



August 15, 2012

Ms. Bimla Rhinehart, Director  
California Transportation Commission  
Mail Station 52, Room 2222  
1120 N Street  
Sacramento, CA 95814

Dear Ms. Rhinehart:

SUBJECT: Withdrawal of Trade Corridors Improvement Fund Projects #69 Port of San Diego Access Improvements at 32nd Street and #73 Port of San Diego National City Marine Terminal Improvement/Wharf Extension

This letter officially notifies the California Transportation Commission (CTC) that the San Diego Gateway Region withdraws the two above-referenced projects from our Trade Corridors Improvement Fund (TCIF) program. The two projects were nominated by the San Diego Association of Governments (SANDAG) and the Port of San Diego, and approved by the CTC in 2008 as part of the San Diego Gateway Region's Proposition 1B program. In the intervening years since the 2008 passage of TCIF, the nation has suffered a major recession and a downturn in global trade. The recession has been an impediment for project sponsors, most particularly the Port of San Diego, to generate the 1:1 match funds required for these two TCIF projects.

As you know from the experience of the other Gateway Regions, the 1:1 match rate was a difficult objective to meet during a downturn in global trade. The Port of San Diego and SANDAG made every possible effort to secure match funds by seeking federal grants and defense infrastructure funds, but these strategies did not materialize soon enough to meet the mandated 2013 construction date for TCIF projects.

Despite funding challenges, work on these two projects resulted in valuable preliminary engineering documents, and also forged important alliances that will assist in delivering these two projects at a future point in time. The Port of San Diego's wharf project and 32nd Street project continue to be necessary improvements to enhance Port operations.

We thank the CTC staff for your support and collaboration and look forward to continued collaboration in order to deliver the other TCIF projects in the San Diego region.

Sincerely,

for

GARY L. GALLEGOS  
Executive Director  
SANDAG

WAYNE DARBEAU  
President and CEO  
Port of San Diego

AHOF/fde