



The Trade Corridor Bulletin

Improving America's Intermodal Freight and Goods Movement

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Coalition Highlight

Bipartisan Panel Reports: Freight Needs Funding

Group Calls to Preserve PNRS grant program, find long-term freight funding solution

On October 29, the House Transportation & Infrastructure Committee's special Panel on 21st Century Freight Transportation released a set of recommendations aimed at improving the efficiency of goods movement and strengthening the U.S. economy. The report comes after an exhaustive six-month investigation, during which panel members held hearings and traveled around the country visiting crucial trade corridors.

The Panel calls for identifying a revenue source for freight infrastructure funding, designating a multimodal freight network, and sustaining the continuation of a freight-focused Projects of National and Regional Significance (PNRS) competitive grant program — all policies the Coalition for America's Gateways and Trade Corridors has long promoted.

While the report stops short of recommending specific revenue sources for funding freight, the 103 page document is decidedly more substantial, pointed and cohesive than previous calls for revenue. Panel Republicans and Democrats joined together in these recommendations, indicating that bipartisan consensus might be achievable going into the reauthorization of MAP-21.

Specifically, the Panel recommended that Congress:

- **“Establish a comprehensive national freight transportation policy and designate a national, multimodal freight network”**: As called for in Panel Member Rep. Sires' (D-NJ) MOVE Freight Act of 2013 (H.R. 974), freight policy and planning should incorporate the many modes of transportation that move goods. This principle was echoed in the U.S. Department of Transportation's November 19, 2013 Federal Register notice titled “Designation of the Primary Freight Network” ;

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- **“Ensure robust public investment in all modes”**: Freight does not move on highways alone – where public benefit is derived, public investment must be made. Further, leveraging federal dollars with private investment should be encouraged when possible and appropriate;
- **“Promote and expedite the development and delivery of projects and activities that improve and facilitate the efficient movement of goods”**: Freight projects are often complex and take many years to permit and construct at great cost. They can involve multiple modes, cross state boundaries, and require multiple environmental reviews. Special attention is needed to streamline these processes and ensure these vital projects are constructed within a reasonable timeframe and cost efficiently;
- **“Authorize dedicated, sustainable funding for multimodal freight PNRs”**: Authorize dedicated, sustainable funding for multimodal freight PNRs through a competitive grant process and establish clear benchmarks for project selection. First established under SAFETEA-LU, PNRs is a competitive grant program for large-scale infrastructure projects, frequently multimodal and crossing jurisdictional borders, which are difficult to fund through traditional distribution methods such as formula programs;
- **“Identify and recommend sustainable sources of revenue across all modes”**: Acknowledging raising revenue for freight – and sustainable revenue, at that – will not be simple and cannot be delayed, the Panel tasks the Administration with developing a list of options to be vetted by Congress; and
- **“Develop specific funding and revenue options for freight transportation projects prior to Congress’ consideration of the surface transportation reauthorization bill in 2014”**: Tasking the committees of jurisdiction, Transportation and Infrastructure and Ways and Means, the Panel calls for action on the Administration’s recommended revenue sources as early as the next surface transportation authorization, which is due October 1, 2014.

During an Oct. 29 press conference, Panel Members explained their findings: investment must be made to avoid being in the same situation ten years from now, freshman Congressman Markwayne Mullin (R-OK) succinctly stated. Congressman Daniel Lipinski (D-IL) emphasized the inherent link between a free-flowing freight network and our nation’s global economic competitiveness and jobs market. The Panel’s Ranking Member, Congressman Jerrold Nadler (D-NY) noted that finding a revenue source to fund freight would not be an easy task, but the report gives evidence that investment is needed and suggestions for possible revenue sources. The 11 bipartisan signatures show new resolve to find a solution.

The Panel on 21st Century Freight Transportation convened on April 24, 2013 and members served for a period of six months before issuing the recommendations. Six Republicans and five Democrats were tasked with examining the current state of freight transportation and how improving the system would affect the U.S. economy. Several Coalition member organizations met with and testified before the Panel, including Southern California Association of Governments, Alameda Corridor-East Construction Authority, San Bernardino Associated Governments, Maryland Department of Transportation, Los Angeles Metropolitan Transportation Authority, Memphis Chamber of Commerce, Port of Los Angeles, Port of Long Beach, Virginia Port Authority, Florida Department of Transportation and Chicago Metropolitan Agency for Planning.

In addition to those on planning and funding, the Panel made mode-specific recommendations:

Highways and Trucking (Page 59)

To safely and efficiently meet the needs of freight movements in the 21st Century, Congress should:

- Ensure that states have the resources necessary to maintain and improve freight movement on Federal-aid Highways by addressing the looming shortfall in the Highway Trust Fund with sustainable revenue.
- Encourage USDOT to complete the Comprehensive Truck Size and Weight Limits Study conducted in accordance with section 32801 of MAP-21 as thoroughly and judiciously as possible.

Freight Rail (Page 61)

To safely and efficiently meet the needs of freight movements in the 21st Century, Congress should:

- Encourage adequate investment in rail corridor projects that facilitate freight movement.
- Direct the Secretary of Transportation to conduct stronger outreach to freight railroads about the potential benefits of the Railroad Rehabilitation and Improvement Financing (RRIF) loan program, and improve the process for approving applications.
- Work with the Secretary of Transportation, freight and passenger railroads, commuter railroads, railroad employee representatives, and other interested parties to evaluate proposals to extend the deadline for installation of Positive Train Control regulations.



Inland Waterways (Page 65)

To safely and efficiently meet the needs of freight movements in the 21st Century, Congress should:

- Authorize adequate funding for operations and maintenance of the Nation's inland waterways system.
- Direct the Secretary of the Army, in coordination with the Secretary of the Treasury, to assess financing options for the inland waterways system.



Shipping and Ports (Page 63)

To safely and efficiently meet the needs of freight movements in the 21st Century, Congress should:

- Appropriate funds annually from the Harbor Maintenance Trust Fund (HMTF) in an amount equal to the revenue collected by the Trust Fund.
- Draw down the \$7 billion balance of the HMTF, without adversely affecting appropriations for other programs, projects, and activities carried out by the Corps of Engineers for other authorized purposes.
- Expand eligible uses of HMTF expenditures to include other activities in the water that are adjacent to navigation channels.
- Encourage the full utilization of marine highways to expand the capacity of the freight transportation network, alleviate surface transportation congestion, and ensure the reliable movement of freight via short sea shipping.
- Direct the Secretary of Transportation, in coordination with the Secretary of the Treasury and the Secretary of the Army, to study the degree to which shippers, seeking to avoid payment of the Harbor Maintenance Tax, divert cargo bound for the United States from the Nation's ports. This study should expand upon the July 2012 study conducted by the Federal Maritime Commission.

Air Cargo (Page 67)

To safely and efficiently meet the needs of freight movements in the 21st Century, Congress should:

- Authorize adequate funding and programmatic support to implement new air traffic control technologies and operational capabilities to facilitate the transition to the Next Generation Air Transportation System supporting the Nation's air freight system.



CAGTC Perspective

Bipartisan Agreement: Freight Needs Investment

The recommendations released by the House Transportation and Infrastructure Committee's Special Panel on 21st Century Freight Transportation deserve praise. The verdict was unanimous: freight needs funding and robust funding, at that! The level of consensus reached by the panel is remarkable, especially given the diverse political and geographical makeup of the committee. But, T&I Chairman Bill Shuster summed up the Panel's unanimous conclusions in this way, "If any part of the system breaks down, the entire nation feels it."

In a time when Republicans and Democrats spar daily about the role of government and public money, under the leadership of Panel Chairman, Representative John Duncan, this group has planted a stake in the ground for freight investment AND for raising federal dollars to pay for it. Now, this may sound like a theme you've heard before – after all, we've been saying it for years – but coming from Members of the House of Representatives, make no mistake: it is really new!

The recommendations direct congress to authorize dedicated, sustainable funding for multimodal freight Projects of National and Regional Significance. Given recent history, this is a notable inclusion. PNRS was first created by Congress under SAFETEA-LU, and then reauthorized without funding in MAP-21, effectively suspending the program and leaving large-scale, multi-modal, multi-jurisdictional transportation projects to languish. The inclusion of PNRS in the recommendations suggests Congress is willing to turn PNRS into a legacy program, complete with a competitive grant process. Further, the Panel directed DOT to strengthen the grant criteria to advantage freight. During his remarks at the October 29 press conference, Panel Ranking Member Jerrold Nadler noted that PNRS, which is open to many types of large-scale infrastructure projects, was conceived to address freight. The Panel understands the need for substantial funding for high-cost surface transportation projects.



Leslie Blakey

The recommendations also call for a national freight policy and a national, multi-modal freight network, going a step beyond the highway-centric focus of MAP-21 and acknowledging the need for a seamless system in which all modes are integrated. This recommendation is key, given the historical tendency of Congress to focus on individual modes and ignore the interconnected nature of goods movement.

The Panel notably declined to take any sources of revenue off the table and instead proposed that the Secretary of Transportation, along with the Secretaries of Army and Treasury, should identify and recommend sustainable revenue sources across all modes— showing a willingness to work with the administration that has heretofore been lacking.

The Administration has already been working on many of the directives appearing in the Panel's report; the Department of Commerce's Advisory Committee on Supply Chain Competitiveness has established a Finance and Infrastructure Subcommittee, tasked with developing a set of funding options, which that Department can deliver to the President for consideration in the months leading up to the reauthorization of MAP-21. The Department of Transportation's National Freight Advisory Committee, co-chaired by our own Founding Chairman Mort Downey and with participation by CAGTC members Fran Inman and Karen Schmidt, has begun consulting with DOT on the freight provisions in MAP-21. No doubt, in the upcoming year, the Administration will have a response to the Panel's call to action.

While it's important to take a moment and celebrate our voices being heard, now is not the time for complacency. The Transportation and Infrastructure Committee needs direction on what to do with the recommendations, and as the reauthorization of MAP-21 draws closer, and budget battles loom, it's more important than ever that CAGTC promote the Panel's findings among Congress and encourage action.

The fight for funds during the next fiscal year will be fierce, but the unanimous conclusions reached by the bipartisan Panel represent a strong step forward. As Representative Nadler stated in his closing line of the Panel press conference, "Everybody agrees. In Congress, that's a headline!" And we say "Bravo!"

Leslie Blakey, Executive Director



In the Spotlight

CAGTC Report Calls for Border Infrastructure Investment

Underscores Appeal for Dedicated Freight Funding

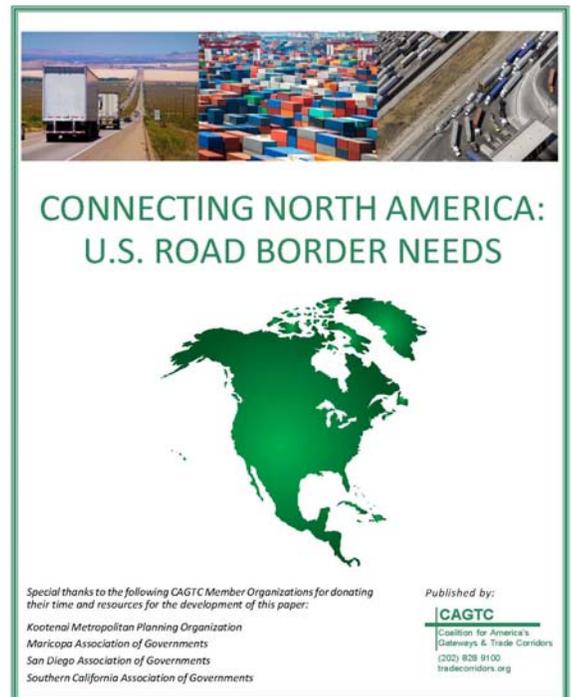
In October, CAGTC published a report that examines the road border needs of the United States and makes recommendations to improve land border crossings. As the twentieth anniversary of the implementation of NAFTA approaches, the study, titled *Connecting North America: U.S. Road Border Needs*, highlights the economic benefit of investment in cross border infrastructure and makes policy recommendations to Congress.

CAGTC's research finds that growth in activity along border crossings has not been met with adequate improvements to efficiency and capacity and further investment is required if the United States is to keep up with growing NAFTA trade demands.

The report mentions current projects that can serve as the model for future border infrastructure investment. It highlights a pre-inspection pilot program at the Pacific Highway Port of Entry in Blaine, Wash. and praises the collaboration between the governments of Canada and the state of New York for expediting planned infrastructure investments that will improve the flow of freight and passengers across the Peace Bridge, which connects Buffalo, N.Y. and Fort Erie, Ontario. It also describes the development of a new border crossing, named Otay Mesa East, which will add much-needed capacity along the border between San Diego and Tijuana, Mexico.

In the study, CAGTC also offers a policy recommendation to lawmakers that will help spur investment in these crossings and provide funding to projects that contribute to the efficient movement of freight domestically and internationally. These infrastructure improvements would be capitalized through the creation of a Federal Freight Trust Fund that would support multi-jurisdictional and multi-state projects across all modes. The report offers three additional policy considerations that will minimize strain at our borders, including suggestions for optimizing use of existing capacity, improving throughput through methods such as increased inspection rates, and expanding capacity through improved infrastructure and increased staffing.

You can read the entire report here: <http://tradecorridors.org/images/RoadBorderPaper/connecting%20north%20america%20-%20u.s.%20road%20border%20needs%20final.pdf>



Industry News

Water Bills Head to Conference

In an era of hyper-partisanship, there's a bright spot on Capitol Hill: the water resources bill. The Senate passed the upper chamber's legislation back in May, and on October 23, the House of Representatives secured 417 votes to advance their bill. Considering the momentum the bill is demonstrating, it's likely the House and Senate Conference Committee will send a bill to the President's desk before the end of the year.

The Senate bill retains the traditional "Water Resources and Development Act" (WRDA) name. It passed with 83 votes and a \$5.7 billion fiscal year 2014-2018 cost, according to the nonpartisan Congressional Budget Office. Spearheaded by Senators Barbara Boxer (D-CA) and David Vitter (R-LA), the legislation includes modest reforms, funds flood control and navigation projects through the U.S. Army Corps of Engineers and finances a pilot Water Infrastructure Finance and Innovation Authority program, which provides large water projects with low-interest loans.

The House "Water Resources Reform and Development Act" (WRRDA) sets spending levels at \$3.5 billion for fiscal years 2014-2018. The bill offsets new water resources infrastructure authorizations by de-authorizing \$12 billion in old, inactive projects. The legislation also accelerates project delivery, establishes a public-private project delivery pilot program and mandates Harbor Maintenance Trust Fund (HMTF) spending equal to 80 percent of receipts annually. By contrast, the Senate proposal increases spending to 100 percent of receipts annually.

In addition to differences in spending levels between the House and Senate proposals, the two pieces of legislation differ on how to authorize Army Corps of Engineers projects. The Senate bill automatically authorizes Army Corps projects that meet a certain set of criteria, while the House version requires more oversight by sending completed Army Corps of Engineers Chiefs Reports back to Congress for final approval.

Several legislators offered language further reforming the HMTF. Senators Patty Murray (D-WA) and Maria Cantwell (D-WA) co-sponsored stand-alone legislation, the "Maritime Goods Movement Act for the 21st Century," which would replace the Harbor Maintenance Tax with a user fee to be applied to all waterborne U.S. bound cargo entering the United States. The fee, called the Maritime Goods Movement Fee, is charged at the same rate as the Harbor Maintenance Fee (0.125 percent of the value of commercial cargo) and would apply to all U.S.-bound waterborne cargo that entered Canada or Mexico prior to arriving in the United States. In the lower chamber, Janice Hahn (D-CA) offered amendments to WRRDA expanding the eligible uses of the HMTF and mandating a greater return of each state's contributions. She later withdrew both amendments after facing opposition from both sides of the aisle. The bi-cameral WRDA/WRRDA bill conference is occurring now, with an agreement likely occur before the end of the year.

	SENATE: WRDA — Water Resources Development Act – S. 601 – Passed by Senate 05/15/13	HOUSE: WRRDA — Water Resources Reform and Development Act – H.R. 3080 – Passed by House 10/23/13
Cost	\$5.7 billion (FY14-FY18)	\$3.5 bill (FY14-FY18)
Project Approval	Authorizes any project with a completed Chief's Report, submitted by the Army Corp. of Engineers, prior to the bill's final passage	Allows Congress final authorizing authority over any projects with completed Chief's Reports, submitted by the Army Corp. of Engineers
HMTF Spending	Ramps up to 100% spending of annual receipts by 2020.	Ramps up to 80% spending of annual receipts by 2020.
Conferees	Boxer (D-CA); Baucus (D-MT); Carper (D-DE); Cardin (D-MD); Whitehouse (D-RI); Vitter (R-LA); Inhofe (R-OK); Barrasso (R-WY)	<i>From T&I:</i> Shuster (R- PA); Duncan (R- TN); LoBiondo (R- NJ); Graves (R- MO); Moore Capito (R- WV); Miller (R- MI); Hunter (R- CA); Bucshon (R- IN); Gibbs (R- OH); Hanna (R- NY); Webster (R- FL); Rice (R- SC); Mullin (R- OK); Davis (R- IL); Rahall (D-WV); DeFazio (D-OR); Brown (D-FL); Bernice Johnson (D-TX); Bishop (D-NY); Edwards (D-MD); Garamendi (D-CA); Hahn (D-CA); Nolan (D-MN); Frankel (D-FL); Bustos (D-IL) <i>From Natural Resources:</i> Hastings (R-WA); Bishop (R- UT); Napolitano (D- CA)

Twenty Years After NAFTA: What Have We Learned?

Tri-lateral NAFTANEXT Summit to address freight mobility, energy and the environment

Mark your calendar for the NAFTANEXT Summit, which is being organized by CAGTC, slated to explore the successes of the North American Free Trade Agreement (NAFTA) 20 years after implementation and examine promises yet to be realized. The Summit will review the environmental impacts of freight patterns and how shipper choices create demand for greener networks. It will also examine how future trade partnerships can benefit from the NAFTA experience and how the three NAFTA nations – Canada, Mexico, and the United States – can thrive in an era of new economic agreements.

Fostering communication across borders, NAFTA has been at the intersection of job creation, energy development, economic growth, and environmental sustainability. The three NAFTA countries exchange \$2.6 billion in goods each day. Freight mobility and efficient goods movement are essential to maintaining the strong economic ties envisioned in the NAFTA treaty. But just as the United States, Canada, and Mexico are economic partners, they also face the same environmental challenges and share long-term sustainable energy goals.

NAFTA has promoted, and continues to encourage, best practices to address the linkages between the environment, transportation, and the economy. This Summit will gather an estimated 350 representatives from the transportation, energy and environment industries to provide a forum for the public and private sectors to work in partnership to generate ideas and strategies for a long-term vision of sustainable freight transportation and supply chain energy independence.



SAVE THE DATE!
CAGTC ANNUAL MEETING
AT THE NAFTANEXT SUMMIT
APRIL 22-25, 2014
THE PALMER HOUSE HILTON
CHICAGO, IL

April 22: 2014 CAGTC Annual Meeting
April 22-25: NAFTANEXT SUMMIT

For questions and registration, please call 202-828-9100 or email ADenecke@blakey-agnew.com
For additional meeting details please visit www.naftanext.com



What's your metro area's freight profile?

Brookings releases regional freight data for 100 metropolitan regions

While statistics detailing the impact of U.S. freight on the global economy are necessary for understanding our place in the world marketplace, equally as necessary but often less studied is the role of individual metropolitan areas in the world marketplace. The Brookings Institution's Metropolitan Policy Program sought to close this knowledge gap with its recently released research series on the volume and type of goods moving through individual metropolitan areas and into the world's marketplace, as well as data detailing freight traffic among and between metro areas. Additionally, the Brookings series studies the types of goods moving between metropolitan areas, the different modes of transportation used to move the goods, and the specific trading relationships between U.S. metropolitan areas and their global counterparts.

- *Metro Freight: The Global Goods Trade that Moves Metro Economies:* A primer that establishes the economic case for metropolitan goods trade, providing detail on why metro areas trade with each other and the types of commodities exchanged. <http://www.brookings.edu/~media/Research/Files/Reports/2013/10/21%20metro%20freight/SrvyMetroFreight.pdf>
- *Metro-to-Metro: Global and Domestic Goods Trade in Metropolitan America:* According to Brookings, this research marks the first time metropolitan areas can begin to explore their place in domestic and global goods trade networks by tracking which regions generate the most international trade and the level of trade within the much larger domestic marketplace. <http://www.brookings.edu/~media/Research/Files/Reports/2013/10/21%20metro%20freight/SrvyMetroToMetro.pdf>
- *Metro North America: Metros as Hubs of Advanced Industries and Integrated Goods Trade:* Twenty years after the enactment of NAFTA, advanced manufacturing sectors extend their supply chains across the United States, Mexico, and Canada, anchored by productive metropolitan hubs in all three countries. This report provides the first-ever analysis of production and trade among North America's cities and metropolitan areas. http://www.brookings.edu/~media/research/files/reports/2013/11/07%20metro%20north%20america/bmpp_metrona_final.pdf

In addition to this body of research, the Brookings Institution has also developed interactive maps that provide drill-down analysis on individual metro areas and their impact on the world market place, as well as the North American market place. These tools include profiles for major metropolitan areas in the United States, Canada, and Mexico, including areas such as Los Angeles-Long Beach-Santa Ana, Seattle, Chicago, Indianapolis, San Diego, Miami, Cincinnati, and Baltimore. To check out the tools and see how your city impacts trade, visit <http://www.brookings.edu/research/reports/2013/10/22-metro-freight-tomer-kane-puentes> and <http://www.brookings.edu/research/interactives/2013/metro-north-america>.

Josh Brown Named Executive Director of Puget Sound Regional Council

Kitsap County Commissioner Josh Brown will become the new Executive Director of the Puget Sound Regional Council. Brown was selected after a nationwide search to succeed Bob Drewel, who is retiring at the end of this year. Brown was named to the position by PSRC's Executive Board in a unanimous vote today and will start work on January 2, 2014.

"Josh brings the perfect mix of energy, experience, and commitment to regional collaboration to the role of PSRC executive director," said Pierce County Executive Pat McCarthy, PSRC President. "He is deeply familiar with all aspects of PSRC and has shown outstanding ability to bring people together on transportation, growth, and economic development issues."

"I am honored and humbled to have been selected as PSRC's Executive Director. The challenges confronting our region—from economic competitiveness to protecting our quality of life—can only be solved with collaboration and partnerships. I am excited at the opportunity to work with the leaders of our region as PSRC's Executive Director," said Brown.

PSRC coordinates regional growth, transportation and economic development planning within King, Pierce, Snohomish and Kitsap counties. The agency selects projects to receive federal transportation funding and is a key resource for data and forecasts on population, transportation, and the economy. PSRC is also the lead regional economic development planning organization and home to the Prosperity Partnership.

"Josh is a terrific choice for executive director. He possesses a remarkable understanding of the complex transportation, land use, and economic challenges facing local governments and a proven track record of forging strong partnerships to find solutions to regional problems," said Redmond Mayor John Marchione, vice president of PSRC.

"Effective transportation is essential to the region's economic prosperity and a foundation for the great communities we're all trying to achieve," said Mukilteo Mayor Joe Marine, member of PSRC's Transportation Policy Board. "With his knowledge of transportation issues, Josh is superbly qualified to assume the executive director role. I look forward to working with him on helping the region come together on transportation solutions."

Brown is the senior member of the Kitsap County Board of Commissioners, representing the Central Kitsap District which includes the unincorporated communities of Silverdale, Tracyton, Seabeck, Illahee, Brownsville, Crosby, Holly, Rocky Point, and the majority of the residents in the City of Bremerton.

He has previously served as PSRC President, and as a member of PSRC's Transportation, Growth Management, and Economic Development District boards. He attended the University of California, Berkeley, earning a degree in Interdisciplinary Studies and a minor in City and Regional Planning. Prior to being elected as Kitsap County Commissioner, Brown worked as a commercial real estate broker for five years.

Source: Puget Sound Regional Council



CONGRESSIONAL PANEL CALLS FOR INCREASED FEDERAL FUNDING FOR FREIGHT PROJECTS

Alameda Corridor-East called out as critical mega-project

A bipartisan Congressional freight panel report released this week includes the recommendation that Congress provide robust public investment in freight projects, including dedicated funding for a program to provide grants to nationally significant freight projects across the country, such as the ACE rail-roadway grade separation projects. The recommendations came in a report released by an 11-member panel of the House Transportation Committee after six months of research and visits to the nation's leading trade gateways and corridors.

"We applaud the freight panel's excellent work and truly appreciate the bipartisan recommendation to provide dedicated federal funding for nationally and regionally significant freight mega-projects such as the ACE projects," said Mark Christoffels, Chief Executive Officer of the ACE Construction Authority. Members of the freight panel visited Southern California in late May and received recommendations and freight project updates, including regarding the ACE projects.

The ACE projects, along with the CREATE passenger-freight rail projects near Chicago and the Cross Harbor Freight Movement Project near New York, were cited by the panel's ranking Democrat, Congressman Jerrold Nadler of New York, as key mega-projects developed to address major freight bottlenecks and congestion and intended to be funded through the PNRs program as originally authorized by Congress in 2005.

"During the panel's deliberations, we had the opportunity to see several projects of national significance firsthand," said Congressman Nadler, a strong supporter of the PNRs program. "I am pleased that the panel recognizes the specific need to authorize guaranteed funding for these critical freight projects, which often face significant hurdles securing funding under current federal-aid highway programs." Congressman Nadler made his remarks during a press conference held Tuesday to release the panel's report.

With the current federal transportation bill, MAP-21, set to expire on October 1, 2014, the panel's recommendations are intended to guide lawmakers as they begin to draft legislation to reauthorize federal transportation programs and funding. Congresswoman Janice Hahn and Congressman Gary Miller were among the members of the panel from Southern California. The panel's recommendations are supported by the Chairman of the House Transportation and Infrastructure Committee, Congressman Bill Shuster of Pennsylvania, and its ranking Democrat, Congressman Nick Rahall of West Virginia.

The 282-mile ACE Trade Corridor as defined in federal legislation encompasses the freight rail mainlines through Los Angeles, Orange, Riverside and San Bernardino counties which carry trade from the Ports of Los Angeles and Long Beach, the nation's busiest container ports, to the rest of the nation.

(Continued on Page 11)

Member News

(Continued from Page 10)

Regional agencies have identified 131 potential rail-roadway grade separations along the four-county corridor at a cost of \$4.6 billion in 2006 dollars.

Port traffic results in up to 100 freight trains a day using the transcontinental rail network through Southern California, with more than 90 percent of these trains heading east. By 2025, freight train counts are projected to increase to 250 trains per day along the BNSF and Union Pacific mainline rail network, according to a study conducted for the Southern California Association of Governments.

The ACE Construction Authority is charged with constructing rail-roadway grade separation projects at 22 crossings along the freight rail mainlines in the San Gabriel Valley as well as safety improvements at the remaining grade crossings. Although prior federal transportation bills provided a significant funding catalyst for the ACE Construction Authority program, the current overall federal share of the \$1.7 billion program in the San Gabriel Valley has since declined to less than 15 percent with a current program funding shortfall of \$165 million. In the San Gabriel Valley, studies have shown that without the ACE Program, traffic delays at rail-highway crossings would increase by 300 percent.

Source: *The ACE Project*

Industry News



Transportation Funding a Winning Issue in November 5 Elections

Voters across the nation again confirmed the high value they place on transportation infrastructure improvements by approving 91% percent of November 5 ballot measures to increase or extend funding for highways, bridges and transit and electing two transportation advocates for governor.

There were 21 ballot initiatives at the state and local level, the largest number in a decade for a year that did not include congressional races or a presidential election. The total value of the approved measures was nearly \$240 million. On average, this week's successful ballot measures were approved with 67 percent of the vote.

Transportation investment advocates also won gubernatorial races in New Jersey and Virginia.

The approval rate for transportation funding measures is even greater than in previous years — voters approved 68 percent of similar measures in 2012, 55 per cent in 2011, 61 percent in 2010, 78 percent in 2008, 77 per cent in 2007, 77 percent in 2006, 83 per cent in 2005 and 76 percent in 2004.

Of the 21 measures, one was statewide and 20 were local. Four of the five bond initiatives were approved by voters. Twelve ballot measures were for increasing, extending or renewing a sales tax for transportation purposes, and other measures addressed property taxes, a card room tax, and a transaction and use tax.

Source: *The American Road & Transportation Builders Association*

Member News



Blue Island CREATE Modernization Project Completed

Adds Capacity and Efficiency to Serve Customers and the Traveling Public

\$9.7 million project to add freight railroad mobility and relieve congestion for the commuting public in the Chicago region has been completed in Blue Island, Illinois. The project (WA10) is part of the Chicago Region Environmental and Transportation Efficiency (CREATE) Program and led by CSX Transportation engineering and operations employees. The scope of the project included installing new crossovers, new bi-directional switching, and signal modernization. There were approximately 130 railroad crew members and contractors who worked on the project which will reduce idling in Chicago neighborhoods, balance freight movements between freight railroads, and add capacity for projected growing global freight demand. Presently, up to 33 daily trains are directly impacted by the project.

"The CREATE program continues to be a strategic investment in our state and nation's future as a transportation leader", said U. S. Rep. Bobby L. Rush [IL-01]. "My initial support for the CREATE program came as a result of the issues raised in communities in my district experiencing idling trains awaiting clearance through the congested Blue Island Yard, so I am pleased to see the various upgrades to the yard, including this WA10 project, come to completion."

The federal government provided \$6.4 million, CSX Transportation provided \$3.2 million, and the state provided \$92,000 to complete the project.

"This is an important project that will have a significant impact in Blue Island, South Suburbs and Chicagoland area as a whole, said Governor Pat Quinn. "The commuting public will not only see a reduction in idling in Chicago neighborhoods but a balance in freight movements between freight railroads, while also adding capacity for projected growing global freight demand."

"Both the motoring public and freight railroads are already seeing benefits from CREATE projects like this. We now can deploy trains in a measurably more efficient way through the Chicago area as the result of this project. CSX and our partners are grateful to the Illinois Congressional Delegation, Governor Quinn, and Blue Island Mayor Domingo F. Vargas for their support and cooperation," said John Bradley, CSX Transportation's Chicago Division Manager.

The CREATE program is a unique partnership of the State of Illinois, the U.S. Department of Transportation, the City of Chicago, Amtrak, Metra, and the Class I railroads. To date, 18 CREATE projects have been completed, reducing passenger and freight train delays by 33% and 28%, respectively, in the areas in which the projects have been completed. Another 11 are in construction now, with 19 more in planning or final design. For more information on CREATE, please visit www.createprogram.org.

Source: The CREATE Program

Research News

Supply Chain Security: DHS Could Improve Cargo Security by Periodically Assessing Risks from Foreign Ports

U.S. Government Accountability Office

Sep 16, 2013

Congress requested this report after the White House released its new *National Strategy for Global Supply Chain Security* in January 2012. That strategy called for a risk-based approach to supply chain security, and GAO's objectives were to determine the extent that the Department of Homeland Security (DHS) has (1) assessed risks associated with foreign ports, and (2) taken actions to ensure the efficiency and effectiveness of its maritime supply chain security programs. Most of GAO's focus was on the Coast Guard and Customs components of DHS. To conduct the work, GAO met with officials from the U.S. and foreign governments, and international and industry stakeholders, and also visited 6 foreign ports that participated in the Container Security Initiative (CSI). The CSI program stations US Customs officials at selected foreign ports to identify high risk containers and to work with foreign customs officials to scan such containers to ensure they do not contain weapons of mass destruction or other terrorist contraband.

GAO found that the Coast Guard has a model to assess risks as part of its International Port Security program. The Coast Guard updates its port risk assessments annually, and uses the assessments to deploy its personnel to inspect foreign ports, and to otherwise inform resource decisions related to the program (e.g., decide what countries to help with technical assistance). In contrast, GAO found that Customs had not done an assessment of risk at foreign ports related to its CSI program since 2005.

<http://www.gao.gov/products/GAO-13-764>

On the Performance of the U.S. Transportation System: Caution Ahead

U.S. Government Accountability Office

Sep 16, 2013

Transportation is a vital sector of the U.S. economy based on consumers', firms', and government's enormous expenditures in money and time and on its effect on virtually all other sectors in the economy. This report assesses the performance of the transportation system and considers how it could be improved by analyzing whether the United States has the optimal mix of public and private provision. The empirical evidence indicates that our hugely important transportation system has been compromised by various government policies and the significant welfare costs motivate either vastly improving public provision or expanding the role of the private sector

http://www.brookings.edu/research/articles/2013/09/performance-transportation-system-caution-ahead-winston?utm_campaign=Economic%2520Studies&utm_source=hs_email&utm_medium=email&utm_content=10436934&_hsenc=p2ANqtz-NuApl2UmttuSQUZq5R_AfPAM-3HwTIMBPejlW8sy5o9SbwrFeKA3_GbyHaSDwaidUyQWdxM-bsHMH7_SWUwK4f-oF-wPW0FU7K_viVmnPoqYJME&_hsmi=10436934

Upcoming Events

January 5-8, 2014: NRC Conference- REMSA
Exhibition, Palm Desert, CA

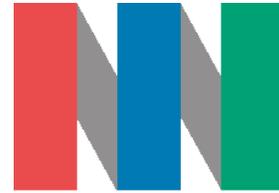
January 12-16, 2014: Transportation Research
Board 93rd Annual Meeting, Washington, D.C.

February 26-27, 2014: Logistics, Trade and
Transportation Symposium, Gulfport, MI

April 22-25, 2014: NAFTA NEXT, Chicago, IL



The Voice of the Railroad Construction Industry



NAFTANEXT

CAGTC & Freight in the News

Driving the Economy Forward with Infrastructure Investment

Washington Post

November 21, 2013

http://www.washingtonpost.com/opinions/john-delaney-driving-the-economy-forward-with-infrastructure-investment/2013/11/21/15ea1278-5211-11e3-a7f0-b790929232e1_story.html

House Panel's Report Thrills Transportation Interests - But Will It Have Any Impact?

Forbes

November 5, 2013

<http://www.forbes.com/sites/robertbowman/2013/11/05/house-panels-report-thrills-transportation-interests-but-will-it-have-any-impact/>

US House Panel Releases Freight Transportation Recommendations

Journal of Commerce

October 29, 2013

http://tradecorridors.org/images/stories/news/us_house_panel_releases_freight_transportation_recommendations.pdf

CAGTC Report to T&I Freight Panel Calls for a Border Infrastructure Investment

American Journal of Transportation

October 21, 2013

<http://www.ajot.com/news/cagtc-report-to-ti-freight-panel-calls-for-border-infrastructure-investment>

Freight Rail Bypass Project Opens in Chicago

ASCE- The Magazine of the American Society of Civil Engineers

October 1, 2013

<http://www.asce.org/cemagazine/Article.aspx?id=23622327986#.Um695IOMKSp>

CREATE'S completion: A national need

Railway Age

September 2013

http://issuu.com/railwayage/docs/september_2013_railway_age_magazine/24

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 spring, 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.

To learn more contact:

Elaine Nettle

WE'VE MOVED!

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please visit our website at www.tradecorridors.org or
contact us at 202.828.9100 or enessle@blakey-agnew.com.