

Coalition for America's Gateways and Trade Corridors

AECOM

April 13, 2016

Alameda Corridor-East
Construction Authority

Cambridge Systematics,
Inc.

Canaveral Port Authority

Cascadia Center

CenterPoint
Properties Trust

Chicago Metropolitan
Agency for Planning

City of Chicago

City of Industry,
A Municipality

COMPASS – Community
Planning Association of
Southwest Idaho

Dewberry

Economic Development
Coalition of
Southwest Indiana

Florida Department of
Transportation

Florida East
Coast Railway

Florida Ports Council

Freight Mobility Strategic
Investment Board
(Washington State)

Gateway Cities Council of
Governments

HERZOG

HNTB Corporation

Illinois Soybean
Association

Intermodal Association
of North America

Jacobs Engineering

Kootenai Metropolitan
Planning Organization

Los Angeles
County Metropolitan
Transportation Authority

Majestic Realty Co.

Maricopa Association of
Governments

Memphis Chamber of
Commerce

Metropolitan
Transportation
Commission

National Railroad
Construction and
Maintenance Association

The Hon. Anthony Foxx
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Re: Docket No. DOT-OST-0248

Dear Secretary Foxx,

On behalf of the Coalition for America's Gateways and Trade Corridors (CAGTC), attached are comments in response to the U.S. Department of Transportation (USDOT) draft National Freight Strategic Plan (NSFP or Plan). As requested in USDOT's March 10, 2016 Federal Register notice, CAGTC has also taken this opportunity to comment on elements of the FAST Act that will have a significant impact on national goods movement and we believe should be reflected in the final Plan.

CAGTC is a diverse group of more than 60 public and private organizations dedicated to increasing federal investment in America's multimodal freight infrastructure. In contrast to single mode interests, CAGTC's foremost mission is to promote a seamless goods movement transportation system across all modes to enhance capacity and economic growth.

We hope to provide USDOT with comments that are helpful. Should you have any questions on these comments, please do not hesitate to contact me.

Sincerely,



Elaine Nettle
Executive Director

NASCO – North
American Strategy for
Competitiveness

Northwest Seaport
Alliance

Ohio Kentucky Indiana
Regional Councils of
Government

Orange County
Transportation Authority

Oregon Department of
Transportation

Parsons

Parsons Brinckerhoff

Port Authority of
New York & New Jersey

Port Newark Container
Terminal

Port of Hueneme

Port of Long Beach

Port of Los Angeles

Port Miami

Port Newark Container
Terminal

Port of Oakland

Port of Pittsburgh

Port of Portland, OR

Port of San Diego

Port of Seattle

Port Tampa Bay

Port of Vancouver USA

Puget Sound Regional
Council

RAILCET

SANDAG - San Diego
Association of
Governments

Southern California
Association of
Governments

Supply Chain
Innovation Network of
Chicago- SINC

Tennessee Department
of Transportation

Washington State
Department of
Transportation

West Coast Corridor
Coalition

Will County Center for
Economic Development

Xerox State and Local
Solutions

CAGTC comments on USDOT's draft National Freight Strategic Plan

CAGTC applauds the United States Department of Transportation (USDOT) for releasing a multimodal National Freight Strategic Plan (NSFP or Plan). Our freight system is made up of nationally significant roadways, freight rail lines and facilities, ports, navigable waterways, land gateways, freight intermodal connectors, and airports. We recognize that MAP-21 limited national freight policy to highways only, and we applaud USDOT for broadening that mandate to include the many and varied modes of transport that manufactures, farmers, and retailers use to get goods to market.

Similarly, we are pleased to see the Fixing America's Surface Transportation (FAST) Act broaden MAP-21's highway-only freight policy to include all modes. Roads and highways are not the only method of conveyance for freight and therefore a systems-wide, holistic approach to freight policy and investment is necessary for the US to compete in the global economy.

The FAST Act calls for the publication of a National Multimodal Freight Strategic Plan within two years of bill passage. We are pleased to see USDOT's commitment to finalizing a FAST Act-compliant NFSP by July of 2016 and we urge the Department to work expeditiously to meet this deadline. A finalized Plan, reflective of the changes in the FAST Act, will provide States, local governments, and private industry with a blueprint to consider and plan for future demands on the system.

Provide Dedicated Freight Funding

The FAST Act's freight programs are a critical first step toward investing in our goods movement system. The investments, particularly those distributed through the FASTLANE program, will provide much-needed funding for significant freight projects around the country that are in desperate need of federal partnership. The certainty of funding availability is important for project developers and we commend the architects of the FAST Act for guaranteeing five years of funding through both the FASTLANE grants and the formula freight program.

Congressional authorizers saw the importance of dedicating funding for freight infrastructure improvement and repair. As such, we ask USDOT to actively monitor the use of authorized freight funding, through both the FASTLANE and formula programs, to ensure that dollars go toward intended purposes. The FAST Act includes an inventory of project types eligible to receive freight dollars, including those that generate national or regional economic benefits, increase our competitiveness, reduce congestion and bottlenecks, and improve connectivity between modes. We encourage USDOT to supervise the allocation of freight funds to ensure that dollars are distributed in-line with Congressional intent.

While the FAST Act provides an important first step in supporting the freight infrastructure network, it's merely a down payment on the system-wide needs. A minimum annual investment of \$2 billion, distributed through a multimodal freight-specific competitive grant program, is necessary. The President's FY17 transportation budget request echoes this, calling for the creation of a Future Freight Systems Grant Program funded at \$2 billion annually, in addition to the freight funding authorized through the FAST Act.

Flexibility is Essential to Optimize Investments

CAGTC applauds the broad applicant eligibility under the FASTLANE grant program. Freight infrastructure is complex and a host of entities are responsible for developing and maintaining pieces of the infrastructure network. For this reason, applicant eligibility must be broad to ensure that entities with the best expertise to bring the project to completion can apply for funding.

In addition, freight project eligibility should be broad to ensure that public agencies are able to invest in their most critical projects, regardless of mode. There are many system segments that require unfettered movement between

modes, but unfortunately, it is often where modes meet that complicated, large-scale chokepoints occur. These chokepoints threaten public health, safety, and the economy. While the FAST Act allows a small portion of funding – \$500 million over the five-year FASTLANE grant program and 10% of freight formula dollars – to be invested in intermodal and freight rail projects, more is needed. A minimum annual investment of \$2 billion, distributed through a mode-neutral competitive grant program, is needed to address these needs holistically. Infrastructure developers require flexibility to unsnarl multimodal friction points and enhance intermodal connections.

Given the complex nature of freight projects, funding and financing flexibility is also essential. Because the FAST Act requires projects to begin construction within 18 months of obligation, each applicant will already have invested substantially in the project to meet this project readiness requirement. The USDOT's FASTLANE Grant Notice of Funding Opportunity (NOFO) states that previously incurred costs cannot count toward the project's required non-Federal share. CAGTC encourages USDOT to allow previously-invested non-Federal dollars to count toward the FASTLANE grant program's non-Federal share. This stipulation did not appear in FAST Act law and imposes additional burden on project developers.

Dependable funding streams are critical to freight projects, particularly those large in scale. The availability of multiyear freight grants in future transportation authorizations can provide the stability to attract private capital.

Improve Designation of National Multimodal Freight Network

We applaud USDOT for developing a draft National Multimodal Freight Network in conjunction with the draft NFSP and we look forward to the final designation, which will now be handled separately from the NFSP. Because the final NFSP will reference the National Multimodal Freight Network, we have included comments on the National Multimodal Freight Network.

Such a network is a critical component of a national freight policy. A map comprised of all modes of transport, and identified through a process inclusive of public and private stakeholders, can be useful in informing transportation planning and improving investment decision-making.

While we commend USDOT for taking the initiative to develop a draft map, the Plan's National Multimodal Freight Network is incomplete. For example, top-tier rail and road segments in both the Northwest and the Northeast regions, used to transport goods from the Ports of Tacoma and Seattle and the Port Authority of New York and New Jersey, respectively, are missing from the Multimodal Freight Network. These segments are considered top-tier freight corridors and their omission suggests the draft map needs revisions and could greatly benefit from a designation process inclusive of all stakeholders.

Stakeholders, including multimodal freight system users, metropolitan planning organizations, transportation providers, local governments, ports, railroads, and States should work together through a public process to identify components of a final NMFN, as called for under the FAST Act. Segments should improve intermodal connectivity and be identified through measurable data and in consultation with all proposed State DOT freight plans. We applaud the FAST Act's approach to identifying this final NMFN and urge USDOT to move quickly to invite stakeholders to the process.

a. Include Intermodal Connectors

We urge USDOT to include all intermodal connectors in a final designation of the NMFN. CAGTC notes the draft NFSP includes "key intermodal connectors" but we are unclear on how the agency defines "key." We advise the Administration to broaden its approach in the next iteration of the map. Intermodal connectors serve significant freight facilities throughout the nation, including our airports, seaports, and domestic intermodal terminals. They enable our modes to work together and are a vital component of any map that identifies corridors critical to moving

goods. Furthermore, while intermodal connectors account for less than one percent of total National Highway System mileage, they enable the “highest and best” use of each mode of transport.

According to a 2000 study by FHWA, these connectors are 50 percent less maintained than the rest of the highway system. Sixteen years ago, the cost of addressing the backlog of intermodal connectors was \$2.597 billion, while the cost of improving service due to expected increases in freight volumes was as high as \$4.291 billion. Identification and inclusion on the final NMFN will help ensure that intermodal connectors are elevated in importance by freight planners and ideally, receive funding commensurate to their importance to the overall movement of freight.

Further, we encourage USDOT to perform a comprehensive intermodal connectors study to provide a more accurate sense of our nation’s intermodal connector needs. As mentioned, the most recent data available is nearly two decades old and, given the fall in transportation investment as a share of GDP, indicators point to further decay of these critical links. To develop a plan that systemically addresses these segments going forward, a comprehensive needs assessment must be developed.

b. Publish guidance on designation of Critical Urban Freight Corridors and Critical Rural Freight Corridors

We were pleased to see that the FAST Act established a process for designating Critical Urban Freight Corridors that includes collaboration with metropolitan planning organizations. We encourage USDOT to move quickly to publish Critical Urban Freight Corridors and Critical Rural Freight Corridor designation guidance. These corridors play a key role to the efficient movement of freight in, out, and through the country and it should be a priority of the Department to add them to the National Highway Freight Network as quickly as possible. This will allow local and state governments to prioritize these corridors for planning and investment purposes, as well as open up these roadways for investment through the freight formula program and the FASTLANE grant program.

c. Clarify process for input from stakeholders and local and state governments

Over 300 entities, representing a broad swath of geographically and organizationally diverse stakeholders, wrote to the FHWA in 2013 and 2014 in response to the release of the draft designation of MAP-21’s Primary Freight Network. Of these, 132 requested route modifications and 168 made policy suggestions. Some of the route modifications were technical corrections, but none were incorporated into the final Primary Freight Network.

At this time, CAGTC requests USDOT clarify a process for submission of – and USDOT’s response to – technical corrections to the FAST Act’s National Multimodal Freight Network, as well as the “new and improved” Primary Freight Network, renamed the Primary Highway Freight System by the bill. Such clarification will assure stakeholders and local and state governments that their contributions are considered with regard to the identification of a final map and the development of freight policy by USDOT. Further, knowledge of how USDOT intends to review and utilize submissions will assist stakeholders in providing the thorough and thoughtful comments that are essential to developing a rich document.

Quick Implementation of FAST Act Provisions Aimed at Easing Institutional Bottlenecks

The draft NFSP suggests the creation of an interagency infrastructure permitting improvement center as a possible strategy to mitigate the effects of institutional bottlenecks. The FAST Act codifies such an agency, naming it the Federal Permitting Improvement Council (Council). Comprised of representatives from the 13 major federal agencies that are often involved in infrastructure projects, the Council will be led by an executive director, appointed by the President.

The Council is charged with developing a list of projects that are pending the environmental review or authorization process and categorizing them appropriately, assigning a facilitating agency for each category. The Council is also

responsible for developing recommended performance schedules, to be reviewed every two years and to include intermediate and final completion dates. The Council will develop best practices for enhancing early stakeholder engagement, ensuring timely decisions, improving Federal and non-Federal governmental coordination, increasing transparency, reducing information collection requirements, developing geographic information systems, and creating training materials.

As stated by the draft Plan, this type of interagency council is vital to improving the process by which freight projects are completed. Multiple agencies and private entities are often involved in overseeing and approving freight infrastructure projects; therefore, coordination is key and oftentimes is a deciding factor in whether the project is completed on time and within budget. We urge USDOT to stand up this Council quickly and invite other agencies to the process.

The FAST Act also builds on MAP-21's multimodal categorical exclusion process by allowing any USDOT operating administration to use a categorical exclusion of another operating administration. This was another item on the wish-list of steps USDOT could take to reduce institutional bottlenecks.

We encourage USDOT to stand up these reforms quickly. The FAST Act includes much-needed investment in multimodal freight infrastructure, but in order for these investments to be maximized and Congress to be convinced of the value of these programs, institutional reforms must take place at USDOT and beyond. CAGTC encourages expeditious implementation of these provisions. Further, given their significant impact on our nation's global economic competitiveness, we encourage USDOT to explore the possibility of early acceleration of freight projects.

Discuss System-Wide Needs

We applaud USDOT for calling for the development of new transportation funding sources in the draft NFSP, including freight. We agree that the system needs a "substantial, predictable funding source." While we recognize the Department is limited in its ability to advocate for specific funding sources, we encourage USDOT to take this opportunity to outline the needs of the system, if not a specific revenue solution.

Absent from the dialogue is a comprehensive analysis of our system's freight infrastructure investment needs. Recognizing that developing this analysis is a challenge, due to factors such as mixed-use infrastructure and intertwined public and private infrastructure, it is nevertheless a critical tool for establishing investment benchmarks. USDOT is uniquely positioned to undertake such an analysis and we encourage the agency to do so. Resources currently under development, such as State Freight Plans with state needs assessments, can aid the development process. The Freight Conditions and Performance Report called for under MAP-21 would further aid in this situation analysis and we encourage USDOT to complete and biannually update the report.

While the FAST Act provided funding for freight infrastructure, in large part the money will be restricted to use on road and highway freight projects. Public agencies require flexibility to address their most pressing infrastructure needs, regardless of mode, and that can only be achieved through a program that allows for intermodal and multimodal investment. We encourage USDOT to address this challenge in its Plan, recognizing that while the FAST Act is an encouraging step, our work is far from over. In fact, our challenge grows larger. Due to the rescission in the FAST Act, our transportation programs will revert to MAP-21 investment levels in year five of the bill. This means that the freight program will essentially disappear if subsequent authorization does not pick up the baton.

Most likely, legislators will begin considering reauthorization proposals before the FAST Act has expired. While many of the FAST Act's freight investments will be underway at this time, it is unlikely any projects receiving funding under the FAST Act will be completed in time to demonstrate the positive health, safety, and economic impacts of freight investment. As addressed in our comments, we encourage USDOT to work ardently to implement the

streamlining provisions under the FAST Act to expedite the project delivery process and maximize the federal dollar's impact.

For these reasons, "a substantial, predictable funding source" will be even more critical in the reauthorization of the FAST Act and we encourage the Plan to fully explore and address the many challenges to improving the freight program in future legislation.

Explain Federal Role in Freight Infrastructure Improvement

As a document that guides future decision making, CAGTC encourages USDOT to articulate the federal government's role in the maintenance and improvement of freight infrastructure. While the draft Plan acknowledges the federal role in facilitating freight projects that aid cross-border freight movements, the federal role goes far beyond ensuring our ports of entry are in a state of good repair.

As USDOT notes, freight projects are often multijurisdictional, frequently transcending modal, local, regional and even State boundaries. This makes it difficult for smaller-scale public entities to coordinate project delivery and secure funds for freight network improvements.

The Brookings Institution found that 77 percent of freight crosses state lines, totaling \$15.2 trillion in goods moved annually. The highly interconnected multistate and multiregional freight network requires a strong federal role in maintaining and improving the multimodal freight network.

In addition to explaining the compelling national interest in maintaining and improving freight policy and investments, the Plan should provide more information on why states and localities cannot support these projects alone.

Furthermore, the NFSP should emphasize the role of the federal government in mitigating chokepoints in the freight network. Bottleneck congestion decreases air quality, hampers the economy, and diminishes the quality of life for local residents. Freight chokepoints – across all modes – decrease the speed and efficiency with which goods move in, out, and through the entire United States. There's a clear federal role in identifying freight bottlenecks and implementing solutions to mitigate those bottlenecks, and such a role should be stressed in the final Plan.

Expanded Focus on NAFTA and Changing Trade Patterns

A growing number of businesses are reshoring manufacturing centers to North America. Nearshoring and reshoring have major implications for the future of freight policy. When developing a final NFSP, we encourage USDOT to expand on its consideration of growing international trade patterns, such as trade with the Caribbean, Latin America, Canada, Mexico, and relationships that are likely to flourish through trade agreements currently under consideration.

Ports of entry already face a number of challenges, particularly in our post 9/11 world. These challenges include aging infrastructure and insufficient customs and border protection staffing resources. Our border crossings are often congested and our exporters and importers face long wait times, which translate into lost opportunities and damaged bottom lines. Nearshoring and reshoring will exacerbate these inefficiencies if the US does not take a proactive approach to mitigate congestion, improve entry point infrastructure and technology, and harmonize the regulatory process.

Furthermore, the draft Plan could be strengthened by acknowledging that the US is falling behind its trading partners in making investments to its freight transportation network. For example, Canada is in the midst of its largest federal infrastructure investment program in the nation's history. The program is prioritizing gateways, making use of public-private partnerships, and focusing on projects that enhance economic growth. USDOT's draft

NFSP should note these investments put the US at a competitive disadvantage and should serve as motivation for increasing the overall levels of investment in our infrastructure, across all modes. Furthermore, the Plan should suggest a study of best practices, particularly for the utilization of public-private partnerships.

Emphasize the Role of the National Surface Transportation and Innovative Finance Bureau

The FAST Act establishes a National Surface Transportation and Innovative Finance Bureau (Bureau) to help USDOT work within the modes to ensure expeditious and thorough consideration of freight projects applying for financing and funding opportunities available through the Federal government. We encourage USDOT to work quickly to stand this Bureau up before authority expires. Besides administering the FAST Act's Nationally Significant Freight and Highway Projects program, the Bureau will be key to institutionalizing the resources currently provided by the Build America Transportation Investment Center (BATIC) to entities looking for public and private partnership expertise. While we applaud USDOT for the foresight to establish BATIC, we strongly support and encourage quick transition to the Bureau, which is codified in FAST and will live on beyond the Obama Administration.

Develop National Performance Objectives and Measures Transparently

We encourage the Department to clarify in the final Plan the process for developing the National Performance Objectives and Measures that appear in Appendix B. While we acknowledge the important role that performance objectives play in freight planning, we encourage purposeful and transparent development of these objectives and benchmarks. It's unclear, for example, how USDOT settled on the performance objective of "reducing freight transportation delay time and schedule variability... by at least 10 percent per decade through 2045 relative to levels for 2015 for each freight transportation mode."

Recognizing USDOT's limited resources, we respectfully encourage the Department to work towards identifying objectives and data sources that can be used by state and local governments to measure freight movement and evaluate the effectiveness of freight investments. Furthermore, we emphasize that these performance measures should be used to inform freight planning and should not be interpreted as additional regulatory requirements on state or local entities.