

Coalition for America's Gateways and Trade Corridors

AECOM

Alameda Corridor-East
Project, San Gabriel Valley
Council of Governments

Broward County's
Port Everglades

California Department
of Transportation

Cambridge
Systematics, Inc.

Canaveral Port Authority

Cascadia Center

Chicago Metropolitan
Agency for Planning

City of Chicago

City of Industry

COMPASS – Community
Planning Association of
Southwest Idaho

Dewberry

Florida Department
of Transportation

Florida East
Coast Railway

Florida Ports Council

Florida Transportation
Builders' Association, Inc.

Freight Mobility Strategic
Investment Board
(Washington State)

Gateway Cities Council of
Governments

Great Lakes Dredge & Dock
Company

HERZOG

HNTB Corporation

Illinois Soybean
Association

Intermodal Association
of North America

Kootenai Metropolitan
Planning Organization

Los Angeles
County Metropolitan
Transportation Authority

Majestic Realty Co.

Maricopa Association of
Governments

Memphis Chamber of
Commerce

Metropolitan Transportation
Commission

February 10, 2020

Mr. Joel Szabat
Acting Under Secretary Transportation for Policy
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Re: Docket No. DOT-OST-2019-0184

Dear Mr. Szabat,

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's (USDOT) Request for Information to inform the development of the National Freight Strategic Plan (NFSP or Plan). As requested in USDOT's December 27, 2019 Federal Register notice, CAGTC has taken this opportunity to comment on the questions outlined in the notice as well as the statutory components of the NFSP established by the FAST Act.

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

Moffatt & Nichol

National Railroad
Construction and
Maintenance
Association

NASCO – North
American Strategy for
Competitiveness

The Northwest
Seaport Alliance

Nossaman LLP

Ohio Kentucky Indiana
Regional Council of
Governments

Orange County
Transportation Authority

Port Authority of
New York & New Jersey

Port Houston

Port Newark Container
Terminal

Port of Hueneme

Port of Long Beach

Port of Los Angeles

Port of New Orleans

Port of Oakland

Port of San Diego

Port Tampa Bay

Port of Vancouver USA

Ports America
Chesapeake

Prime Focus, LLC

Puget Sound Regional
Council

RAILCET

SANDAG - San Diego
Association of
Governments

Southern California
Association of
Governments

Tampa Hillsborough
Expressway Authority

Tennessee Department
of Transportation

Washington State
Department of
Transportation

Will County Center for
Economic Development

WSP

CAGTC comments in response to the U.S. Department of Transportation National Freight Strategic Plan: Request for Information

CAGTC appreciates the United States Department of Transportation's (USDOT) efforts to develop a multimodal National Freight Strategic Plan (NFSP or Plan) in accordance with the Fixing America's Surface Transportation Act of 2015 (FAST Act). Prior to finalizing its NFSP, we ask that USDOT produce a draft Plan and allow sufficient time for public review and comment.

Our freight system is made up of nationally significant roadways, freight rail lines and facilities, ports, inland waterways, land gateways, freight intermodal connectors, warehousing facilities and airports. A national "vision" and dedicated investment strategy that shapes and guides the nation's public and private freight infrastructure system with active coordination among states, regions, localities and the private sector is needed. Planning horizons, with a particular focus on projects of national significance, should endeavor to anticipate freight needs extending over multiple decades and seek to smooth the path for free-flowing freight, both domestically and internationally.

A thoughtful and forward-looking Plan will provide states, local governments, and private industry with a blueprint to consider and plan for future demands on the system. We appreciate USDOT's continued commitment to engaging with industry stakeholders on the development of the NFSP and look forward to the opportunity to provide additional feedback once a draft Plan is made publicly available.

Question 1: What are the three most important challenges facing the U.S. freight transportation system?

Funding Adequacy

The freight programs established under the FAST Act provided a critical first step toward greater investment in our goods movement system. CAGTC advocates for dedicated, sustainable, flexible and adequate freight funding. The freight-focused federal discretionary grant program INFRA has offered valuable opportunities to improve freight movement throughout the nation. However, increased investments are needed to meet current freight network demands and support its continued growth by preparing for future system demands. Freight transportation is a driving force for economic productivity, global competitiveness, and job creation. Every economic sector depends on a reliable, safe, and cost-effective network to move goods and services. According to the Bureau of Transportation Statistics, freight volumes across all modes are expected to grow 40 percent by 2045 with the monetary value of freight projected to increase by 92 percent.

The FAST Act's INFRA program is oversubscribed. In the combined FY17 & FY18 round of awards, USDOT received \$12 in unique requests for every \$1 available; all 50 states, the District of Columbia, and Puerto Rico have submitted applications to the program, demonstrating freight infrastructure needs across the nation. Given this level of oversubscription, CAGTC calls for a minimum annual federal investment of \$12 billion through a multimodal freight competitive grant program.

Funding Distribution

Despite recognizing the importance of freight movement to the national economy and the recent establishment of freight investment programs, the federal government lacks a coordinated and prioritized approach to investment. A gateways and corridors approach is needed to guide federal investments – indeed,

not all freight projects are created equal and, particularly in an environment of constrained federal resources, projects yielding the highest benefits must be prioritized and selected through a competitive process based upon their ability to generate significant benefits to the overall performance and condition of the freight network. We ask USDOT to include in the NFSP an identification and prioritization of key freight gateways and corridors. Some of this work can be done in collaboration with states through their state freight plans, and in addition, the federal government must assert its role as custodian of interstate commerce and prioritize those gateways and corridors that best serve our national economy.

To ensure the best and highest use of federal funds, the award selection process must be transparent and employ merit-based criteria that identify and prioritize projects with a demonstrable contribution to national freight efficiency. Goals should include: increasing national and regional economic competitiveness, improving connectivity between freight modes, reducing congestion and bottlenecks, and improving the safety, efficiency, resiliency, and reliability of the movement of freight and people. When making awards, we ask that USDOT provide information detailing how all applications scored against criteria developed by Congress and codified in law.

Competitive grant programs are critical to advancing large-scale freight infrastructure projects, which often span modes and jurisdictional borders and are difficult, if not impossible, to fund through traditional distribution methods such as formula programs.

Funding Eligibility

Consistent with the gateways and corridors approach discussed above, greater benefits to freight efficiency can be attained by assessing end-to-end freight *trips* rather than individual modal components. Freight does not move on highways alone – in fact, intermodal freight is one of the fastest-growing sectors of the industry. It is often in the places where various modes come together that public assistance is needed to close the funding and infrastructure gaps and correct capacity inefficiencies and bottlenecks. To that end, caps on non-highway spending must be eliminated from federal freight investment programs (INFRA and the freight formula program). Greater flexibility will allow funds to be directed toward the freight system's most critical needs, regardless of mode. The President's FY19 transportation budget request echoed this, calling for an additional \$1.035 billion in multimodal funding to supplement the INFRA grant program.

Question 2: What should be long- and short- term national freight system goals? How can states, local agencies, and private stakeholders most effectively advance these national goals?

While supply chains will continue to shift and evolve, the need for a safe, reliable and cost-effective freight network remains. In considering goals, the USDOT must bear in mind the multimodal freight system's implicit link to our nation's economic vitality. Our country's five major economic sectors – manufacturing, retail, agriculture, natural resources and transportation providers – are all reliant on freight movement to be efficient and cost-effective in both the national and world marketplace. When freight movement is slow, unreliable or unsafe, there is a drag on the nation's economy, and we all suffer. Rather than thinking of these goals as long- and short- term, we encourage USDOT to consider *micro* and *macro* goals.

- We suggest USDOT adopts the following as *micro* freight system goals:
 - Improve system performance in the nation's key gateways and trade corridors, as measured by: improved travel time reliability, decreased travel time, increased safety and reduced freight transportation costs across all modes.

- Provide route redundancy and resiliency that reduces or eliminates shipping delay in the instances of extreme weather events and operational holdups.
- We suggest USDOT adopts the following as *macro* freight system goals:
 - Develop a well-maintained, redundant and agile system with capacity that is equal to demand now and across planning horizons into the future.
 - Develop a system with the ability to deploy new and advanced technologies as they become available to meet the economic needs and achieve other societal goals, such as environmental impact reduction.

As prescribed by the Commerce Clause of our Constitution, it is the Federal Government's role to support interstate commerce. Planning done by states and local agencies should prioritize improvements that result in system-wide advances and support the goals of a national strategy defined by USDOT. This underscores the importance of a National Freight Strategic Plan that prioritizes investment according to the greatest economic benefit and supports future growth.

CAGTC has long advocated for the establishment of an office of multimodal freight within the U.S. Department of Transportation's Office of the Secretary. This office should guide freight mobility policy and investment with a particular focus on projects of national significance that aid in the movement of commerce. Freight movement utilizes different modes of infrastructure, requiring specialized knowledge at the federal level and a highly-placed office of multimodal freight would allow experts representing each mode to work together to identify the best investments in our system.

Question 3: How should DOT measure freight transportation system performance?

Given the complexity of the freight network, measuring freight system performance and efficiency must take into account several quantitative and qualitative metrics that appropriately reflect each mode. We urge USDOT to consider the following:

- Safety
- Reliability
- Throughput
- Demand for services versus capacity
- Cost for services
- Cost of delay
- Route redundancy and resiliency
- Environmental impact

Question 4: What industry freight-specific knowledge is critical to understanding supply chains and how economic trends impact freight logistics and cargo movements? How can such data and/or knowledge be procured or shared amongst public and private sector partners?

The NFSP would be enhanced by the inclusion of a comprehensive analysis of our system's freight infrastructure investment needs, created with high-quality data sets. Currently, planning is often frustrated by incomplete and outdated publicly available data sets. 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. We encourage USDOT to examine creative solutions to grow information sharing and data collection, such as through public private partnerships.

Reliable and comprehensive data is needed to inform transportation planning on the federal, state, and regional level. Considering the multimodal and multijurisdictional nature of freight movement in particular, accessible information on system-wide needs is crucial to directing investments toward projects that address current needs as well as anticipated future demands.

Question 5: What should be considered regarding vital operational or equipment innovations, emerging technology advances from research communities, as well as infrastructure or facility concepts in freight transportation?

Freight infrastructure must be up to the task of supporting innovation that enhances freight movement and/or minimizes its negative associated impacts. In concert with considering innovations and emerging technologies, we encourage USDOT to consider the nation's long-term strategy and emerging trends in closely related fields, such as energy and trade. Also, it will be important to note the operational advancements made by our trading partners, particularly when ships, trains and trucks are serving infrastructure both domestically and abroad.

The movement toward freight network electrification has stressed utility infrastructure. For example, major seaport facilities across the nation need to enhance their electrification capabilities but are challenged by insufficient utility infrastructure. Utility infrastructure is expensive to update, and in many cases, utility companies are asking seaports to foot the bill. While this expense does not add to the bottom line for seaports and terminal operators, the enhancements stand to reduce emissions, improve air quality, and elevate technologies to those offered by our seaport trading partners around the world.

A comprehensive NFSP must include considerations for the rise of e-commerce and how it has redefined the "first and last mile" and so much more, including: facility capacity and location needs, land use planning, the cost of delay and increased inventory moving through a supply chain to minimize instances of delay.

The transportation workforce must be sufficient – and sufficiently trained – to meet the demands of an evolving supply chain. The truck driver shortage, which is slated to worsen, will continue to result in steeper rates. Infrastructure development plays an important role in this discussion. The truck parking shortage acts as a deterrent to those considering entering the field, raising safety and regulatory compliance concerns. Congestion serves as a disincentive to taking up the profession also, as truck drivers are frequently paid by the mile and congestion places a cap on drivers' earning potential. Meanwhile, new technologies offered across the supply chain will require a highly skilled workforce and could displace workers specializing in functions that may become obsolete.

Congestion occurring at intermodal transfer facilities slows freight movement across many modes, resulting in lost time and money. Solutions to this challenge must take into consideration built infrastructure improvements as well as technology enhancements that can be utilized where real estate availability is limited.

Question 6: What approach should the federal government use to invest in the multimodal freight system? How would this approach apply to each transportation mode, for freight in general, for specific industries, or for freight assets owned by the private sector (i.e., rail, pipelines, maritime)?

What are best practices for identifying projects that involve both public and private sector assets and for encouraging communication between the public and private sector to complete those projects?

A truly strategic freight mobility program would prioritize the economic needs of our country in the near term and for generations to come by making investment decisions that optimize freight mobility, especially at locations of national significance, unconstrained by mode or political jurisdiction. All modes and freight transportation facilities should be eligible, and federal funding in public infrastructure should both leverage and incentivize private investment across the system. Corridors, gateways and integrated hubs (including intermodal connectors, transfer facilities, and warehousing centers) would be the loci of activity, rather than states, counties, cities or towns. The result would be a comprehensive, free-flowing freight network unfettered by jurisdictional boundaries. CAGTC calls for a mode-neutral, freight-specific competitive grant program that awards funding using merit-based criteria.

CAGTC's suggested approach to multimodal freight investment is outlined in further detail in response to USDOT's Question 1, including CAGTC's recommended funding levels, funding distribution, and funding distribution methods. We have restated our responses below:

CAGTC advocates for dedicated, sustainable, and flexible freight funding. The FAST Act's competitive freight-focused grant program, INFRA, is oversubscribed. In the combined FY17 & FY18 round of awards, USDOT received \$12 in unique requests for every \$1 available; all 50 states, the District of Columbia, and Puerto Rico have submitted applications to the program, demonstrating freight infrastructure needs across the nation. Given this level of oversubscription, CAGTC calls for a minimum annual federal investment of \$12 billion through a multimodal freight competitive grant program.

A gateways and corridors approach is needed to guide federal investments – indeed, not all freight projects are created equal and, particularly in an environment of constrained federal resources, projects yielding the highest benefits must be prioritized and selected through a competitive process based upon their ability to generate significant benefits to the overall performance and condition of the freight network.

To ensure the best and highest use of federal funds, the award selection process must be transparent and employ merit-based criteria that identify and prioritize projects with a demonstrable contribution to national freight efficiency. Goals should include: increasing national and regional economic competitiveness, improving connectivity between freight modes, reducing congestion and bottlenecks, and improving the safety, efficiency, and reliability of the movement of freight and people.

Competitive grant programs are critical to advancing large-scale freight infrastructure projects, which often span modes and jurisdictional borders and are difficult, if not impossible, to fund through traditional distribution methods such as formula programs. The flexibility offered by competitive grant programs encourages private sector participation also by incentivizing public agencies to present federal decisionmakers with the most attractive funding package possible.

Consistent with the gateways and corridors approach discussed above, greater benefits to freight efficiency can be attained by assessing end-to-end freight *trips* rather than individual modal components. Freight does not move on highways alone – in fact, intermodal freight is one of the fastest-growing sectors of the industry. It is often in the places where various modes come together that public assistance is needed to close the funding and infrastructure gaps, which result in capacity inefficiencies and bottlenecks. To that end, caps on non-highway spending must be eliminated from federal freight programs. Greater flexibility will allow funds to

be directed toward the freight system's most critical needs, regardless of mode. The President's FY19 transportation budget request echoed this, calling for an additional \$1.035 billion in multimodal funding to supplement the INFRA grant program.

In 2019, CAGTC published its third edition of "[Freight Can't Wait](#)," outlining 50 critical freight projects around the country that stand to benefit from federal partnership and investment. We encourage USDOT to access and review these projects: <https://tradedcorridors.org/wp-content/uploads/2019/05/Freight-Cant-Wait-2019-Final.pdf>.

We encourage the Department to review competitive approaches taken in California and Illinois. Both states elected to distribute their statewide freight formula dollars through a competitive approach. In California, freight formula dollars were combined with state fuel tax revenue and vehicle registration fees to fund projects under the Trade Corridor Enhancement Program. The California Transportation Commission collaborated closely and extensively with agencies and stakeholders to define the grant program requirements, including performance measures. Trade corridors were identified, along with funding targets for each region/corridor, using performance measure data. The approach to project selection was hailed as inclusive, transparent, and data-driven. In Illinois, the state's department of transportation developed a transparent, performance-based, competitive program to ensure freight formula funding provided the greatest return on investment.

A public-private system at its heart, the private sector must be engaged in freight network planning. We encourage states to continue engaging with their State Freight Advisory Committees to prioritize investments and update State Freight Plans.

Question 7: What barriers (such as regulatory, technological, institutional, statutory) are critical to freight efficiency that DOT should better understand?

CAGTC commends the Administration and Congress for working with our North American trade partners to develop a modernized trilateral trade agreement. The United States-Mexico-Canada Agreement (USMCA) provides much-needed certainty to facilitate the efficient import and export of goods throughout our nation's freight system. Trade uncertainty can lead to increased costs and harm our economic competitiveness. Clear standards and expectations support efficient movement of goods across domestic and global freight networks. We urge continued engagement with our international trade partners to improve supply chain stability.

Notwithstanding CAGTC's commitment to maintaining environmental protections, we encourage Congress and the Administration to evaluate project permitting and approval processes with an eye toward improved efficiency. To be clear, it is unacceptable to reduce timelines at the expense of environmental protections, and any cost savings achieved through reduced project approval timelines is not a substitute for robust federal investment.

Question 8: What information is critical to understanding the unique infrastructure and operational freight impacts faced by local communities? Please detail any best practices in economic development and planning processes that support freight intensive activity or innovative financing. Describe current and prospective infrastructure safety enhancements that should be considered.

Workforce development continues to be a concern for CAGTC, as the transportation industry, in general, has an aging workforce, experiences challenges in finding qualified candidates, and is faced with staffing

shortages particularly as it relates to vocational trade areas. The USDOT should consider conducting a nationwide gap analysis to examine job outlook and identify future workforce skills in the transportation industry. Building an adaptable workforce that emphasizes upskilling, progression, and flexibility can lead to better innovation and efficiency in freight movement. Particularly, solutions, in terms of potential automation, should focus on social innovation and progress for the sake of people and community.

Question 9: How would you define a bottleneck in your industry?

As previously stated, CAGTC recommends approaching bottlenecks from a multimodal gateways and corridors perspective. Bottlenecks in major freight hubs have significant impacts that span beyond individual regions and modes, delays and congestion can disrupt entire supply chains. We encourage USDOT to take this ripple effect into account when prioritizing infrastructure projects to address critical freight chokepoints.

Question 10: What else should DOT consider (including the eleven statutory criteria listed above) or do to improve freight transportation in the U.S.?

As stated in response to Question 1, we ask USDOT to include in the NFSP an identification and prioritization of key freight gateways and corridors. Some of this work can be done in collaboration with states through their state freight plans, and in addition, the federal government must assert its role as custodian of interstate commerce and prioritize those gateways and corridors that best serve our national economy.

Within the eleven statutory criteria, USDOT is tasked with, “an identification of corridors providing access to major areas for manufacturing, agriculture or natural resources.” This excludes a significant portion of the economy, which is retail. Therefore, we ask USDOT to include “finished and retail goods,” in its listing of important economic corridors to identify. In addition, USDOT should include corridors providing access to logistics hubs, which are important to system efficiency.

Several of the eleven statutory criteria call on USDOT to conduct assessments on the National Multimodal Freight Network (NMFN). To that end, CAGTC encourages USDOT to move forward with the designation of a Final NMFN, as required by the FAST Act. The NMFN is a critical element of FAST Act freight policy and a finalized map will assist states in strategically directing resources toward improved system performance for the efficient movement of freight, inform freight transportation planning, assist in the prioritization of Federal investment, and assess and support Federal investments to achieve national freight policy goals.

To the extent possible, we urge USDOT to leverage existing designations (including the National Highway Freight Network, the Primary Highway Freight System, Critical Urban or Rural Freight Corridors, Strategic Highway Network and Strategic Rail Corridor Network) to harmonize corridor, facility, and network identifications on the NMFN. USDOT should provide clear processes for identifying segments, corridors and facilities on these networks and incorporate already-existing designations into the NMFN, so as to avoid designation fatigue and nomenclature confusion. CAGTC also asks USDOT to provide guidance on future de-designations – that is, removing segments that were previously designated – especially as it relates to Critical Urban and Rural Freight Corridors. Many CAGTC members requested changes to the NMFN and we urge USDOT to revisit these requests as part of the overall completion of the NFSP and NMFN/ National Highway Freight Network.

A flexible and accommodating NMFN requires forward-thinking and holistic system perspective. The strategic rerouting of freight traffic to minimize economic cost of disruption and the ability of disrupted routes to quickly

recover is key to a sustainable economy. Often in the event of emergency, freight is routed outside our borders, never to return, resulting in lost jobs and opportunities. Resiliency, if reflected through the NMFN, will help ensure that the final map is a guide on how to best absorb impacts, natural and man-made, as well as an aggregate of real-world supply chains. Beyond securing consumer good supply chains, infrastructure resiliency is also critical for the Departments of Defense and Homeland Security.

CAGTC applauds USDOT for including all National Highway System (NHS) intermodal connectors in the Interim NMFN, and we encourage continued inclusion of all intermodal connectors when designating a Final NMFN. Despite constituting less than one percent of total NHS mileage, “first and last mile” connections play an outsized role in the multimodal freight network. They allow for seamless interaction between the modes and are essential to the movement of goods between points of origin and destination.

A 2002 report by FHWA, *Status of the Nation’s Highways, Bridges, and Transit: Conditions and Performance Report to Congress*, found that intermodal connectors were at least 50 percent less well maintained than the rest of the NHS. The same study estimated that the cost of bringing these segments into a state of good repair was close to \$2.597 billion, whereas the cost of service changes as a result of increased freight volume was approximately \$4.291 billion. Those estimates are nearly 20 years old, and as system-wide needs have gone unaddressed, it’s likely the numbers have risen.

The NMFN is intended to serve as a tool to direct resources and identify priorities. Inclusion of all NHS intermodal connectors on the Final NMFN will increase the likelihood that these important segments are given consideration and funding commensurate with the important role they play in the multimodal freight system.