

GATEWAY CITIES COUNCIL OF GOVERNMENTS TRANSPORTATION COMMITTEE

AGENDA

November 2, 2005, 4:30 PM
Cerritos Senior Center
12340 South Street
Cerritos, CA

Item No.	Description	Recommended Action
I.	Call to Order – Self Introductions	
II.	Pledge of Allegiance	
III.	Approval of Meeting Minutes of September 7, 2005	Receive & File
IV.	Reports:	
1.	SCAG Port Modal Elasticity Study Presentation by Nancy Pfeffer, SCAG	Discuss & Recommend
2.	Long Range Transportation Plan (LRTP) Update • MTA Board Process Overview by MTA Director Lowenthal • Discussion of Gateway Cities Input to MTA LRTP	Discuss & Recommend
3.	Update on Gateway Service Changes- Alex Clifford Gateway Sector General Manager	Receive & File
4.	Update – I-5 JPA	Receive & File
5.	Update – I-710 Major Corridor Study	Receive & File
6.	Update – SR 91/I-605 Needs Assessment	Receive & File
7.	New Business/Date of Next Meeting	
8.	Adjournment	

IN COMPLIANCE WITH THE AMERICAN WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE COG OFFICE AT (562) 663-6850. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE COUNCIL OF GOVERNMENTS TO MAKE REASONABLE ARRANGEMENT TO ENSURE ACCESSIBILITY TO THIS MEETING.

Item III
Approval of Minutes Meeting of
September 7, 2005

**Transportation Committee Minutes of
September 7, 2005**

MINUTES OF THE MEETING
OF THE GATEWAY CITIES COUNCIL OF GOVERNMENTS
TRANSPORTATION COMMITTEE
Cerritos Senior Center 12340 South Street, Cerritos
September 7, 2005

Call to order and roll call. The meeting was called to order by Chair Bonnie Lowenthal at 4:40 p.m. Roll call was taken by self introduction.

COMMITTEE MEMBERS PRESENT: Bonnie Lowenthal, Chair; Gene Daniels, Bill Pagett, Max Withrow, James Parker, Sam Peña.

COMMITTEE MEMBERS ABSENT: Don Knabe, Fred Latham, Ken Farfsing, Geraldine Knatz, Greg Nordback

OTHERS PRESENT: Richard Powers, Gateway Cities COG Executive Director; Jack Joseph, Gateway Cities COG; Deborah Chankin, Gateway Cities COG; Karen Heit, Gateway Cities COG; David Hershenson, MTA; Michael Sieckert, MTA Gateway Cities Sector; Patrice Price, AQMD; Brynn Kernaghan, Long Beach Transit, Sharad Mulchand.

Karen Heit, Transportation Deputy to MTA Director Bonnie Lowenthal, passed out a press release detailing the status of SB 760, the container fee bill.

MTA Board Director, Bonnie Lowenthal gave an update on the progress of the SCAG Port & Modal Elasticity Study and how it may impact the progress of SB 760. The SCAG study indicates a fee container fee of \$190 - \$200 may be more appropriate than the \$30 fee proposed in the legislation.

Al Martinez, MTA Project Manager for the I-710 Big Rig Tow Demonstration gave an overview of the MTA two year demonstration project to be inaugurated October 3rd. The project consists of two Big Rig tow trucks that will patrol the I-710 from Pacific Coast Highway in Long Beach to just north of the I-5/I-710 interchange during peak hours. He was accompanied by Sgts. Vincent Lee and Connie Guzman of the California Highway Patrol. The demonstration project will be independently evaluated by University of California Berkeley.

Martinez requested assistance from cities located adjacent to the Big Rig Tow beat to designate drop zones for disabled vehicles. There was some discussion and comment on trucks parking on city streets for repairs, dropping oil and taking parking spaces. Chair Lowenthal offered to send a letter to corridor city, city managers asking them to designate appropriate drop zones that would accommodate a disabled truck and a Big Rig Tow vehicle.

A quorum was reached and the Minutes of the August 3, 2005 meeting were approved.

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Gateway Sector General Manager, Alex Clifford gave an update on the proposed Gateway Service changes; the change to Line 258 that required changes in the San Gabriel Valley sector has been withdrawn for further consideration and discussion between the two sectors. Other changes will move forward to the

MTA Board for adoption. Clifford also announced that the Gateway sector came in under budget with costs savings highlighted by a \$4.5 million savings in worker's compensation expenses. This saving was achieved by increased safety awareness.

Jerry Wood gave an update on the I-5 Carmenita Interchange project. The project is very close to entering into the r.o.w. appraisal and acquisition phase. The I-5/I-710 Mini-study was reported as almost done, with a few additional alternatives to be presented to the public.

Gateway COG Executive Director Richard Powers gave an update on the funding plan for the I-710 environmental work; a three-year \$30 million effort to be funded by the various stakeholders. \$20 million in funding has been secured to date and the remaining \$10 million is in process. He also mentioned that the Mini-study would be reviewed by Tier II.

Lastly there was a an update of the 91/605 Technical Advisory Committee would meet on 9/16 to develop conclusions.

The next meeting date will be determined..

The meeting was adjourned at 5:31 p.m.

IV. Reports

1. SCAG Port Modal Elasticity Study Presentation by Nancy Pfeffer, SCAG

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TO: Board of Directors

FROM: Richard Powers, Executive Director

BY: Karen Heit, Transportation Deputy

SUBJECT: SCAG Port Modal Elasticity Study

Background

SCAG has requested input from the various COGs on the Final Port & Elasticity Study. The study has been circulated to the Gateway Cities COG City Managers and some comments have been received. SCAG staff will present the findings at the upcoming Transportation Committee and Board of Directors Meetings.

This study weighs the impact of congestion on freight movement and handling and assigns a dollar value to time loss. The study also evaluates the potential impact of container fees designated to build infrastructure that will alleviate congestion impacts and suggests an optimum point for container fees. This point is where congestion relief can be financed and increased port activity accommodated. Study conclusions and findings are attached.

At the October 18, 2005 SCAG Goods Movement Task Force, the findings of the study were presented and the Task Force was asked to accept the conclusions. After considerable discussion, an action was taken to receive and file the report. The study will move on to the SCAG Transportation and Communication Committee (TCC) for consideration.

Issues of concern included: Constructing congestion relief improvements prior to implementation of container fees; a lack of definition of air quality mitigations; sharing the Report findings, conclusions and recommendations with stakeholders, (shippers, trucking industry, ports) as a next step.

Attachment

Port & Modal Elasticity Study Findings
Port & Modal Elasticity Study – Executive Summary

Recommended Action

It is recommended that the Board provide direction to the Gateway Cities representation that are members of the SCAG Transportation and Communication Committee (TCC) to:

- Request the dissemination of the Study Conclusions with stakeholders.
- Seek further definition and analysis of the potential environmental impacts, health risks and mitigations.
- Recommend further analysis of the Study recommendations and their impact on regional transportation activities, including funding.

Port & Modal Elasticity Study Findings

- San Pedro Bay (SPB) import volume is much more elastic with respect to congestion than with respect to container fees. Import volume is nevertheless elastic with respect to container fees.
 - Without congestion relief, in the long run even a small container fee would drive traffic away from the San Pedro ports. (Ports of Long Beach and Los Angeles)
 - A \$60 per FEU* fee on inbound loaded containers at the SPB Ports would cut both total import volume and total trans-loaded import volume at the SPB Ports by approximately 6%.
 - With congestion relief, SPB imports are relatively inelastic up to an import fee value of about \$200 per FEU. At this fee level, total imports via the SPB Ports are estimated to decline by 4% or less, while total trans-loaded volume would rise by an estimated 12.5%. The latter suggests a significant increase in the economic activity in Southern California.
 - Fees greater than \$200 per FEU will significantly diminish imports via the SPB Ports, even if predicated upon congestion relief.
- * Forty-foot Equivalent Unit – a measurement used to standardized container capacity.

Final Report
Port and Modal Elasticity Study

Prepared for

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Sept. 7, 2005

Funding: The preparation of this report was financed in part through grants from the United States Department of Transportation (DOT) – Federal Highway Administration and the Federal Transit Administration – under provisions of the Transportation Equity Act of the 21st Century

EXECUTIVE SUMMARY

This study determined the economic viability and impact on demand for San Pedro Bay Port services of assessing additional port user fees to fund the improvements to transportation infrastructure likely required to insure efficient and environmentally sound access to the ports. Today such user fees already exist in the form of fees for the Alameda Corridor rail line. Other major infrastructure improvements may be required to accommodate further traffic growth, and user fees are one possibility for funding such improvements. The Port and Modal Elasticity Study analyses the long-run elasticity of port demands as a function of access fees, determining what levels of fees would induce traffic diversion to other ports or induce shifts in modal shares (truck vs. rail) at the San Pedro Bay (SPB) Ports. These shifts also may depend upon the point in the overall logistics supply chain at which user fees are assessed.

Methodology and Observations:

1. A long-run elasticity model was developed for imports at the SPB Ports. This model allocates imports to ports and modes so as to minimize total inventory and transportation costs from the point of view of importers. Current capacities, contractual obligations and other short-run impediments to shifting traffic among ports and modes are not considered in the long-run model.
2. The long-run model was exercised for two scenarios: As-Is, and Congestion Relief. In the As-Is Scenario, fees are assessed on imports at the SPB Ports without any improvements to access infrastructure. In the Congestion Relief Scenario, average transit time from the SPB Ports to store-door delivery points in the hinterland of the ports is assumed to be reduced by one day, and the standard deviation of this transit time is assumed to be reduced by 0.4 days. The standard deviations of transit times for intermodal rail movements out of Southern California are assumed to be reduced by 0.1 days.
3. A container fee of \$192 per forty-foot equivalent unit (FEU) applied to imports over 30 years would be sufficient to retire bonds funding \$20 billion in improvements to SPB Ports access infrastructure. Dedicated truck lanes from the SPB Ports to the trans-loading warehouse districts are estimated to cost \$16.5 billion. Improvements to main-line rail infrastructure adequate to accommodate 2025 traffic levels at year 2000 transit times are estimated to cost \$3.4 billion. Thus a container fee in the range of \$190 - \$200 per FEU is relevant for the Congestion Relief Scenario.

We conclude that:

1. San Pedro Bay import volume is much more elastic with respect to congestion than with respect to container fees. Import volume is nevertheless elastic with respect to container fees.
2. Without congestion relief, in the long run even a small container fee would drive some traffic away from the San Pedro Ports.
3. A \$60 per FEU fee on inbound loaded containers at the SPB Ports would cut both total import volume and total trans-loaded import volume at the SPB Ports by approximately 6%.

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4. With congestion relief, San Pedro Bay imports are relatively inelastic up to an import fee value of about \$200 per FEU. At this fee level, total imports via the SPB Ports are estimated to decline by 4% or less, while total trans-loaded volume would rise by an estimated 12.5%. The latter suggests a significant increase in economic activity in Southern California.
5. Fees greater than \$200 per FEU will significantly diminish imports via the SPB Ports, even if predicated upon congestion relief.

We recommend that:

1. A complete and comprehensive list of effective infrastructure projects be formulated to determine construction cost.
2. The financing cost and term be calculated for these intended investments.
3. Should other (direct) funding be unavailable or inadequate to fully cover cost, that a container fee exclusively used for retiring the bonds for said improvements be uniformly imposed on all imported containers.
4. The practical point of collection is at the dock to be paid by the importer.
5. Further research on this subject be carried out by the consultant. More engagement with importers to confirm or correct model parameters would improve the accuracy of the analysis. It also is desirable to develop a short-run elasticity model, accounting for capacity and congestion at other ports and in various channels.

The Project was financed in part through grants from the United States Department of Transportation – Federal Highway Administration and the Federal Transit Administration – under provisions of the Transportation Equity Act of the 21st Century and additional funding was provided by the California State Department of Transportation.

The analyses and conclusions expressed herein are solely those of the consultant and do not necessarily reflect the views of SCAG, other agencies sponsoring this project, nor any stakeholder in Asian – US maritime trade.

- IV. Reports**
- 2. Long Range Transportation Plan
(LRTP) Update**
- MTA Board Process Overview by
MTA Director Lowenthal**
 - Discussion of Gateway Cities Input
to MTA LRTP**

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TO: Board of Directors
FROM: Richard Powers, Executive Director
BY: Karen Heit, Transportation Deputy
SUBJECT: Long Range Transportation Plan (LRTP) Update

Background

The MTA is in the process of updating the County's Long Range Transportation Plan. The current Plan was adopted in 2003. The Update will extend the plan from the current horizon of 2025 to 2030.

The MTA has indicated that they will release a draft document in March 2006 with MTA Board adoption by June of 2006. MTA staff has requested each sub-region review the overview that details the challenges and opportunities for the Gateway Cities. Our cities were given the opportunity to comment in the Spring of 2005.

Issue

The MTA has requested that the Gateway Cities COG comment on and update the Gateway Cities Sub-region Overview.

Recommended Action

Review and discuss suggested changes to the Gateway Cities sub-region overview (to be sent under separate cover).