



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

TO: Programming and Allocations Committee

DATE: November 8, 2006

FR: Executive Director

W.I.: 1515

RE: Infrastructure Bond Trade Corridor and ITIP Program Development

In response to questions from several of our local partners, this memorandum clarifies staff's proposed approach for developing a tandem strategy for the Interregional Transportation Improvement Program (ITIP) and Trade Corridor elements of the infrastructure bond, as referenced in our November 8th Programming and Allocations Committee packet item.

MTC staff recommends that companion strategies for these two programs would be adopted at the same time as the Corridor Mobility Improvement Account (CMIA) program of projects. We would not be adopting a final program of projects for Trade and ITIP—largely because we will not have guidance yet from the California Transportation Commission (CTC) on what criteria will be used in their eventual determination of those two programs. We would also want to maintain flexibility to modify our ITIP and Trade project recommendations based on which CMIA projects ultimately are selected by the CTC. However, the rationale behind the tandem strategy is to acknowledge that significant synergies exist between the bond programs, and the ability to leverage one against the other maximizes possible investments in the region. Below is a summary of the specific next steps needed to pull a tandem strategy into shape by January 2007 alongside the CMIA program.

ITIP

Fundamentally, we envision the ITIP strategy as a direct extension of the CMIA program:

- a) The CMIA submittal represents our most important congestion relief projects;
- b) Final CTC decisions for the CMIA will not exactly match the region's submittal; and
- c) The ITIP should therefore reinforce the CMIA project priorities—e.g. to fill inevitable gaps and ensure deliverability of key projects.

Trade Corridor

Unlike the CMIA, state law does not assign a specific lead coordinating role to regional agencies for the \$2 billion trade infrastructure portion of the bond. Nor does it assign even the most basic geographic targets (e.g. North/South split). However, it is clear from informal listening sessions and conversations with CTC staff that regional input will be seriously considered in their deliberations. Based on a close reading of the statute, our past experience with the statewide Goods Movement Action Plan, and CTC and Caltrans staff discussions, we believe the following

key factors should influence how the Bay Area develops a competitive proposal to garner a reasonable share of the \$2 billion trade element:

- International trade gateways are the focus – The Trade Corridor Program is not focused on local or intra-regional goods movement distribution. Ingress/egress for international trade will be the key investment priority. Competition from Southern California is expected to be fierce, insofar as that region has a dominant international trade presence and well-publicized needs at the Ports of Long Beach and Los Angeles and the border with Mexico.
- Multi-regional/Corridor-based investments will be required – International trade corridors by definition are multi-regional – in fact, multi-state. The major international trade corridors in the Bay Area are the I-80 “Central” Corridor, and I-880/238/580 “Altamont” corridor. These two corridors recognize the unique two-way aspects of Northern California’s international trade gateway at the Port of Oakland: 1) access for Pacific Rim generated imports; and b) export market for California’s agricultural heartland. It is crucial that we coordinate with the Sacramento and San Joaquin Valley regions in developing a Northern California trade proposal.
- Multi-modal investments are essential – Our two key corridors have significant highway/truck movements, as well as current and potential rail capacity for goods movement.
- Rigorous match requirements in the statute – the 50% non-state matching requirement means that we must focus on projects that can garner significant public or private sector funding commitments outside the bond program.

We therefore would recommend assembling at the regional level a preliminary corridor-based trade program embracing the four factors outlined above. We have been working with public and private stakeholders in those corridors to develop such a proposal, and will continue discussions with the affected agencies in order to meet our January 2007 target for an integrated Bay Area CMIA, ITIP, and Trade Corridor proposal.



Steve Heminger

SH:ED