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Coalition Highlight

Transportation Outlook for the 113th Congress: Priorities and Challenges

With the 113th Congress officially sworn into office, the arduous but rewarding process of law-making begins again, and a new set of priorities and challenges face the transportation community. Though the 112th Congress passed significant legislation, including a hallmark two-year surface transportation bill, there is no rest for the weary and now members and leadership must navigate a partisan atmosphere and a lack of financial resources to enact additional transportation bills that are set to expire this Congress.

House and Senate leadership have indicated the top transportation priorities facing the new Congress, and both chambers agree that the soon-to-expire Water Resources Development Act (WRDA), which deals with navigation, flood management, and Army Corps projects, must be reauthorized. Environment and Public Works Committee Chairman Senator Barbara Boxer [D-CA] stated that the WRDA will be the committee's first piece of legislation. She and Ranking Member David Vitter [R-LA] intend to work closely to push the bill through the panel in the first 30 days of session. Both House Transportation & Infrastructure Committee Chairman Bill Shuster [R-PA] and Ranking Member Nick Rahall [D-WV] agree the bill is a top priority.

The EPW Committee's January 31st hearing, entitled "The Harbor Maintenance Trust Fund and the Need to Invest in the Nation's Ports," underscored the importance of achieving a bipartisan WRDA bill. It also highlighted the immediacy of funding allocation and revenue issues ports face in regards to the Harbor Maintenance Trust Fund. Chairman Boxer insisted that the WRDA bill address the Harbor Maintenance Trust Fund, with the specific purpose of ensuring revenue from the Fund go toward its intended uses. All Committee members agreed that funding the nation's ports is central to the nation's economic growth.

(Continued on Page 2)

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Also on the legislative agenda is the Passenger Rail Investment and Improvement Act (PRIIA). Federal passenger and freight rail safety programs are set to expire this year, necessitating the passage of a rail bill during this session. Though Rep. Shuster previously supported privatization of Amtrak's Northeast Corridor, he recently pointed to pursuing a balanced, bipartisan approach to achieve a more cost-effective and efficient rail system. However, changes in the Senate Commerce, Science, and Transportation Committee, in charge of writing most of the rail title, make it difficult to predict the bill's outcome. The retirement of Ranking Member Senator Kay Bailey Hutchison and resignation of presumed Ranking Member Senator Jim DeMint leave the committee in a state of flux. Chairman Jay Rockefeller [D-WV] must wait on a formal replacement before establishing a legislative road map.

The Rail Safety and Improvement Act of 2008 (RSIA) is also set to be reauthorized this session. The House Subcommittee on Railroads, Pipelines, and Hazardous Materials, chaired by Rep. Jeff Denham [R-CA], plans to work on and enact a bill before RSIA expires on September 30, 2013. To prepare for the reauthorization of the Federal Railroad Administration's (FRA) rail safety programs, the Subcommittee intends to hold oversight meetings on FRA's rulemaking activities and its implementation of past rules such as railroad Hours of Service and Positive Train Control Systems.

A less pressing but no less important issue is the preparation for reauthorization of the surface transportation bill, Moving Ahead for Progress in the 21st Century (MAP-21), set to expire on September 30, 2014. Funding remains the most challenging aspect of this reauthorization, and few agree on the best solution to address the steadily increasing funding gap. The declining revenue from the gas tax, which has not been raised since 1993, poses major problems for the Highway Trust Fund. The government has had to continuously borrow from the General Fund in order to keep the Highway Trust Fund solvent, a mechanism that is widely agreed to be unsustainable. Rep. Shuster has indicated that he will consider all options for raising revenue, including increasing the gas tax, tolling, and a fee on miles traveled. Any viable solution that may be reached will hinge on the cooperation of transportation leaders in Congress and the Administration.

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CAGTC Perspective

New Intermodal Panel Highlights Freight's Growing Significance

The start of a new legislative session signifies important changes in the United States Congress, both in its make-up and in its overarching objectives. With the partisan atmosphere still rampant, finding optimism in legislative prospects seems a near-impossible task. Yet the recent House Transportation & Infrastructure Committee organizational meeting gave just such a burst of optimism for the freight community, and, in fact, for all infrastructure advocates.

Leslie Blakey

Among its routine business such as approving rules and subcommittee assignments, the Committee, which met on January 23, outlined an ambitious agenda for the upcoming session which included passage of the Water Resources and Development Act, reauthorization of passenger rail and rail safety bills, and progress toward the fast-approaching reauthorization of the surface transportation bill, MAP-21.

Committee Chairman Bill Shuster [R-PA] certainly deserves accolades for promoting an active and effective committee agenda, but, especially innovative is his idea to establish a freight and intermodal transportation panel to work with the modal subcommittees on cross-cutting goods movement issues. The panel, which is expected to run for about six months, with be headed by Representative John Duncan [R-TN]. This creative and timely solution effectively provides attention for freight without violating House rules that prohibit the establishment of another subcommittee. During the Committee meeting on January 23, Chairman Shuster said this new panel will be making recommendations to the full committee on legislation going into the next authorization.

Historically, politicians have viewed each transportation mode as independent from one another, resulting in policy silos that do little to address our nation's complex and interwoven goods movement infrastructure. Chairman Shuster's establishment of a freight and intermodal panel is a vital step toward the enactment of transportation policies that recognize and facilitate the inter connections of a robust multimodal network, along with prioritizing the fluid and efficient flow of goods through our nations gateways and trade corridors. Though MAP-21 did provide important provisions for freight transportation, it is our hope that this panel will recommend further advances in freight policy and financing.

Also, on behalf of all our members and their organizations, I would like to express our appreciation to U.S. Department of Transportation Secretary Ray LaHood for his service and stewardship of the Department of Transportation. Secretary LaHood has been an advocate of freight, working with Senator Maria Cantwell (D-WA) to establish the Department's Freight Policy Council. Furthermore, many initiatives under his tenure, from TIGER grants to Marine Highways, have had important freight elements and established precedents that will help maintain a freight focus within the Department. His leadership has been greatly valued and we wish him well in all future endeavors.

Leslie Blakey, Executive Director

Member Spotlight

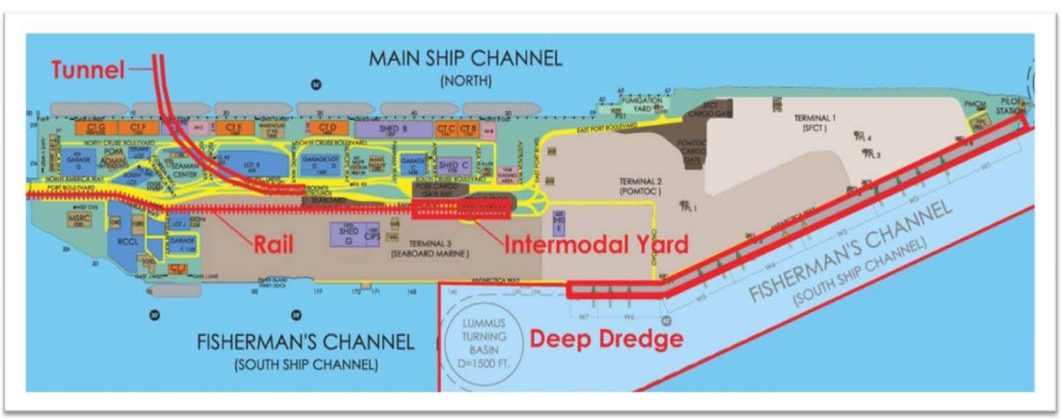
Florida East Cost Railway

New Infrastructure Projects Advance Nation's Freight Network

The Florida East Coast Railway (FEC), based in Jacksonville, Florida, is a 351-mile freight rail system located along the east cost of Florida. As the exclusive rail provider to South Florida's ports, the FEC has a major impact on both the regional and national goods movement infrastructure. It connects with various other rail systems to move freight throughout the United States and has a significant competitive advantage over motor carriers in both cost and timeliness. The FEC has intermodal containers and trailers, as well as carload service, to move the commodities and items that Floridians consume and use everyday.

The FEC's Peachtree-Sunshine Express connects the two largest markets in the Southeast with consistent, on-time performance. This line has recently expanded to connect Nashville, Tennessee, to the Central and South Florida markets and now services up to 100 miles of cities surrounding Nashville. In addition, the FEC's Savannah, Georgia Relay provides overnight service to various points in South Carolina, as well as 2nd morning service from points between North Carolina and South Florida. Within Florida, the FEC's local service between Jacksonville, Central Florida Markets, and South Florida offers daily service, private equipment, and door-to-door delivery.

The Florida East Coast Railway is strategically located, serving as the primary gateway to Latin America. The FEC accounts for more than one-third of all U.S. trade with Latin America and connects with 3 of the nation's 15 largest container seaports. This activity will only increase in upcoming years with the Panama Canal expansion project, which will allow larger vessel passage and accommodate 13,000 + TEU vessels. In response, Port Miami has received funding for over $1 billion in infrastructure improvements, including a 50-foot dredge operation, making it a gateway for import/export activity and increasing its trade operations with Asia.



Port Miami dredging project

The FEC is implementing a number of infrastructure projects to increase access to Port Miami and to further integrate Florida's goods movement infrastructure. One of its largest projects is the on-dock rail service at Port Miami, which will allow FEC to directly serve Port customers. This service will prove invaluable once Port Miami's 50 foot dredging project, expected to substantially increase the Port's activity, is complete in 2014.

(Continued on Page 5)

(Continued from Page 4)

The FEC will be the only railroad with direct access to the Port, and trains will directly run from the Port to the FEC mainline. Both Port Miami and Port Everglades are involved in a public-private partnership with FEC, ensuring that Florida's supply chain infrastructure will be highly integrated. With on-dock rail terminals, containers can be directly switched onto the railroad's trunk line to and from Jacksonville, where it can then interchange with CSX and Norfolk Southern trains to ship to destinations through the Southeast.

The total cost of the on-dock rail project at Port Miami is estimated between $45 million and $50 million, and significant steps have already been taken toward its completion. The rail line to the Port has been completed, and both the Bascule Bridge rehabilitation phase and the joint marketing program with the Port have begun.

Port Everglades Intermodal Container Transfer Facility

At Port Everglades, the FEC has begun construction on a 42-acre Intermodal Container Transfer Facility (ICTF). This project has an estimated cost of $73 million and an estimated completion date of early 2014. The FEC has awarded the design – build contract and groundbreaking of this facility occurred on January 17, 2013. Like Port Miami, Port Everglades plans to widen and deepen its harbor to 50 feet, and is adding additional berths for more ships to dock.

Florida Logistics Yard Airport Expansion

In addition to on-dock rail terminals and an Intermodal Container Transfer Facility, an affiliate, Florida East Coast Industries (FECI), of the FEC plans to build a new logistics center for warehouse and distribution centers at the south end of the railroad's South Florida Logistics Yard. The logistics center will include a transload facility, where import containers hauled from the South Florida ports will be emptied and the good will be loaded into 53-foot domestic containers, which it will then transport to the Southeast markets. This will enable the FEC with the support of its affiliate FECI to connect all major modes of transportation, creating an efficient and cost-effective goods movement network.

FEC is also expanded its service to For Lauderdale with the Fort Lauderdale Airport Runway Expansion Project. The FEC was awarded a contract on June 13th, 2012 to transport 3.5 million tons of aggregate shipments from Medley Florida to the airport. By using the rail line for the project, there is less highway congestion, reduced emissions, and safer highways.

Florida East Cost Railway stands ready to continue these major infrastructure enhancements to improve the regional and national supply chain network.

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

Member News

Port of Seattle Commission Approves Century Agenda

Blue Print for Economic Growth, Environmental Leadership

On Tuesday, December 4, 2012, the Port of Seattle Commission approved an aggressive 25-year program that positions the port as a leader to help create 100,000 new jobs in the region while reducing the port's environmental footprint.

"We established bold, achievable goals for the port and regional stakeholders in our Century Agenda," said John Creighton, Port of Seattle commissioner. "It builds on the 100 plus year role the port has played in creating economic growth for the Puget Sound region and the state of Washington. The Commission thanks the hundreds of citizens who worked with us to a set a path forward for the next 25 years."

"As commissioners, we're getting to work, contributing resources and joining teams to pursue these new initiatives," said Tom Albro, Port of Seattle commissioner. "We look forward to working with stakeholders throughout the region to accomplish the goals of the Century Agenda."

To achieve its objectives, the Agenda identifies four strategies for the port to pursue with its business partners and stakeholders augmented by four regional initiatives that identify near-term opportunities for regional coalitions to collaborate and leverage the collective power of a shared agenda.
The port's strategies and objectives include:

- **Position the Puget Sound region as the premier international logistics hub** – Goals to help achieve this include growing the annual container volume to more than 3.5 million; tripling air cargo volume to 750,000 metric tons; tripling the value of outbound cargo to more than $50 billion; and doubling the economic value of the fishing and maritime cluster.
- **Advance the region as a leading tourism destination and business gateway** – The Agenda seeks to leverage both Sea-Tac Airport and existing cruise ship activity to achieve this goal. One focus is to make Sea-Tac Airport the west coast "Gateway of Choice" for international travel by doubling the number of international flights and destinations. In addition, the Agenda focuses on meeting the region's air transportation needs and encouraging the cost-effective expansion of domestic and international passenger and cargo service. The second focus is to double the economic value of cruise traffic to Washington state.
- **Use the port's influence as an institution to promote small business growth and workforce development** – This includes increasing the portions of funds spent by the port with qualified small business firms on construction, goods and services to 40% of the eligible dollars spent. The Agenda also supports an increase in work force training, job and business opportunities for local communities in maritime, trade, travel and logistics.

(Continued on Page 8)

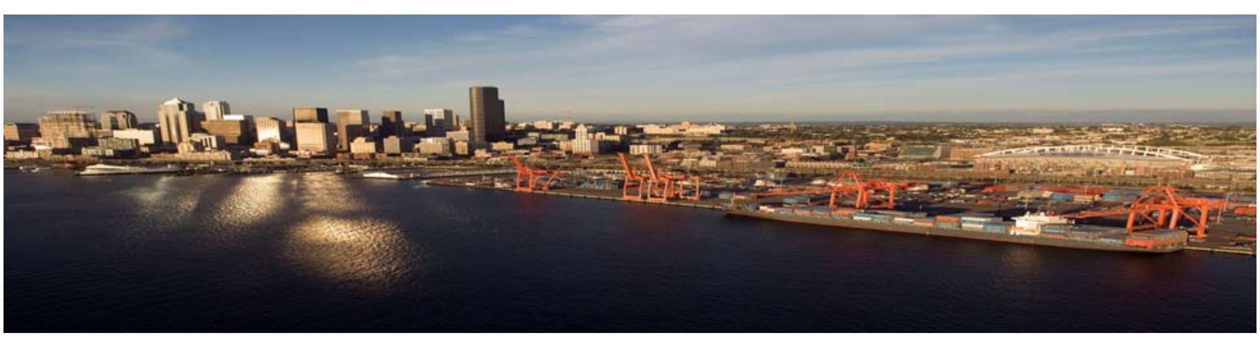
Member News

(Continued from page 7)

- **Ensure the Port of Seattle is the greenest and most energy efficient port in North America** – Over the next 25 years, the port will implement a multi-faceted approach to reduce energy use, air pollutants, carbon emissions and storm water runoff. This includes reducing air pollutants and carbon emissions from all port operations by 50% from 2005 levels and reducing aircraft-related carbon emissions by 25%. In addition, the Agenda calls for the restoration, creation and enhancement of 40 additional acres of habitat in the Green/Duwamish watershed and Elliott Bay.

The four regional initiatives include:

- **Strengthen access to global markets and supply chains for Northwest businesses** – This includes aligning the efforts of organizations already working on these issues to strengthen the region's role as a premier logistics hub and grow exports from Northwest businesses. The initiative also seeks to improve policies on taxation and land use.
- **Make Washington a preferred destination for international tourists from countries with direct flights to Sea-Tac Airport** – This initiative focuses on encouraging business and tourism travelers to make longer visits to the region. It calls for strengthening the Washington Tourism Alliance and fostering closer coordination of efforts by tourism stakeholders to make Washington a "must visit" location.
- **Establish an educational consortium to serve the needs of maritime industry for workforce development, applied research and business growth** – Today, the region boasts three times the national average in maritime industry jobs. This initiative seeks to strengthen this position by undertaking the steps necessary to create an educational magnet to incubate new technologies and bring more maritime-related businesses to Washington.
- **Foster a coordinated effort between Puget Sound ports to support Washington state's pursuit of a healthier Puget Sound** – This initiative encourages Puget Sound ports and other regional organizations to work together to restore the vitality of Puget Sound and protect and improve the shared environment while ensuring the vitality of the manufacturing and industrial districts.



Source: Port of Seattle

Member News

Port of Los Angeles Breaks Ground on $137.7 Million Railyard That Will Increase On-Dock Rail Efficiency, Reduce Congestion and Improve Environment

Project to Create Jobs, Clean Air and Expedite Cargo at America's Busiest Container Port

Los Angeles Mayor Antonio Villaraigosa and Port of Los Angeles officials broke ground on January 16 on a new intermodal storage railyard that will improve a vital link in the national freight network. The new yard will function as a critical link between the Port of Los Angeles and the Alameda Corridor, providing staging and storage for trains using the corridor.

Construction of the $137.7 million rail project at Berth 200, also known as the West Basin Railyard, will generate about 2,000 direct and indirect jobs. When completed, the new yard will move cargo more safely and efficiently, reduce truck traffic on roads and freeways and improve regional air quality while strengthening the Port of Los Angeles' position as the nation's No. 1 trade gateway.

The Berth 200 railyard project also enables track space at the TraPac container terminal to serve as TraPac's future on-dock rail facility. With completion of the $365 million in rail, roadway and terminal improvements at TraPac over the next three years, TraPac will join the other seven container terminals at the Port of Los Angeles that offer shippers the speed-to-market advantage of on-dock rail.

"This project creates jobs, reduces pollution and makes our city a better place to live, work and do business," said Mayor Villaraigosa. "The economic and environmental benefits of this investment will be felt across the nation."

"The West Basin Railyard is a model project for how government is supposed to work," said Harbor Commission President Cindy Miscikowski. "We are pooling federal and state grants with Port revenues to improve a critical link in the nation's supply chain and support the kind of sustainable solutions we need to meet our most pressing needs."

"The Port's top priorities are competitive operations, strong relationships and financial strength," said Port Executive Director Geraldine Knatz, Ph.D. "This project hits all three marks by allowing us to move cargo more safely and efficiently, making us a better business partner and neighbor to our surrounding communities, and procuring federal and state funding to make the best use of Port dollars."

The railyard will be constructed with $16 million in federal grant money from the U.S. Department of Transportation's highly competitive Transportation Investment Generating Economic Recovery program known as the "TIGER" Discretionary Grant program. The Port secured $51.2 million from the State Proposition 1B Trade Corridors Improvement Fund (TCIF) Grant that is administered by Caltrans and $22.1 million from METRO-awarded federal funds. The Port is investing $48.37 million from its Harbor Revenue funds for the project.

(Continued on Page 10)

(Continued from Page 9)

Project benefits include:

- Creating approximately 2,000 direct construction and indirect jobs.
- Maximizing use of on-dock rail shifts container transport from trucks to on-dock rail, reducing harmful emissions by 593,955 tons over a 20-year period.
- Improving safety via truck trip reductions on I-710, which has the highest accident rate in California, and via the removal of two at-grade rail-roadway crossings that are impediments between the community and the waterfront area.
- The new yard is projected to generate $1 billion in annual state revenues by 2030.
- When completed, the railyard will eliminate 2,300 daily truck trips from the Long Beach (710) and Harbor (110) freeways.
- Utilizing the most up-to-date green and clean Tier IV construction equipment.

The project strengthens the Port's position to maintain and expand discretionary cargo – goods whose owners choose the Port of Los Angeles over competing ports to import and export their products.

The project will be built in two phases. Phase I includes construction of the new yard, support tracks for the TraPac and China Shipping/West Basin Container terminals, double-track connections to the Alameda Corridor and national rail network, and access road improvements. Phase II is due to begin construction in 2013 and includes final rail network connections and vehicle overpasses to eliminate at-grade crossings for safer, more efficient flow of truck and commuter traffic. Both phases are due to be completed in summer 2014.

Construction of the rail project begins on the heels of completion of the Harry Bridges Boulevard Roadway Improvements, a $22 million project also built with federal stimulus dollars.

"This ensemble of roadway, rail and terminal infrastructure is part of the Port's $1.2 billion investment in capital improvements over the next five years that reflect the Port of Los Angeles' commitment to responsible growth and global leadership in international trade," Knatz said.

TIGER grants are awarded to projects that demonstrate their ability to contribute to the long-term economic competitiveness of the nation, improve the condition of existing transportation facilities and systems, increase energy efficiency and reduce greenhouse gas emissions, improve the safety of U.S. transportation facilities, and/or enhance the quality of living and working environments in communities through increased transportation choices and connections. Projects that preserve and create jobs and stimulate economic activity are given priority. Funding for the Berth 200/West Basin Railyard project was awarded during the second round of TIGER grants.

The Port of Los Angeles is America's premier port and has a strong commitment to developing innovative strategic and sustainable operations that benefit the economy as well as the quality of life for the region and the nation it serves. As the leading seaport in North America in terms of shipping container volume and cargo value, the Port generates more than 830,000 regional jobs and $35 billion in annual wages and tax revenues. The Port of Los Angeles – A cleaner port. A brighter future.

Source: The Port of Los Angeles

Member News

Port of San Diego Marks 50-Year Anniversary

The Port of San Diego officially marked its 50-year anniversary on Dec. 18, 2012. How much do you know about your Port?

The Port is an economic engine, an environmental steward of San Diego Bay and the surrounding tidelands, and a provider of community services and public safety to tourists and residents.

The Port of San Diego is the fourth largest of the 11 ports in California. The agency was created by the state legislature in 1962.

It is a unified port, because it manages nearly 6,000 acres – half land, half water - in five member cities: Chula Vista, Coronado, Imperial Beach, National City, and San Diego. About 40 percent of this land is under the jurisdiction of the federal government, in the form of U.S. Navy and U.S. Coast Guard facilities.

A seven-member Board of Port Commissioners governs the Port. One commissioner is appointed by the mayors and city councils of Chula Vista, Coronado, Imperial Beach, and National City. Three commissioners are appointed by the San Diego City Council.

The Port of San Diego has two marine cargo terminals: Tenth Avenue Marine Terminal in the City of San Diego and National City Marine Terminal in National City.

The Tenth Avenue Marine Terminal processes fruit and other perishables, steel used for shipbuilding, and alternative energy components. The terminal also processes sand, cement, fuel, and fertilizer. The National City Marine Terminal imports automobiles and lumber. In fact, one in 10 imported cars on U.S. roadways comes through this terminal.

The Port of San Diego is also one of only 17 strategic ports in the U.S. That means that at any time, the military can use our terminals to move equipment in and out of our port.

The Port of San Diego has its own police force, the Harbor Police Department, which provides law enforcement services with 130 officers patrolling the tidelands in cars and boats. Harbor Police are also the primary marine firefighting service provider on San Diego Bay. Their security and law enforcement services are contracted by San Diego International Airport.

(Continued on Page 12)

Member News

(Continued from Page 11)

The Port's Real Estate department manages the leases of more than 600 tenants and subtenants. Tenants range from waterfront hotels, restaurants, shipbuilders, marinas and sport-fishing landings, as well as mom and pop ice cream shops.

The Port of San Diego manages more than 250 acres of parks and open space, including 18 public parks.

As an environmental steward, the Port monitors pollution in San Diego Bay as well as air pollution around the tidelands.

- The Port's Environmental Fund was established in 2006 to finance environmental projects that would enhance or protect San Diego Bay, its wildlife and the Port tidelands. Since the inception of the fund, the Board of Port Commissioners has approved 64 projects, 50 of which have been completed. The total amount funded for completed and in progress projects is $7.9 million.

- The Green Port Program started in 2008 and serves as a guide to help the Port reduce its carbon footprint.

- In December 2010, the Port opened up the new Port Pavilion on Broadway Pier. The events center and auxiliary cruise ship terminal is the Port's first green building, earning a gold-level LEED certification for it.

- In 2011, the Port kicked off its Green Business Challenge (now the Green Business Network). More than 50 tenant businesses signed up to learn how to implement sustainability measures into their daily operations.

Since 1963, the Port has invested $1.7 billion into the region through public improvement projects.

Source: Port of San Diego

Industry Clusters Power Local Economy

Regional economies, like San Diego's, are the building blocks of U.S. competitiveness, and the foundation of these regional economies are industry clusters. Thirteen industry clusters—which are involved in producing everything from wireless technology and unmanned drones to craft beer and tortilla chips—power the San Diego regional economy, providing 27 percent of local employment, according to a report released Dec. 19 by SANDAG.

The report, **Traded Industry Clusters in the San Diego Region**, details how specialized industries generate 331,410 local jobs. Those jobs pay an average of $56,000 a year, $5,300 higher than the regional average. These traded industry clusters are export-oriented, selling goods or services outside the region and bringing in new money. The report provides a detailed breakdown and maps showing where industry cluster jobs are located. Data for the report are from 2008 through 2010, drawn from local, state, and private sources.

SANDAG and its partners have been studying industry clusters for more than two decades, developing an understanding of how these clusters raise productivity and are able to innovate more rapidly by bringing together technology, resources, information, and talent among companies, academic institutions, government, and other organizations. Industry clusters, as the term suggests, benefit from close proximity and tight linkages that yield better market insights, refined research agendas, larger pools of talent, and capital.

"Industry clusters continue to evolve in the San Diego region. Over time, some have grown, some have shrunk, and some have merged with others," SANDAG Chief Economist Marney Cox said. "We keep a close eye on industry clusters because companies within clusters tend to be leaders in technology, research and development funding, patent awards, and other key indicators of innovation. They are crucial to helping the region attain and sustain a high standard of living."

The smallest industry cluster in the region by employment is Specialty Foods and Microbreweries, with 1,717 jobs. However, the craft beer segment has seen substantial growth locally and nationally. According to the National Brewers Association, in 2010 the industry grew 11 percent by volume and 12 percent by revenue even while the overall volume of U.S. beer sales dropped by an estimated 1 percent. The San Diego region's award-winning microbreweries are in the vanguard, producing more than 85,300 barrels of beer in 2010.

The region's largest industry cluster is Entertainment and Hospitality, with 149,352 jobs. This cluster has the lowest annual average wage at $21,800. The highest paying cluster is Biotechnology and Pharmaceuticals, with an annual average wage of about $107,000.

(Continued on Page 14)

Member News

(Continued from Page 13)

Expanding to a point where it now warrants recognition as a cluster is Advanced Precision Manufacturing. This cluster acts as an innovation hub between other industry clusters by integrating state-of-the-art technologies with customized product development.

Other notable findings included in the report:

• Between 2008 and 2010, the height of the Great Recession, four clusters experienced growth: Biomedical Devices and Products (21%); Biotechnology and Pharmaceuticals (20%); Cleantech (9%); and Aerospace, Navigation, and Maritime Technology (4%).

• In the same period, eight clusters saw declines: Apparel Manufacturing (-13%); Horticulture (-11%); Publishing and Marketing (-11%); Fruits and Vegetables (-9%); Action Sports Manufacturing (-8%); Specialty Foods and Microbreweries (-7%); Advanced Precision Manufacturing (-6%); and Information and Communications Technologies (-3%).

• The Entertainment and Hospitality cluster saw no change n employment.

• The Uniformed Military cluster (which is excluded from detailed analysis due to limited information) employs about 100,000 active duty personnel and 22,000 civilian staff, accounting for more than 8 percent of the region's total employment.

• Venture capital funding in the region dropped after the start of the recession in December 2007. However, the region still receives about $800 million in venture capital each year.

Source: San Diego Association of Governments

Member News

Union Pacific Railroad's Barry Michaels Elected 2013 IANA Chairman

Barry D. Michaels, vice president of Intermodal Operations at Union Pacific Railroad Company, has been elected chairman of the board of directors of the Intermodal Association of North America, succeeding David Manning, president of Tennessee Express, Inc., who remains a member of the board. Michaels previously served as chair in 2004 and 2005 and was honored in 2011 with the association's Silver Kingpin Award.

The 13-member board also elected Phil Shook, director of Intermodal operations at C.H. Robinson Worldwide, as IANA's 2013 vice chairman and Don Aiken, vice president of Intermodal Operations at Schneider National, Inc., as Treasurer. Shook has been an active IANA board member for four years, serving on the Association's Scholarship and Bylaws Committees. Akin, in his second year on the board, is a member of the Policy and Intermodal Expo Planning Committees. He also chaired a board task force on pre-trip equipment inspections.

"I look forward to working with Barry, Phil, and Don in their new leadership roles," said Joni Casey, IANA president and CEO. "Their wealth of diverse industry experience will be extremely beneficial to the Association."

Re-elected to the board for three-year terms are Kevin Lhotak, president of Reliable Transportation Specialists, and Michael Wilson, sr. vice president at Hamburg Sud North America. They will be joined by continuing board members:

- Jordan Ayers, managing director, Quest Capital Group, LLC
- Jeffrey Brashares, senior vice president, sales & national accounts, TTS, LLC
- William Clement, vice president, intermodal, CSX Transportation
- Robert Huffman, vice president, intermodal operations, Norfolk Southern Corp.
- Jenny Johnson, vice president, Intermodal Support Services, Inc.
- Frank Sonzala, executive vice president, Pressure Systems International, Inc.
- Patrick Valentine, director, safety & regulatory issues, Direct ChassisLink, Inc.

IANA is North America's leading industry trade association representing the combined interests of the intermodal freight industry. IANA's membership includes railroads, water carriers and stacktrain operators; port authorities; intermodal truckers and over-the-road highway carriers; intermodal marketing and logistics companies; and suppliers to the industry, such as equipment manufacturers, intermodal leasing companies and consulting firms. IANA's associate members include shippers, academic institutions, government entities and nonprofit associations.

Source: Intermodal Association of North America

Member News

Florida Governor's Office Releases Statements Supporting Port Investments

Florida Governor Rick Scott's office released comments of support on January 18th for the Governor's $164 million investment in Florida's seaports. The Governor touts the investments as critical for economic growth, stating that Florida "can no longer wait on the federal government" to provide funds.

In March 2011, the Governor directed the Florida Department of Transportation to include $77 million for Port Miami's dredging project. His continued investments in Florida ports have been recently highlighted by the $13 million granted to Port Everglades on January 17th, as well as the $36 million for JaxPort on January 14th. The JaxPort project alone is expected to create 3,500 jobs while increasing trade and freight movement throughout the state. Governor Scott stated that the investment in Port Everglades' and Florida East Coast Railway's Intermodal Container Transfer Facility moves the Florida economy "in the right direction" and "creates more jobs and opportunities for Florida's families."

A number of private organizations commended the investments as well. A series of quotes released by Governor Scott's office illustrate both the economic importance of these projects as well as the benefits of fostering public-private partnerships. Below are quotes demonstrating support from organizations throughout the state:

Florida Ports Council
"In order for Florida to truly become a global hub for trade, the state must continue to invest in freight infrastructure. Thankfully, Governor Scott has recognized this need and been a tireless champion for making the necessary strategic investments to accomplish that goal." **- Doug Wheeler, President, Florida Ports Council**

Florida East Coast Railway
"The investment by the Florida Department of Transportation (FDOT) and support from the Governor's office has made the dream of an Intermodal Container Transfer Facility (ICTF) near dock at Port Everglades a reality," said Jim Hertwig, CEO and President. "This investment will create construction jobs now and logistics and transportation jobs in the near future. This ICTF will provide Port Everglades a competitive advantage for additional freight when the Panama Canal expands."- **Jim Hertwig, President & Chief Executive Officer, Florida East Coast Railway**

Florida Department of Transportation
"Today is an exciting day for JAXPORT. I thank Governor Scott for his continued investment in Florida's seaports. By finishing this important project and removing the existing navigational concerns, JAXPORT will be better suited to compete for and support continued cargo growth within the region and in the Southeast." - **Ananth Prasad, Secretary, Florida Department of Transportation (FDOT)**

Source: Florida Governor Rick Scott's Office

AASHTO

THE VOICE OF TRANSPORTATION

Retiring AASHTO Executive Director Calls for Investment and Tax Reform to Ensure Highway Trust Fund Solvency

Congress needs to take action this year to sustain the federal-aid surface transportation program, said John Horsley, executive director of the American Association of State Highway and Transportation Officials.

Horsley, who retires February 1 after 14 years leading the national association, made his remarks during his keynote address at the Transportation Research Board's annual Chairman's Luncheon Wednesday, January 16th, at the Omni Shoreham Hotel.

Horsley called on Congress to enact additional economic stimulus through transportation investment and to reform the taxes that support the nation's highway and transit programs.

$50 Billion in Economic Stimulus through Transportation Investment

Horsley said that Congress should pass legislation authorizing a $50 billion Transportation Regional Infrastructure Project (TRIP) bond program. Under a bill co-sponsored by Sen. Ron Wyden (D-Oregon) and Sen. John Hoeven (R-North Dakota), every state would receive $1 billion over six years to be invested in transportation. The U.S. Treasury investment would be paid through U.S. customs fees and no debt would be incurred by the states.

"This program would create thousands of jobs, stimulate economic recovery, and improve mobility in every state," said Horsley.

Tax Reform to Restore Solvency to Highway Trust Fund, Reduce Federal Deficit $150 Billion

Horsley also told the TRB luncheon audience that Congress should convert the "cents per gallon" federal excise tax on fuels to a sales tax on fuels. He said such a move could avert a looming transportation fiscal cliff. Forecasts show that the federal Highway Trust Fund could become insolvent by October 2014, which would cut annual federal highway investment from $41 billion to $6 billion and annual transit investment from $11 billion to $3 billion.

Under Horsley's proposal, sales tax rates on fuels would be set at a level that restores solvency to the Highway Trust Fund. The fund is currently spending $15 billion more annually than the revenues it receives. The change would support spending on highways and transit over the next six years at $350 billion. If the program were limited to expected excise tax revenues, it would have to be cut to $236 billion.

"Fully supporting the program through highway user fees, rather than through transfers from the U.S. Treasury, would reduce the federal deficit by $150 billion over 10 years," Horsley said. "The cost of the reform to taxpayers would be less than $1 per week, per vehicle."

Sen. Mark Warner (D-Virginia) has expressed interest in the proposal. Horsley, who has led AASHTO since 1999, officially retires February, 1. Frederick G. "Bud" Wright was named AASHTO's new executive director in November 2012.

Source: AASHTO

Research News

Connecting Global Commerce: America's Container Ports Remain Critical Gateways

TransOutlook Volume 1 No. 1
January 2013

U.S. container traffic is expected to increase in the coming months and throughout 2014 as the U.S. economy shows signs that the recovery is taking hold. The tonnage of international container cargo handled at the nation's ports can be expected to rise as consumers return to their spending ways, unemployment declines, economic production picks up steam, businesses readjust inventory, and the European and Asian economic crises abate. Because growth in economic activity generally results in increased freight transportation demand, the outlook for container traffic at the nation's ports is expected to be strong and positive during 2013. With the United States remaining the world's leading trading nation with the biggest economy and its trade with China still climbing, container port traffic will remain robust, dominated by higher growth rates for container exports.

This report analyzes economic activity at America's ports over recent years. It also compares America's top ports to top ports around the world, highlights America's leading trading partners, and analyzes the types of goods being traded.

http://tradecorridors.org/images/stories/locations/transoutlook_connecting_global_commerce.pdf

Setting Priorities, Meeting Needs: The Case for a National Infrastructure Bank

Broookings Institute
December 2012

Innovative institutions can open a new path. As Brookings scholars Emilia Istrate and Robert Puentes have pointed out, governments at every level have turned to contractual relations with the private sector for a range of infrastructure activities, from design and finance to operation and repair. Often, however, state and local governments lack the technical capacity to ensure project quality and to protect the public interest.9 For that reason, Puentes has recommended the creation of a national-level Public/Private Partnership Unit, housed within the Office and Management and Budget, to provide states, cities, and metropolitran entities with support and technical assistance, create an environment that encourages private infranstructure investment, and begin the process of forging an integrated national infrastructure agenda.10

A national PPP Unit would be an important and cost-effective first step. But to boost aggregate investment in infrastructure to the level our country needs while channeling it in economically productive directions, we must go farther. The creation of a National Infrastructure Bank (NIB)—the focus of this report—would allow us to attract private investment for public purposes, and it would ensure that projects are funded on the basis of economic and social benefit, not political gain. The issue is not just how much we invest, but *how* we invest it. We must invest in the right projects, and we must make every dollar count.

Our argument is not that government should retreat from the infrastructure sector, but rather that it should use scarce public resources strategically. First, to perform functions for which the private sector lacks adequate incentives. Second, to leverage private sector participation. Third, to close gaps between the rate of return the private sector requires and the revenues that private users of infrastructure projects are willing to provide.

http://www.brookings.edu/~/media/Research/Files/Papers/2012/12/13%20infrastructure%20galston%20davis/1213_infrastructure_galston_davis.pdf

Research News

Strategies for Defining the Core Federal Role in Surface Transportation

Bipartisan Policy Center
November 2012

The National Transportation Policy Project of the Bipartisan Policy Center (BPC) has consistently advocated for a consolidated, accountable, and performance-based federal surface transportation program. BPC has proposed specific program consolidations, ideas for improving accountability, and various performance measures. Defining areas of responsibility for the federal program—in other words, defining the core federal role in surface transportation—has proved particularly challenging, however.

BPC recommends moving toward a "mode-neutral" federal program that effectively targets federal resources to advance five core national goals:

1. Economic Growth
2. National Connectivity
3. Metropolitan Access
4. Energy Security and Environmental Protection
5. Safety

In an effort to move the conversation forward, BPC convened an expert group to explore how Congress might go about defining the federal role and core national transportation interests. This paper summarizes the work and findings of that group.

http://bipartisanpolicy.org/sites/default/files/NTPP%20Paper_0.pdf

Highway Trust Fund Obligations, Fiscal Years 2009 to 2011

United States Government Accountability Office
January 2013

During fiscal years 2009 through 2011, four administrations within DOT obligated about $144 billion from the Highway Trust Fund. FHWA obligated the largest share—about 81 percent—of this total, specifically:

- FHWA obligated $116.7 billion from the HTF. A majority—about 81 percent—was obligated to construct and maintain highways and bridges. The remainder was obligated for other purposes such as safety, debt service, traffic management and planning and utilities, and for transportation enhancements.

- FTA obligated about $24 billion—about 17 percent of the total obligations—from the HTF, almost all of it through grants to local and state transit agencies and governments to provide transit service, including grants for capital projects, planning, and operating assistance.

- NHTSA obligated about $1.9 billion from the HTF mostly in safety grants to states and localities.

- FMCSA obligated about $1.6 billion from the HTF for motor carrier safety grants to states and localities and to support their efforts to enforce federal commercial motor carrier safety standards.

http://www.gao.gov/assets/660/651315.pdf

Research News

Highway Trust Fund: Pilot Program Could Help Determine Viability of Mileage Fees for Certain Vehicles

U.S. Government Accountability Office
January 2013

Mileage-based user fee initiatives in the United States and abroad show that such fees can lead to more equitable and efficient use of roadways by charging drivers based on their actual road use and by providing pricing incentives to reduce road use. Mileage fees for passenger vehicles, however, continue to face significant public concerns related to privacy as well as cost challenges. Privacy concerns are particularly acute when Global Positioning System (GPS) units are used to track the location of passenger vehicles. Reliable cost estimates for mileage fee systems are not available, but implementing a system to collect fees from 230 million U.S. passenger vehicles is likely to greatly exceed the costs of collecting fuel taxes. Commercial truck user fee systems in Germany and New Zealand have achieved substantial revenues and benefits such as reduced road damage and emissions with fewer privacy concerns, but ensuring compliance in a cost effective manner presents trade-offs. Few commercial truck mileage fee pilots have been conducted in the United States, but efforts in two states suggest such fees pose fewer privacy and cost challenges than passenger vehicle fees.

State departments of transportation (DOT) recognize the need for an alternative funding mechanism to meet future revenue demands, and many would support federal actions to evaluate mileage fees. Few states reported that they are likely to introduce such fees in the next 10 years, but more than half would support federally-led field tests of mileage fees for commercial trucks and electric vehicles. Although few electric vehicles are on the roads today, their numbers are expected to increase, and they do not contribute to the Highway Trust Fund. Without a federal pilot program to evaluate (1) options to more accurately charge commercial trucks and electric vehicles for their road use and (2) the costs and benefits of such systems, Congress lacks critical information to assess whether mileage fees for these vehicles could be a viable and cost-effective tool to help address the nation's surface transportation funding challenges.

http://www.gao.gov/assets/660/650863.pdf

Failure to Act: The Impact of Current Infrastructure Investment on America's Economic Growth

American Society for Civil Engineers
January 2013

ASCE's Failure to Act economic report series shows the economic consequences of continued underinvestment in our nation's infrastructure, and the economic gains that could be made by 2020 in terms of GDP, personal disposable income, exports, and jobs if we choose as a country to invest in our communities.

The culminating report was released on January 15, 2013 and presents an overall picture of the economic opportunity associated with infrastructure investment and the cost of failing to fill the investment gap.
ASCE finds that with an additional investment of $157 billion a year between now and 2020, the U.S. can eliminate this drag on economic growth and protect:

- $3.1 trillion in GDP, almost the equivalent of Germany's entire GDP
- $1.1 trillion in U.S. trade value, equivalent to Mexico's GDP
- 3.5 million jobs, more than the jobs created in the U.S. over the previous 22 months
- $2.4 trillion in consumer spending, comparable to Brazil's GDP
- $3,100 in annual personal disposable income

http://www.asce.org/uploadedFiles/Infrastructure/Failure_to_Act/SCE44%20summary_report_FINAL-hires.pdf

Upcoming Events

March 3-6, 2013: Journal of Commerce TPM Conference, Long Beach, CA

March 12, 2013: San Gabriel Valley Congressional Appreciation Reception, Washington, DC

March 19-20, 2013: Georgia Logistics Summit, Atlanta, GA

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

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

CAGTC & Freight in the News

Miles Driven Seen as Fair Way to Pay for Highways: Taxes
Bloomberg
December 7, 2012
http://www.bloomberg.com/news/2012-12-07/miles-driven-seen-as-fair-way-to-pay-for-highways-taxes.html

Seattle Port Pursues New 25-Year Plan
Progressive Railroading
December 11, 2012
http://progressiverailroading.com/intermodal/news/Seattle-port-pursues-new-25year-plan—33625

New Bridge to Ports Expected to Ease Traffic, Allow Bigger Ships
NBC Los Angeles
January 8, 2013
http://www.nbclosangeles.com/news/local/New-Bridge-to-Ports-Expected-to-Ease-Traffic-Allow-Bigger-Ships-186032211.html

CREATE update: Grade crossing upgrades, separations and closures
Progressive Railroading
January 2013
http://progressiverailroading.com/c_s/article/CREATE-update-Grade-crossing-upgrades-separations-and-closures—34824

LA Port Breaks Ground on Rail Y ard Project
Journail of Commerce
January 16, 2013
http://www.joc.com/rail-intermodal/la-port-breaks-ground-rail-yard-project_20130116.html

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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