

Date of Hearing: April 2, 2019

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT, AND THE ECONOMY

Sabrina Cervantes, Chair

AB 371 (Frazier) – As Introduced February 5, 2019

**SUBJECT:** Transportation: freight: statewide economic vitality assessment

**POLICY FRAME:** California’s regional economies compete in an increasingly connected and complex global market driven by changes in technologies, demographics, and geopolitics. Public policy plays multiple and critical roles in creating the conditions that attract private capital investment, while encouraging equitable and sustainable economic growth. Scores of state, regional, and local programs strive to develop skilled workers, to attract and grow employers, and to support small businesses and entrepreneurs. Billions of dollars are spent each year on infrastructure to support development, transportation, and trade. Yet California’s logistical network lacks an assessment of its competitiveness and a coherent strategy that links state and regional priorities with goals and metrics, investments, and programs.

AB 371 calls for the development of an assessment of the economic vitality of the state’s freight industry, which will expand upon the Sustainable Freight Action Plan and be incorporated into the State Freight Plan. The analysis includes background on the California economy, the state’s efforts toward a more sustainable freight movement strategy, and the importance of trade to the California economy. Amendments are discussed in Comment 8.

**SUMMARY:** AB 371 requires the Governor’s Office of Business and Economic Development (GO-Biz), in consultation with the State Air Resources Board (ARB), the California Transportation Commission (CTC), and the California State Transportation Agency (CalSTA), to prepare a statewide economic vitality assessment of the California freight industry (Vitality Assessment) by December 31, 2021. The findings of the Assessment are required to be included as an addendum in the 2019 state freight plan by December 31, 2022. Specifically, **this bill:**

- 1) Makes findings and declarations, including, but not limited to:
  - a) In 2013, legislation was enacted to require the CalSTA to develop a state freight plan that provides for governance of the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight.
  - b) In 2014, the final California Freight Mobility Plan was completed by the CalSTA and the Department of Transportation (Caltrans) in consultation with the California Freight Advisory Committee, and was submitted to the Legislature, the Governor, the CTC, the Public Utilities Commission (PUC), and the ARB.
  - c) In July 2015, Governor Brown issued Executive Order No. B-32-15, which directed the Secretary of Transportation, the Secretary for Environmental Protection, and the Secretary of the Natural Resources Agency to lead other relevant state departments (including (GO-Biz) in developing an integrated action plan that “establishes clear targets to improve freight efficiency, transition to zero emission technologies, and increase competitiveness of California’s freight system.”
  - d) In July 2016, the California Sustainable Freight Action Plan was completed in response to Executive Order No. B-32-15 and included recommendations on, among other things, “[a] long-

term 2050 Vision and Guiding Principles for California’s future freight transport system,” and “[t]argets for 2030 to guide the State toward meeting the Vision.”

- e) Efforts by the state, private industry, and seaports that have resulted in emissions reductions and improvements in environmental quality at California’s seaports over the past decade have been substantial, significant, and unprecedented.
  - f) Improving the efficiency of California’s freight transport system is vital to the state’s economy. Traditional routes of moving freight face increasing competition from across the globe, and California’s system should anticipate and stay ahead of these changes. Currently, California is the nation’s largest gateway for international trade and domestic commerce, with an interconnected system of ports, railroads, highways, and roads that allow freight from around the world to move throughout the state and nation.
  - g) This system is responsible for one-third of the state’s economic product and jobs, with freight-dependent industries accounting for over \$740,000,000,000 in gross domestic product and over five million jobs in 2014. However, California’s freight transport system is under pressure to serve the state’s growing population and satisfy dynamic market demands, while other locations in the United States and across the world are fiercely competing for this economic activity.
  - h) Maintaining the state’s cargo competitiveness is not just an imperative for the economic health of California but is necessary to preserve reductions in emissions of greenhouse gases. Studies have demonstrated that when California loses market share and volumes of imports to other ports and gateways on the Gulf and Atlantic coasts that increases of emissions of greenhouse gases associated with this diversion are substantial. Emissions of greenhouse gases are, on average, 22% higher when cargo that originates in the Far East is diverted from West Coast ports in favor of East Coast and Gulf Coast ports.
- 2) Requires GO-Biz, in consultation with the ARB, CTC, and the CalSTA, to prepare a statewide Vitality Assessment of the California freight industry.
- 3) Requires that the Vitality Assessment expand on the California Sustainable Freight Action Plan and do all of the following:
- a) Identify the economic competitiveness of all sectors of freight movement and an appropriate baseline as a means to compare economic growth in California.
  - b) Identify and develop metrics to measure financial performance, market share performance, workforce performance, and overall economic performance by freight group.
  - c) Identify the ability of the freight sector to successfully compete with other states and countries as measured by using existing comparable metrics.
  - d) Identify and develop goals to increase economic competitiveness and the ability to track these goals.
  - e) Identify strategies California is employing to address freight mobility issues that affect freight economic competitiveness, such as truck bottlenecks, inefficiencies, and congestion, and recommend to the CTC and the CalSTA complementary or additional strategies to reduce these mobility issues.
  - f) Identify challenges the freight industry faces in meeting the state’s emission reduction goals and emission-reducing regulations and how these challenges may affect the overall vitality of moving freight in the state, and recommend strategies the state can use to address these challenges.

- g) Ensure economic competitiveness is being prioritized in the freight sector.
- 4) Requires GO-Biz, in developing the assessment, to consult with representatives from a cross section of public and private sector freight stakeholders, including representatives of ports, shippers, carriers, freight-related associations, the freight industry workforce, Caltrans, the PUC, the State Lands Commission, the ARB, regional and local governments, and environmental, safety, and community organizations.
- 5) Requires GO-Biz to prepare the assessment on or before December 31, 2021, and to update the assessment at least once every five years.
- 6) Requires the CalSTA to incorporate the findings of the statewide economic vitality assessment of the California freight industry into the 2019 state freight plan as an addendum by December 31, 2022.
- 7) Requires the CalSTA to incorporate the findings of the statewide economic vitality assessment of the California freight industry into the 2024 state freight plan. The findings of the most recent Vitality Assessment are required to be included in each new update of the state freight plan.

#### **EXISTING LAW:**

- 1) Enacts the California Global Warming Solutions Act, which requires the California Air Resources Board (ARB) to determine the 1990 statewide greenhouse gas (GHG) emissions level and approve a statewide GHG emissions limit that is equivalent to that level, to be achieved by 2020, and to adopt GHG emission reduction measures by regulation, and set certain requirements in adopting the regulations.
- 2) Establishes GO-Biz to serve the Governor as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. Among other duties, GO-Biz is authorized to make recommendations to the Governor and the Legislature on new state policies, programs, and actions, or amendments to existing programs in order to advance statewide economic goals, respond to emerging economic problems, and ensure that all state policies and programs conform to the state economic and business development goals.
- 3) Requires the CalSTA to prepare a state freight plan which can serve as a comprehensive plan to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight. At a minimum, the state freight plan is required to include:
  - a) An identification of significant freight system trends, needs, and issues.
  - b) A description of the freight policies, strategies, and performance measures that will guide freight-related transportation investment decisions.
  - c) A description of how the state freight plan will improve the ability of California to meet the national freight goals, as specified.
  - d) Evidence of consideration of innovative technologies and operational strategies, including intelligent transportation systems, that improve the safety and efficiency of freight movement.
  - e) In the case of routes on which travel by heavy vehicles, including mining, agricultural, energy cargo or equipment, and timber vehicles, is projected to substantially deteriorate the condition of

roadways, a description of improvements that may be required to reduce or impede the deterioration.

- f) An inventory of facilities with freight mobility issues, such as truck bottlenecks within California, and a description of the strategies California is employing to address those freight mobility issues.

**FISCAL EFFECT:** Unknown

**COMMENTS & CONTEXT:**

- 1) **Moving Toward a Sustainable Freight Plan:** In July 2015, Governor Brown issued Executive Order B-32-15 which called for the development of an integrated plan to improve freight efficiency, transition to zero emission technologies, and increase competitiveness of California’s freight system. The mandated new action plan, referred to as the *California Sustainable Freight Action Plan*, was issued in July 2016 and identifies state policies, programs, and investments that can be made in order to achieve these zero emission targets.

According to an Air Resources Board (ARB) policy-related document, a key step toward California achieving its air quality, climate, and sustainability goals is transitioning to a zero emission transportation system. While the state’s freight transport system serves as an economic engine, it also accounts for about half of toxic diesel particulate matter (diesel PM), 45% of the emissions of nitrogen oxides (NOx) that form ozone and fine particulate matter in the atmosphere, and 6% of the greenhouse gas (GHG) emissions in California.

Addressing these environmental challenges will require policy and financial solutions that include trucks, ships, locomotives, aircraft, harbor craft, and all types of equipment used to move freight at seaports, airports, railyards, warehouses, and distribution centers. This more efficient, zero and near-zero emission freight system will demand both new equipment and fuels, as well as new transportation infrastructure, communications, and industry operating practices. New technologies are expected to play an important role in increasing system efficiency, including computerized logistics systems and technologies to physically move containers and trucks.

<b>California’s Freight System</b>
<ul style="list-style-type: none"> <li>• 12 deep water seaports</li> <li>• Approximately 6,000 miles of railroad track</li> <li>• 12 airports with major cargo operations</li> <li>• Over 5,800 centerline miles of high-traffic volume interstate and state highways</li> <li>• 3 international commercial land ports of entry</li> <li>• Approximately 19,370 miles of hazardous liquid and natural gas</li> </ul>
<p>Source: Sustainable Freight Action Plan, 2016</p>

- 2) **Funding Options to Meet Demand:** The Executive Order directed the state agencies, among other things, to initiate work on corridor-level freight pilot projects that integrate advanced technologies, alternative fuels, and freight and fuel infrastructure, and provide local economic development opportunities. Caltrans serves as the lead agency for several of the pilot project models, including Advanced Technology for Truck Corridors, and Advanced Technology Corridors at Border Ports of Entry. The Air Resources Board serves as the lead agency for Dairy Biomethane for Freight Vehicles. Key freight emission targets include:

- By 2030, improve freight system efficiency by 25% by increasing the value of goods and services produced from the freight sector, relative to the amount of carbon produced.

- By 20130, deploy 100,000 freight vehicles and equipment capable of zero emission freight operations and maximize near-zero emission freight vehicles and equipment powered by renewable energy by 2030.

Meeting these environmental targets call for substantial new investments in public and private funds, as well as new regulatory and other programs to encourage and mandate zero emission and other clean technology development and deployment. The scale of the currently proposed public funds appears to be nowhere near the anticipated costs. It is also problematic for public and private entities to take on significant new debt or make expenditures for activities that result in no new revenues and potentially result in lower revenues in the short-run.

These challenges are compounded by the lack of an economic competitiveness target, which is still in the process of being developed. According to GO-Biz, who is facilitating the development of the target and who received no specific appropriation to undertake the work, two important studies are underway, which once completed will help inform this third target in the *Sustainable Freight Action Plan*. These studies include examinations of the economic competitiveness of the state's freight system (estimated to be completed in 2021) and of the impact of transitioning to a lower carbon economy on the state's workforce with an emphasis on incumbent workers (estimated to be completed in 2020).

AB 371 calls for a Vitality Assessment of the state's freight industry, including fact-based assessments of impediments, impact of emerging technologies, and competitiveness of California logistical hubs to those in other states and countries. Information required by AB 371 is similar, but not identical to that proposed by the Sustainable Freight Working Group. The most notable difference is in the area of workforce. Amendments are suggested in Comment 8 to include labor force impacts within the Vitality Assessment.

Even with better data, it will be challenging to develop and successfully implement a *California Sustainable Freight Action Plan* that can achieve the dual mandates of transitioning to zero emission technologies while also increasing competitiveness of California's freight system. Implementation of AB 371 would provide a broader look at the economic environment in which the state's transportation and logistics networks must transition.

- 3) **Example of How Freight Movement is Changing:** One of the most important reasons to undertake studies like the one proposed in AB 371 is to understand how industries are evolving to meet market needs. Inland ports represent a relatively new concept within the United States logistical network and freight movement system, but their use is growing as demonstrated through the development of new facilities in Salt Lake City, UT; Dallas/Fort Worth, TX; and Cordele, GA.

Well designed and strategically placed inland ports can play a key role in enhancing the efficiency of a state's logistical network and serve as key nodes within expansive domestic and international supply chains. As globalization provides new economic opportunities for ports and technology centers across the globe, California's long-term economic success may be dependent on the state's ability to reimagine a statewide manufacturing and freight movement system that connects resources to production, and products to consumers, with economical options that are able to adapt to evolving market needs.

In 2017, the Port of Los Angeles and the County of Merced entered into a memorandum of agreement which leverages existing state freight assets to drive economic development throughout the state,

including in economically challenged regions like the San Joaquin Valley. The Port of Los Angeles views the state's inland regions as valuable to its competitiveness, especially as the trade volume within the Los Angeles trade corridor increases. For the County of Merced, the establishment of the Mid-California International Trade District will serve as a catalyst for the reuse of their previously closed Air Force base and the development of manufacturing and new logistical hubs in the Central Valley.

Developing more inland ports as part of the state's logistical network complements existing business and goods movement resources, while also offering new options for relieving congestion at ports of entry, improving air quality, and reducing greenhouse gas emissions. Further, inland ports can promote and disperse economic benefits throughout the state, including communities historically overlooked that have large underutilized tracts of land and/or other economic resources.

- 4) **Profile of California's Trade Dominated Economy:** California is home to nearly 40 million people, providing the state with one of the most diverse populations in the world, often comprising the single largest concentration of nationals outside their native country. In 2018, this diverse group of business owners and workers produced \$178.4 billion in exports, representing 10.7% of total U.S. exports and rendering the state the 28<sup>th</sup> largest exporter in the world.

California's \$2.7 trillion economy in 2017 ranked fifth largest in the world – only the national economies of the United States, China, Japan, and Germany being larger. Historically, a number of factors have contributed to California's significant position within the global marketplace, including its strategic west coast location, the size of its consumer base, the strength of its dominant industry sectors, its economically diverse regional economies, its skilled workforce, and its culture of innovation and entrepreneurship, particularly in the area of technology.

Many policy makers and economists describe California as having not a single economy, but having a highly integrated network of a dozen or so regional economies. While biotech has a comparative advantage in some regions, information technology drives growth in others. This economic diversity is one of the reasons California was able to move out of the Great Recession so aggressively, ranking number two by *Business Insider* for fastest growing economies in the nation in August 2014 and as having the fourth best overall state economy in March 2015. The following year, Bloomberg, a financial news service, reported that without California, the U.S. economic growth rate would have been flat in 2016. Today California has regained all 1.1 million jobs lost in the Recession and has added, since February 2011, over three million jobs.

**Chart 1 – California GDP by Industry Sectors** shows state GDP in dollars displayed by industry sector. One of the unique qualities of California's economy is its multiple dominant industry sectors. The state's three largest industry sectors in terms of GDP – Finance and Insurance (21.6% of state GDP); Trade, Transportation, and Utilities (14.5%); and Professional and Business Services (12.8%) – also provide a foundation to other industry sectors, including Manufacturing (10.9%) and Information (8.7%).



Many of the jobs associated with the top-five industry sectors are also associated with high wages. Research by the U.S. International Trade Commission undertaken in 2010 and updated in 2015 found a significant earnings premium in jobs within export-intensive manufacturing industries – a 19% premium for blue collar workers and a 9.9% premium for white collar workers.

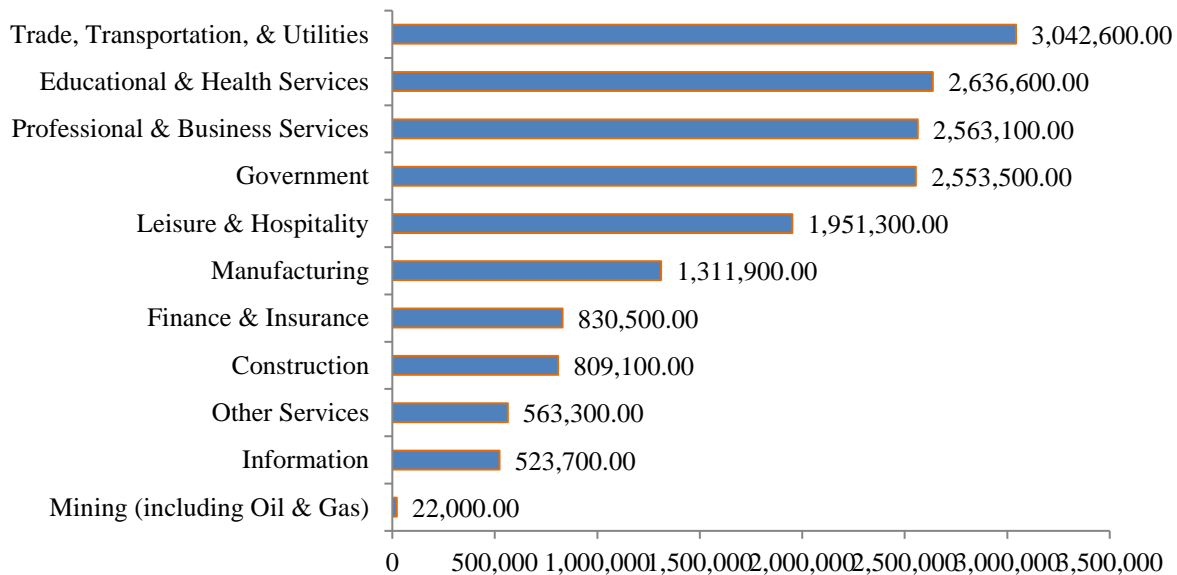
Due to its economic impact exceeding its proportional share of the U.S. population, California’s economy has been described as “hitting above its weight.” As an example, while California’s population comprises 12% of the U.S. population, the state contributed 16% of total job growth between 2012 and 2017.

California’s 19.5 million working age individuals comprise the single largest workforce in the nation, are comparatively younger, and have an educational achievement level above the national average. As an example, over 32% of the working age population holds at least a bachelor’s degree. California’s well diversified small business base also provides an economic advantage by meeting the niche needs of the state’s dominant and emerging innovation-based industry sectors.

Along with California’s competitive advantages, the state also has economic challenges, including a large Boomer workforce that is retiring, a growing skilled workforce outside the state, and lower education attainment levels among California’s younger workforce.

**Chart 2 – California Employment by Industry Sectors** (on the following page) shows employment data within the same industry sectors as are measured in Chart 1. In 2017 (most recent available), the Trade, Transportation, and Utilities sector represented the industry with the largest number of employees in California, followed by jobs in Educational and Health Services.

**Chart 2 – California Employment by Industry Sectors (2017)**



Research presented by the California Ports Association states that one-third of the state’s economic product and jobs are linked to freight-dependent industries, accounting for over \$740 billion in GDP and over five million jobs.

- 5) **California Exports and Imports:** Trade-related industry sectors comprise a majority of what EDD has designated as the state’s “economic base” sectors, which include professional services, manufacturing, and transportation, among others. Employment in these economic base industries represents 36% of the state’s projected growth between 2014 and 2024.

California’s **largest export market** is Mexico, where the value of exports totaled \$30.7 billion in 2018. After Mexico, California’s top export markets in 2018 were: China and Hong Kong (\$26.2 billion), Canada (\$17.7 billion), Japan (\$13.0 billion), South Korea (\$9.9 billion), Taiwan (\$6.8 billion), Germany (\$6.5 billion), the Netherlands (\$6.4 billion), India (\$6.1 billion), and the United Kingdom (\$5.2 billion).

Many of California’s top exports are parts and components. Research shows that California businesses participate in large expanded global supply chains, with components leaving and arriving in the state assembled and/or partially assembled before becoming available for retail and wholesale distribution. California’s **top seven exports** in 2018 were: computer and electronic products (\$45.1 billion); transportation equipment (\$19.1 billion); machinery, except electrical (\$17.7 billion); miscellaneous manufactured commodities (\$15.7 billion); chemicals (\$13.7 billion), agricultural products (\$13.5 billion); and food manufactures (\$9.1 billion).

**Imports into California** were valued at \$441.1 billion in 2018, representing 17.3% of total U.S. imports and ranking the state the 13<sup>th</sup> largest importer in the world. China is the **largest source** of imports to California, valued at \$441.1 billion in 2018. Chinese imports totaled \$161.1 billion, followed by Mexico (\$44.0 billion), Japan (\$33.6 billion), and Canada (\$27.0 billion). The **largest amount of products imported** in 2018 by dollar: computer and electronic products (\$1.2 billion); transportation equipment (\$69.4 billion); electrical equipment, appliances and components (\$24.8



billion); oil and gas (\$24.4 billion); miscellaneous manufactured commodities (\$22.1 billion); apparel manufacturing products (\$22.0 billion); and machinery, except electrical (\$21.2 billion).

- 6) **Research and Data:** While it is increasingly common for statute to call for data-driven and fact-based policies, achieving this goal can be expensive and time consuming. Strategies and action plans are only as good as their data, and old data, especially about the economy, can result in inaccurate findings. Having the largest economy in the world, except for that of four other nations, requires the state to support good data collection, as well as best practices when data is being applied.

Too often, these fundamental tenants of public policy are put aside based on budget and resource limitations. Sometimes, significant economic features can be missed, which have long lasting impacts when setting regulations or investing public dollars.

- 7) **Many Transportation-Related Plans:** Transportation plays an important role within the California economy, and the development and maintenance of the state's transportation-related infrastructure is complex. In addition to the Freight Mobility Plan and the Sustainable Freight Plan, which AB 371 is intended to impact, there are a number of other transportation plans, including the long-range California Transportation Plan designed to address the state's mobility needs while reducing GHG emissions.

Caltrans is also responsible for preparing a state rail plan for passenger and rail service. The state Air Resources Board develops a long-term plan known as the *Vision for Clean Air: A Framework for Air Quality and Climate Planning*, which looks at strategies to meet the state's multiple air quality and climate goals, including how to reduce emissions in the freight transport system. At the local level, metropolitan planning organizations adopt regional transportation plans and are developing sustainable communities strategies pursuant to SB 375 (Steinberg), Chapter 728, Statutes of 2008.

The author, who also chairs the Assembly Committee on Transportation, may wish, as the bill moves through the process, to try to connect the dots with other state planning activities so that the important information learned through the Vitality Assessment can serve as a policy foundation and baseline from which to evaluate the impact of government actions on the competitiveness of the state freight system.

- 8) **Proposed Amendments:** Below is a list of amendments the committee members may wish to review when considering the bill.
- a) Require the Vitality Assessment to include an identification of current and emerging economic trends, including impacts on domestic and global markets.
  - b) Require the Vitality Assessment be developed using the most current data reasonably available.
  - c) Expand the tracking requirement to include an annual review and a process of modifying recommendations to address immediate and emerging competitiveness issues.
  - d) Require GO-Biz, prior to finalizing the Vitality Assessment, to seek the advice of the Legislature.
  - e) Expand the competitiveness metrics to include labor market effects. This provision was suggested by the author.
  - f) Provide a specific method for ensuring that the economic competitiveness is being prioritized in the freight sector. This provision was suggested by the author.

- g) Modify the name of the “economic vitality assessment” to be a “statewide economic growth, prosperity, and resiliency assessment” and make related changes to the content of the assessment. This provision was suggested by the author.
- h) Add a definition of “freight sector” and “economic competitiveness,” which was developed in consultation with industry groups and suggested by the author.
- i) Update references and provisions related to federal Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) to the federal Fixing America’s Surface Transportation Act (FAST Act). This provision was suggested by the author.
- j) Make other technical and conforming changes.

9) **Related Legislation:** Below is a list of bills from the current and prior sessions.

- a) Current session bills include:
  - i) **AB 185 (Greyson) Sustainable Freight Meetings:** Requires the Department of Housing and Community Development to participate in the sustainable freight meetings. Status: Pending in the Assembly Committee on Transportation.
  - ii) **AB 285 (Freidman) California Transportation Plan:** This bill updates requirements of the California Transportation Plan to reflect the state’s recent environmental legislation, including specific provisions related to environmental justice, greenhouse gas emission reduction goals, impacts of advanced and emerging technologies, and an overview of sustainable communities strategies and how they influence the configuration of the statewide integrated multimodal transportation system. Status: Pending in the Assembly Committee on Natural Resources.
  - iii) **AB 639 (Cervantes) Port Infrastructure Financing:** This bill establishes a process by which a harbor agency can monetize the future financial value of installing and operating a port using technology and processes that result in the reduction of mobile source emissions. This valuation could be used to request funding from the state, the repayment of which occurs through the economic impact of the project, including the payment of state taxes and fees. Status: Pending in the Assembly Committee on Jobs, Economic Development, and the Economy.
  - iv) **AB 821 (O’Donnell) Trade Corridor Enhancement Account and California Port Efficiency Program:** This bill establishes the California Port Efficiency Program and authorizes grant funding for projects that most effectively improve velocity, throughput, and reliability of port operations, including the deployment of digital industrial infrastructure to facilitate and streamline the exchange of data between supply chain participants, and projects designed to reduce truck visit times. Funding for these projects will come from moneys in the Trade Corridor Enhancement Account. Status: Pending in the Assembly Committee on Transportation.
  - v) **AB 1411 (Reyes) Integrated Action Plan for Sustainable Freight:** This bill sets a state goal of deploying 200,000 zero emission medium- and heavy-duty vehicles and off-road vehicles and equipment, and the corresponding infrastructure to support them, by 2030. The bill requires GO-Biz and Caltrans (among others) to develop an integrated action plan by January 1, 2021, to meet this goal. Status: Pending in the Assembly Committee on Transportation.

b) Bills from prior sessions include:

- i) **AB 14 (Lowenthal) Freight Plan and Freight Advisory Committee:** This bill requires the state's Transportation Agency to prepare a state freight plan and establish a freight advisory committee. Status: Signed by the Governor, Chapter 223, Statutes of 2013.
- ii) **AB 886 (Allen and Ian Calderon) Importer-Exporter Tax Credit:** This bill would have authorized a five-year \$500 million tax credit program for importers and exporters that increase cargo through in-state airports and seaports, hire additional staff, or incur capital costs at a California cargo facility. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.
- iii) **AB 962 (Allen and Quirk-Silva) Port Infrastructure Financing:** This bill would have established a process by which a harbor agency can monetize the future financial value of installing and operating a port using technology and processes that result in the reduction of mobile source emissions. This valuation would be used to establish the amount of a future state appropriation, the repayment of which occurs through the payment of state taxes and fees. Status: Held in the Assembly Committee on Appropriations, 2018.
- iv) **AB 2841 (Allen) Port Infrastructure Finance:** This bill would have established a process by which a harbor agency can monetize the future financial value of installing and operating a port using technology and processes that result in the reduction of mobile source emissions. This valuation would be used to establish the amount of a future state appropriation, the repayment of which occurs through the payment of state taxes and fees. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2016.
- v) **AB 3015 (Caballero) Zero Emission and Near-Zero Emission Cargo Handling Equipment:** This bill requires the California Air Resources Board (ARB), by June 30, 2023, to develop a technical report with respect to the feasibility of transitioning to zero emission and near-zero emission cargo handling equipment. The bill requires the State Transportation Agency, when developing the 2024 state freight plan (Freight Mobility Plan), to consider ARB's technical report and address the development of freight-related infrastructure to support the introduction of zero emission and near-zero emission cargo-handling equipment at seaports and railyards. Status: Died in the Assembly Committee on Appropriations, 2018.
- vi) **SB 63 (Hall) Seaport Infrastructure Districts:** This bill authorizes cities and counties to establish Seaport Infrastructure Financing Districts and allows these districts to finance certain port or harbor facilities, as specified. Status: Signed by the Governor, Chapter 793, Statutes of 2015.

10) **Double Referral:** The Assembly Committee on Rules has referred this measure to the Assembly Committee on Jobs, Economic Development, and the Economy and to the Assembly Committee on Transportation (Trans). Should this measure pass the committee, it will be referred to Trans for further policy consideration.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

AP Moller Maersk  
BNSF Railway  
California Association of Port Authorities

California Railroads  
California Short Line Railroad Association  
California Transportation Commission  
Pacific Merchant Shipping Association  
Port of Los Angeles  
San Joaquin Valley Railroad Company  
Union Pacific Railroad

**Opposition**

None on File

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