



The Trade Corridor Bulletin

Improving America's Intermodal Freight and Goods Movement

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www.tradecorridors.org

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Coalition Highlight

The Federal Landscape:

SAFETEA-LU Gets One-Month Extension, Future of Surface Transportation Authorization Remains Unclear

With the new fiscal year upon us, work is being done both in the open and behind the scenes that will have a dramatic impact on the freight community. It has long been clear that the Congress would not be able to pass a full authorization prior to the expiration of SAFETEA-LU; however, as the September 30 deadline approached, the focus shifted to whether or not Congress could pass a short term extension, rather than rely on the continuing resolution necessary for other parts of the federal system.

Members tried to come together around a three-month extension late in the evening on the 30th, but time had simply run out. Only hours before the SAFETEA-LU expired, Congress passed a continuing resolution which included language extending the existing program for one month.

On the House side, Transportation and Infrastructure (T&I) Committee Chairman Jim Oberstar continues to keep the pressure on his fellow Congressmen, encouraging the Ways & Means Committee to take up the reauthorization issue and put forth a tax and revenue title to accompany his proposal, which was unveiled earlier this summer. However, the Ways & Means Committee is consumed by the healthcare debate and few on the Committee have begun to focus on the surface transportation authorization.

Meanwhile, Members continue to try and influence the final version of the T&I proposal as the final Committee mark up is pushed even further down the calendar. In particular, Representatives Calvert (R-CA), Richardson (D-CA) and Smith (D-WA) continue to lobby on behalf of their respective bills, each taking a different approach to dedicating funds to the nation's freight and goods movement infrastructure. It seems the fate of a new multimodal freight investment program will depend largely on Congress' ability to agree on and create a new national freight fee. Members of the T&I Committee staff have indicated that they will not be able to support a multimodal freight investment program as long as the current revenue sources, namely the fuel tax receipts, remain the only source of funds.

In addition to influencing the T&I proposal, Members are meeting behind the scenes with key players on Ways & Means to generate support for the inclusion of a new

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Published by:

CAGTC

Coalition for America's
Gateways & Trade Corridors

500 New Jersey Avenue, NW
Suite 400
Washington, DC 20001



CAGTC Perspective

A Message from the Executive Director



October means kickoff, not only for football season, but for the authorization debate as well. Over the next fiscal year, Congress will consider both an extension of as well as the long term direction of the current program. The coming year will see an extension of the existing program, as well as debate over Mr. Oberstar's language and the development of a Senate proposal. Debate will focus largely on the role of the federal government and, of course, how to pay for the needs of the system. Due to the efforts of the Coalition and its members, freight continues to be recognized as a cornerstone of this

legislation and the stage is set for great strides to be made by the freight and goods movement community.

Work remains to be done though. While the industry has come together around the need for a new, dedicated freight program and new fees to fund it (see Freight Stakeholders article on page 9, much work remains to be done on the details of such a program – such as what types of projects are eligible, who can apply funds, how are those funds distributed. There is also an ongoing debate on how to fund a new freight program, what sort of fee should be established and who should pay it.

The Coalition will continue working to bring the freight industry closer together on these issues. In addition to our outreach on Capitol Hill (see page 6), CAGTC staff and members will attend and speak at conferences and meetings across the country (see page 11 for upcoming appearances) to promote and discuss the Freight 21 concept.

We invite those of you who are not members to join us as we push for a strong, multimodal federal program in the next surface transportation authorization.

Leslie Blakey
Executive Director

freight title and freight specific investments in the Ways & Means Committee's proposal. In addition, several Members are working to gather signatures for a 'Dear Colleague' letter addressed to Ways & Means Committee leadership, asking the Committee to consider the creation of a freight program and a new freight fee to fund it. A similar letter was circulated prior to the T&I Highways & Transit Subcommittee mark up of the draft legislation earlier this summer.

While there is no doubt that the House is further along than the Senate on developing language for the coming authorization, it is clear that the Senate has been considering the issue and is shaping its proposal. Staff on the Environment & Public Works (EPW) Committee have indicated that the Committee will be writing legislation; and Senator Boxer has committed to taking up the issue as soon as an extension is put in to place that covers the nation's short term needs. Further, Senator Boxer has stated several times that she believes freight will be a cornerstone of the coming authorization, which she has dubbed Moving Ahead for Progress in the 21st Century or MAP 21.

Meanwhile, the Commerce Committee is working to develop language creating a new, multimodal, national freight program. While details of the program are not yet available, indications from Senate staff are that the goal of such a program will be to ensure federally-guided, strategic, dedicated investment in the nation's multimodal freight and goods movement infrastructure. Both the EPW and Commerce Committees support a full 18 month extension of the current program in order to give them time to fully develop language for the authorization.

In addition to growing support on the Hill for a dedicated freight program, the freight industry continues to come together around the concept. Earlier this summer, the Freight Stakeholders Coalition, a longstanding group of the country's largest shippers and public and private transportation providers – including AASHTO, ATA, the World Shipping Council, AAPA and the National Retail Federation – released its 2009 Surface Transportation Reauthorization Platform, in which the group supports the creation of a dedicated freight program and dedicated revenues to fund such a program (see page 10 for more information).

Finally, reports are also circulating that the Administration is developing its own authorization proposal, despite early speculation that the Administration would put forth only a list of broad principles. When such a proposal will be ready for circulation and what impact it has on this authorization process remains to be seen.

2010 NRC Conference and Exhibition



January 6-9, 2010
The Desert Springs,
JW Marriott Resort & Spa
Palm Desert, California

Plan to attend the premier railroad construction and maintenance industry event!

The annual National Railroad Construction and Maintenance Association Conference will encompass more than 600 attendees, 60 exhibitors and 25,000 square-feet of meeting space. We have a unique program agenda lined up with chief engineers from the major freight railroads and other key speakers covering topics on:

- 2010 Class 1 and Regional Railroad Capital Spending Plans
- Rail Projects of National Significance (CREATE)
- Commuter Rail and Transit Contracting
- California Rail Projects
- Rail Infrastructure Legislation
- Railroad Construction Safety
- High-Speed Rail Developments
- Positive Train Control

Attendee and exhibit registration available at www.nrcma.org



Conference Highlights

- Golf Tournament, Banquet Dinner, Safety Awards, Multiple Networking Receptions
- Seminars on project management, railroads safety regulations, railway engineering, safety training



Member Spotlight



**Port of Pittsburgh
Commission**

Port of Pittsburgh Commission Seeks New Communications Systems for the Waterways

Not everyone realizes that one of the nation's "top 20" maritime ports is located in Pittsburgh, Pennsylvania, along the banks of the Allegheny, Monongahela and Ohio Rivers. Over 200 privately



Map: US Inland Waterways System -
National Waterway Foundation

owned river facilities manufacture, transship and generally add value to locally mined coal and worldwide ores, minerals and chemicals, processing them into electricity, plastics and high quality steel. The port activity maintains over 45,000 direct jobs, and nearly 180,000 total jobs, in its 12 county district in southwestern Pennsylvania.

The Port of Pittsburgh sits at the northeasterly end of the nation's inland waterway transportation system, 2,000 river miles from New Orleans. New Orleans, Houston and Mobile are the principal points for transshipment to/from overseas origins and destinations. The port also exports considerable amounts of US made steel to Mexico, via barge, through the Port of Brownsville, Texas.

However, the waterways' major contribution to the nation is in its domestic movement of goods. Every loaded 15-barge tow operating on our rivers takes the equivalent of 1,050 trucks off of our congested streets and highways. The waterways are the safest mode of transportation in terms of fatalities, injuries and oil spills. Furthermore, trucks emit 56% more NOx, 64% more particulates, 296% more CO and 378% more CO2 than barges, according to a recent study by the Texas Transportation Institute.

With over 17 sets of locks and dams within the port district, and another 20 locks and dams for traffic coming upriver on the Ohio, the Port of Pittsburgh Commission (PPC) maintains a vital interest in modernizing the nation's lock and dam system and is very active in national organizations, such as the



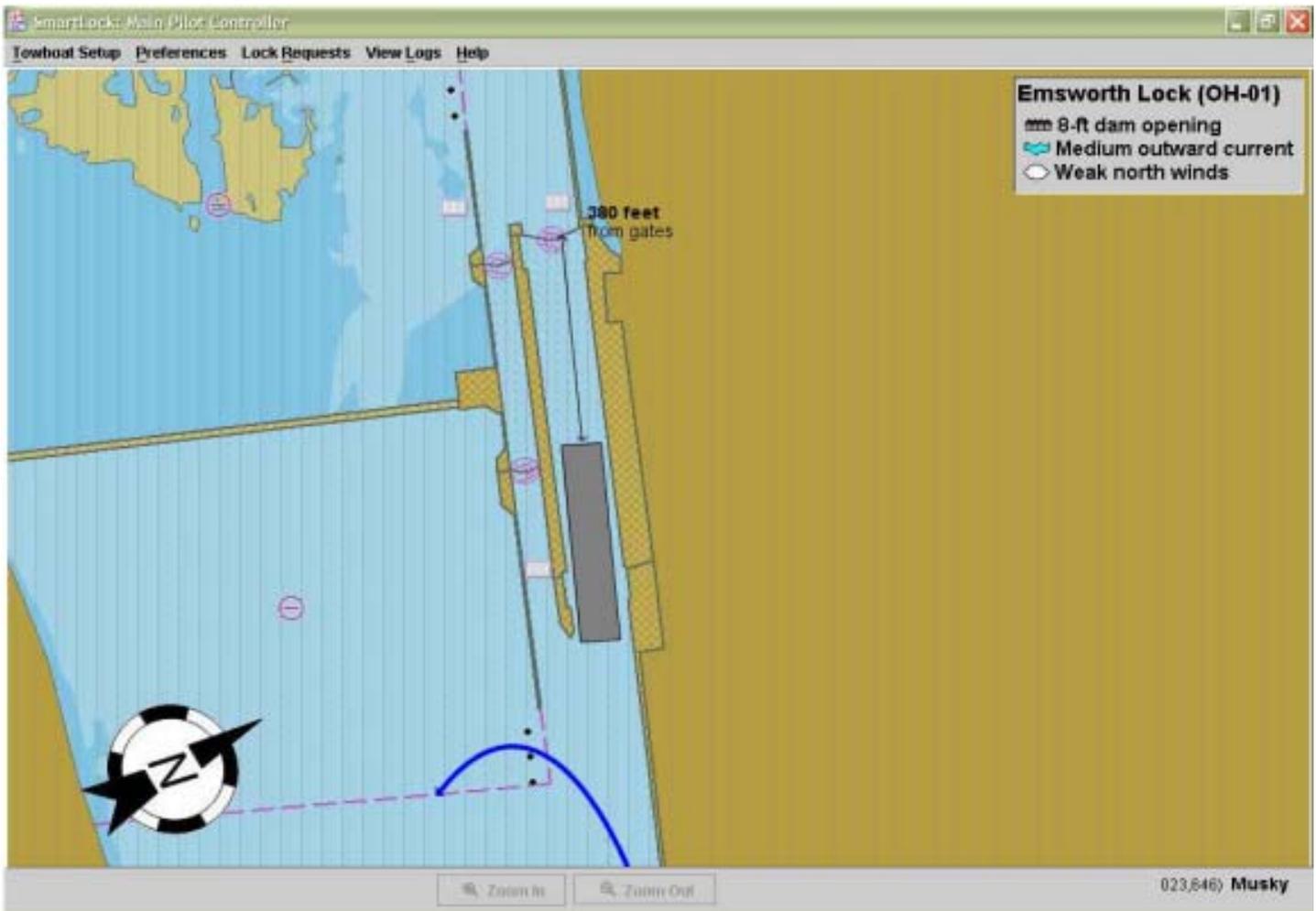
Maxwell Locks and Dam,
Monongahela River, Pennsylvania

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Waterways Council, Inc., which seek to educate the nation on the importance of this mode of transportation.

Modernization, however, is not limited to improved gates and concrete; it also includes making the waterway system smarter. The PPC works closely with Carnegie Mellon University (CMU) to develop new technologies to reduce the cost of doing business on the waterways and, thus, of doing business in Pittsburgh. With CMU, local waterway interests and the Pittsburgh office of the US Army Corps of Engineers (USACE), the PPC developed a patented virtual locking system, "SmartLock". In a similar manner, the PPC has scoped out "River-Net", the communications architecture on the waterways between the towboats, their corporate offices, USACE and the US Coast Guard (USCG) and other government agencies.

This summer, the PPC and CMU completed another project, the design of a "Wireless Waterway" to bring high speed broadband internet service to the waterways. The PPC is working closely with the USACE and the USCG to explore grant opportunities that could bring this technology to 200 locks and other waterway locations throughout the nation, many of which are in rural locations that lack broadband internet access. If successful, this project would transform communications on the waterway, update navigation charts, increase navigation safety with wind and current directions and velocities, improve lock queuing, reduce towboat fuel consumption and costs, improve engine maintenance monitoring and drive software development for future applications.



SAMPLE:
SmartLock Pilot Display *inside* the Emsworth Lock chamber

Coalition News



The Coalition for America's Gateways and Trade Corridors (CAGTC) is pleased to welcome the following **NEW MEMBER**:



CenterPoint Properties*

CenterPoint Properties Trust is focused on the development, ownership and intensive management of industrial real estate and related rail, road and port infrastructure. They seek long term relationships with customers, public and private business partners, internal colleagues and the communities where they invest and operate. CenterPoint's Infrastructure and Transportation group is focused on intermodal, maritime, industrial real estate and container/equipment facility development. Its projects are strategically located to offer critical access and proximity to ports, rail infrastructure, major interstates and population centers. Their centers provide a campus environment, with the full logistics solution – rail terminal, warehouse/distribution, cross-dock, transloading and container/equipment storage facilities – to significantly improve efficiencies through reduced drayage and demurrage, and Foreign Trade Zone savings.

For a full list of CAGTC members, visit www.tradecorridors.org

CAGTC Continues Push for Freight 21 on Capitol Hill



CAGTC has been working diligently to strengthen support on the Hill for its Freight 21 concept. In recent months, the Coalition has had a particular focus on the House Ways & Means Committee, which is the committee with the authority to create a new freight title and fee to fund it. To date, Coalition members and staff have met with 28 of the 41 Ways & Means Committee Members, including the Chairman and Ranking Member, and we continue to schedule meetings with the remaining Members. In the meetings, Committee Members have been very receptive to the Coalition's proposal. While it is apparent that the surface transportation authorization is not at the top of the Committee's list, Coalition staff is confident that when the Committee does take up the authorization, a new dedicated freight program will be on the table for discussion. Several potential committee freight champions have been identified and the Coalition's staff will continue to work with our members to secure commitments in the coming weeks and months. Goods Movement Caucus Co-Chair Reichert (R-WA) has been particularly supportive of the Coalition's proposal and will continue to be an ally as we move forward.

In addition to our efforts with the House Ways & Means Committee, CAGTC staff has been reaching out to Members on the Senate Commerce Committee. The Committee indicated earlier this year that it plans to include a new freight title in its surface transportation authorization proposal. Since then, the Coalition has met with Committee staff as well as individual Member offices to garner support for the policies outline in the Freight 21 proposal. Recent meetings with Senators Lautenberg (D-NJ) and Snowe (R-ME) have been particularly positive. Further, ongoing discussions with Senator Specter's office (D-PA) have proven beneficial and Coalition staff fully expects Senator Specter to be a strong champion in the coming authorization process.

Overwhelming Response to TIGER Grant Program Underscores National Needs

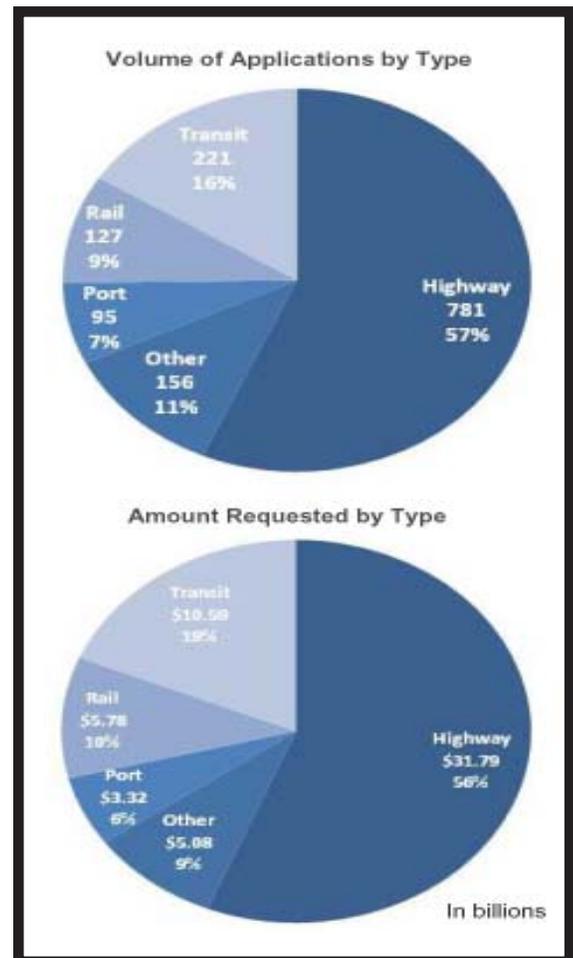
Applications for the Transportation Investment Generating Economic Recovery (TIGER) Program were due last month – and the response that DOT received was overwhelming. Nearly 1,400 applications totaling more than \$56 billion were submitted for the \$1.5 billion in funding. DOT has release preliminary information on the applicants and plans to put the full list of applications online in the coming weeks.

According to DOT officials, all 50 states, along with the District of Columbia and three U.S. territories submitted applications. Most of the applications fell into the \$20 million to \$100 million range. However, more than 500 of the applications submitted were for less than \$20 million. Only 81 applications were submitted for more than \$100 million.

More than half the applications submitted were for highway projects, but there were also a fair number of port and rail projects submitted (*see graph at right for a full breakdown of project types by volume and total amount requested*). In addition, DOT has provided a breakdown of applications by state. Texas submitted the most applications, with 125 total, followed closely by California (117) and Florida (115). To see a full breakdown by state, go to: <http://www.dot.gov/recovery/docs/tdgappoverview.pdf>.

Now that the applications are submitted, DOT has begun the review process, which will take some time. By law, funds must be awarded no later than February 17th, 2010. However, US DOT Secretary Ray LaHood has committed to getting funds out earlier than required, with a target of January.

As a follow up to the TIGER program, the Senate has provided \$1.1 billion in the 2010 Transportation, Housing and Urban Development Appropriations bill for a discretionary surface transportation program, the National Infrastructure Investment (NII) program. Senate staff have indicated that the NII program is meant as a sort of 'TIGER II'. The fate of that program depends largely on the House/Senate conference on the T-HUD Appropriations bill (see article on page 8 for more details).



Federal News

Senate Transportation-HUD Appropriations Bill Creates an Addition \$1.1B in Discretionary Grant Funding

As the Congress works to finish the various appropriations bills for FY 2010, one program stands out as particularly appealing to the freight community. Included in the Senate-passed version of the Transportation-HUD appropriations bill is a small discretionary grant program, similar to the Transportation Investment Generating Economic Recovery (TIGER) grant program created in the Recovery Act, called the “National Infrastructure Investments” grant program (NII).

Eligibility for both the applicants and projects is similar to the TIGER program. State DOTs, local governments, transit agencies, and collaborations of such entities may apply for funding from the proposed \$1.1 billion appropriation. The projects which qualify for funding include highway or bridge projects eligible under Title 23; public transportation projects eligible under Chapter 53, Title 49; passenger and freight rail projects; and port infrastructure investment. Like the TIGER program, NII places a special emphasis on maintaining an appropriate balance between investment in rural and urban communities. Specifically, no less than \$250 million must be available for investment in rural communities. Rural projects will also be excepted from the minimum grant level of \$10 million, as well as the 80% cap on the federal share.

Funds will be awarded to projects that are determined to have a significant impact on the nation, metro area, or region; and, priority will be given to projects that require NII funds to complete an overall financing package. NII also differs from TIGER in that it does not include credit assistance and the minimum grant is lower by \$10 million.

Assuming the bill passes, the applications for the grants will be due no sooner than 120 days after the publication of the criteria. Since the project selection will be announced no sooner than September 15, 2010, very little money is expected to leave the Treasury until after the close of FY 2010 on September 30. The funds will remain available through September 30, 2012.

The fate of the NII program is unclear at this point. While the Senate has named conferees for the bill, the House has yet to act. As the NII program was not included in the House version, it will be one of the issues conferees will need to resolve.



10.20.09



The 6th Annual
**Transportation
and Logistics Conference**



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What Every Customer Wants to Know

Critical issues affecting Transportation and Logistics in Chicago and the Midwest

America's Freight Stakeholders Urge Action on 2009 Surface Transportation Authorization

On Monday, September 14th, a panel of experts from the Freight Stakeholders Coalition highlighted their goals for the upcoming reauthorization of the surface transportation bill and stressed the importance of a timely reauthorization at a National Press Club *Newsmaker* press conference. Comprised of representatives from America's diverse freight community, including the Coalition for America's Gateways and Trade Corridors (CAGTC), the Freight Stakeholders Coalition works to support policies that promote freight mobility in the U.S.

At the press conference, the Freight Stakeholders Coalition representatives strongly advocated for substantial investment in America's freight transportation system, saying the issue must be given a high priority in the upcoming surface transportation reauthorization bill, and that the bill needs attention sooner rather than later.

"Transportation should be on top of the nation's agenda—but it is not," said Janet Kavinoky of the U.S. Chamber of Commerce.

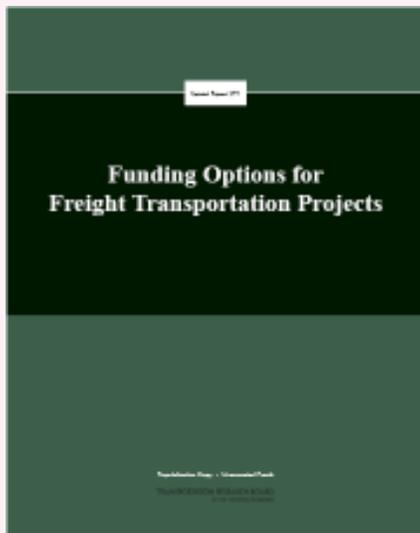
Allen D. Biehler, secretary of the Pennsylvania Department of Transportation and president of the American Association of State Highway and Transportation Officials added, "We want a multimodal strategic plan for freight to target investment. We don't want a port plan, a truck plan or a rail plan. We want a truly national plan that makes benefits available to all the nation's consumers."

CAGTC Chairman Mort Downey stressed the connection between freight investment and the economy, saying, "We will not see solid, long-term economic growth without solid investment in infrastructure."

Like CAGTC, the Freight Stakeholders Coalition supports strong federal leadership that will help develop projects of regional and national significance which reduce congestion, enhance goods movement, improve the environment, and create and maintain jobs.

The press conference was held in order to bring attention to the need for Congress to move on 2009 Surface Transportation Reauthorization. The Freight Stakeholders Coalition released their reauthorization platform earlier this year. Cornerstones of the Stakeholders' ten-point platform are the promotion of freight mobility under a comprehensive national freight program and adequate infrastructure investment for projects of regional and national significance to accommodate the doubling of cargo that is forecasted to take place over the next 20 years.

TRB Releases Report on Freight Funding Options - Recommends Competitive, Dedicated Federal Freight Program



Funding Options for Freight Transportation Projects
Transportation Research Board
October 2009

The report looks into different financial arrangements in the freight industry, and their impact on the performance of the freight transportation system. In order to maintain and increase the current level of freight transportation systems, the report finds that current financial arrangements are inadequate.

The report also finds that future financial reforms should be designed to promote productivity gains. This report looks into different possibilities that could assist in paying for projects which will reduce the costs or expand capacity of the freight transportation system. Included in those approaches examined in the report is **CAGTC's Federal Freight Trust Fund proposal** (page 157), which is examined along with the Critical Commerce Corridors proposal from the American Road and Transportation Builders Association, the American Association of State Highway and Transportation Officials' freight funding recommendations, and the proposed Railroad Tax Credit, which is being considered by Congress.

Recommendations were grouped into five categories:

- 1.) Guidelines for federal assistance to freight infrastructure development
- 2.) Federal discretionary assistance program reserved for freight projects
- 3.) Federal credit assistance and tax incentives for freight infrastructure projects
- 4.) Federal actions to promote new local and project-specific revenue sources
- 5.) Freight system monitoring, planning and project evaluation

The report recommends that *Congress should create a new discretionary assistance program to support freight infrastructure projects.* Such legislation establishing federal assistance programs should direct the administration of the programs by defining project evaluation criteria rather than by identifying projects to receive aid. *Funds from this program should be awarded competitively.*

The report calls for the creation of a new program similar to the existing Projects of National and Regional Significance. However, the report indicates that the new program should **focus on freight investments and should include expanded project eligibility** so that more types of projects can compete.

The full report is available here: <http://onlinepubs.trb.org/onlinepubs/sr/sr297prepub.pdf>

Upcoming Events

October 6 – 7: 2009 Port Productivity Conference, Long Beach, CA -

*** *CAGTC Presenting****

October 20: 6th Annual CIP Transportation and Logistics Conference, Des Plaines, IL -

*** *CAGTC Presenting****

October 20 – 21: 8th Annual US Maritime Security Expo, Long Beach, CA

November 15-17: 2009 IANA Intermodal Expo, Anaheim, CA

November 17-19: 2009 AAPA Facilities Engineering Seminar & Expo, Charleston, SC -

*** *CAGTC Presenting****



CAGTC in the News

Conference on freight makes the case

Toledo Free Press

October 2, 2009

<http://www.toledofreepress.com/2009/10/02/conference-on-freight-makes-the-case/>

Transportation infrastructure: Senate vote extends surface transportation funding for another month

Logistics Management

October 1, 2009

http://www.logisticsmgmt.com/TalkBack/Comments?talk_back_header_id=6627914&articleid=ca6699866&article_id=6699866

The Coming Freight Fright: The volume of freight shipped across roads and rail is expected to soar in the coming decades.

National Journal

September 26, 2009

http://www.nationaljournal.com/njmagazine/id_20090926_1260.php

Transportation infrastructure: "Transportation" bill delay means longer road to prosperity, freight coalition leaders say

Logistics Management

September 15, 2009

<http://www.logisticsmgmt.com/article/CA6696909.html?industryid=48465>

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Why Join CAGTC?

Shape Policy

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

Up To Date Information

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

Access

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

Member Promotion

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

To learn more contact:

Adrienne Gildea

Coalition for America's Gateways and Trade Corridors

500 New Jersey Avenue, NW, Suite 400

Washington, DC 20001

Tel: 202.828.9100 / Fax: 202.638.1045

Email: agregory@blakey-agnew.com

For more information about **The Coalition for America's Gateways and Trade Corridors** or for newsletter submissions, please visit our website at www.tradecorridors.org or contact us at 202.828.9100 or agregory@blakey-agnew.com.