

**SAN BERNARDINO ASSOCIATED GOVERNMENTS (SANBAG)
- FREIGHT STRATEGY WORKING PAPER -
JUNE 12, 2014**

SAN BERNARDINO COUNTY – HISTORICAL GATEWAY TO SOUTHERN CALIFORNIA

San Bernardino County has long been a gateway to the Southland. The Cajon Pass from the north and the San Gorgonio Pass (also known as the Banning Pass) from the east were logical locations for the establishment of transnational routes into and out of the Southern California region in the 1800s.

In 1829, traders opened a route between Los Angeles and Santa Fe via the Cajon Pass, providing a vital economic link between the two Mexican cities of that day. The trade route was later used by the American adventurer John C. Frémont and his guide, Kit Carson, who named the corridor the Old Spanish Trail and advertised it as a link between the coast and the interior of the new American West. This later became known as part of the National Old Trails Road, which was designated Route 66 in 1926. After coming down Cajon Pass, Route 66 generally followed the alignment of today's Interstate 215 to downtown San Bernardino and then turned due west toward Los Angeles and Santa Monica. Route 66 and U.S. 395 at one time merged in Hesperia and diverged in San Bernardino as U.S. 395 headed south toward San Diego. Interstate 15 (the Mojave Freeway) was built over the Cajon Summit in 1969 and together with Interstate 40 is now one of the primary truck corridors to and from the Midwest.

The California Southern Railroad, a subsidiary of the Atchison, Topeka and Santa Fe Railway, built the first rail line to use the Cajon Pass as a route through the mountains. The line was built in the early 1880s as part of a connection between the present day cities of Barstow and San Diego. The Southern Pacific Railroad Company built its own track, known as the Palmdale-Colton Cutoff, through the pass in 1966/1967.

In terms of the eastern gateway, the first stagecoach line came through the Banning Pass in 1862. The pass is named for Phineas Banning, stagecoach line owner, founder of Wilmington, and known as the "Father of Los Angeles Harbor." The east-west U.S. Route 99 was built in 1923, generally following the route of today's Interstate 10. The Southern Pacific railroad followed in the late 1870s, eventually purchased by the Union Pacific railroad of today.

This legacy as a gateway has lived on today, shaping not only the San Bernardino Valley, but the High Desert communities as well. The growth of freight movement in San Bernardino County has generally tracked the growth of the Ports of Los Angeles and Long Beach, together the largest port complex in the United States. The significance of the gateway through San Bernardino County has increased as the ports have grown.

The combination of geographic location, relationship to the ports, and world-class transportation infrastructure continue to provide San Bernardino County with economic opportunities into the future. But these opportunities must be managed well, if the County is to continue to benefit from its ongoing strategic advantages as the gateway to Southern California.

PURPOSE OF THIS WORKING PAPER

This paper provides a working draft of a freight strategy that could guide SANBAG in both its own freight-related initiatives and in its collaborative efforts with other agencies and the private sector. It is intended as a means to foster discussion among SANBAG technical and policy committees and external stakeholders as well. It will be a living document that can be modified from year to year as issues and conditions change over time.

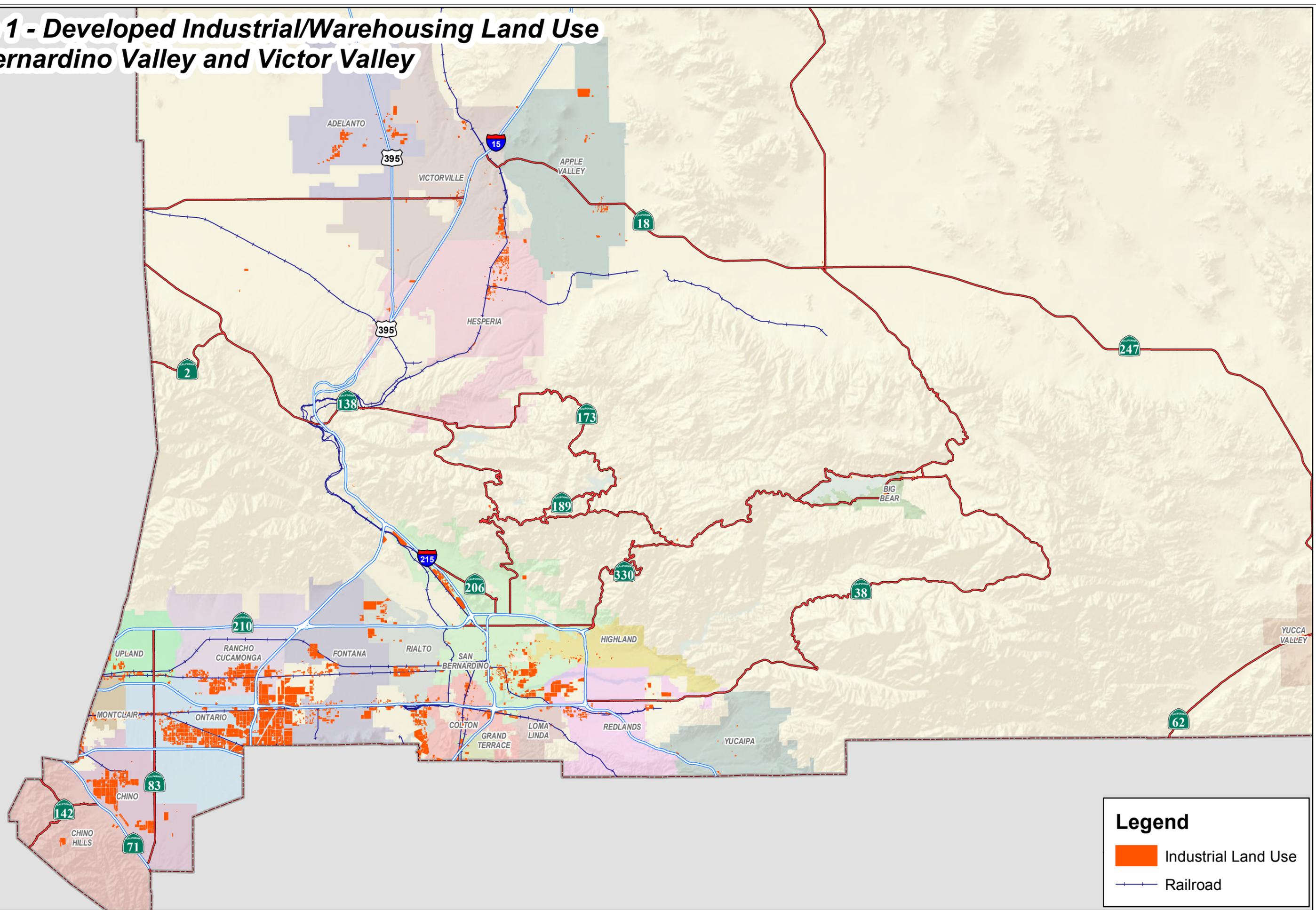
It is not the intent of this paper to provide detailed statistics on the operation of the supply chain that runs within and through San Bernardino County, although a statistical overview is provided for context. The details of current operations are well explained in other reports and analyses such as the Southern California Association of Governments (SCAG) report “*Comprehensive Regional Goods Movement Plan and Implementation Strategy*” dated February 2013. Rather, the purpose is to articulate those things SANBAG can and should focus on with regard to the freight and logistics enterprise in San Bernardino County. It primarily addresses the question: “what can SANBAG do, within the freight-related portion of its partnership with other stakeholders, to help San Bernardino County’s citizens and businesses succeed?”

GOODS MOVEMENT IN SAN BERNARDINO COUNTY – AN OVERVIEW

Freight Flows Through San Bernardino County

The introductory section highlighted the importance of San Bernardino County as a gateway and of the relationship between the County’s logistics sector and the Ports of Los Angeles and Long Beach. Approximately 40% of the nation’s containerized freight flows through the ports, and 80% of that funnels through San Bernardino County by rail and truck. The County is home to some 200 million square feet of warehouse facilities, or approximately 25% of the regional total. Many of these are large high-cube facilities designed to meet demands for automation and adaptability to the dynamics of today’s supply chains. Some of the most well-known players in wholesaling, retailing, and e-commerce are housed here, examples of which include: Amazon, Ashley Furniture, Best Buy, Coca-Cola, COSTCO, Dr. Pepper, Kohls, Mattel, Pep Boys, Pepsi, Stater Brothers, Target, and Walmart. Both UPS and FedEx run major operations out of Ontario International Airport. Figure 1 shows the extent of developed industrial/warehousing land use in the Valley and Victor Valley.

**Figure 1 - Developed Industrial/Warehousing Land Use
San Bernardino Valley and Victor Valley**



Legend

- Industrial Land Use
- Railroad

The Network

San Bernardino County is host to a truly world-class multimodal transportation network for passengers and freight. Two Class 1 railroads (Burlington Northern/Santa Fe and Union Pacific) carry freight to the rest of the U.S. through the Cajon and Banning passes, as previously discussed. There are 450 centerline miles of freeways in the County (I-10, I-15, I-40, SR-60, SR-210, and I-215), all of which carry substantial truck traffic. SR-60 carries the highest volumes, almost 35,000 trucks per day near Ontario Airport. The total daily east-west truck volume on the 10, 60, and 210 freeways is over 75,000 through the west Valley. Figure 2 shows a map of the highway and freight rail network in the Valley and Victor Valley.

The freeway system is supported by a high-capacity arterial system connecting the freeways to warehouse/logistics centers, trucking facilities, and airports. San Bernardino County has three airports with large capacity for cargo: LA/Ontario International Airport (ONT), San Bernardino International Airport (SBIA), and Southern California Logistics Airport (SCLA). A major BNSF intermodal facility, handling 600,000 container lifts per year, is located in San Bernardino, and a large UP switching yard is located in Colton. The fact that so many logistics firms have located in the Inland Empire attests to the mobility and access that the rail and highway systems provide.

Employment

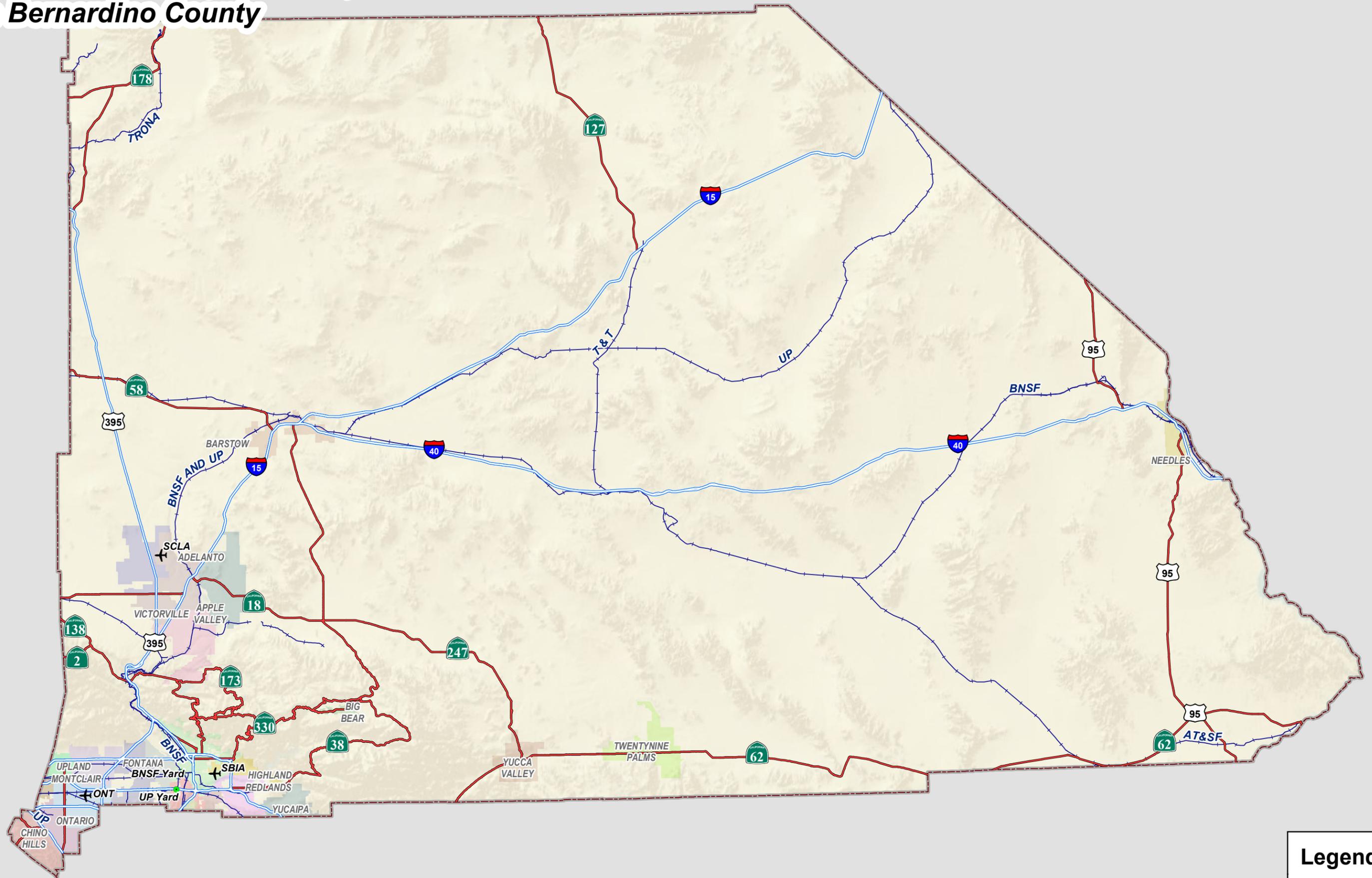
The distribution and logistics sector employs 123,000 workers in San Bernardino County and is currently the fastest growing sector, representing approximately 20% of the County's employment. However, the economic recovery is lagging behind that of coastal areas, with unemployment still almost 10% as of the end of 2013.

The poverty rate in San Bernardino County has risen from about 12% in 1990 to 20% today. Logistics jobs are an important point of entry into the job market for blue collar workers and for eventual movement into the middle class. This is a reminder that a thriving economy, including a thriving logistics sector, is critical to the future of San Bernardino County.

Environment

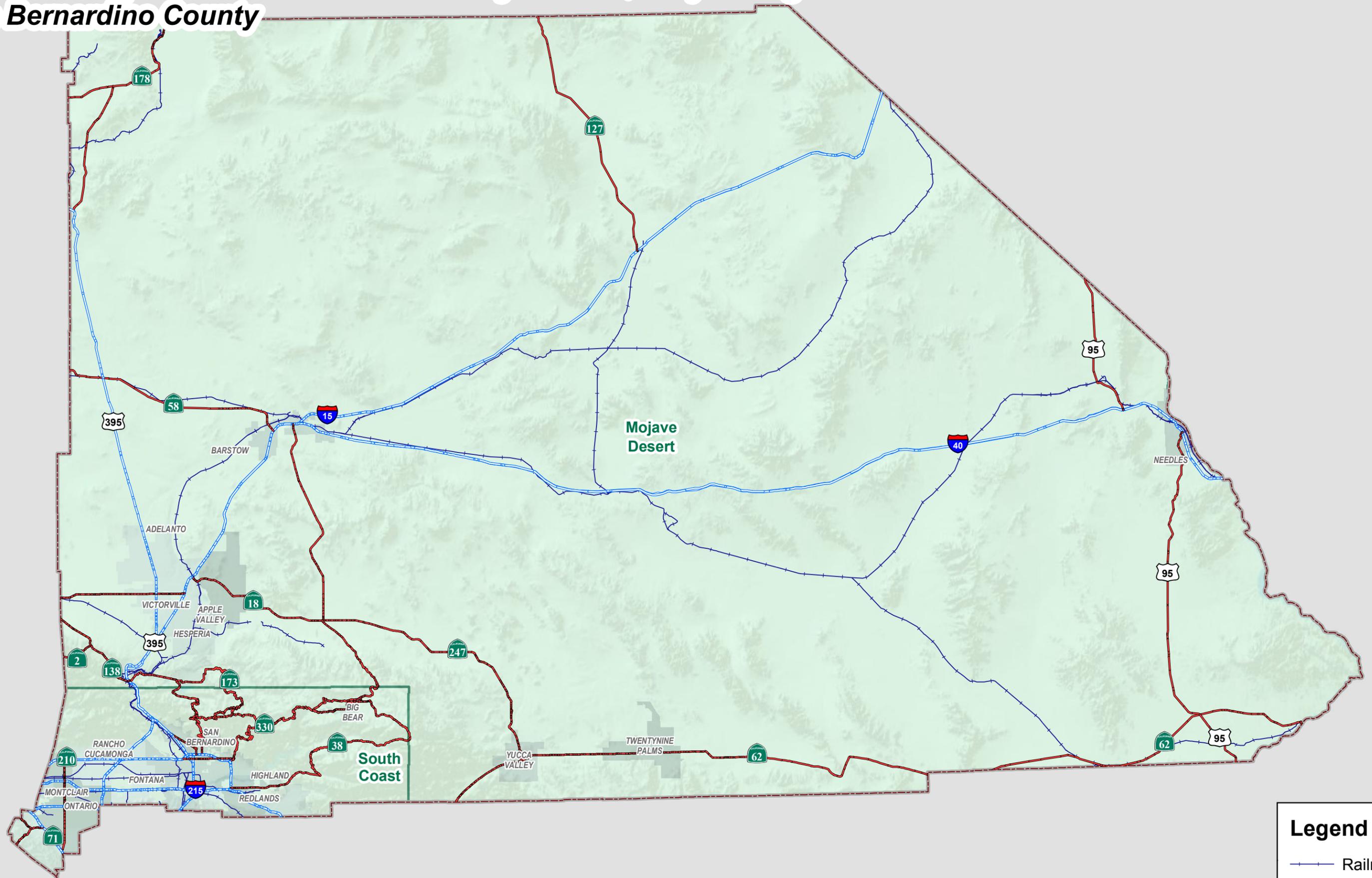
San Bernardino County is covered by both the South Coast and Mojave Air Quality Management Districts (AQMDs). Figure 3 shows the coverage of the two districts. The South Coast AQMD is a federally designated "extreme non-attainment area." The South Coast AQMD portion of San Bernardino County suffers from the worst 24-hour PM 2.5 concentrations and worst 1-hour and 8-hour ozone concentrations in Southern California – between 130 and 180 percent of federal standards, with a significant portion of this impact stemming from goods movement activities.

Figure 2 - Freeways, Rail lines, and Intermodal facilities
San Bernardino County



Legend
—+— Railroad

**Figure 3 – Map of the South Coast and Mojave Air Quality Management Districts
San Bernardino County**

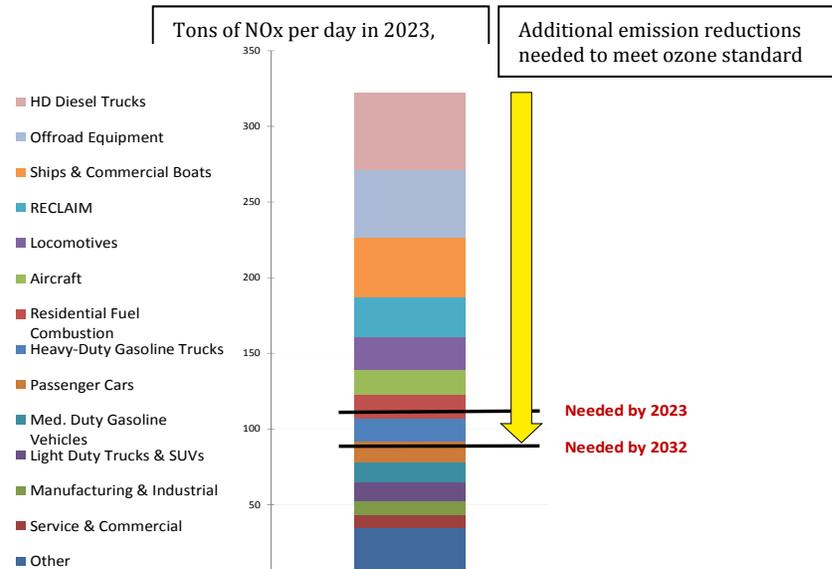


Legend

-  Railroad
-  Air Basins

Southern California will need to reduce NOx emissions by two-thirds by 2023 and three-quarters by 2032 to meet federal ozone standards. Projected emissions of NOx from three goods movement sources alone – ships, trains and heavy duty diesel trucks – will be above what is needed to achieve the federal 8-hour ozone standard by 2023, under existing regulations. See Figure 4.

Figure 4. NOx Emission Reductions Needed to Meet Federal Ozone Standards



Tremendous progress has been made on air quality over the last several decades.

For example, maximum levels of ozone, one of the South Coast’s worst smog problems, have been cut to less than one quarter of what they were in the 1950s, even though today the region has nearly three times as many people and four times as many vehicles. In the past decade, Stage I smog alerts have been eliminated, which previously occurred 100-120 times a year. The South Coast has not reached Stage II levels since the 1980s.

However, the freight sector (ships, intermodal facilities, trains, and trucks) will require further advances for the region to reach federal attainment goals for particulates and ozone. This will require a balanced approach to maintain regional and national competitiveness in manufacturing/logistics while at the same time cleaning up the freight sector from an air quality standpoint. San Bernardino County, although it has some of the worst air quality in the region, cannot afford to lose the jobs associated with the logistics industry while this transition occurs.

Conflicts between industrial/warehouse development and residential communities are of concern as well. Impacts include noise from trucks and trains, localized traffic congestion, and visual impacts, among others.

Freight-Related Investments

SANBAG and Caltrans, in partnership with local governments, have invested approximately \$2.5 billion in the County's transportation network since 2000, significantly benefitting freight mobility. Noteworthy investments include:

Freeways:

- SR-210 from LA County line to I-215 (\$714 million - new freeway completed in 2007, providing substantial traffic relief to Interstate 10 and SR-60)
- Widening of I-215 in San Bernardino, completed in early 2014 (\$830 million)
- Devore Junction (I-15/I-215 interchange) - \$323 million in construction initiated in 2013

I-10 Interchanges:

- Cherry, Citrus, Riverside, and Tippecanoe/Anderson Avenues (\$250 million)

Rail/Highway Grade Separations:

- UP at Ramona Avenue, Hunts Lane, N. Milliken Avenue, S. Milliken Avenue, Vineyard Avenue (\$255M)
- BNSF at State Street., Glen Helen Parkway, Palm Avenue, Laurel Avenue (\$144M)
- Colton Crossing – Grade separation of the east-west UP and north-south BNSF lines that had existed as an at-grade crossing since the 1800s (\$103M)

The largest source of funds for the above projects (40%) has been from local Measure I sales tax revenue. Federal funds comprise 25% and state funds the remaining 35%. This speaks to the serious commitment SANBAG and its local and state partners have made to building and maintaining the highway network for both passenger car traffic and trucks.

INTERVIEWS WITH STAKEHOLDERS

In the late summer and fall of 2013 SANBAG staff conducted interviews with a cross-section of public and private entities with involvement in the freight and logistics industry and environmental community. The interviews covered a range of topics, with a slightly different focus based on the sector being interviewed. The overarching question asked of interviewees was: "What could or should SANBAG be doing to support the economic vitality of the County as it relates to the logistics sector, while also seeking to minimize the impacts the sector can have on the population in general?"

The sectors for which interviews were conducted include:

- Local economic development and planning directors
- State and local air quality agencies

- Railroads
- Trucking interests (including a sample of individual truck drivers)
- Environmental advocates
- Warehouse development interests

Economic development directors were asked about their strategy toward attracting and retaining logistics businesses and concerns they have about business retention. The railroads, trucking representatives, and logistics companies were asked about concerns and issues they have in running their businesses and remaining competitive. Regional and state air quality agencies and environmental advocates were queried with respect to what SANBAG could do to promote the attainment of air quality objectives and minimizing other freight-related impacts.

Additional insights were derived from freight, air quality, and health-related conferences and panels held in 2013, including: AQMD freight technology symposium (April), freight panel for Mobility 21 (October); Sustainable Goods Movement Symposium, Palm Desert (November); SCAG Economic Summit (December); California Economic Summit (November); and San Bernardino County's Live Well, Age Well Summit (November).

Some of the observations from these interviews and supplemental research included the following:

Infrastructure

- Economic development directors indicated that SANBAG should continue its investments in highway construction that benefit the freight industry. The importance of the logistics industry to the County's economy was heavily emphasized, although concern was expressed about the reduced number of jobs per unit of floor area as automation increases.
- Trucking interests supported the addition of highway lanes and improvement of interchanges, but had concerns about safety issues in construction zones. They stated that auto drivers are not sensitive to the limitations in truck maneuverability. They indicated that dedicated lanes for trucks could be beneficial, but were concerned about the costs. Congestion can be severe in Los Angeles, but trips from LA easterly to other states are not greatly affected by congestion. Pavement maintenance problems were noted on local truck routes.
- Economic development directors noted that information on SANBAG's prior and planned investments would be helpful as a supplement to local agency marketing material.
- Public agencies acknowledged that the trucks are hard on local roads.
- Trucking interests indicate that greater clarity and local education is needed regarding Surface Transportation Assistance Act (STAA) truck definition and routes. STAA trucks may travel up to 1.5 miles off the national network, but network maps have been described as being like a giant jigsaw puzzle of where trucks may and may not travel. There is a need to develop well-defined and clear national, regional and local truck

route maps. Enforcement of STAA truck routes is currently difficult for both industry and law enforcement.

Environment

- Air quality agencies restated that they are required to adopt plans that lead to attainment of air quality goals.
- The SCAQMD stated a recognition that the District should seek strategies with a business case for the freight industry to embrace initiatives to clean up their fleets, which is one of the reasons AQMD is investing heavily in technology research.
- Trucking interests acknowledged that compliance with emission regulations is part of the cost of doing business and indicated that some companies do not do business in California because of those costs.
- Small trucking companies and owner/operators find that new regulations are coming on line faster than they can deal with them, and that retrofits of their trucks are just not affordable with the margins on which they operate.
- The environmental community stated that zero and near-zero emission technology is essential to address our air quality problem. Agencies should require trucks serving rail yards to have clean trucks. In addition, better buffers are needed between warehousing/trucking areas and residential communities. They believe agencies have been too pro-warehouse in the past, and that these developments are not necessarily the best use of scarce land resources.

Economy

- Economic development directors expressed grave concerns that over-regulation of business, including logistics businesses, will continue to impact the San Bernardino County economy. San Bernardino County's high unemployment rate and slow recovery from the recession were cited.
- The need was cited for job growth in sectors that are easier to enter from an educational standpoint and that provide employment opportunities for migration to the middle class. Logistics is cited as one of those sectors.
- Trucking interests indicated that air quality regulations are driving small operators out of business. Large, multi-state corporations can usually absorb it with turnover in their truck fleets, but small operators cannot.
- Private warehouse developers cited the challenges of development in California and the relative ease of comparable development in other states.
- Private logistics operators expressed concerns that students coming out of schools today are not equipped with some of the basic skills to make them able to perform the jobs that are available. Private companies can train for their positions, but they cannot afford to do all the remedial work needed.
- The logistics industry has generally indicated that it is willing to pay for cost-effective infrastructure improvements that directly benefit their business.
- Some researchers have cited the diminishing returns of tighter environmental regulations and question the benefit of further regulation

compared to the harm it will likely cause to the economy. Air quality agencies have documented the benefits of improved air quality to the economy, in terms of lower health costs, fewer lost work days, and improved productivity. Other research has also been cited indicating that the environment is a relatively minor factor in health outcomes and that socio-economic conditions (e.g. income, education, poverty, and unemployment) are by far the most important contributors to an area's public health.

AN EVALUATION OF SAN BERNARDINO COUNTY'S CURRENT AND FUTURE ROLE IN GOODS MOVEMENT

San Bernardino County has benefitted from its location advantages and the overall growth of the logistics sector. Although many opportunities remain, future success is not assured. The Great Recession of the late 2000s demonstrates how fragile the economy can be, as San Bernardino County still lags behind the pace of recovery of coastal counties. A critical review of assets, liabilities, and opportunities is needed to assess what actions SANBAG should take in the future in the areas of freight and logistics.

One useful way to structure this evaluation is a "SWOT analysis" with respect to freight – What **Strengths** does the County have, what are its **Weaknesses**, what **Opportunities** are likely to be available in the future, and what are the **Threats** to future success?

Below is a summary of the "SWOTs" derived from interviews, technical studies, conferences, and other data.

Strengths

- Location advantages as a gateway – San Bernardino County is both proximate to the ports and is on the way to and from the rest of America, as described in the introduction.
- Presence of distribution facilities for thousands of businesses, large and small, including most of the high-profile wholesalers and retailers in the U.S. Examples include: Amazon, Ashley Furniture, Best Buy, Coca-Cola, COSTCO, Dr. Pepper, Kohl's, Mattel, Pep Boys, Pepsi, Stater Brothers, Target, Walmart, There is a critical mass of activity here that sends a message to other prospective businesses that San Bernardino County is a great place to locate.
- World-class multimodal transportation network (two Class 1 railroads, extensive freeway network and high-capacity arterial system, three airports with large capacity for cargo, BNSF intermodal facility and major UP rail switching yard in Colton) – The fact that so many logistics firms have located in the Inland Empire speaks to the mobility and access that the rail and highway systems provide.
- Proactive local economic development agencies – Economic development departments are working hard to attract and retain quality businesses.

- A substantial labor force. A pool of labor is available for many of the jobs that the logistics sector needs to fill, though the educational system could be better preparing those potential workers.
- Excellent regional partners. SANBAG is working extensively with its 25 local jurisdictions, the private sector, SCAG, the air quality management districts (South Coast and Mojave), Metrolink, the environmental community, and other agencies on multiple fronts. The communications channels for partnerships don't need to be created – they already exist.
- Substantial funding for infrastructure through the County's half-cent sales tax (Measure I), state, and federal funding.
- A substantial supply of developable land that is more affordable than locations closer to the coast.

Weaknesses

- The K-12 educational system is not yet adequately equipping students for some of the jobs the County is capable of attracting. Although logistics employers can train new employees in the skills needed for specific jobs, there is a sense that many students come through the K-12 environment needing remediation in basic skills such as reading, writing, and math.
- Impacts of the logistics sector have not always been managed well. Lack of foresight in planning has resulted in trucks passing by or through neighborhoods, with spillover noise, pollution, and impacts on residential communities at the edges of warehousing districts. This makes it more difficult for other proposed projects to be approved.
- Difficulty competing with coastal communities for the more attractive jobs. The Inland Empire must compete largely on the basis of lower costs and its location advantages for logistics. It is more difficult to attract high-tech jobs.
- Land for logistics facility development, though still available, is becoming more scarce.
- The extent of industrial/warehouse/logistics development and the associated trucks, trains, and air quality problems sometimes casts a negative image of San Bernardino County in general.

Opportunities

- International trade is poised to expand further – despite the Panama Canal expansion and increased competition from other North American ports, forecasts show a near tripling of container volume through the ports in the next 25 years. Experts indicate that some of the lower value and less time-sensitive freight from Asia may divert to the expanded canal, but that transport across the country by land (rail or truck) still provides significant time and cost advantages coming through Southern California.
- The Inland transportation network is, so far, keeping pace with expansion of the logistics sector. The extensive network continues to be one of the County's major assets. The transportation system can continue to be used as a major marketing point for the county.

- Southern California is a stable and growing market for products and services that county businesses can provide. San Bernardino County can be a beneficiary from the goods that are manufactured here and shipped to both local and national markets as well as from freight that stops in the county, even momentarily, for value-added features with subsequent shipping by rail or truck through the gateways.
- If local control of Ontario International Airport is obtained, this area can become an even greater economic engine, particularly for the Valley subarea. Local entities will be in a better position to make business decisions that increase the potential for growth in passenger travel and the flow of goods through the Inland Empire.
- Over time, it can be expected that the cost advantages of production in eastern Asia will lessen, creating more opportunities for production and manufacturing in North America, including Southern California.

Threats

- State and regional regulation. California is near the bottom of the national list of states in terms of friendliness for business. There are a number of factors involved, but regulation is a major one, with both direct and indirect impacts on the cost and speed of doing business.
- Other states are eager to capture Southern California's logistics jobs. Although the Panama Canal expansion is not projected to substantially alter the economic advantages Southern California holds as the dominant port of entry and distribution center for most products from the Pacific Rim, other states will seize whatever additional advantages they can. Some diversion of business to Mexico must also be anticipated. Southern California cannot assume its inherent cost and time advantages will last forever.
- Although the region, including the logistics sector, has made enormous strides in cleaning up the air, achievement of National Ambient Air Quality Standards remains a daunting and expensive challenge. Overly aggressive regulatory timelines, though well-intentioned, could undermine the very economy that would enable the necessary air quality investments to occur.
- The supply of affordable land is not inexhaustible. Failure to plan well for the land we have could result in a backlash of public opinion against the further expansion of logistics.
- Trucks are hard on roadway infrastructure, and with declining revenue streams, funding is projected to fall far short of maintenance needs in the future. Sustainable sources of funding for both maintenance and capital projects are needed.
- Automation could lessen the job-creation benefits of portions of the logistics sector. Automation is vital to productivity and competition on the global stage. Though a threat to some of the traditional jobs, it brings with it also an opportunity for technology jobs. But the County must better position itself to be a player in the technology arena.
- Attaining the federal ozone standards is likely to require a complete transformation of our transportation and energy sectors. Based on a joint

visioning exercise by ARB, SCAQMD, and San Joaquin Valley Unified APCD, one path to attainment requires a nearly complete transformation of passenger vehicles to zero-emission technologies, approximately 80 percent of the truck fleet to zero-or near-zero technology, and nearly all locomotives operating in the South Coast Air Basin to be using some form of zero-emission technology. Such dramatic changes will inevitably require huge investment in and fundamental change to the regional transportation and energy infrastructure. It is questionable whether these transformational changes are physically and economically feasible within the timeframes defined by the federal government.

- San Bernardino County welcomes the improvements in air quality that would result from these investments, but is highly concerned that this will undermine the economic growth associated with the logistics industry, which the County desperately needs. The livelihood of truck owner-operators and other logistics-related businesses, particularly small businesses, is threatened unless there is a business-friendly approach, substantial financial assistance, and possible forgiveness in timelines at the federal level. Southern California should not be disadvantaged from an economic development perspective because of the uniquely difficult challenges in meeting air quality requirements here in our region.

In summary, San Bernardino County and its logistics-driven economy exist in a highly competitive environment. We live within a dynamic world economy with intense competition for the jobs and revenue that are derived from the flow of goods. All the environmental advances we seek cannot be achieved without a strong economy to finance them. SANBAG and its regional agency partners must pursue environmental objectives in ways that do not undermine the economic means to achieve them. At the same time, we must thoughtfully plan for continued expansion of logistics capacity in ways that insulate communities from their impacts. This will require collaboration across multiple disciplines and more comprehensive approaches than in the past.

THE STRATEGY

In light of this analysis, how then should SANBAG respond? In large part, SANBAG plays a support role in what is a private logistics enterprise. The following are proposed as priorities or initiatives that SANBAG could pursue in the context of the agency's role as transportation authority, county transportation commission, and council of governments.

1. **Infrastructure** - Continue to build the highway infrastructure needed to support efficient freight movement. An effective supply chain consists of many parts, one of which involves building and maintaining the infrastructure. Cost-effective transportation system upgrades improve productivity and competitiveness. Continued expansion is needed for freeway mainlines, freight-serving freeway interchanges, and rail/highway grade separations.
2. **Land Use Planning** - Encourage proper planning by local jurisdictions at the interfaces of residential areas with warehouse/distribution areas through wise land

- use decisions, buffering, and effective truck routing. Improper planning leads to later problems for all concerned. The logistics sector needs to grow to keep up with demand, but it can still be a good neighbor as it grows.
3. **Promotion** - Promote the merits of San Bernardino County's world-class transportation system by providing information to economic development departments regarding SANBAG, Caltrans, and local jurisdiction investments in infrastructure.
 4. **Economic Development and Air Quality** - Work with other regional agencies to structure economic development and air quality initiatives as a "win-win." Advances in air quality are important, but they can only be afforded when the economy is also strong. The region must be careful not to undermine the economic means to solve the air quality problem by trying to impose upon industry requirements they cannot afford. SANBAG should participate in regional conversations on how to strike a balance between maintaining jobs and cleaning the air. The air quality successes of the last several decades have taught us that air quality goals are best achieved through incentivizing adoption of advances in clean vehicles and fuels, not by limiting growth. The great strides in air quality improvement over the last several decades have been made at the same time that regional vehicle miles of travel (VMT) have more than doubled. So too, the logistics sector can still expand to meet the growing needs of commerce while at the same time making substantial progress on the air quality front, by focusing on vehicle and fuels technology.
 5. **Incentives/Grants for Air Quality Improvement** - Seek grants and provide information on opportunities for financial assistance to San Bernardino County trucking companies and truck owner/operators in maintaining compliance with air quality requirements.
 6. **Anticipate Future Trends** - Technology is changing rapidly, and the ability to adapt to those changes will keep San Bernardino County competitive. For example, trends in automation of warehousing should be monitored to assess their impact on the economic value and local costs of permitted warehouse development. Partnerships with the private sector will become ever more important as the region seeks to keep pace with competition in the global economy.
 7. **Education and Employment** - Through the Countywide Vision, improve employment pathways to the logistics industry. This will take guidance from the industries and the primary/secondary educational systems upon which they depend for their labor pool. There are a number of reasons why poverty rates have increased in San Bernardino County, but the logistics industry can be part of the solution as a relatively stable and growing source of jobs with pathways to the middle class.
 8. **Truck Routes** - Work with State and local partners to provide greater clarity and local education regarding Surface Transportation Assistance Act (STAA) truck routes and clear national, regional and local truck route maps.
 9. **Funding** - With regional, state, and federal partners, seek equitable ways to continue to fund freight-related infrastructure and its maintenance. The logistics

- industry has generally indicated that it is willing to pay for cost-effective infrastructure improvements that directly benefit their business.
10. **Airports** - Work with local jurisdiction partners to define policies that will lead to greater use of the three airports in San Bernardino County by freight-related businesses. Continue to support local control of Ontario International Airport.
 11. **Project Readiness** - Position SANBAG for state and federal funding opportunities by developing as many freight-related projects as possible through the Project Approval and Environmental Documentation (PA&ED) stage. Include clearance under the National Environmental Policy Act (NEPA) where there are opportunities for substantial federal funds.
 12. **Awareness** - Create and maintain greater awareness about goods movement issues affecting San Bernardino County among the SANBAG Board of Directors, state and federal elected and appointed officials, local agency technical staff, and the public.

NEXT STEPS

This working paper is a draft intended for review and discussion by SANBAG policy and technical committees and by interested stakeholders across the spectrum of freight-related issues. SANBAG staff will be receiving input and comments on the working paper through approximately April 2014. A revised draft will be submitted to SANBAG policy committees and the Board for approval in approximately June 2014. The SANBAG Freight Strategy will become a consideration in the Countywide Transportation Plan being developed for San Bernardino County and ultimately in the SCAG 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).