Landmark Freight Legislation Introduced in Congress

Bills contain a number of CAGTC policy goals

On July 22, Senators Frank Lautenberg (NJ), Patty Murray (WA) and Maria Cantwell (WA) introduced S. 3629, the Focusing Resources, Economic Investment, and Guidance to Help Transportation Act of 2010. Nicknamed the FREIGHT Act, this bill seeks, for the first time in U.S. history, to establish a comprehensive, multimodal, national freight transportation policy. The FREIGHT Act will ensure that the United States has the transportation infrastructure needed to remain competitive in the global economy. It sets ambitious goals of reducing freight congestion while improving safety and increasing efficiency and timely deliveries. The bill also makes strides to lessen the impacts of freight and goods movement on communities and the environment.

“We are long overdue in establishing a national freight transportation policy that will meet the economic and mobility demands of the 21st century,” Senator Lautenberg said when introducing the bill.

Poor planning and underinvestment in our transportation infrastructure has led to increased congestion at our ports, highways, airways, and railways, and increases the cost of doing business. If we want to help U.S. businesses succeed and create new jobs, we need a freight transportation system that works better and can grow with the changing needs of the global economy. This bill would put us on that path.”

Senator Murray, who chairs the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development agreed: “The FREIGHT act will help bring us a national freight policy that will dramatically improve freight mobility in this country and increase the competitiveness of our businesses, reduce congestion, and provide a much-needed boost to job creation in our communities.”

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CAGTC Perspective
A Message from the Executive Director

Why We All Need to Support the FREIGHT Act:

Senators Lautenberg (NJ), Murray (WA) and Cantwell (WA), along with the staff of the Committee on Commerce, Science and Transportation, deserve applause and congratulations for bringing forward a well-constructed approach to address both the near-term and long-range needs of our nation’s goods movement network. The Focusing Resources, Economic Investment, and Guidance to Help Transportation Act of 2010, or FREIGHT Act, embodies the policies and principles the Coalition for America’s Gateways and Trade Corridors (CAGTC) has been espousing for a very long time and represents a major shift in national transportation policy to support economic growth with targeted investment in efficient, clean, multimodal infrastructure for the movement of goods.

Now, thanks to Representatives Sires (NJ), Cohen (TN), Richardson (CA), and Smith (WA), companion legislation has been introduced in the House. The identical bills provide a visionary, comprehensive, systemic approach to investment that addresses our coast-to-coast infrastructure needs while helping America meet its energy, environment and safety goals. The FREIGHT Act establishes our country’s first national freight transportation policy, defines the federal government’s role in freight transportation policy and planning, and instructs US DOT to develop a strategic freight plan. In addition, the bills call for the creation of a new grant program to fund projects prioritized through merit-based criteria.

CAGTC, along with the Freight Stakeholder Coalition, has long called both for the development of a national multimodal freight strategic plan and the establishment of a multimodal freight office within the Office of the Secretary. The FREIGHT Act would not only put these institutions in place, but would also hold them accountable for making measurable improvements to the system’s reliability, safety, environmental sustainability, and connectivity to markets and freight generators.

With a few exceptions, the introduction of both bills has generated considerable excitement and broad approval from many stakeholders and observers. Although neither bill references the Highway Trust Fund (HTF) nor is contingent upon reauthorization, the most vocal opposition to date has come from those seeking to protect the HTF for highway use only. With the surface transportation authorization stalled, perhaps indefinitely, maybe it’s not surprising that any transportation proposal would be eyed with suspicion.
(or even a touch of envy). However, we should all recognize that this is the start of the conversation about a freight program and before we reach a conclusion, many other voices will be heard and elements added to fully round out the bill.

Some have expressed concerns that the legislation doesn’t address many road freight needs or identify funding sources. But, when dealing with legislation, strategy is all about the art of the possible. The jurisdictional constraints of the Commerce Committee call for targeting the specific freight infrastructure identified in the bill and the bill sponsors made a strategic decision to stay within their purview and leave certain issues (including funding) unaddressed so that the legislation would have the opportunity to advance so far as the Committee’s options permit. Putting this bill on the table opens the opportunity to engage with the other committees of jurisdiction to fill in the blanks.

Also, we should keep in mind that Chairman Oberstar’s authorization bill calls for a freight formula program that is limited to highways and, while the details of the T&I Freight Improvement Program remain to be defined, taken together with the FREIGHT Act, the structure of a complementary and holistic approach begins to take shape.

Another objection leveled at the FREIGHT Act as stand-alone legislation is that a full system authorization is overdue and a piecemeal approach isn’t what’s needed. We do need to move a comprehensive surface authorization, but, in reality, the enormous issues related to the size, scope and funding of the broader system have become the pig that is choking the python.

So, perhaps, piecemeal is exactly what’s called for, since, in human terms, eating one dish at a time may be more digestible than trying to swallow the entire buffet.

Leslie Blakey, Executive Director
A companion bill was introduced in the house on July 29 by Representatives Albio Sires (NJ), Steve Cohen (TN), Adam Smith (WA) and Laura Richardson (CA). Several industry organizations have already voiced their support for these bills, including the Environmental Defense Fund and Transportation for America.

The FREIGHT Act calls for the creation of a new Office of Freight Planning and Development within the Department of Transportation; it also creates the position of Assistant Secretary of Freight Planning and Development who will serve under the Secretary of Transportation. The Office of Freight Planning and Development will be responsible for planning and investing in the freight transportation system. It will an office within the federal government dedicated solely to the needs and concerns of national freight, seeking to improve the efficiency and operation of all modes.

The FREIGHT Act states that “it is the policy of United States government to improve the efficiency, operation, and security of the national transportation system to move freight.” This declaration is followed by a comprehensive plan of how the federal government will support all modes of freight transportation in order to secure economic growth and community health and safety. Included in this plan is a new multimodal, freight specific transportation grant program that will award funding based on merit. The FREIGHT Act also encourages investment in and implementation of Intelligent Transportation Systems technology.

The bill will devote federal funding and support to achieving the following goals:

- A reduction in delays at international intermodal connectors on an annual basis
- An increase in travel time reliability on major freight corridors on an annual basis
- A 10% reduction in the number of freight transportation-related fatalities by 2015
- A 40% reduction in national freight transportation related carbon dioxide levels by 2030
- A reduction of freight transportation-related air, water, and noise pollution on an annual basis

“The FREIGHT Act is a paradigm shift our CAGTC members have long advocated and represents a bold step toward ensuring our nation’s economic competitiveness in the 21st century,” affirmed Mortimer Downey, CAGTC chairman, former U.S. Deputy Secretary of Transportation, and senior advisor at Parsons Brinckerhoff. “For the first time ever, the bill establishes a comprehensive freight policy with outcome-based goals and creates a broad multimodal, competitive freight-specific program to provide the infrastructure necessary to move this country’s commerce and drive the economy.”

The bill seeks to facilitate economic development, but it also addresses environmental concerns. The grants proposed by the FREIGHT Act will look for projects containing environmental improvements, and the act establishes goals for air quality impacts, carbon emissions, and energy use. Kathryn Phillips of the Environmental Defense Fund praises the act, saying, “This important bill provides a roadmap to target federal investment to create a cleaner, more reliable freight system for the 21st century.”

The bill has been referred to the Committee on Commerce, Science and Transportation in the Senate, and the Committee on Transportation and Infrastructure in the House for consideration.

For more information on the FREIGHT Act, please visit our website: http://www.tradecorridors.org/freightact2010.html
The Coalition for America’s Gateways and Trade Corridors (CAGTC) is pleased to welcome the following NEW MEMBERS:

Virginia Port Authority

The Virginia Port Authority was established in 1952 as a political subdivision of the Commonwealth of Virginia for the purpose of stimulating commerce of the ports of the Commonwealth, promoting the shipment of goods and cargoes through the ports, improving the navigable tidal waters within the Commonwealth, and in general to perform any act or function which may be useful in developing, improving, or increasing the commerce of the ports of the Commonwealth. The Authority owns and is responsible for the operations and security of three marine terminals: Norfolk International Terminals, Portsmouth Marine Terminal, and Newport News Marine Terminal, and an inland intermodal facility, the Virginia Inland Port located in Front Royal, Virginia. These facilities primarily handle import and export containerized and break-bulk cargoes.

For more information, go to: http://www.portofvirginia.com

City of Industry (CA), A Municipality

The City of Industry incorporates an area of approximately 12.5 square miles in the San Gabriel Valley of Los Angeles County. The City serves as a substantial employment base for approximately 1,800,000 persons living within the Valley. The City of Industry has devoted itself primarily to the development of light manufacturing, ware-housing and distribution facilities.

For more information, go to: http://www.cityofindustry.org/

For a full list of CAGTC members, visit www.tradecorridors.org
TIGER I Projects get underway, TIGER II Applications Due and Funds for TIGER III included in 2011 Approps Discussions

The deadline for TIGER II applications has passed and already news is getting out from all parts of the country about the type of applications submitted. If the reports in the media are any indication, DOT will likely receive far more applications for the TIGER II program than it has funding. The Ohio Department of Transportation announced that it applied for TIGER II discretionary grants to help fund 12 projects. Six states, Pennsylvania, Alabama, Virginia, Tennessee, Mississippi and North Carolina, submitted a joint grant application for Norfolk Southern's Crescent Corridor initiative.

Meanwhile, US DOT has been focusing on highlighting successes of the Recovery Act with statements and frequent features in the Secretary’s “Fast Lane” blog. For example, on August 24th, the Secretary focused his blog on the Southwest Illinois Intermodal Freight Transportation Hub, a $6 million TIGER I grant. The project received special attention from Secretary LaHood because of its link to another one of DOT’s initiatives, the Marine Highways Program. When completed, the 9,600 foot rail extension will allow trains access to the Tri-City Port District’s South Harbor. Currently, full-size trains have to be separated into smaller segments, decreasing efficiency and impacting the port’s capacity. This project, which will serve trucks, trains, and barges, will help reduce greenhouse gas emissions and connect the Tri-Cities to the world economy.

According to the Secretary’s blog, “The new hub will allow tons of bulk products—like grain and steel—to be moved by rail or truck to the port, where barges will pick up the cargo and carry it down the Mississippi River to New Orleans for export throughout the world. And expanded access to this marine highway will attract new businesses to the area.”

As DOT continues to trumpet TIGER I success and sorts through the applications for TIGER II Grants, Congress is considering a third round of TIGER grants. In late July, the House passed H.R. 5850, its 2011 T-HUD Appropriations. The bill includes $400 million for the existing TIGER grant program, referred to as the National Infrastructure Investment program in the bill, but likely to be called TIGER III by DOT. That same week, the Senate Appropriations Committee included $800 million for the TIGER grant program in its 2011 DOT Appropriations proposal. It is likely that the program will receive some funding once the two versions have been reconciled.

For more information on the Recovery Act progress: http://www.dot.gov/recovery/index.htm

For HR 5850, the House T-HUD Appropriations, language:

For S. 3644, the Senate Appropriations Committee proposal:
http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:s3644pcs.txt.pdf
Oil Independence Act Introduced in the Senate

On July 15th, Senators Jeff Merkley, Tom Carper, Tom Udall and Michael Bennet introduced S. 3601, the Oil Independence for a Stronger America Act of 2010. The bill seeks to gradually curtail American oil consumption, with a proposed goal of 8 million fewer barrels per day in 2030. The reduction would end American dependence on overseas oil.

In order to meet this ambitious target, the bill:

- calls for the creation of a National Council on Energy Security;
- authorizes funding for the production of electric vehicles and improved transportation infrastructure; and,
- gives incentives for the development and use of biofuels and biomass furnaces.

The bill addresses freight transportation in three brief sections that express a need for increased rail and marine shipping. A plan is outlined to evaluate obstacles to increased rail and marine shopping and to identify areas where greater infrastructure is needed. The goal of this Freight Transportation Plan is to change at least 10% of truck freight to rail and marine freight by 2020.

The Secretary of Transportation will be authorized to allocate grants to states for high priority rail projects in order to facilitate efficient and increased freight rail transportation. Finally, the bill initiates a study on the electrification of rail corridors, addressing the benefits and costs, and outlines a tax credit for medium-duty and heavy-duty fleet vehicles that use natural gas.

Seven States Receive Federal Funds for Innovative Congestion Solutions

In August, the Federal Highway Administration (FHWA) announced $9.7 million in grants to fund creative congestion solutions as part of a national program to help address the nation’s growing congestion challenge.

According to a statement from FHWA, seven states – California, Florida, North Carolina, Minnesota, Texas, Virginia and Washington – will receive funds for 10 projects through the agency’s Value Pricing Pilot Program (VPPP).

“Money from the program continues to support innovative solutions that will provide better results for the American people. Ultimately, people will be able to spend more time doing what they like and less time stuck in traffic,” said FHWA Administrator Victor Mendez in the statement.

To see FHWA’s release:

To learn more about FHWA’s Value Pricing Pilot Program (VPPP):
http://www.ops.fhwa.dot.gov/tolling_pricing/value_pricing/
2009 Bottleneck Analysis of 100 Freight Significant Highway Locations
American Transportation Research Institute (ATRI) & Federal Highway Administration (FHWA)

The American Transportation Research Institute and the Federal Highway Administration Office of Freight Management and Operations released a list of the 100 most problematic highway interchanges for freight traffic in 2009. In compiling this list, ATRI and FHWA used GPS technology to monitor the position and speed of trucks at each of the 100 predetermined interstates. The bottlenecks were then awarded a ‘total freight congestion value.’ The public sector can use this congestion value to identify problem areas that may be in need of improvements; the private sector can benefit by recalibrating routes in order to avoid the more disastrous areas or times. Chicago, IL won the top two seats on the 2009 list with the I-290 at I-90/I-94 interchange and the I-90 at I-94 (North) interchange. The third spot went to Fort Lee, NJ at I-95 and SR-4. ATRI and FHWA are currently collecting data for 2010. You may submit suggestions of treacherous interchanges on ATRI’s website.

Details of the report are available here:
http://www.atri-online.org/index.php?option=com_content&view=article&id=248&Itemid=75

Export Nation: How U.S. Metros Lead National Export Growth and Boost Competitiveness
Metropolitan Policy Program at the Brookings Institution

On July 26, Brookings Institution released “Export Nation: How U.S. Metros Lead National Export Growth and Boost Competitiveness.” The report, a detailed analysis of exports in the United States’ largest 100 metropolitan areas, emphasizes how increasing exportation will invigorate the economy and create steady jobs; in 2008 export jobs made up 8.3% of all American jobs, and, on average, these jobs paid wages higher than those in other metropolitan industries. In his 2010 State of the Union Address, President Barack Obama ambitiously called for a doubling of United States exports before 2015. The Brookings Institution Report declares that this increase will be impossible without a major effort in each of America’s 100 largest metropolitan areas. Four cities—Houston, TX, New Orleans, LA, Wichita, KS and Portland, OR—all managed to double their exports between 2003 and 2008. “Export Nation” cites these successes as a goal for all major metros.

Obviously, the freight industry is intrinsically tied to exports. Ports ship three quarters of exported merchandise annually, and commercial airplanes carry more than one third of the total value of merchandise exports. In 2008, 40 metropolitan areas shipped 70% of all American exported goods. It is essential to the economy that these freight gateways are well-funded, well-run, and well-maintained. In order to insure this, “Export Nation” calls for a National Freight Transportation Plan that touches on all modes of transportation, with the Federal Highway Administration’s Freight Performance Measures Initiative serving as the plan’s base level. TIGER grants and Transportation Infrastructure Finance and Innovation Act program would be only a fraction of the total funding; the Brookings Institution calls instead for a National Infrastructure Bank as the main federal vehicle for funding freight improvements. They also highlight a need for increased private sector financing.

The full report is available here:
Nearly All States Received More Funding Than They Contributed in Highway Taxes Since 2005
Government Accountability Office (GAO)

The United States GAO released a report declaring that funding for surface transportation programs has been placed on their High-Risk list. The GAO cites the Highway Trust Fund's rate of return system as a major reason for the High-Risk designation. They found that, since 2005, the Highway Trust Fund has authorized funding for every state that is greater than or equal to the revenue that each state contributed. As a result, Congress has needed to supplement the Highway Trust Fund's collected revenue with almost $30 billion of general revenues. Finally, the GAO found that in the last five years 28 states have received a share of the fund that is relatively lower than the one they contributed. The overarching problem is that highways require more funding than they can collect from highway users.

Highlights of the report are available here: http://www.gao.gov/highlights/d10780high.pdf

Upcoming Events

September 14-15: 5th Annual Canada Maritime Conference, Montreal, Canada

September 14-15: 2010 Ohio Conference on Freight, Toledo, OH

September 14-16: Global Maritime Information Sharing Symposium 2010, Baltimore, MD

September 16-17: West Coast Corridor Coalition Conference on Climate Policy and West Coast Transportation, Palo Alto, CA

September 19-22: AASHTO 2010 Standing Committee on Rail Transportation 2010 Annual Meeting, Jacksonville, FL

September 22-24: The National Waterways Conference 50th Anniversary Annual Meeting, Boston, MA

September 26-29: CSCMP Annual Global Conference, San Diego, CA

September 27-28: 5th Annual East Coast Maritime Conference, Jersey City, NJ

November 4-6: 4th Annual Women on the Water Conference, Galveston, TX

November 14-16: IANA's 2010 Intermodal Expo, Fort Lauderdale, FL
The Problems with Ports, or Why We Need a National Freight Act
*StreetsBlog Capitol Hill*
August 6, 2010

Trucking Association Opposes FREIGHT Act
*The Journal of Commerce*
August 2, 2010
http://www.joc.com/node/420366

Democratic Senators Push for New Freight Program
*Logistics Today*
July 26, 2010
http://logisticstoday.com/operations_strategy/democratic-senators-push-freight-program-0726/

Sen. Lautenberg's newly minted FREIGHT Act seeks to ‘transform’ U.S. transportation policy
*Progressive Railroading*
July 23, 2010

US Sen. Lautenberg introduces bill to make ship-to-rail transfers rail safer, more efficient
*New Jersey Star-Ledger*
July 23, 2010

Senators hone in on a vision for new freight transportation policy
*Logistics Management*
July 22, 2010
http://www.logisticsmgmt.com/article/transportation_infrastrructure_senators_hone_in_on_a_vision_for_new_freight/

Bill would give freight voice in infrastructure planning
*DC Velocity*
July 22, 2010
http://www.dcvelocity.com/articles/20100722senate_bill_national_freight_plan/

It’s Now or...2011
*The Journal of Commerce*
June 7, 2010
http://www.joc.com/government-regulation/it's-now-or2011
**Freight in the News**

**Economists Agree: Stimulus Created Nearly 3 Million Jobs**
USA Today  
August 30, 2010  
http://www.usatoday.com/money/economy/2010-08-30-stimulus30_CV_N.htm

**More Than Roads Needed**
The Topeka Capital-Journal  
August 30, 2010  

**Intermodal Hits New 2010 High**
The Journal of Commerce  
Aug 26, 2010  
http://www.joc.com/rail-intermodal/intermodal-hits-new-2010-high

**Local elections include transportation questions**
Landline Magazine  
August 25, 2010  

**Transportation earmarks may find way home**
Fort Collins Coloradoan  
July 15, 2010  
http://www.coloradoan.com/article/20100715/LOVELAND01/100715004

**Port traffic jumps at L.A., Long Beach**
Los Angeles Times  
July 14, 2010  

**Obama: ‘Improving conditions for America’s exporters’**
USA Today  
July 7, 2010  
http://content.usatoday.com/communities/theoval/post/2010/07/obama-improving-conditions-for-americas-exporters/1
Why Join CAGTC?

Shape Policy
CAGTC Members have the opportunity to help shape policy and legislation with an organization that is known for getting results on the Hill. Membership gives you a seat at the table as our positions are vetted, debated, finalized and carried to the halls of Congress, where we then pull out the votes. All members are invited and encouraged to participate in our various policy and planning committees, which meet by phone, email and, occasionally, in person.

Up To Date Information
CAGTC strives to keep our members well informed and keyed in on important national freight developments. Because our work focuses solely on goods movement issues, we are able to disseminate concise, lightening-quick updates. Our members often tell us that CAGTC delivers information quicker than any of their other DC connections!

Access
CAGTC holds one annual, in-person meeting every winter, with impressive member turn out. In addition to our annual meeting, we hold smaller member events on a regular basis, such as our Congressional Goods Movement Briefing each spring and our Trade Corridor Summit in 2007. We also meet regularly with Congressional Members and staff and with the Administration. All of these meetings are free and open to members. Given that this is authorization time, we expect our calendar for Hill visits to book up quickly - in the run up to SAFETEA-LU, CAGTC held over 500 meetings with policy makers!

Member Promotion
In all our endeavors, the Coalition highlights its member organizations as examples of good projects and how the process should work. We do this in our regular meetings on the Hill, at conferences and during presentations and in our newsletter, which goes out every other month. Members have a spotlight for recent achievements, a sounding board of experts for advice, as well as an opportunity to network with likeminded organizations.

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