Upon Return from Recess, Congress Greeted by Funding Woes: Debt Ceiling, Appropriations, and Hurricane Harvey Relief

Members of Congress wrapped up business in Washington, D.C. the first week of August and departed for an extended period of work in their respective districts for the month. Similar to past years, upon returning to Washington after Labor Day, the timeframe is short, but this year’s “to-do” list is particularly lengthy. Must-pass measures – like appropriations laws to keep the federal government running and addressing the federal debt limit – as well as aspirations – such as tax reform and infrastructure – are on the docket. The devastating events of recent days have added another pricey must-tackle issue: Hurricane Harvey federal relief funds.

The current Fiscal Year expires on September 30, leaving little time to pass the 12 appropriations laws needed to keep the Federal Government operating. Among the 12 is the Transportation, Housing and Urban Development (THUD) bill. While neither chamber has passed a THUD proposal, both have committee-vetted and approved bills.

The House’s THUD legislation would fund the U.S. Department of Transportation (USDOT) for Fiscal Year 2018 (FY18) at $17.8 billion, but, similar to past years, it does not include funding for the Transportation Investment Generating Economic Recovery (TIGER) grant program. The bill was reported favorably by the full House Appropriations Committee on July 17. The Senate version would fund USDOT at $19.47 billion in discretionary appropriations for FY18 – more than both the House’s proposal and the $18.49 billion enacted for USDOT in FY17. The Senate’s proposal, which was approved by the full Committee on July 27, includes $550 million for TIGER, $50 million greater than FY17 enacted levels. Funding for TIGER was excluded from the President’s FY18 budget request, which excused the omission by saying the program failed to fund projects that “rise to the level of national or regional significance.”
While the House of Representatives passed a “minibus” (a bundled package of appropriations bills) of four appropriations bills prior to leaving town for summer recess, eight remain on the docket. On August 16, House Rules Committee Chairman Pete Sessions (R-TX) instructed House Members to prepare any amendments they wish to offer on a minibus containing the remaining eight funding bills, which includes the THUD proposal. The Senate is lagging behind the House in completing their respective appropriations check list and Senate leaders have hinted at introducing a joint measure to fund the government for the coming year and raise the federal Debt Ceiling.

Talking with reporters on August 23, House Speaker Paul Ryan indicated a Continuing Resolution will be necessary. “The fact is though — given the time of year it is and the rest of the appropriations we have to do — we’re going to need more time to complete our appropriations process, particularly in the Senate,” he said.

In recent days the President and Members of Congress have pledged disaster relief funding for the areas devastated by Hurricane Harvey, and attaching a chunk of the funding to a Continuing Resolution is a distinct possibility. In response to 2005’s Hurricane Katrina, Congress immediately provided $10 billion in aid, and eventually provided an additional $51 billion. According to the private weather firm Accuweather, damage caused by Hurricane Harvey could cost $190 billion. Depending on the total amount of funding the Federal Government provides in disaster relief funding – and when it is provided – both the appropriations and Debt Ceiling narratives stand to change.

As the Federal Government inches closer to hitting the Debt Ceiling and running out of cash to cover its bills, businesses and foreign governments hope Congress is able to raise the federal limit. An unprecedented default would cause widespread market disruptions and hurt the U.S. economy. Treasury Secretary Steven Mnuchin and Senate Majority Leader Mitch McConnell (R-KY) recently predicted optimism that Congress will raise the country’s Debt Ceiling in time to prevent default.

Already a crowded docket, the Trump Administration and Congress have indicated their intention to move on overhauling the nation’s tax code, a campaign promise and repeatedly stated goal of this Congress. President Trump’s top economic advisers and Congressional leaders have promised to unveil a tax plan soon after Labor Day, with hopes of passing tax reform by Thanksgiving. This self-imposed deadline would leave little time for Congress to come to an agreement on the specifics of a complex overhaul.

While Gary Cohn, President Trump’s top economic adviser, said on August 15 that an infrastructure bill will “come on the heels of taxes,” Hurricane Harvey could disrupt this order, as well, as an infrastructure proposal could be a natural fit for providing the funds necessary to rebuild Houston and the surrounding region.
U.S. Department of Transportation Selects Small Projects to Receive 2017 FASTLANE Grants

The U.S. Department of Transportation (U.S. DOT) selected ten projects to receive funding through the "small project" set aside under the Nationally Significant Freight and Highway Projects Program, also known as the INFRA program or the FASTLANE program. The competitive grant program was created under 2015’s surface transportation authorization, the Fixing America’s Surface Transportation Act (FAST Act). The first of its kind, the FASTLANE program was designed to fund highway, bridge, and freight projects. Congress authorized $850 million in funding for the program in fiscal year 2017, and ten percent of funding is reserved for projects that do not satisfy the minimum project cost thresholds (equal to or exceeding $100 million or 30% of the State’s Federal-aid highway apportionment).

Under the program’s terms, U.S. DOT is required to give the House Transportation and Infrastructure Committee, the Senate Environment and Public Works Committee, and the Senate Commerce, Science and Transportation Committee at least 60 days’ notice before a grant is awarded to a project. During this 60-day period, Congress may pass a joint resolution of disapproval if a project is found objectionable.

U.S. DOT recently announced that it is changing the name of the FASTLANE program to the Infrastructure for Rebuilding America or INFRA program. U.S. DOT also issued a new notice of funding opportunity for the remaining fiscal year 2017 funding as well as the fiscal year 2018 funding. Applications for the INFRA program are due to U.S. DOT on November 2, 2017.

$12.3 million to La Plate County, Colo., for a project to realign 1.7 miles of U.S. 550, in a project that includes automated anti-icing systems and a southbound truck climbing grade for a “critical route” for freight trucks moving between Colorado and New Mexico.

$8.67 million to Taylor County, Fla., to upgrade the freight-hauling Georgia & Florida Railway to improve grade crossings, harden bridges and resurface tracks to allow faster train speeds.

Continued on Page 4
$9.85 million for intermodal improvements for moving cargo between various modes at the Port of Indiana-Burns Harbor.

$7.89 million to the Maine DOT to upgrade 22 bridges on the state-owned Maine Northern Railway, so that it can increase cargo-hauling capacity for regional shippers.

$7.54 million to help the North Central Mississippi Regional Railroad Authority improve 90 miles of freight rail tracks and a bridge.

$5.72 million for a project in Akron, Ohio, to build bridges that will separate Evans Avenue road traffic from two heavily used rail crossings.

$9.9 million to Port of Moses Lake in partnership with Washington State DOT to complete construction of its Northern Columbia Basin Rail Project.

$7 million to Texas DOT to repair Presidio-Ojinaga International Rail Bridge and rehabilitate 72 miles of the state-owned South Orient Railroad from the U.S./Mexico border to Paisano Junction near Alpine, TX.

$5 million for a project to replace and update ferry docking and berthing facilities in Ludington, Mich., and Manitowoc, Wis.

$5 million for the New Hampshire DOT to replace the load-restricted Rodgers’ Rangers Bridge, which is used by many logging trucks and carries U.S. Route 2 over the Connecticut River between New Hampshire and Vermont.

To learn more about the proposed awards, visit: https://transportation.house.gov/uploadedfiles/2017_fastlane.pdf
On July 24 the Port of Seattle welcomed a specially painted cherry-themed Boeing 777 freighter, operated by China Cargo and nicknamed the “Cherry Express,” to Seattle-Tacoma International Airport. Cherry season is in full bloom in Washington and Sea-Tac is projected to export a record total of cherries.

Through July 20th, five Pacific Northwest states have shipped 18,492,620 twenty-pound equivalent boxes. In 2016, the total international cherry volume exported through Sea-Tac Airport was 40 million pounds (10 million more than 2015) with a declared value of more than $115 million.

“We’re proud to support Washington farmers by providing facilities for the international freighter airplanes to deliver our state’s world-class cherries to global markets,” said Port of Seattle Commissioner Stephanie Bowman. “This is just one more way the Port of Seattle connects our region to world and provides economic benefits across the state of Washington.”

Exports to Asia in July, primarily cherries, can be five times the amount of tonnage shipped on the most active airline at Sea-Tac. Other Asia airlines usually have volume increases of two to three times their normal monthly tonnage. Approximately 220,000 pounds of cherries can be loaded into a 747-400 freighter, one of the most common cargo planes at Sea-Tac. For the Cherry Express, it can hold close to 200,000 pounds.

Employment created by the Northwest cherry harvest is estimated at 19,000 jobs and the estimated local economic impact from the Northwest cherry industry in 2016 was $540 million.

“Our growers and associated businesses depend on exports and Sea-Tac is a valued partner in our success,” said Northwest Cherry Growers internal operations director Keith Hu. “About 30 percent of the Northwest cherry crop was exported in 2016, the vast majority going to Asian countries. Consumers at home and abroad expect fresh and delicious Northwest cherries and we’re expecting 2017 is going to be another banner year.”

Northwest cherry export sales averaged $267 million for the past five years. In the past five seasons, the Northwest Cherry

industry packed and sold an average of 196,000 tons of fresh sweet cherries.

Best known for its major seaport and bridge projects, Moffatt & Nichol provides a suite of services that have helped to establish America’s Gateway Trade Corridors and keep them globally competitive.

Headquartered in Long Beach California, and currently led by the third generation of the Nichol family, Moffatt & Nichol provides port, transportation, and water-related planning and design services to public and private clients in the Americas and globally.

The firm’s global supply chain perspective has allowed its clients to integrate, improve, and optimize port, rail, highway, inland waterway and warehousing facilities and operations in U.S. gateway corridors as diverse as:

• Los Angeles/Long Beach/Alameda/Alameda Corridor East port and rail corridor
• Georgia Port and International Multimodal Rail Corridor
• Northwest Seaport Alliance import and export corridors
• Port of Oakland Import and Export corridors
• Virginia Port and Heartland Rail Corridor
• Port of Mobile Alabama Import and Export Corridor

Over 20 years ago, Moffatt & Nichol pioneered a market-based freight planning and design approach that combines industry-leading technical services with a mandate for commercial, competitive and practical success. In today’s puzzling world of freight, where market maturity coexists with market volatility, the firm stresses the importance of defining business and operational goals as well as any budgetary limitations prior to embarking on major initiatives.

In addition to its port, rail, bridge, highway and waterway technical skills, Moffatt & Nichol provides specialized services for navigating the current, and rapidly changing, freight business climate.

Moffatt & Nichol freight market analysis has allowed its clients to improve supply chain efficiency and to anticipate, grow, or capture market share in various containerized and bulk freight markets.
The firm’s commercial advisory services bring public and private investors into port, rail, intermodal, and logistic center projects and programs, including private equity and debt, and federal, state and local loan and grant programs.

To improve the safety and efficiency of client rail corridors, Moffatt & Nichol evaluates, plans, designs, and design-builds rail grade safety crossings and grade separations across the U.S. Whether seeking a cloud-based solution to Federal Railroad Administration mandates, or helping states and localities choose the best solution for highway/rail interfaces, or designing constructible grade separations in dense urban settings, the firm works with diverse stakeholders to balance freight, passenger and community needs.

Finally, in today’s volatile and rapidly changing world of freight, Moffatt & Nichol provides a number of services to optimize the use of existing or planned seaports and rail intermodal facilities. Their proprietary FlexTerm software, combined with marine terminal and rail intermodal planning capabilities, have reduced operating costs and improved throughput at existing seaports and rail intermodal facilities, as well as guiding the efficient and effective development of new seaports and rail intermodal facilities throughout the U.S. and globally.

As Eric Nichol, Moffatt & Nichol President and CEO, has stated, “We ask a client how they can improve existing operations, or how overall supply chain efficiencies and market responsiveness can be achieved, before we recommend major new capital investments. We share their goal for success.”
Industry News

Trilateral Statement on the Conclusion of NAFTA Round One

On August 16, 2017, United States Trade Representative Robert Lighthizer, Canadian Foreign Affairs Minister Chrystia Freeland and Mexican Secretary of the Economy Ildefonso Guajardo launched the renegotiation and modernization of the North American Free Trade Agreement (NAFTA) in Washington, DC. This began five full days of meetings by a team of subject matter experts covering more than two dozen different negotiation topics. Detailed conceptual presentations were made by the United States, Mexico and Canada across the scope of the agreement, and negotiating groups began work to advance text and agreed to provide additional text, comments or alternate proposals during the next two weeks.

Find the full release here: http://bit.ly/2vV8TAr

U.S. Trade Representative Lighthizer, Canadian Foreign Minister Freeland and Mexican Economic Minister Guajardo Meet at NAFTA Round One

Industry News

Cummins Unveils the Next Generation of Energy-Diverse Products

During an event held August 29, 2017 at the Cummins Technical Center in Columbus, Indiana, employees, company executives, global media and elected officials watched as Cummins unveiled its latest power solutions and energy-diverse products, demonstrating that the company is prepared to win with new and future technologies.

“Cummins has always been an innovator,” stated Congressman Luke Messer (R-IN). “Today serves as the latest example of how this thriving Indiana business is developing cutting-edge technologies that will shape the manufacturing industry for decades to come. It was an honor to join Cummins today and support the thousands of Hoosiers that work for this great Indiana company.”

Read the full release here: http://bit.ly/2vBj3W4
Industry News

Rear Admiral Mark Buzby, USN, Ret. Sworn In as Maritime Administrator

Secretary Elaine L. Chao swore in Rear Adm. Mark H. Buzby, USN, Ret. as the Administrator of the Maritime Administration on August 16, 2017. Prior to his appointment, Admiral Buzby served as president of the National Defense Transportation Association (NDTA), a global association of transportation and logistics professionals.

“Our maritime industry is facing unprecedented challenges in our increasingly globalized world,” said Secretary Elaine L. Chao. “Administrator Buzby’s extensive naval and maritime background will serve as a tremendous asset to the Maritime Administration.”


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Industry News

President Donald Trump Moves to Streamline Infrastructure Permits

Standing in the lobby of Trump Tower in Manhattan on August 15, President Donald Trump announced that he signed an executive order aimed at easing the permitting process for major infrastructure projects. “My executive order... requires agencies to work together efficiently by requiring one lead agency for each major infrastructure project,” said President Trump. “It also holds agencies accountable if they fail to streamline their review process. So each agency is accountable. We’re going to get infrastructure built quickly, inexpensively -- relatively speaking -- and the permitting process will go very, very quickly.”

Using a large flowchart of the Federal permitting process for a highway as a visual aid, the President lamented the process can take up to 20 years. The President pledged to reduce that timeframe, saying “this will be less than two years for a highway. So it’s going to be quick, it’s going to be a very streamlined process. And, by the way, if it doesn’t meet environmental safeguards, we’re not going to approve it.”

The President was joined by members of his cabinet, including Treasury Secretary Steven Mnuchin, Secretary of Transportation Elaine L. Chao, White House Chief of Staff John Kelly and Office of Management and Budget Director Mick Mulvaney.

Read the President’s remarks here: [http://bit.ly/2gJJpcs](http://bit.ly/2gJJpcs)
Kristin Decas Selected as Top Port Director of the Year for 2017 by the International Association of Top Professionals (IAOTP)

Kristin Decas, Port Director & CEO of the Port of Hueneme in California, was selected as Top Port Director of the Year by the International Association of Top Professionals (IAOTP). Among her many accomplishments, since Kristin began her tenure with the Port of Hueneme in February 2012, the Port has seen tonnage totals grow every year, from 1.3 million tons for FY 2012 to over 1.575 million metric tons in 2015. This uptick marks the Port’s strongest sustained trade years since its inception in 1937.

While inclusion with the International Association of Top Professionals is an honor in itself, only a few members in each discipline are chosen for this distinction. These special honorees are distinguished based on their professional accomplishments, academic achievements, leadership abilities, longevity in the field, other affiliations and contributions to their communities.


Member News

Port of Los Angeles Records Busiest July in its History as Container Volumes Jump 16 Percent

July container volumes at the nation’s busiest port climbed by 16 percent compared to July 2016 volumes. 796,804 Twenty-Foot Equivalent Units (TEUs) came through the Port of Los Angeles, the busiest July in the port’s 110-year history.

Seven months into 2017, Port container volumes are 9.5 percent ahead of 2016, when the Port of Los Angeles handled a record-breaking 8.8 million TEUs.

“As we strive to maintain our competitive edge with these record volumes, it’s important to acknowledge the Pacific Maritime Association and the good men and women of the International Longshore and Warehouse Union who just extended their contract with terminal operators until 2022,” said Gene Seroka, Executive Director of the Port of Los Angeles. “The certainty that comes from this decision builds further long-term confidence in our supply chain as we continue to focus on superior infrastructure, innovative leadership and extraordinary customer service.”

**Member News**

**2017 Silver Kingpin Recipient**  
**Dedicated Career to the Future of Intermodal Freight**

The Intermodal Association of North America announced on August 14, 2017 that Robert Huffman, a recognized leader in the intermodal industry, will be honored with the 2017 IANA Silver Kingpin Award at this year’s Intermodal EXPO in Long Beach, California. Huffman will receive the award during the opening general session on Monday, Sept. 18.

Established in 1977, the industry’s most prestigious award, the Silver Kingpin, recognizes an individual’s long-term contributions to intermodalism.

Robert Huffman’s exceptional 41 year career began in 1972 with Conrail, where he worked his way up from Block Operator to Trainmaster to Terminal Superintendent at the Conway Yard in Pennsylvania, before joining Norfolk Southern in 1999. Within a year, he was promoted to vice president of intermodal and served in that position until his retirement in 2013.


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**Member News**

**Florida East Coast Railway**  
**Ranks #1 Among Intermodal/Rail Providers**

Florida East Coast (FEC) Railway outranked all other rail/intermodal service providers for outstanding performance in Logistics Management’s annual Quest for Quality survey.

The Quest for Quality Awards are the gold standard for customer satisfaction and performance excellence for carriers, ports and logistics providers worldwide.

“What makes the Quest for Quality Awards stand out in the market is the fact that the winners are determined by the readers of Logistics Management—the buyers of logistics and transportation services who put these carriers and service providers to work around the clock and the around globe,” said Michael Levans, Group Editorial Director of Peerless Media, LLC., the publisher of Logistics Management.

Read the full release here: [http://bit.ly/2wY0Fu3](http://bit.ly/2wY0Fu3)
A Comprehensive Plan Could Facilitate Implementation of a National Performance Management Approach

United States Government Accountability Office
July 2017

Since 2008, GAO has highlighted the need to demonstrate the outcomes of the billions of dollars the Department of Transportation (DOT) provides to states and other grantees for surface transportation programs. MAP-21 included provisions for DOT and its grantees to move toward a performance-based approach, transforming federal surface transportation programs by holding states and other grantees accountable for results, in many cases for the first time.

GAO was asked to review DOT’s implementation of TPM. This report focuses on FHWA, which administers the largest grant program of the three DOT agencies involved, and (1) examines the progress made in developing rules to establish a national performance-based approach and (2) evaluates how FHWA is guiding the transition to TPM, among other objectives. GAO reviewed proposed and final rules and information on rulemaking activities and interviewed FHWA officials, national transportation organizations, and a non-generalizable sample of 10 state departments of transportation, among others. States were selected based on factors such as geographic distribution, population, and urban and rural characteristics.

Find the full report here: http://bit.ly/2vmz8mj

NACFE 2017 Annual Fleet Fuel Study

North American Council for Freight Efficiency
August 2017

The North American Council for Freight Efficiency released its 2017 Annual Fleet Fuel Study, finding that overall fuel economy rose 1% in 2016, the ninth year in a row trucking fleets in the study have recorded an increase. NACFE’s study covered 19 fleets operating more than 71,000 tractors and 234,000 trailers, with two new fleets being added for this sixth annual report: Mesilla Valley Transportation and U.S. Xpress. Combined, these fleets reached an average fleet-wide fuel economy of 7.11 mpg. While this represents only a slight increase from the previous year’s study, the U.S. fleet average is only 5.89 mpg. The fleets in the study are also mixed with new and old vehicles. According to NACFE, some 2017 model trucks achieved 7.8-9.2 mpg, with some reportedly approaching 10 mpg.

Find the full report here: http://bit.ly/2ioOuRp
CAGTC & Freight in the News

TIGER is in danger of becoming extinct
Logistics Management
August 3, 2017

Freight scores high in FY17 FASTLANE Small Grant Awards
American Journal of Transportation
August 10, 2017
http://bit.ly/2vT7n4D

Ten Projects Proposed for FASTLANE Funding
Maritime Executive
August 10, 2017

CAGTC applauds FASTLANE awards
Railway Age
August 10, 2017

Upcoming Events

September 12-14, 2017: 2017 FTR Transportation Conference
Indianapolis, IN

September 17-20: IANA Intermodal EXPO
Long Beach, CA

October 08-11, 2017: ASCE 2017
New Orleans, LA

October 21-25, 2017: ATA Management Conference & Exhibition
Orlando, FL

October 24-26, 2017: 2017 NASCO Reunion
Monterrey, Nuevo Leon, Mexico
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.

Timely Communication
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 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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