

Coalition for America's Gateways and Trade Corridors

ACS State and Local Solutions
Alameda Corridor-East Construction Authority
American Standard Companies
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Delaware River Maritime Enterprise Council
DMJM-Harris
Florida East Coast Railway
Florida Trade and Transport Council
Gateway Cities Council of Governments
Genesee & Wyoming Inc.
HDR Engineering, Inc.
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Los Angeles County Metropolitan Transportation Authority
Los Angeles Economic Development Corporation
Majestic Realty Co.
Mi-Jack Products, Inc.
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National Association of Industrial & Office Properties
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National Corn Growers Association
National Railroad Construction and Maintenance Association, Inc.
OnTrac
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Parsons Brinckerhoff
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RAILCET
Riverside (Calif.) County Transportation Commission
San Bernardino Associated Governments
San Gabriel Valley Economic Partnership
Seattle Department of Transportation
Southern California Association of Governments
Washington State Department of Transportation
Wilbur Smith Associates

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Trade Coalition Calls for Freight Transportation Trust Fund *New Fund Would Dedicate Federal Monies Necessary for Goods Movement*

Dallas, TX (September 20, 2006) – The establishment of a new federal trust fund to finance a growing backlog of goods movement projects is necessary to ensure American retailers, manufacturers and their products remain competitive in the coming years, according to the Coalition for America's Gateways and Trade Corridors (CAGTC). Only a dedicated Freight Trust Fund (FTF) can assure that vital, but under-funded freight projects receive the dollars needed to keep pace with the growth of imports and exports that will double by 2020.

"Goods movement projects are disadvantaged because freight now competes for funding with all other transportation projects, from transit needs to congestion mitigation and air quality and safety," said Michael Huerta, managing director of the Transportation Solutions Group of Affiliated Computer Services, Inc. and a CAGTC legislative spokesman. "More often than not, when forced to compete with 'people projects,' freight infrastructure improvements are put on the back burner," Huerta added.

The efficient movement of freight is essential to a growing economy, the competitiveness of U.S. companies and job creation. Today, foreign trade accounts for nearly one-third of U.S. GDP and world output is predicted to increase 33 percent over the next ten years. When this demand outstrips supply, the resulting congestion will have a devastating effect on both consumers and freight transportation providers. In fact, a 2005 study found that congestion caused 3.7 billion hours of travel delay and 2.3 billion gallons on wasted fuel, for a total cost of \$63 billion. This growth will continue place an unprecedented demand on our highways, ports and rail lines and if our supply chain cannot handle the load, America will be left behind

"Will we be ready?" asked former Deputy Secretary of Transportation Mortimer L. Downey, III, currently president of PBCConsult, pointing out that major transportation infrastructure projects take at least ten years on average to complete. "Not unless we have a means to assure critical freight transportation projects get the dollars needed to provide for the safe and efficient movement of goods through improved infrastructure, better system operations and the deployment of technology."

Experience with federal transportation policy has shown that progress in meeting transportation needs is greatest when federal-aid programs are linked to dedicated funding sources. Good examples of this are federal highway trust fund programs in the 1950s and 60s which largely built the Interstate Highway System, and mass transit trust fund programs in the 1980s and 90s that delivered bus and passenger rail systems in cities coast-to-coast.

Over the next fifteen years, container volume through America's ports is expected to double. Yet, according to the most current projections, by 2020 demand will exceed capacity at most U.S. gateways and many will have capacity constraints as early as 2012.

According to Leslie Blakey, CAGTC's executive director, "We cannot wait to address this challenge. America's freight is America's future. Freight infrastructure requires a dedicated funding source to stave off economic gridlock. We must act now to ensure tomorrow's economic security."

CAGTC has commended Congress to consider the following tenets with respect to establishment of a federal Freight Trust Fund (FTF):

- Revenue should be assessed based on benefit.
- The revenue structure should be developed in such a way that growth in demand for goods movement yields an increase in trust fund revenue.
- All potential funding mechanisms and sources should be considered, including traditional highway user fees, tolls, as well as customs and cargo fees.
- Funding should be dedicated and sustained.
- Funds should be available to support projects, across all modes, of various size and scope, but with special priority for projects of national significance.
- Funds should be available to support multi-jurisdictional and multi-state projects.
- Fund distribution should be based on objective, merit-based criteria, with higher-cost projects subject to more stringent evaluation than lower-cost efforts.
- Funding should be linked with projects in a manner similar to Full Funding Grant Agreements that ensure once a project is approved, funds will flow through to completion.
- Fund availability should be “Pay as you go” and not result in deficit spending.

Blakey concluded, “Congress must move forward with hearings that document the extensive public support for a new freight trust fund. The National Transportation Policy and Revenue Study Commission established by SAFETEA-LU must also include dedicated freight funding as a top priority. Our economic future depends upon it.”

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About the Coalition

The Coalition for America’s Gateways and Trade Corridors (CAGTC) is a diverse coalition of more than 40 organizations dedicated to increasing federal investment in America’s intermodal freight infrastructure. In contrast to single mode interests, CAGTC’s main mission is to promote a seamless goods movement transportation system across all modes to enhance capacity and economic growth.

For more information on the Coalition for America’s Gateways and Trade Corridors, please visit www.tradecorridors.org.