiveness

2485 Natomas Park Drive, Suite 550 Sacramento, CA 95833 | P: (916) 640-8160 | F: (916) 640-8156 | www.clfp.com

perspective, the sole reliance on truck over lang-haul distances is expensive for shippers and inhibits economic development.

Inland Port hubs would include rail intermodal facilities and integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. The Inland Port will partner with leading private cargo handling and automated truck technology firms to support a clean-sheet strategy for developing the most efficient logistics hubs in the world, all operating on a carbon neutral platform. The project is of statewide significance and will be a positive change for the national logistics system and is designed as a ground-up next-generation modern logistics and investment center model.

A Phase One analysis funded by a coalition of seaports, air districts, San Joaquin Valley governments and the Central Valley Community Foundation concluded that a California Inland Port clearly has the potential to significantly reduce costs to shippers as well as to reduce truck traffic -- thereby beneficially impacting highway congestion, safety and maintenance -- and materially reduce greenhouse gas emissions and criteria pollutants. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

Toward developing the Inland Port infrastructure plan and delivery structure, work is now underway on Phases Two and Three, funded by local sources and the State of California. This work will confirm company-specific contingent commitments from shippers; develop plans for state-of-the art intermodal infrastructure assets; specify class one railroad requirements; estimate capital costs and indirect costs; and complete projections of revenue and costs. This work also identifies sites for TradePort hubs, project level environmental impact analysis, development of a full profitability model, and identification of financing sources.

The proposed inland port will support a range of State and local community objectives, including a substantial decrease in greenhouse gas emissions, increased roadway safety, a sizable reduction in highway congestion (particularly along CA99/Interstate-5), in addition to significant improvement in economic competitiveness of the region. Much of this region is comprised of small rural communities and the region has high levels of unemployment and poverty. The region also suffers from among the worst air quality conditions in the United States.

In support of California's strategic objectives, the project is designed with Caltrans core objectives in mind:

- To significantly reduce air pollution by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area.
- To reduce highway road congestion, with a parallel reduction in the requirement for road maintenance; thus, reducing cost and creating more capacity from existing infrastructure.

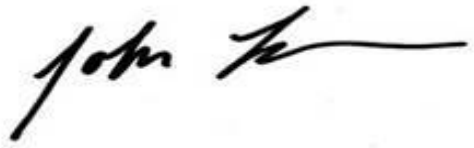
- To improve highway and roadway safety from the removal of larger trucks from the State and local highway/roadway system.
- To support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. With specific focus on high-value manufacturing sectors and a more robust and efficient distribution system, direct rail service to/from deep seaports would reduce shipping costs for shippers that manage global supply chains.

We believe that 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. As the Inland Port corridor traverses a series of urban centers and also wide swaths of rural regions, the proposal to Build America supports the Bureau's intentions to diversify the pipeline of eligible project by geography. The Inland Port also includes a spectrum of transportation mode projects including, rail, rail intermodal, road, and automation-related infrastructure, also supporting Bureau objectives.

We also believe that the Inland Port/TradePort can serve as a model and later customized to other locations in the United States and we look forward to working with the Build America Bureau and the Department of Transportation in this regard,

CLFP appreciates the Build America Bureau and the US Department of Commerce consideration of this project and is very pleased to submit this letter of support.

Sincerely,



JOHN LARREA
Director of Government Affairs
California League of Food Producers

Gatik
3530 W. Bayshore Road
Palo Alto, CA 943030
www.gatik.ai | info@gatik.ai

March 18, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and air quality districts) for acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg,

Gatik AI Inc. ("Gatik") strongly supports the USDoT Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

At Gatik, we live at the intersection of classical robotics and machine learning. So does the future of logistics, and more broadly, the mobility sector. More specifically, we develop and operate autonomous vehicles (AVs) for B2B short-haul logistics. The company was founded in 2017, by veterans of the autonomous vehicle industry to address a critical industry pain point in the supply chain: the costly and challenging Middle Mile. The automotive and logistics industries are at the cusp of a step-change. There is strong customer demand and a generational opportunity to more rapidly iterate this segment defining technology by autonomously moving freight utilizing Middle Mile AVs to-and-from, and within the district. Then scaling this American technology globally.

As envisioned, the project would also include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail to and from seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region. Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people.

Practically all of this cargo is moved via truck from the ports, through the Los Angeles metro region then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento. These trucks negatively impact air quality and create congestion and wear and tear on an already stressed highway system. Further from a market and competitiveness perspective, the sole reliance on truck over long-haul distances is expensive for shippers and inhibits economic development.

Inland Port hubs would include rail intermodal facilities and integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. The Inland Port will partner with leading private cargo handling and automated truck technology firms to support a clean-sheet strategy for developing the most efficient logistics hubs in the world, all operating on a carbon neutral platform. The project is of statewide significance and will be a positive change for the national logistics system, and is designed as a ground-up next-generation modern logistics and investment center model.

A Phase One analysis funded by a coalition of seaports, air districts, San Joaquin Valley governments and the Central Valley Community Foundation concluded that a California Inland Port clearly has the potential to significantly reduce costs to shippers as well as to reduce truck traffic -- thereby beneficially impacting highway congestion, safety and maintenance -- and materially reduce greenhouse gas emissions and criteria pollutants. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

Toward developing the Inland Port infrastructure plan and delivery structure, work is now underway on Phases Two and Three, funded by local sources and the State of California. This work will confirm company-specific contingent commitments from shippers; develop plans for state-of-the art intermodal infrastructure assets; specify class one railroad requirements; estimate capital costs and indirect costs; and complete projections of revenue and costs. This work also identifies sites for TradePort hubs, project level environmental impact analysis, development of a full profitability model, and identification of financing sources.

The proposed inland port will support a range of State and local community objectives, including a substantial decrease in greenhouse gas emissions, increased roadway safety, a sizable reduction in highway congestion (particularly along CA99/Interstate-5) in addition to significant improvement in economic competitiveness of the region. Much of this region is comprised of small rural communities and the region has high levels of unemployment and poverty. The region also suffers from among the worst air quality conditions in the United States.

In support of California's strategic objectives, the project is designed with Caltrans core objectives in mind:

- To significantly reduce air pollution by reducing the number of truck trips from the

3530 W. Bayshore Road
Palo Alto, CA 943030
www.gatik.ai | info@gatik.ai

seaports complex in the Los Angeles region to the Central Valley and the Bay Area.

- To reduce highway road congestion, with a parallel reduction in the requirement for road maintenance; thus, reducing cost and creating more capacity from existing infrastructure.
- To improve highway and roadway safety from the removal of larger trucks from the State and local highway/roadway system.
- To support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. With specific focus on high-value manufacturing sectors and a more robust and efficient distribution system, direct rail service to/from deep seaports would reduce shipping costs for shippers that manage global supply chains.

We believe that 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. Especially if the project supports the development and commercialization of autonomous technologies. As the Inland Port corridor traverses a series of urban centers and also wide swaths of rural regions, the proposal to Build America supports the Bureau's intentions to diversify the pipeline of eligible project by geography. The Inland Port also includes a spectrum of transportation mode projects including rail, rail intermodal, road, and automation-related infrastructure, also supporting Bureau objectives.

We also believe that the Inland Port/TradePort can serve as a model, and later customized to other locations in the United States and we look forward to working with the Build America Bureau and the Department of Transportation.

In this regard, Gatik appreciates the Build America Bureau and the US Department of Commerce consideration of this project and is very pleased to submit this letter of support.

Sincerely,

Richard Steiner

Richard Steiner, Head of Policy
Gatik AI Inc.

March 28, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and air quality districts) for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg,

Hilltop Ranch Inc. a large Central Valley California Almond Processor strongly supports the USDoT Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, Merced, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

Implementation of the California Inland Port would significantly benefit the sizable agricultural community and support a large number of jobs for our rural communities. My company is Hilltop Ranch, is one of the largest privately owned processors of almonds, handling about 30,000 tons annually and shipping to buyers in over 70 countries.

California almonds are especially important in international trade and account for approximately 25% of California farm exports. The total impact on the value of California output, including direct, indirect, and induced economic output, is about $21.5B, with $11B value added. The whole almond industry, including processing and marketing, generates about 104,000 jobs statewide, with almond farming accounting for 68,000 jobs and remaining job generation of approximately 36,000 jobs is associated with processing and manufacturing.

The California Inland Port would reduce costs for much of the California agricultural community and would significantly increase the economic viability for a very large area of rural inland California. Currently, our only logistics option is to use expensive long-haul trucking services to key logistics points and a new internodal rail option would be a game-changer for companies like ours. Beyond the economic impact, as we all live in the Central Valley there are other tremendously important benefits to the inland Port effort, including supporting cleaner air for our residents. We have about the worst air quality in the nation and the personal impacts to our communities is high.

As envisioned, the project would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting agricultural goods in containers cargo via rail to seaports from markets throughout the State. Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people.

Hilltop Ranch INC appreciates the Build America Bureau and the US Department of Commerce consideration of this project and is very pleased to submit this letter of support.

Sincerely,

David H. Long
Hilltop Ranch INC
President / CEO

March 26, 2021

Secretary Pete Buttigieg
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Letter of Support for California Inland Port project (submitted by the Fresno Council of Governments on behalf of the San Joaquin Valley MPOs, port partners, and air quality districts) for the acceptance as a USDoT Regional Accelerator

Dear Secretary Buttigieg,

I am the owner of Van G Logistics and am pleased to submit a letter of support for the USDOT Regional Accelerator proposal submitted by the Fresno Council of Governments on behalf of a spectrum of public bodies including the Port of Los Angeles and Port of Long Beach, the San Joaquin Valley MPOs (including Fresno, Madera, Stanislaus, San Joaquin, Kings, Kern and Tulare counties), the Sacramento Council of Governments, the San Joaquin Air Pollution Control District, the Sacramento Region Air Quality Management District and the South Coast Air Quality Management District.

Van G Logistics (Van G) first began in 1978 as Van G Trucking and has since advanced into a total logistics company headquartered in Fowler, California, a small community of 6,200 people, just south of the City of Fresno. Fowler is equidistant between the state's major urban areas in Northern and Southern California. Interstate commerce is facilitated daily in Fresno through State Route 99 and Interstate 5 which serve as key transportation corridors that support the goods movement that is essential to supporting our local, state and national economy. As such, Van G moves commodities within California via rail and truck on behalf of growers, shippers and commercial clients throughout the Western United States.

After 40 years of experience in the logistics industry, it is apparent that as California has grown, the demand on our highways to facilitate the goods movement has increased and as a consequence, Fresno County and surrounding Central San Joaquin Valley communities have suffered from some of the worst air quality in the nation. That is in part the reason why our company has already invested millions of dollars in on-site infrastructure for greater freight-to-rail capabilities at our 100-acre Fowler facility. In addition to the emissions reductions, inland projects such as Van G's will create 65 new full-time jobs at an average annual wage exceeding $50,000, meaningful in a region that faces chronically high unemployment and poverty rates.

We support the USDOT Regional Accelerator project because additional planning and investments are needed to get more pollution emitting trucks off our congested roads and highways and onto rail, which is imperative to improving our air quality, health, and economy.

As project organizers note, the project would include a new freight rail service designed to remove trucks from Interstate and State highways by transporting containerized cargo via rail to and from seaports to markets throughout the State with a series of next-generation logistics and investment hubs in the Central Valley region. Currently, there are over 1.1 million international containers that move into and out of this region, resulting in almost 20,000 truck trips per week. This figure is expected to grow significantly over the next twenty-five years as the region grows from its current population shed of 14.2 million people.

Practically all of this cargo is moved via truck from the ports, through the Los Angeles metro region then northward over a 425-mile-long corridor stretching from Los Angeles to the Bay Area/Sacramento. As previously stated, these trucks negatively impact air quality and create congestion and wear and tear on an already stressed highway system. Further from a market and competitiveness perspective, the sole reliance on truck over lang-haul distances is expensive for shippers and inhibits economic development.

Inland Port hubs would include rail intermodal facilities and integrated logistics and investment districts (TradePorts), all connected by automated cargo handling systems operating on a clean-energy platform. The Inland Port will partner with leading private cargo handling and automated truck technology firms to support a clean-sheet strategy for developing the most efficient logistics hubs in the world, all operating on a carbon neutral platform. The project is of statewide significance and will be a positive change for the national logistics system and is designed as a ground-up next-generation modern logistics and investment center model.

A Phase One analysis funded by a coalition of seaports, air districts, San Joaquin Valley governments and the Central Valley Community Foundation concluded that a California Inland Port clearly has the potential to significantly reduce costs to shippers as well as to reduce truck traffic -- thereby beneficially impacting highway congestion, safety and maintenance -- and materially reduce greenhouse gas emissions and criteria pollutants. The analysis further concluded that given the scale of California's inbound and outbound cargo market and its seaport infrastructure, the California Inland Port would become a nationally significant logistics and economic development project.

Toward developing the Inland Port infrastructure plan and delivery structure, work is now underway on Phases Two and Three, funded by local sources and the State of California. This work will confirm company-specific contingent commitments from shippers; develop plans for state-of-the art intermodal infrastructure assets; specify class one railroad requirements; estimate capital costs and indirect costs; and complete projections of revenue and costs. This work also identifies sites for TradePort hubs, project level environmental impact analysis, development of a full profitability model, and identification of financing sources.

The proposed inland port will support a range of State and local community objectives, including a substantial decrease in greenhouse gas emissions, increased roadway safety, a sizable reduction in highway congestion (particularly along CA99/Interstate-5), in addition to significant improvement in economic competitiveness of the region. Much of this region is comprised of small rural communities and the region has high levels of unemployment and poverty. The region also suffers from among the worst air quality conditions in the United States.

In support of California's strategic objectives, the project is designed with Caltrans core objectives in mind:

- To significantly reduce air pollution by reducing the number of truck trips from the seaports complex in the Los Angeles region to the Central Valley and the Bay Area.
- To reduce highway road congestion, with a parallel reduction in the requirement for road maintenance; thus, reducing cost and creating more capacity from existing infrastructure.
- To improve highway and roadway safety from the removal of larger trucks from the State and local highway/roadway system.
- To support new job creation and investment growth by fundamentally repositioning the economic competitiveness of the Central Valley region. With specific focus on high-value manufacturing sectors and a more robust and efficient distribution system, direct rail service to/from deep seaports would reduce shipping costs for shippers that manage global supply chains.

We believe that 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. As the Inland Port corridor traverses a series of urban centers and also wide swaths of rural regions, the proposal to Build America supports the Bureau's intentions to diversify the pipeline of eligible project by geography. The Inland Port also includes a spectrum of transportation mode projects including, rail, rail intermodal, road, and automation-related infrastructure, also supporting Bureau objectives.

We also believe that the Inland Port/TradePort can serve as a model and later customized to other locations in the United States and we look forward to working with the Build America Bureau and the Department of Transportation in this regard,

The Fresno County Economic Development Corporation appreciates the Build America Bureau and the US Department of Commerce consideration of this project and is very pleased to submit this letter of support.

Sincerely,

Roger Van Groningen

Roger Van Groningen
President/CEO
Van G Logistics