Freight in National Spotlight with MOVE Freight Act

On March 5th, 2013, Congressman Albio Sires [D-NJ] introduced the Multimodal Opportunities via Enhanced Freight Act of 2013 (MOVE Freight Act), a major step in advancing national freight policy. While the surface transportation bill, Moving Ahead for Progress in the 21st Century (MAP-21), certainly contained major freight initiatives, more work is needed to improve the movement of goods nationally. The MOVE Freight Act is a monumental step toward the recognition of the U.S. freight system as a multimodal, interconnected, and comprehensive network.

The bill contains four major components and ensures the various modes of freight are both recognized and provided for through federal planning and investment. First, the bill identifies freight as a national priority. The U.S. Department of Transportation estimates that U.S. freight shipments will more than double between the years 2010 and 2040, with a significant portion of these goods shipped using multimodal networks, highlighting efficient freight movement’s pivotal role in the U.S. economy. Second, the bill expands the definition of the National Freight Network, as established in MAP-21, to include multiple transportation modes. Specifically, the MOVE Freight Act defines the 27,000 miles of freight network using “critical freight corridors,” as opposed to the centerline roadway miles prescribed in MAP-21.

(Continued on Page 2)
The third component requires that each state create a State Freight Plan. While MAP-21 strongly encourages the establishment of these plans, the freight network will be best served if each state, in collaboration with neighboring states, constructs long-term initiatives to ensure an efficient and sustainable goods movement network. It is necessary for each state to plan properly to wholly inform USDOT’s National Freight Strategic Plan, which is required under MAP-21. The MOVE Freight Act’s final component establishes National Freight Investment Grants, a competitive funding program to provide financial assistance for capital investments in high-priority freight infrastructure projects. The central objective of this grant program is to ensure the nation’s pressing and vital freight needs are addressed in an efficient manner, benefiting both the national supply chain system and the overall economy.

The bill currently has twelve co-sponsors: Representatives Earl Blumenauer [D-OR], Corrine Brown [D-FL], Steve Cohen [D-TN], Peter DeFazio [D-OR], Janice Hahn [D-CA], Alan Lowenthal [D-CA], Jerrold Nadler [D-NY], Grace Napolitano [D-CA], Gary Peters [D-MI], Adam Smith [D-WA], Frederica Wilson [D-FL], and Gloria Negrete McLeod [D-CA]. This support not only illustrates a growing recognition of freight as an essential component of our overall economic health, but it also instills hope in the freight community. With the reauthorization of the surface transportation bill approaching, and the imminent movement of other essential transportation bills, including the Water Resources Development Act, Congress may look to the MOVE Freight Act as inspiration for bettering freight policy. Indeed, the MOVE Freight Act’s policy prescriptions, if enacted, would not just serve the national freight system, but would provide immense benefits to the overall national economy.

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**Mark your calendars and save the date for the CAGTC 2013 Meeting**

The Coalition for America’s Gateways and Trade Corridors will be hosting its 2013 Annual Meeting **April 9th & 10th** in Washington, DC.

Be sure to check the Coalition’s website, www.tradecorridors.org, for more details as the meeting approaches or email sweitz@blakey-agnew.com to register.
In Washington, the emergence of spring means, along with cherry blossoms, the start of nonstop fly-ins, receptions, meetings, and conferences, including the Coalition for America’s Gateways and Trade Corridors (CAGTC) Annual Meeting, held this year on April 9th and 10th in the gracious surroundings of the Gold Room of the Rayburn House Office Building.

Speakers from the Administration, Congress, and industry will be in attendance, as well as other stakeholders representing a variety of different modes and perspectives. It is sure to be an enlightening event, a time to both reflect on recent accomplishments while also discussing priorities and policies to further advance our national supply chain network.

CAGTC members will be able to meet with Members of Congress and their staffs to discuss policy priorities for their organizations. This is an excellent opportunity to ensure that Congress understands the importance of freight and to promote action on policies and legislation that can really make a difference to our community and yours.

Indeed, federal spending cuts, earmark bans and Congress’s prolonged inability to pass a budget are a challenge for freight hubs and surrounding localities that bear the burden of moving vast amounts of goods, and associated benefits, throughout our nation. But, as Congress and the Administration continue to demonstrate greater recognition for the importance of freight infrastructure to our economy, there is little cause for uncertainty and pessimism about the future of support for physical needs of the freight industry.

The CAGTC Annual Meeting will act as a forum for freight stakeholders and policy-makers to emphasize freight’s centrality in the national economy and to discuss what’s ahead for freight policy at the regional and national levels. But the event won’t just be serious discussion; it will also be a chance to socialize with colleagues, friends, and participants from likeminded organizations while enjoying the vast amenities that springtime in Washington has to offer.

The CAGTC Annual Meeting offers an extraordinary opportunity to emphasize freight’s significance — and your region or industry’s part in it — in a congenial atmosphere and we sincerely hope to see you all there!

Leslie Blakey, Executive Director
Sequestration: What it Means for the Freight Community

When the Budget Control Act passed in the summer of 2011, few believed that the $85 million in across-the-board federal spending cuts (the first installment of what is known as “sequestration”) would be enacted. Yet the partisan gridlock gripping Congress made any agreement on a deal to avoid the sequester impossible, and, as of March 1st, 2013, the $85 million in cuts went into effect. The ultimate consequences for the transportation industry, and for freight in particular, remain uncertain; however, freight stakeholders do know that these funding cuts will undoubtedly harm the transportation economy and, in turn, the nation’s overall economic health.

Sequestration reduced non-defense discretionary spending by 5.0%, translating into a $1.6 billion loss for the U.S. Department of Transportation. Despite more than half of the U.S. DOT’s funding being exempt from the sequester, this cut still poses detrimental consequences that will cause a ripple effect throughout the U.S. economy.

Though the Highway Trust Fund (HTF) is technically exempt from sequestration, transfers from the General Fund, which have been keeping the HTF solvent, are not. For FY 2013, the General Fund transfer of $6.2 billion will be reduced by $360 million, hastening the rate at which the HTF approaches insolvency. With the nation’s highways and road networks already in a dire state, any funding cuts that potentially reduce infrastructure spending translate into even more congestion and delays, hampering freight movement and increasing the cost of goods for consumers.

In particular, reduced funding for the Department of Homeland Security’s Customs and Border Protection component means longer lines for cargo shipments and a less efficient goods movement network. Homeland Security Secretary Janet Napolitano recently warned of the sequester’s expected consequences for trade crossings at the U.S.-Canada border, stating that due to sequestration, 5,000 border patrol agent positions will have to be cut and furloughs will have to be issued. With only a few major crossings for trade between U.S. and Canada, this loss in manpower translates into longer lines for cargo inspections and port shipments, potentially decreasing trade and leading to a significant economic loss for both nations. The budget cuts could also hinder the implementation of “Beyond the Border,” a U.S.-Canadian initiative to quicken the movement of goods and people between the two countries.

In addition to roads and highways, ports and waterways will also face consequences as a result of the sequester. The U.S. Army Corps of Engineers’ operation and maintenance budget decreased by $250 million.
The Numbers Are In:
Congestion Costs Continue to Rise

New travel reliability measure addresses on-time arrival for important trips

In early February the Texas A&M Transportation Institute (TTI) released its 2012 Urban Mobility Report, showing another dismal year for efficient movement in the nation’s top urban areas. This year’s report estimates that in 2011, trucks alone wasted $27 billion from traffic congestion in urban areas. This represents 22% of overall congestion costs, which were estimated to be $121 billion for 2011, translating into a financial cost of $818 per auto commuter. Fuel losses totaled 2.9 billion gallons, the same as the previous year, but a decrease from the pre-recession 2005 record of 3.2 billion gallons. The yearly report, which includes 30 years of trend data analyzing the effects of traffic congestion on urban America, highlights the negative economic impact of congestion and emphasizes the need for policymakers to take action to reduce financial waste.

The study examines the impacts of road congestion in 498 urban areas across the United States. The results from 2011 showed that both urban citizens and truck drivers moving goods were negatively impacted, resulting in huge economic losses in terms of hours and gallons of fuel.

The New York-Newark region had the greatest amount of truck delay in the nation, totaling 33.4 million hours and $2.5 million in congestion costs in 2011. Second was the Los Angeles-Long Beach region, losing 29.9 million hours and $2.3 million in wasted time and fuel. The Chicago region came in third with 22.8 million hours and $1.7 million lost due to truck congestion.

For the first time, the 2012 Urban Mobility Report includes a measure of travel reliability to illustrate the amount of extra time needed to arrive on time for higher priority events, such as just-in-time truck deliveries, airline departure, or medical appointments. If the measure – the Planning Time Index (PTI) – for a particular trip is 3.00, a traveler would allow 60 minutes for a trip that typically takes 20 minutes when few cars are on the road. Allowing for a PTI of 3.00 would ensure on-time arrival 19 out of 20 times.

PTIs on freeways vary widely across the nation, from 1.31 (about nine extra minutes for a trip that takes 30 minutes in light traffic) in Pensacola, Florida, to 5.72 (almost three hours for that same half-hour trip) in Washington, D.C.

“Truck drivers certainly understand the need to get freight deliveries made on time. We all understand that important trips take longer in rush hour, but for really important appointments, we have to allow increasingly more time to ensure an on-time arrival,” says Bill Eisele, senior research engineer and report co-author. “Unreliable travel is frustrating and costly for commuters and truck drivers moving goods.”

TTI highlights truck congestion as being a significant burden to the economy, stating that a portion of increased congestion costs is passed on to consumers in the form of higher prices for goods. This congestion, then, carries negative impacts far beyond the immediate region where the congestion occurs and in fact affects the economic health of the entire nation.

In general, the report proposes a balanced and diversified approach to reducing congestion, emphasizing that these solutions are attainable and proven to work. The report also stresses the need for all solutions to be implemented, whether they address large or small-scale problems. Action needs to be taken now to reduce congestion and to promote a healthy and robust goods movement system.
Maricopa Association of Governments

The Maricopa Association of Governments (MAG) serves the Greater Phoenix region, with a planning area spanning 9,486 square miles and a population of nearly four million people. The MAG region has many points of pride: a multicultural heritage, unique Sonoran desert environment, favorable business climate, and excellent quality of life. Since 1980, the region’s population has been among the fastest growing in the nation. From 2000 to 2010, our average annual growth was 2.2 percent, more than double the national average of 0.9 percent. This rapid growth continues to provide tremendous economic opportunities for businesses and citizens; it also provides challenges in creating the infrastructure necessary to keep pace.

MAG is a Metropolitan Planning Organization and Council of Governments that comprises 25 cities and towns, three Native American Indian Communities, and Maricopa County. Representatives from the Arizona Department of Transportation and the Citizens Transportation Oversight Committee also serve on our governing board. Through two voter-approved sales tax initiatives, the region has seen one of the most aggressive freeway construction programs in the nation, building 138 miles of freeway since 1985. The recent Urban Mobility Report by the Texas Transportation Institute finds that while the MAG region is 13th most populous in the nation, it ranks 40th among U.S. cities for the average amount of time motorists spend in traffic jams.

Some factors that set MAG apart are a 32-member governing board that can meet around a single table; professional management at all levels of government; responsive regional planning; and regional partnerships among businesses, citizens and local governments. This partnership is seen in the recent creation of the MAG Economic Development Committee (EDC). The mission of the EDC is to provide a forum for discussion and study of economic development and best practices, and to further the federal requirement to tie transportation planning to economic development.

One initiative of the EDC was creation of a data-intensive website for businesses, www.GreaterPhoenixRising.com. The EDC also has embraced efforts to improve trade relations with Mexico, Arizona’s number one trading partner and the gateway for $26 billion in imports and exports each year. Mexico is now the third-ranked commercial partner of the U.S. and the second largest market for U.S. exports. Trade with Mexico supports six million jobs in the U.S. and tens of thousands jobs in Arizona.

Another example of broad regional cooperation is MAG’s participation in the Joint Planning Advisory Council (JPAC)—made up of the major planning agencies within the Sun Corridor megaregion—MAG, the Pima Association of Governments and the Central Arizona Governments.

(Continued on Page 7)
When the housing market collapsed in early 2010, the number of Valley homes facing foreclosure topped 60,000. The JPAC undertook efforts to identify opportunities to diversify the economy. One such opportunity focuses on freight-related economic development.

For the JPAC to understand freight opportunities in the Sun Corridor, it first had to understand current trends. The [Freight Transportation Framework Study](#) was launched with the goal of understanding the Sun Corridor’s role in the global supply chain and potential freight opportunities.

The study team analyzed commodity flows coming in, from, and through the Sun Corridor; conducted an online survey of thousands of shippers and carriers; performed a real estate analysis; interviewed freight stakeholders; and evaluated truck load rates between the corridor and surrounding states to determine the competitiveness of Arizona’s major transportation corridors in moving products between regions.

It quickly identified that the greatest freight opportunities are with Mexico, and there was a need for more disbursed freight operations throughout the corridor. Due to Arizona’s close proximity to southern California, most of the east-west flow of goods passing through the state are finished goods from Asia, with little opportunity to add value. A better opportunity is to add value to the north-south flow of goods traveling between Arizona, Mexico, and the Gulf Coast. The Sun Corridor is a top ten anchor market, and the only major market between Southern California and Houston with the opportunity to serve as a distribution hub for the Southwest.

Study recommendations include the need for coordinating regionally, establishing a Sun Corridor Freight Development Zone, implementing strategic improvements to support efficient freight distribution, assisting with public policy, and preparing conceptual business plans for specific freight-related opportunities. JPAC will evaluate the recommendations and develop an implementation plan.

In addition to the above efforts, MAG initiated planning for Interstate 11, which was designated as an interstate corridor as part of the recent federal transportation bill. The move is a significant step forward in linking Phoenix and Las Vegas with an interstate highway. The cities are the two largest neighboring cities in America not currently connected by an interstate. MAG is a core agency partner in the [I-11 and Intermountain West Corridor Study](#) being conducted by the Arizona and Nevada departments of transportation, which will look not only at the segment between Phoenix and Las Vegas, but the broader connection that travels from Mexico to Canada.

*Source: Maricopa Association of Governments*
Don’t Miss the Year’s Most Important Meeting on U.S. Freight Policy

2013 Annual Meeting
Coalition for America’s Gateways and Trade Corridors

April 9-10, 2013
Washington DC

April 9 is free and open to the public.
April 10 is open to CAGTC Members only.

For questions and registration, please call
202-828-9100 or email enessle@blakey-agnew.com

For additional meeting details please visit our website
www.tradecorridors.org/annual-meeting
Member News

Port of Long Beach Adds Major Shipping Line

‘State of the Port’ - Building, Improving, Thriving

The world’s second-largest ocean cargo line — Mediterranean Shipping Co. — has increased its investments at the Port of Long Beach, its biggest West Coast hub of operations, Port Executive Director J. Christopher Lytle announced in his annual “State of the Port” address Thursday.

The decision by MSC to purchase a stake in the leasehold for the marine terminal operations at Pier T, the largest container terminal in Long Beach, is the second such move by a leading shipping company in recent months. In December, the Port announced that CMA CGM, the world’s third-largest ocean carrier, had purchased a stake in Pier J in Long Beach. MSC already holds a financial interest in the terminal operations at Pier A in Long Beach.

The commitments by the MSC and CMA CGM fleets underscore the Port’s efforts to forge successful partnerships, Lytle said. It’s the strength of its bonds with industry, neighbors and the City of Long Beach at large that has allowed the Port of Long Beach to thrive.

“At the Port of Long Beach, we remain committed to our mission of ensuring that the hundreds of thousands of jobs that depend upon our success stay here, and grow for future generations,” Lytle said. “This is your port, your economic engine, your asset. With your support, we plan to continue our tradition of growth and success.”

With potential challenges posed by ports in Canada and Mexico, as well as the expansion of the Panama Canal, Lytle said this is no time for the Port of Long Beach to become complacent.

Lytle outlined the Port’s ongoing 10-year, $4.5 billion rebuilding and modernization program that is bringing cleaner and more efficient facilities to the Port. In addition to the Port’s major waterfront improvements at Middle Harbor and Pier G, the Port and its partners including the California Department of Transportation have embarked on a $1 billion project to replace the aging Gerald Desmond Bridge.

And as it redevelops and improves, the Port is working even harder to engage the community, enhance educational outreach and focus on career training for the region, Lytle said.

The Swiss-based MSC and CMA CGM, of France, have been coming to the Port for years, but their direct investments mean Long Beach will be their exclusive gateway in Southern California, bringing more trade. MSC and CMA CGM operate some of the biggest containerized cargo ships in the trans-Pacific trade. The MSC Beatrice, for example, is among the latest generation of larger, greener ships. The Beatrice can carry 13,798 container units — that’s more than 70 percent more than the typical “megaship” of a few years ago.

With its push to improve facilities and reduce impact to the environment, Lytle said the Port of Long Beach remains a world-leading seaport.

Source: The Port of Long Beach
Underpass Project at Railroad Crossing Kicks Off Construction

Baldwin Avenue Project will replace congested railroad crossing, eliminating traffic delays and collisions and reducing emissions

Federal, state, local and railroad officials gathered on February 1, 2013 to kick off construction of a four-lane roadway underpass with double-track railroad bridge to replace a congested railroad crossing on Baldwin Avenue in the City of El Monte.

The railroad crossing is located north of Valley Boulevard and south of Lower Azusa Road on Baldwin Avenue, a main north-south thoroughfare connecting Interstates 10 and 210. Baldwin Avenue is used daily by 28,000 vehicles, including significant truck traffic, and blocked by an average of 20 Union Pacific freight trains a day. Two collisions have been logged at the crossing over the last 10 years.

“Today’s groundbreaking marks the start of a project that will eliminate train delays, deadly crossing collisions and locomotive horn blasts, help improve our region’s air quality and create 1,370 jobs over two years of construction,” said City of San Gabriel Councilman David R. Gutierrez, Chairman of the Alameda Corridor-East Construction Authority (ACE). “We thank our federal, state, local and railroad partners for providing the funding support needed to get this project under construction.”

Baldwin Avenue is scheduled be closed for construction this summer with the $75.9 million project scheduled to open to traffic in 2015. The project is an investment in a program of grade separations along the Alameda Corridor-East Trade Corridor, which accommodates about 60 percent of the containers moved from the nation’s busiest container ports in the San Pedro Bay to the rest of the country via the region’s rail network.

“The City of El Monte appreciates the opportunity to work in partnership with the ACE Construction Authority on this important safety and congestion relief project which will benefit our community for many years,” said El Monte Mayor Pro Tem Norma Macias.

“The Baldwin Avenue project will ease traffic gridlock, reduce emissions, improve safety and facilitate goods movement,” said Congresswoman Judy Chu. “I am proud to work with my colleagues in Congress on efforts to secure federal funding for the ACE grade separation projects which will create vital infrastructure for a thriving future.”

(Continued on Page 11)
“The ACE grade separation projects have the united support of the San Gabriel Valley’s state representatives and are a key priority in improving mobility, safety, air quality and public health in our region,” said State Senator Ed Hernandez, Chair of the San Gabriel Valley State Legislative Caucus.

“Goods movement contributes significantly to our regional and national economic vitality,” said California Transportation Commissioner Fran Inman. “State transportation bond funds approved by the voters account for almost half the Baldwin Avenue project cost and will be used to complete construction of the project – a worthy investment of public funds that will continue to provide on-going, long term benefits.”

“If we are to improve crossing safety and regional air quality and reduce congestion, we need to support these grade separation projects,” said Assemblyman Ed Chau. “Air pollution emissions will be significantly reduced because cars and trucks will not be blocked by trains at busy crossings.”

“Los Angeles County’s sales tax for transportation has been essential to the continued success of the ACE program,” said LA County Metro Chief Executive Officer Art Leahy. “Metro is contributing more than a third of the overall ACE program funding and is committed to remaining a significant sponsor of this important road improvement program.”

“The ACE program is a success story for the entire San Gabriel Valley, and I will continue to champion the ACE projects at the Metro Board,” said Duarte Mayor John Fasana, the San Gabriel Valley’s representative to the LA County Metro Board of Directors.

Guests scheduled to attend the event included Congress-member Judy Chu, State Senators Carol Liu and Ed Hernandez, Assembly-members Ed Chau, Roger Hernandez, Chris Holden, Ian Calderon and Norma Torres, California Transportation Commissioner Fran Inman, FHWA Associate Division Administrator Rick Backlund, Caltrans District Director Michael Miles, MTA Executive Director Art Leahy, MTA Board Director John Fasana, El Monte Mayor Pro Tem Norma Macias and other elected officials and community leaders.

Source: Alameda Corridor-East Construction Authority
Seaports, Properties Record Gains Amidst Challenges

In 2012, the Port of Portland’s marine franchise recorded notable calendar year gains in steel and auto volumes despite disruptions related to a jurisdictional dispute and contract negotiations in the latter half of the year. While the 12.4 million tons handled last year was a decrease of about eight percent, it was also the sixth best tonnage year on record.

Auto volumes showed a gain of 21 percent with 284,138 vehicles handled last year. The double digit increase was thanks in part due to recovery from the impacts of 2011 disasters in Japan and Thailand. The increase was also attributable to the first American-made auto exports to roll across the docks in Portland since 1988, with the addition of Ford as a new customer.

Breakbulk tonnage increased by five percent from last year to nearly a million tons. This is primarily steel slab and steel rail imports, and the Port also handled barite ore used for industrial drilling and various large scale project cargo at Terminal 2.

At the container terminal, 2012 began with the addition of carrier Hamburg Süd in February and an expanded, weekly service in partnership with Hapag-Lloyd. ICTSI Oregon, Inc., the Port’s terminal operator at Terminal 6, was selected for the Mayor’s Foreign Direct Investment Business Award in May. The terminal saw a total of 183,203 containers last year, which constitutes an eight percent decrease from the previous year.

Starting in late May, the container terminal experienced slowdowns related to a jurisdictional dispute between the International Longshore and Warehouse Union and the International Brotherhood of Electrical Workers over jobs involving the plugging, unplugging and monitoring of refrigerated containers. This is now being handled in federal court. A separate matter involving contract negotiations with Marine Security Officers was successfully resolved.

Contract negotiations between the Pacific Northwest Grain Handlers Association and the ILWU have yet to reach resolution, but the Port has no role in that process. Grain tonnage decreased by 15 percent to just over four million tons, but volumes should increase with expansion of the grain elevator at Columbia Grain’s Terminal 5 facility. This recent announcement accompanied a 25-year lease extension, and will involve an investment of approximately $40 million.

Mineral bulks – primarily potash used in fertilizer, and soda ash used in glass production – dropped by eight percent, to 4.8 million tons. The soda ash export facility at Terminal 4 will soon be home to a new, $8 million ship loader, supporting plans to boost efficiency and capacity.

(Continued on Page 13)
Completion of South Rivergate Yard in August marked the last in a series of four major rail and road improvement projects in Rivergate Industrial District. The $11 million rail yard expansion was funded by the Port, ConnectOregon II funding, Union Pacific and BNSF Railway. Improving freight mobility and rail velocity makes the bulk facilities at marine Terminal 5 more competitive.

ConGlobal Industries moved its container depot to Rivergate in May to reduce drayage costs for customers and improve shipping operations. They were soon followed by construction of a rail-served sweetener plant for Archer Daniels Midland Company and a newly leased facility for Northwest Cascade, Inc. Other significant Rivergate leases included Exel Logistics in Bybee Lake Logistic Center, and OIA Global Logistics in Rivergate Logistics Center.

As regional studies underscore the need for more shovel-ready, large lot industrial land parcels, the Port is taking action. In October, the Troutdale Planning Commission approved a new Phase II subdivision in Troutdale Reynolds Industrial Park, adding to what will be a total of 12 lots on 314 acres. Nearby, Gresham Vista Business Park officially joined Oregon’s Certified Industrial Site program to market 11 developable lots on 203 industrial acres and 17 commercial acres.

Source: Port of Portland

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Keep America Beautiful Presents Tennessee Department of Transportation with a Partner Award

Keep America Beautiful Recognizes State Departments of Transportation during 60th annual National Conference in Washington, D.C.

The Tennessee Department of Transportation was one of five Keep America Beautiful/U.S. State Department of Transportation Partner Award recipients at the National Awards ceremony, which took place during Keep America Beautiful's recent 60th anniversary National Conference in Washington, D.C.

The Keep America Beautiful/U.S. State Department of Transportation Partner Awards recognizes state DOTs for their support of KAB affiliates through joint partnership projects. These awards were created to recognize the high value KAB places on public-private partnerships.

“To reduce roadside litter and illegal dumping, KAB state affiliates must develop effective public-private partnerships,” said Keep America Beautiful President & CEO Matt McKenna. “Our State Department of Transportation Partner Awards represents the fine work that state DOTs achieve with their respective KAB state affiliate partners.”

Keep Tennessee Beautiful Interim Director Gordon Wilson said, “We are so pleased that the work TDOT does along with our KAB affiliates to help keep Tennessee clean and green continues to be recognized at the national level. Our state residents should be proud of what our network continues to accomplish.”

The U.S. State Department of Transportation Partner Award winners are: Mississippi Department of Transportation (MDOT); Ohio Department of Transportation (ODOT); Pennsylvania Department of Transportation (PENNDOT); Tennessee Department of Transportation (TENNDOT); and Texas Department of Transportation (TxDOT).

In addition to these award-winners, Keep America Beautiful also recognized nearly 100 other outstanding organizations and individuals for their achievements in promoting litter prevention, recycling, community beautification and environmental stewardship at the National Awards ceremony.

Source: Tennessee Department of Transportation
New Port Cranes Begin to Shoulder Load at Seagirt

*Public-private partnership expands terminal and prepares Baltimore for the larger ships of the future*

The manufacturers of Asia just got a lot closer to Baltimore.

Four massive cranes at the Seagirt Marine Terminal began writing the next chapter in the region’s maritime history Thursday morning as they started unloading a 981-foot cargo ship laden with containers onto waiting trucks.

The cranes are the most visible symbols of a $1.3 billion public-private partnership between the Port of Baltimore and Ports America Chesapeake that allowed the expansion of Seagirt to handle the world’s largest ships and gives the facility a leg up on almost every port from Maine to Florida. Only Norfolk, Va., can boast of having similar capacity.

“We’ve got the East Coast covered,” said Mark Schmidt, Ports America’s general manager, as he watched the cranes reach and pluck containers off the Miramarin’s deck like tiny toys. “Look at that speed.”

It took nearly seven months from their traffic-stopping arrival from China for the cranes to be assembled and tested, Schmidt said. But now they’re ready to prove their $40 million worth.

On the highly competitive Eastern seaboard, ports are racing to see which of them will be ready to receive the so-called super post-Panamax ships that will use the expanded Panama Canal to get from Asia to U.S. markets when it opens in late 2014.

And shipping companies hoping to take advantage of the economy of scale are planning even larger ships, said Thomas Shafer Jr., vice president with California-based Moffatt and Nichol, one of the world’s largest marine engineering firms.

“As world trade increases, the ships are only going to get bigger. So you’d better be able to handle them or you’ll be left behind,” Shafer said.

The Port Authority of New York and New Jersey needs to find $1 billion to raise the Bayonne Bridge 64 feet to give such large ships access to the port’s main terminals. Ports south of the Chesapeake Bay are struggling to get the funding to dredge shipping channels to the 50-foot depth required by the larger ships.

“Baltimore,” Shafer said, “is out in the lead.”

That two- to three-year edge will allow port officials to lock in old customers while bringing new ones to the fold, said James White, executive director of the Maryland Port Administration, which owns the port.

“Humans are creatures of habit. You pick a port and it’s a very slow process for a customer to revert,” White said. “In vessel operations and terminal operations, we’re less expensive than New York or Virginia. Right now, they have us on rail capability and when we fix that, we’ll do very well.”

*(Continued on Page 16)*
Five years ago, things didn’t look good. The state didn’t have the estimated $106 million needed to extend Seagirt’s Berth 4, dredge the area to 50 feet and buy the cranes capable of reaching across the decks of the huge ships.

The 50-year deal with Ports America, signed in 2009, made it a reality.

“Volume is up. Ports America is doing as good a job, if not better, than when we ran Seagirt,” White said.

In addition to the modernization, the partnership ensures that the state will receive an annual payment of $15 per container handled above 500,000 containers, a term that could be worth $750 million over the life of the contract.

The new cranes cast a giant shadow. From the pier to the tip of the boom, they stretch 400 feet, or the height of the World Trade Center at Inner Harbor. Each one can lift the equivalent of a space shuttle, or 15 tons more than the adjacent older, blue cranes.

Sitting 14 stories above the pier, a longshoreman in a gleaming white cockpit can move two containers at a time from deck to truck in 90 seconds.

The older cranes can do 37 container moves an hour — among the quickest on the East Coast. The new cranes approach 50 moves, Schmidt said.

The biggest challenge was making the electrical connections between the booms, the crane cabins and the dockside office that allow operators to troubleshoot and diagnose problems and download new software.

Then came the 24-hour endurance tests, in which each crane was required to perform flawlessly through a series of commands.

“It’s a little short-term pain for long-term gain,” Schmidt said. “We wanted to make sure we got the product we paid for in the condition we expected.”

Wednesday, it took the cranes 767 moves to unload and load the Miramarin before it headed out to southern U.S. ports.

Mauro Dalbo, Baltimore manager for Mediterranean Shipping Co., operator of the Miramarin, said the new berth and cranes were an opportunity for the port to expand its productivity and profile.

“It’s a great day for the port and a great day for the people of Baltimore and Maryland,” he said.

Source: Maryland DOT Port Administration
HELP Inc. Adds Mark Doughty as COO

HELP Inc. (HELP), the provider of PrePass and other commercial vehicle safety services, is bolstering its staff leadership with the addition of Mark Doughty, an organizational management and business planning expert, to serve as the organization’s Chief Operating Officer effective March 11, 2013.

For the last several years, Mr. Doughty has served as the COO of Contractor Management Services where he helped lead the company’s growth through creative strategic and business planning, along with managing the introduction of service offerings for new vertical markets in the transportation sector.

“HELP is fortunate to hire someone of Mark’s caliber and experience for this key position,” said Karen Rasmussen, president and CEO of HELP. “Mark has extensive experience in truck transportation, the owner/operator management field and in financial services. His strong financial and business planning skills are perfectly suited to those areas that are key to HELP’s ability to increase trucking safety, productivity and regulatory compliance.”

As COO, Mr. Doughty will be responsible for business planning and financial management, as well as assisting in day-to-day oversight of HELP’s service offerings.

Mr. Doughty’s professional experience in transportation includes a decade as president of Moody’s Quick Inc. and Quick Product Solutions, providers of nationwide transportation services as well as warehousing, packaging and distribution in Arizona and New York. Mr. Doughty began his career at Discover Financial Services where he served in several executive positions over a 13-year period.

He has served as chairman of the Arizona Employers Council, on the National Federation of Independent Businesses (NFIB) Leadership Council and on the Arizona Information Technology Authorization Committee. Mr. Doughty also serves on the Board of Directors and Executive Committee of the Arizona Trucking Association.

Mr. Doughty holds both a Bachelors degree and a Masters of Business Administration from the University of Phoenix. He resides in the Phoenix area with his wife Monique and their two children.

HELP Inc. (HELP) is transportation’s premier, not-for-profit partnership. Its mission is to improve highway safety and efficiency. HELP ensures its initiatives benefit the public and private sectors through a board comprised of an equal number of public officials and commercial vehicle operators. HELP provides each state with control over its service offerings to accommodate each jurisdiction’s unique needs, staffing and enforcement priorities. HELP’s investment of more than $400 million has sped the deployment of ITS and has improved safety, air quality and highway preservation.

Source: HELP Inc.
Comprehensive 50-state Online Transportation Finance Database Released

The American Association of State Highway and Transportation Officials’ Center for Excellence in Project Finance released this week a new online database on state transportation finance and governance. Building on its existing state-by-state informational database on highway finance, the new resource is based on a comprehensive 2011 report by the AASHTO Center and the National Conference of State Legislatures (NCSL).

The database—which includes a detailed profile of every state, the District of Columbia, and Puerto Rico—offers a snapshot of a rich diversity of approaches to govern, finance, and ultimately deliver America’s transportation system. Specifically, information on transportation revenue tools, financing mechanisms, governance structures, and executive-legislative dynamics are presented in both mapped and tabular formats.

"We recognize the challenges every state currently faces to not only maintain their critical transportation assets, but to also expand them to support economy recovery and growth," said Bud Wright, AASHTO executive director. "This database is deep with information and original research that can help guide the states to better understand the governmental and budgetary environments in which their peer state DOTs and legislatures operate."

The 50-state Online Transportation Finance Database can be accessed at transportation-finance.org.

Source: AASHTO

Maritime Week Americas 2013

This year’s Maritime Week Americas features the very timely MWA Ports – Intermodal conference. Subtitled Positioning for Change, the event has again excelled in bringing together many of the leading figures in port planning, strategic analysis and development from across the Americas to discuss a range of topics from coping with the post-Panamax challenge to port investment, challenging economics, rapidly shifting markets and fast-changing planning, management and operations requirements.

The reaction of the Continent’s ports to the expansion of the Panama Canal will be central to the discussion. Cargo transiting the expanded canal will open new opportunities for the development of ports and intermodal facilities along the US East and West Coasts, while ports in the Caribbean, Central and South America are already vying for a lucrative slice of trans-shipment cargoes. Every port is under huge competitive pressure to provide efficient logistics services serving multiple markets throughout the Americas.

Capitalising a port’s market appeal requires a strategic understanding of water access, landside access and interstate rail and highways with ports and terminals as the nexus – and a recognition of how to foster opportunities for improvements. Landside and inland connections affect landed costs, reliability and timeframes, and are key to shipper choices. Ports that are able to get the best and most reliable service all the way to the consumer will win in the Post-Panamax era.

Maritime Week Americas includes two other hard-hitting must-attend conferences, on bunkering in the Americas and on ship efficiency as well as a series of training courses, technical and commercial workshops, a field trip to the Port of Miami and some spectacular networking. Taking place at the Doral Golf Resort, delegates will also be able to play the world famous Doral golf courses.

ASCE’s New Report Card Bumps the Nation’s Infrastructure Grade Up to A D+

In a much anticipated release, ASCE’s 2013 Report Card for America’s Infrastructure gave the nation’s infrastructure an overall grade of D+, showing slight progress from the D in the last Report Card issued in 2009. It’s the first time since ASCE started producing Report Cards in 1998 that the grades rose overall and in several sectors.

Released Tuesday, March 19, in Washington, D.C., the report provides our nation’s political leaders, policymakers, business leaders, infrastructure stakeholders, the media, and the general public with expert advice from the civil engineering community about the condition of infrastructure across the nation.

ASCE has produced four previous Report Cards in 1998, 2001, 2005, and 2009—as well as the Progress Report for America’s Infrastructure, which was released in 2003. These assessments have highlighted the fact that America’s critical infrastructure—principally its roads, bridges, drinking water systems, mass transit systems, schools, and systems for delivering energy—may soon fail to meet society’s needs.

“Since 1998, ASCE felt an obligation to make a report on the state of infrastructure in the U.S. to show that we are not making the necessary investments to improve it and not even making some of the investments that we need to maintain what we have,” explained ASCE’s immediate past president, Andrew W. Herrmann, P.E., SECB, F.ASCE, chair of the Advisory Council of ASCE’s 2009 Report Card for America’s Infrastructure, and member of the present Advisory Council that produced the 2013 Report Card. “We as civil engineering professionals feel that it is our obligation to point out to the White House, Congress, and state and local legislators what is happening to the infrastructure in the U.S.”

“The methodology with which this Report Card was produced was a very objective piece of work, not a bunch of people using a gut feeling, but real numbers,” stated Robert Victor, P.E., M.ASCE, ASCE Region 2 director and chair of the advisory council for ASCE’s 2013 Report Card for America’s Infrastructure. “We put together a committee of about 30-plus civil engineers, and they are all technical experts in various civil engineering fields.”

According to Herrmann, the Report Card concludes that to raise the grades and get our infrastructure at an acceptable level, a total investment of $3.6 trillion is needed by 2020 across the entire 16 sectors. Currently, only about $2 trillion in infrastructure spending is projected, leaving an estimated shortfall of approximately $1.6 trillion.

ASCE’s 2013 Report Card for America’s Infrastructure is now available online. It is also available as a free app for smartphones and tablets for downloading via the iTunes App and Google Play stores - search “American Society of Civil Engineers.”

Source: The American Society of Civil Engineers
Freight Railroads Plan to Invest $24.5 Billion in Private Dollars in 2013 On America’s Rail Network, So Taxpayers Don’t Have To

Includes Estimated $13 Billion in CapEx, Industry Targets 11,000 New Hires

The Association of American Railroads (AAR) announced on February 6th that the nation’s major freight railroads plan to invest an estimated $24.5 billion in 2013 to build, maintain and upgrade America’s rail network to ensure freight railroads can continue to deliver for the nation’s economy. This investment includes $13 billion in projected capital expenditures, or CapEx, which go toward upgrading or enhancing rail network capacity in the year ahead.

“While most other transportation modes rely on government funds, America’s freight railroads operate on infrastructure they own, maintain and upgrade to serve their customers and power our economy,” said AAR President and CEO Edward R. Hamberger. “This year, freight railroads plan to continue to focus on investments that maintain and enhance our physical infrastructure and safety systems, including cutting edge technology that ensures we are ready to deliver for the future.”

With hundreds of transportation infrastructure projects underway nationwide, railroads are investing in projects such as intermodal terminals that facilitate truck to train freight transport; new track; bridges and tunnels; modernized safety equipment; new locomotives and rail cars, and other components that ensure the U.S. freight rail network remains the most reliable and efficient in the world.

In recent years, railroads have been spending roughly 17 percent of their annual revenue on capital expenditures, compared with the average U.S. manufacturer that spends roughly 3 percent of revenue on capital expenditures.

The freight railroads also estimate they will hire more than 11,000 employees this year, primarily in response to retirements and attrition for positions that can be found across the U.S. With approximately 22 percent of the industry’s workforce eligible to retire in the next five years, railroads are dedicated to recruiting highly skilled people interested in making railroading a career. In the first five months of the year, railroads are participating in more than 70 career fairs across the country.

“We are looking for employees who want a true potential life-long career and will want to help make the railroads safer and more reliable than they have ever been,” said Hamberger. “The success of our industry—from our importance to the economy to our continually improving safety record—can be attributed to the hard working men and women who make their careers with the railroads.”

Rail employee compensation, including benefits, averages roughly $107,000 per year, with jobs ranging from engineers and dispatchers, to law enforcement, to information technology and industrial development.

Source: The Association of American Railroads
Freight traffic has been growing faster than passenger traffic on the nation’s highway network. As a result, freight bottlenecks have begun to develop at various points throughout the network. These bottlenecks have historically been near ports and other intermodal facilities. However, travel forecasts are beginning to show the effects of growing freight traffic on congestion on urban freeways, urban arterials, and some cross-country routes in rural areas. Being able to understand freight flows and forecast freight demand is taking on greater and greater importance.

Since the responsibility for gathering freight data and conducting freight demand modeling is spread among a large number of agencies and organizations, the C20 Strategic Plan puts forward a potential model for organizing cooperation to encourage innovation and moving forward. One model for advancing the state of the practice in freight demand modeling and freight data is to hold innovation symposia. A pilot effort was initiated in September 2010 as part of the SHRP 2 C20 research project.

Funding Transportation Infrastructure with User Fees

The 2012 federal surface transportation legislation Moving Ahead for Progress in the 21st Century Act (MAP-21) bought several years of solvency in the Fund, but did not address the long-term trajectory of the program. Going forward, it is undisputed in transportation policy circles that a new approach will be needed to sustainably fund surface transportation in the United States. The key questions that remain unanswered are these: How do we balance a looming near-term funding cliff with the long lead times associated with funding reforms that are more fundamental? And what role does the revenue policy choice play in improving transportation performance outcomes, particularly as it relates to congestion levels? If one accepts the premise that continued deficit spending to fund surface transportation projects is undesirable (some would argue this point), there are two distinct near-term options: (1) reduce federal spending to match revenues, or (2) adjust certain federal taxes in the near term. Given the growing costs to rehabilitate, maintain, and operate existing surface transportation, some experts express concern that state and local governments would not increase their own investments to fill the gap left by a shrinking federal program. Today, forty states rely on the federal government for more than 25 percent of their transportation funding.

According to the U.S. Department of Transportation, an effective road-pricing system—once fully implemented—could generate between $38 billion and $55 billion annually in revenue while simultaneously reducing road congestion and reducing environmental impacts (U.S. Department of Transportation 2008a). Singapore’s broad use of fully electronic road pricing is one of the key reasons the World Bank perennially ranks it number one in the world in terms of logistics performance. With a population of more than 5 million and only 250 square miles of land, Singapore’s transportation system achieves free flow speeds on its expressways and arterials every day. Indeed, the key strength of such a solution is not only that it raises revenue to support surface transportation investments and operations, but also that it does so in a way that confers additional benefits including reduced congestion and pollution.


Enterprising Roads: Improving the Governance of America’s Highways

Reason Foundation
January 2013

Most roads in the United States are owned and managed directly by government, with funding for construction and maintenance derived primarily from taxes on gas. For many decades, this system worked well enough, despite widespread problems with congestion and road quality. Recently, however, rising maintenance costs and falling fuel tax receipts have begun to call into question the sustainability of this model.

At their current levels, gas taxes will not provide the revenue needed to maintain America’s roads satisfactorily, let alone to rejuvenate and extend the network where necessary. Yet, direct political management hinders the development of new revenue streams, leads to operational inefficiencies and hampers innovation. Put simply, the organizations that built the U.S. highway networks are no longer suited to running them.

A better approach is urgently needed. Ideally, the organizations that manage roads should be able to finance road construction and maintenance through the sale of bonds, without requiring direct consent from higher political authorities. And they should be able to cover the costs of those bonds by charging for road use. More generally, they need to be capable, energetic, ingenious and ready to act. And for all those reasons, they need greater autonomy.

This paper argues that roads should be managed by independent enterprises, with a clear mission of providing service to customers. One way to achieve this, while maintaining overarching political control—and thereby prevent abuses of monopoly power—is to convert existing government operated road management organizations (such as the state Departments of Transportation) into regulated public utilities.

Midwest High-Speed Rail Supply Chain: Good for Manufacturing Jobs, Good for Economic Growth, and Good for Our Environment

Environmental Law & Policy Center
February 2013

A new report released February 8th by the Environmental Law & Policy Center shows investment in the next generation of rail would increase rail manufacturing and jobs throughout the industrial Midwest.

“Manufacturers across the heartland stand ready to build a 21st century transportation system for America. By investing in high-speed rail, we can revitalize manufacturing, increase mobility, create jobs and reduce pollution.”

The study profiles manufacturers and supply chain companies in the Midwest that are ready to begin making parts and putting people to work improving existing rail systems in the US. This includes 122 in Ohio, 99 in Indiana, 49 in Michigan, 84 in Illinois, 73 in Wisconsin, 26 in Minnesota and 7 in Iowa.

Manufacturers in the Midwest and beyond are ready and waiting to produce the components and materials needed to usher in America’s next generation of rail, and long-term federal and state government investment is the catalyst for a manufacturing renaissance in the industrial Midwest.

In addition to jobs and economic benefits for the region, a modernized Chicago-hubbed Midwest Network would provide passengers with fast affordable rail service to cities across the Midwest. Travel times between major cities will fall from 30 to 50 percent.
Upcoming Events

April 9-10, 2013: CAGTC Annual Meeting, Washington, D.C.

April 16-18, 2013: Port & Intermodal Finance & Investment Summit, Miami, FL

April 22-24, 2013: ITS America 23rd Annual Meeting & Expo, Nashville, TN

April 29 - May 3, 2013: Maritime Week Americas, Miami, FL

CAGTC & Freight in the News

Ray LaHood’s Freight Legacy
Journal of Commerce
February 1, 2013

Tacoma’s Container Volume Best Since 2008
Journal of Commerce
February 6, 2013

IANA Report Points to Strong Q4 and Full-Year 2012 Intermodal Performance
Logistics Management
February 8, 2013

USDOT to form National Freight Advisory Committee
Progressive Railroading
February 15, 2013

Rep. Sires introduces MOVE Freight Act to strengthen national freight policy
Progressive Railroading
March 7, 2013
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.

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