USDOT Charts Course for FAST Implementation

No time to spare, the United States Department of Transportation (USDOT) has taken the baton from Congress and started the long process of implementing the Fixing America’s Surface Transportation (FAST) Act freight programs and policy. The $281 billion transportation authorization is a triumph for CAGTC and goods movement, providing $4.5 billion for a freight-specific competitive grant program and $6.3 billion for a freight formula program over its five year term.

Implementation of the landmark legislation will occur in the months and years ahead, taking the form of notices, solicitations and a good deal of back-and-forth between USDOT and the freight community. First steps in the long journey, USDOT has already begun soliciting grant applications and program feedback.

Freight Grant Program

On March 2, USDOT officially opened the FY16 application process for the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grant program, named Nationally Significant Freight and Highway Projects in the FAST Act. $800 million is available in the first FASTLANE round. USDOT’s Notice of Funding Opportunity (NOFO) provides details on project and applicant eligibility, the application process, minimum project thresholds, and grant award sizes. Applications for funding are due April 14, 2016.

Highway and bridge projects, as well as rail-highway at-grade crossing and grade separation projects, are eligible to receive funds. Over the lifespan of the bill, up to $500 million is available for rail or intermodal projects. Similar to the popular TIGER competitive grant program, the FASTLANE contains broad applicant eligibility and allows large metropolitan planning organizations, local units of government, port authorities, and others, in addition to States and federal land management agencies to apply.
Projects applying for FASTLANE funds must meet a minimum cost threshold of $100 million, while grant awards must be at least $25 million. The program contains a 10 percent set-aside for projects that do not meet the $100 million threshold. Once award decisions are made, USDOT must allow for a sixty-day review by Congress, where the House and Senate will have the ability to enact a joint resolution rejecting USDOT’s proposed project selections. Award decisions should be made by the beginning of July and award announcements will likely take place in early September.

Freight Formula Program

The National Highway Freight Program, funded at $6.3 billion over five years, distributes money to states based on existing apportionment criteria and $1.15 billion is available in FY16. States are directed to invest their formula dollars based on a calculation of the number of miles a state has on the Primary Highway Freight System compared to the total number of miles on the Primary Highway Freight System across the country. The FAST Act’s Primary Highway Freight System is synonymous with USDOT’s “Draft Comprehensive Primary Freight Network,” which was published in 2013 in conjunction with MAP-21’s 27,000 mile Primary Freight Network (for more information, see page 6). While this program is focused on highway investment, it contains a ten percent set-aside for intermodal and freight rail projects that will improve the flow of freight on highways.

On February 29, the Federal Highway Administration published guidance on the program and announced a series of resources available to the public on the National Highway Freight Program. These include answers to frequently asked questions and shapefiles for those interested in seeing a detailed Primary Highway Freight System. Once designated, Critical Rural Freight Corridors and Critical Urban Freight Corridors will be added to the National Highway Freight Network. The designation guidance for both is expected to be published in late spring.

National Freight Strategic Plan

Since the National Freight Strategic Plan was published in October of 2015, less than two months before the FAST Act was passed, USDOT will publish a final comment solicitation in the Federal Register in coming days, recognizing the freight developments under FAST. While some updates will be needed to bring the Plan into compliance with the FAST Act, USDOT correctly anticipated Congress would ask them for a multimodal National Freight Strategic Plan in the final version of the reauthorization bill.

A modified version of the Multimodal Freight Network, which first appeared in the draft Plan, will be the foundation of a separate rulemaking process. The FAST Act requires an interim National Multimodal Freight Network to be designated by June of 2016. Following the publication of this interim network, USDOT will solicit public comments. A final network, based on public comment to the interim network, will be published by December, 2016.

The multimodal freight network is not tied to funding but will help the Department identify which parts of the overall transportation system are vital to the movement of freight. The formula freight program in the FAST Act is linked to total mileage a state has on the Primary Highway Freight System.
CAGTC Perspective
Challenge Accepted

The road to reauthorization was long. Ten years long, for those who count MAP-21 as a long-tailed extension of SAFETEA-LU. But we’re on the other end now, triumphant with a freight program guaranteeing dedicated funding to bolster freight infrastructure for the next five years.

While it seems an ideal time to pause and celebrate, our CAGTC membership knows the work is far from over. The FAST Act is a significant step toward our goals – but now we need to roll up our sleeves and participate in the implementation process to ensure these programs deliver the results Congress and the Administration join us in seeking. CAGTC is the guiding voice in freight transportation policy, uniquely containing a diverse array of freight infrastructure developers and users from across the country. We have been leading this charge for 15 years. It is the responsibility of CAGTC and our membership to weigh in with USDOT and provide the benefit of our expertise and years of work in the industry.

In order to hone in on the tasks ahead, long-time CAGTC member Florida East Coast Railway hosted the CAGTC Board of Directors and our regional Florida Members for a retreat in Miami, Florida this February. For two days, we held focused policy discussions, rode in Florida East Coast Railway’s executive car and toured significant freight infrastructure facilities, such as PortMiami, the PortMiami Tunnel, Florida East Coast Industries’ new and impressive liquefied natural gas facility, Flagler Global Logistics’ state of the art South Florida Logistics Center, and the bustling Miami Airport Cargo Facility. True to our group’s nature, it was a multimodal adventure.

Continued on Page 4
Congressional staff and USDOT joined us for a roundtable discussion on FAST Act drivers and the tall order of implementation. Two things are abundantly clear: implementation of the freight programs requires active participation to yield the best results, and work on FAST Act reauthorization is already underway with funding paramount in the equation. The task before us is large, but we have the FAST Act’s success pushing us forward. Our strength lies in our membership, who linked arms and worked together – coast-to-coast and every place in between – to see the FAST Act freight program signed into law. We're ready.

Elaine Nessle, Executive Director

Congressional Roundtable

Staff from the Senate Commerce Committee, the Senate Environment and Public Works Committee, and the House Transportation & Infrastructure Committee participated in a roundtable discussion on how FAST Act implementation can best be undertaken while in-line with Congressional intent. Republican and Democratic staff on board the Florida East Coast Railway Executive Car also reminisced on lessons learned during the 2015 reauthorization process, as well as the important role freight played in pushing the bill across the finish line.

Miami Freight Facility Site Visits

While in Florida, CAGTC members and guests had the opportunity to tour several freight facilities in the Miami area, including the PortMiami Tunnel, the Miami Airport, a Florida East Coast Railway liquid natural gas facility, and the South Florida Logistics Center.

The CAGTC board, regional members, Congressional staff and Administration guests at PortMiami.
Freight Competes Well in TIGER VII, USDOT Opens Application for TIGER VIII

TIGER Continues to Provide Much-Needed Funds to Multimodal Freight Projects

The seventh round of Transportation Investment Generating Economic Recovery (TIGER) grants was announced on October 29, 2015, by the US Department of Transportation (USDOT). This round provided 39 projects with a total of $500 million to fund surface transportation infrastructure projects that will have positive impacts on the region. Of the 39 projects funded this year, 17 were freight specific or contained a freight component. CAGTC members fared well during the selection process; five members received awards that totaled over $62 million. The eighth round of TIGER will similarly provide $500 million to surface transportation infrastructure projects; applications are due April 29, 2016.

Several recipients of the TIGER VII awards are CAGTC members. The Maricopa Association of Governments received $15 million in funding through TIGER VII for SR 347 Grade Separation Project. The funds will be used to create a highway overpass above a rail line and to relocate an existing Amtrak station. New sites for loading and unloading rail passengers will be created to provide for a safer, more efficient process.

Three CAGTC members in California received funding: the Port of Hueneme, the Los Angeles County Metropolitan Transportation Authority, and the San Diego Unified Port District. The Port of Hueneme will use its award for its Port of Hueneme Intermodal Improvement Project.

According to Kristin Decas, CEO and Port Director at the Port of Hueneme, the project will allow “for larger capacity vessels, increased cold storage and cargo treatment and handling capability to support increased agricultural imports and exports, as well as on-dock rail improvements for the more efficient transfer of cargo.”

The Los Angeles County Metropolitan Transportation Authority (LA Metro) received $15 million for its Rail to Rail Active Transportation Corridor Connector Project. The project will create a 6.4 mile bicycle and pedestrian corridor, replacing what is currently a stretch of unused railroad tracks. To create this new corridor, new paths will be paved, crosswalks, curb ramps and other safety features will be installed, and various lighting and landscaping features will be placed along the paths.

“The proposed improvements will make a meaningful difference in the quality of life of the hundreds of thousands of people who live, work and visit the surrounding areas,” said Los Angeles County Supervisor and Metro Board Chairman Mark Ridley-Thomas.

The Tenth Avenue Marine Terminal Modernization Project, sponsored by the San Diego Unified Port District, received $10 million to remove obsolete transit sheds, to create new a new temporary storage area, and make on-dock rail improvements. The improvements will increase the capacity and efficiency of the port.

Since the TIGER discretionary grant program’s inception, freight has earned 45 percent, or $2.13 billion of the $4.67 billion in available funds. TIGER VII was no exception to this rule, with freight projects receiving 44 percent of total available funds. This dedicated freight investment over the past nine years demonstrates the growing understanding that freight is critically important to U.S. infrastructure.

For information on applying for an award through the eighth round of TIGER visit http://1.usa.gov/1QVxqx1.
Primary Highway Freight System Replaces MAP-21’s Flawed Primary Freight Network

Through passage of the Fixing America’s Surface Transportation (FAST) Act, Congress recognized the Primary Freight Network (PFN) failed to represent the true nature of freight movement in the United States. This bill renames the PFN as the Primary Highway Freight System (PHFS) and combines provisions proposed in both the House and Senate surface transportation bills to create a more comprehensive system. The initial designation will expand the new PHFS from the 27,000 total centerline miles currently on the PFN to around 41,000, already designated by the U.S. Department of Transportation (DOT) in the form of the draft comprehensive primary freight network. This new system will be redesignated every five years instead of the 10 year redesignation timeline mandated by MAP-21. Further improving the system, this bill leaves room for growth of the PHFS, allowing up to three percent of total mileage to be added to the map with each redesignation.

Prior to the passage of the FAST Act, DOT’s Federal Highway Administration (FHWA) released the final designation of the Highway Primary Freight Network (PFN), mandated by MAP-21. The legislation defined the PFN as a highway-only network containing 27,000 centerline highway miles most critical to carrying freight.

In order to designate a final map, FHWA released a draft designation in late November 2013 and solicited stakeholder feedback. After working with its members, CAGTC submitted comments on the FHWA’s Draft Primary Freight Network, asking Congress to increase the mileage cap and encouraging the inclusion of freight intermodal connectors, among other changes. Once comments from other stakeholders were made public, CAGTC published an analysis of all submitted comments—a fact sheet then used to educate Congress and the Administration on the scope of stakeholders’ concerns and suggestions for improvement.

The CAGTC-produced analysis found that of the roughly 300 comments, 168 made policy requests. Over 80 percent of these policy requests asked for the PHN to include freight intermodal connectors. 108 comments expressed concern that the 27,000 cap was too low to reflect a true network and called for its elimination. 92 of the entities writing to FHWA suggested the PFN be overlaid with rail lines, ports, navigable waterways, land gateways, and airports.

DOT stated in its final designation that although the final map meets the conditions mandated by law, the Department believes PFN does not address the true, multimodal nature of freight movement. In conjunction with the final designation, FHWA recommended developing an alternative multimodal network using a revised methodology outlined in the comments, including changes advocated by CAGTC. The DOT expanded their proposal in the National Freight Strategic Plan Draft, which was submitted for public comment last month. All of these voices culminated in the new PHFS – a network that more accurately represents the movement of freight throughout the United States.
A new Congressional Research Service (CRS) paper, titled “Federal Freight Policy: In Brief,” explores the modal components of the U.S. freight system, how federal policies raise revenue for infrastructure improvements, and what future trends mean for the system. The paper highlights the challenges and opportunities that face the federal government as it redefines its role in freight transportation planning in a Fixing America’s Surface Transportation (FAST) Act world.

In addition to exploring the overall state of freight transportation policy at the United States Department of Transportation, the CRS paper goes mode-by-mode to explore how revenue is raised and funds are distributed to improve and enhance the quality of freight infrastructure. Included in CRS’ work is a brief summary of the FAST Act’s FASTLANE grant program and National Highway Freight Program. The paper also explores the TIGER program, the per-gallon tax on barge fuel which funds the Inland Waterway Trust Fund, and the cargo tax that’s directed to the Harbor Maintenance Trust Fund. CRS authors also summarize Railroad Maintenance Tax Credits and Rail Rehabilitation and Improvement Financing (RRIF).

CRS provides a “state of the play” on the revenue mechanisms each mode has at its disposal, as well as touches on freight trends that will soon, or are already, challenging the nation. Truck congestion, rail pinchpoints, and labor disputes leading to decreased container port efficiency are all explored in the February 2016 report.

To read the report in full, visit http://bit.ly/1QLONeb.
REGIONAL LEADERS APPLAUD LONG-TERM TRANSPORTATION FUNDING PLAN

Los Angeles - Regional leaders from throughout Southern California on Friday lauded a five-year, $305 billion federal surface transportation bill which for the first time includes funding for a national freight program.

The Senate late Thursday passed the Fixing America’s Surface Transportation Act (FAST), which includes $10.8 billion specifically to improve the nation’s freight network. Leaders from Southern California - one of the most vital goods movement hubs in the United States - played a major role in seeing that through, working closely with Congressional leaders to ensure that freight was prioritized.

The bill was signed December 4, 2015 by President Obama.

“We want to thank Congress for their leadership on this issue, and for working with us on this essential piece of legislation. Ensuring safe and efficient goods movement is not just a Southern California issue, it’s a national issue,” said Hasan Ikhrata, Executive Director of the Southern California Association of Governments (SCAG). “The U.S. has fallen to 16th in the world in terms of our transportation infrastructure, which, when you talk about the importance of goods movement, significantly hurts our global competitiveness. This bill represents a major step forward.”

U.S. Rep. Grace Napolitano (CA-32) applauded the input of stakeholders such as SCAG for making their voices heard.

“This long-term bill is a product of great bipartisan compromise that will create jobs and keep our economy moving,” Napolitano said. “We are glad our California priorities were reflected in so many provisions in the bill, and we thank our local and state transportation agencies for helping us ensure our state’s needs were met.”

The new surface transportation bill followed about a month of negotiations between the House and Senate, each of which had come up with similarly designed funding plans during the year. It is the first long-term transportation bill to have won passage in more than a decade.

It includes a total of $305 billion in transportation investments over the next five years, paid for with gas tax revenues and $70 billion in offsets from other areas of the federal budget. Of that amount, $205 billion would go to highways and $48 billion would be used for transit projects.

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But it’s freight funding that could have the most significant impact on Southern California. SCAG’s Draft 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy notes that one-third of all jobs and economic activity in the six-county region connect - directly or indirectly - to goods movement. The Ports of Long Beach and Los Angeles are among the busiest in the world, with shipments expected to triple in the next 20 years.

Source: Southern California Association of Governments http://www.scag.ca.gov/

Member News

Port of LA welcomes biggest ship to call at N. American port

The largest container ship ever to call at a North American port arrived at the Port of Los Angeles at dawn on Saturday, December 26, according to a port statement.

French shipping giant CMA CGM launched the massive vessel on December 10. The CMA CGM Benjamin Franklin is 1,300 feet long, 177 feet wide and has the capacity of nearly 18,000 TEUs.

The giant container ship, the world’s 10th largest, went on to dock at the Port of Oakland on New Year’s Eve. It is scheduled to provide regular service between China and the U.S. West Coast.

The visit is a taste of things to come, and a first instance for the West Coast ports to test their readiness to rapidly load and unload the huge ships in a timely and cost effective manner.

Source: Port of Los Angeles
Sound Transit Board selects former Federal Transit Administrator Peter Rogoff as new CEO

The Sound Transit Board unanimously selected former Federal Transit Administrator Peter M. Rogoff as the agency’s new CEO.

“Peter Rogoff will bring the experience this region needs to expand rail and bus service for our fast-growing cities,” said Sound Transit Board Chair and King County Executive Dow Constantine. “Mobility is our linchpin for a prosperous and sustainable future. Today, we welcome one of America’s most seasoned transportation leaders.”

In July 2014 the United States Senate confirmed Rogoff as Under Secretary of Transportation for Policy in the U.S. Department of Transportation, the department’s third highest ranking official. Previously, in May of 2009 the Senate confirmed Rogoff as President Obama’s Federal Transit Administrator.

“As its new CEO, I am excited and determined to expand on that legacy as we build projects and expand service in all three counties.”

As Under Secretary of Transportation for Policy, Rogoff provided leadership in the development of policies for the department, generating proposals and guidance regarding legislative, regulatory and safety initiatives. His work spans all transportation modes, including aviation, highway, rail, transit and maritime transportation. As the nation’s chief public transit official, Rogoff negotiated and signed a record number of full funding grant agreements with transit agencies across the nation to expand rail and bus rapid transit infrastructure.

Prior to his FTA appointment, Rogoff served for 22 years on the staff of the Senate Appropriations Committee, including 14 years as the Democratic Staff Director of the Transportation Subcommittee, led by Senator Frank Lautenberg of New Jersey and Senator Patty Murray of Washington.

Video of Rogoff’s remarks following the Board’s vote to appoint him are available for news media use. Photos are available upon request. Rogoff’s detailed biographical summary is available on Sound Transit’s website. Rogoff started in January following Board confirmation of contract details in December.

Current Sound Transit CEO Joni Earl, who has been on medical leave, will retire in March 2016 following the opening of the University Link light rail line.

Source: Sound Transit  http://bit.ly/1OjeLgb
Building America’s Future Applauds FAST’s Regional Accelerator Demonstration Program and Research Funds

Two programs that Building America’s Future actively supported were included in the new surface transportation law. The Fixing America’s Surface Transportation (FAST) Act includes a $95 million pilot program for states looking to explore user-based alternative revenue mechanisms that would maintain the long-term solvency of the Highway Trust Fund. For example, a state looking to demonstrate the feasibility of implementing a system based on miles driven instead of upon gasoline consumed.

The other exciting new program is the establishment of the Regional Accelerator Demonstration Program funded at $12 million to encourage states and regions to create regional exchanges helping to leverage public and private investment and build projects more quickly.

The West Coast Infrastructure Exchange is an example of this type of regional innovation that is bringing together the best of the public and private sectors in moving critical infrastructure projects from inception to completion. There are similar efforts in the planning stages in the Mountain West, the Northeast and the Washington, D.C. metro area.

Just because the FAST Act is now law does not mean that our collective efforts are no longer needed. BAF will continue to work with policymakers on finding a sustainable and long-term revenue source for the Highway Trust Fund. Without these ongoing efforts, the Congressional Budget Office has determined that over $100 billion in additional revenue will be needed at the end of the FAST Act to keep the Trust Fund solvent. We must continue to work together to ensure that the Highway Trust Fund is sustainable long into the future.

Source: Building America’s Future
The Transportation Futures Project: Planning for Technology Change

University of Minnesota
January 2016

After a long period of system deployment of the auto-highway system, and several decades of maturity of that system, the surface transportation sector is facing a large number of technological shifts that could change whether and how people travel. While nascent, their prospects are potentially significant. This research proposed to explore these technologies - ascertain their potential market, consider their interactions, understand what that might do to travel demands, and address how planning and forecasting should respond. This research developed a series of white papers: high-level policy briefs based on our analysis of each technology, its direction, and its implications for Minnesota. This work extends and complements the MnDOT 50 year vision expressed in Minnesota GO. It also builds on the ideas developed in the NCHRP 750 project: Strategic Issues Facing Transportation. The timeframe on these technologies varies, and the authors looked at deployment paths over time rather than simple snapshots in time.

Download the full report here: [http://bit.ly/1Yx0hHE](http://bit.ly/1Yx0hHE)

U.S. Border Communities: Ongoing DOT Efforts Could Help Address Impacts of International Freight Rail

U.S. Government Accountability Office
January 2016

About 93 trains a day on average crossed into the continental United States from Canada and Mexico in 2014, according to DOT’s Bureau of Transportation Statistics (BTS). Trains enter and leave the United States through 30 POEs—23 on the northern border and 7 on the southern border. Although international freight rail plays an important role in U.S. economic and trade interests, the movement of rail through U.S. communities at the border can result in blocked highway-rail grade crossings and vehicle traffic congestion. House Report 113-464 included a provision for GAO to review the impact of international rail crossings on U.S. border communities. This report (1) describes the factors that affect the movement of freight rail and the actions taken by federal agencies and others to expedite freight rail in selected POEs and (2) examines what is known about the impacts of freight rail operations on highway-rail grade crossings in POE communities.

Download the full report here: [http://1.usa.gov/1LcUlSd](http://1.usa.gov/1LcUlSd)
CAGTC & Freight in the News

Port, freight project backers eye $500 million in TIGER grants
Journal of Commerce
February 23, 2016
http://bit.ly/1Q9RPZD

With a Surface Transport Law, US to Address Projects, Freight Strategy
Journal of Commerce
January 1, 2016
http://bit.ly/1QUmMFi

Obama signs FAST Act
Progressive Railroading
December 7, 2015
http://bit.ly/1TyGC6Z

New Highway Bill Scores High Marks
Heavy Duty Trucking
December 2, 2015

Congressional Freight Caucus Launched
Material Handling & Logistics
October 27, 2015
http://bit.ly/1GPfwHn

Upcoming Events

March 15, 2016: San Gabriel Valley Congressional Appreciation Reception
Washington, D.C.

April 2-5, 2016: American Planning Association 2016 National Planning Conference
Phoenix, AZ

May 3-5, 2016: 2016 Intermodal Operations and Maintenance Business Meeting
Lombard, Illinois

May 11-12, 2016: CAGTC Annual Meeting
Washington, D.C.
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, lightning-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 frequently hold member events, such as a Fly In to engage in pressing issues during the fall of 2015, and a policy discussion in Miami, Florida, in the spring of 2016 to drill down on implementation events. We regularly boast members of Congress, senior members of the Administration, and their staff among our CAGTC speakers and attendees.

Up to Date Information
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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