

Coalition for America's Gateways and Trade Corridors

National Strategic Freight Mobility Program and Trust Fund

STATEMENT OF THE PROBLEM

According to the Bureau of Transportation Statistics, "productivity growth in freight transportation has long been a driving force for the growth of U.S. overall productivity and contributed directly to the growth of the U.S. GDP." Yet, our multimodal freight transportation system is a national asset which we have failed to appreciate and support. In recent years, chorus of voices calling for a "vision" for our transportation future has mounted sharply – nowhere is this need more pressing than in the freight system that provides for our nation's commerce.

Without a campaign of strategic investment to expand capacity and increase efficiency, U.S. productivity and global competitiveness will suffer, costs will increase and investment will lag. A new program should be established to address freight mobility, on all modes, by adding capacity and improving efficiency. We must focus on the system as a whole, rather than viewing the nation's transportation infrastructure as several different systems that occasionally interact.

RELEVANCE TO BROADER POLICY OBJECTIVES

Currently, passengers and freight in the U.S. compete for an inadequate supply of infrastructure capacity and financial resources. Both suffer. We should not replace or eliminate our current Federal surface transportation program. It should continue, supporting high quality transportation service for all Americans in every corner of the nation.

However, a new freight program would balance and separate these interests, especially if based on user fees and funding from outside the traditional sources. Such an approach need not be burdensome; for example, capturing a small fraction of the value of the commodities moved would generate considerable revenue.

The benefits of freight improvements are substantial. Sustainable goods movement lies at the center of our productivity and quality of life, not only for the availability of consumer products, but because of transportation's impact on land use, energy consumption and environmental quality. Improvements to freight infrastructure, through a combination of hard infrastructure and advancement in ITS, can result in reduced congestion, better air quality, and less time and fuel wasted. In addition, employment in the logistics sector is one of the fastest growing sources for job creation in the U.S. economy.

International trade, combined with domestic growth, has created millions of new job opportunities and a higher standard of living for Americans. But these benefits will last only if we are able to keep moving the goods.

MEETING THE NEED

A truly strategic freight mobility program would serve 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 would be eligible. Corridors, gateways and integrated hubs would be the locus of activity, rather than states, counties, cities or towns. The result would be a comprehensive, free-flowing freight network unfettered by jurisdictional boundaries.

National Railroad
Construction and
Maintenance
Association, Inc.

OnTrac

Orange County
Transportation Authority

Oregon Department of
Transportation

Parsons

Parsons Brinckerhoff

Port Authority of New
York/New Jersey

Port of Cleveland

Port of Long Beach

Port of Los Angeles

Port of Oakland

Port of Pittsburgh

Port of San Diego

Port of Seattle

Port of Stockton

Port of Tacoma

RAILCET

River of Trade Corridor
Coalition

Riverside (Calif.) County
Transportation
Commission

San Bernardino
Associated
Governments

SANDAG - San Diego
Association of
Governments

San Gabriel Valley
Economic Partnership

Seattle Department of
Transportation

Southern California
Association of
Governments

Southern California
Leadership Council

Spokane Regional
Transportation Council

Tennessee Department
of Transportation

Washington State
Department of
Transportation

West Coast Corridor
Coalition

Wilbur Smith Associates

Will County Center for
Economic Development

ACS Transportation
Solutions

AECOM

Alameda Corridor-East
Construction Authority

American Standard
Companies

Cascadia Center

Chicago Metropolis 2020

City of Chicago

Delaware River Maritime
Enterprise Council

Delaware Valley Regional
Planning Commission

Economic Development
Coalition of Southwest
Indiana

FAST Corridor Partnership
(Seattle-Tacoma-Everett)

Florida East Coast
Railway

Florida Ports Council

Florida Trade and
Transport Council

Gateway Cities Council of
Governments

Hatch Mott MacDonald

HELP, Inc.

HERZOG

HNTB

Illinois State Department
of Transportation

Jacobs Carter Burgess

Kiewit Corporation

Los Angeles County
Metropolitan
Transportation Authority

Los Angeles Economic
Development Corporation

Majestic Realty Co.

Memphis Chamber of
Commerce

Mi-Jack Products, Inc.

Mississippi State
Department of
Transportation

Moffatt & Nichol Engineers

National Association of
Industrial & Office
Properties

National Corn Growers
Association

FEDERAL FREIGHT TRUST FUND

The Coalition for America's Gateways and Trade Corridors (CAGTC) has proposed the creation of a Federal Freight Trust Fund (FTF) to facilitate implementation of a new, strategic freight mobility program that incorporates:

A national strategy which guides long term planning

- A national "vision" and investment strategy that shapes and guides the nation's freight infrastructure system with active coordination among states, regions and localities is needed. The Office of Intermodalism, or a new office for multimodal freight should be reestablished within USDOT to administer the new freight mobility program with a particular focus on projects of national significance. Planning horizons should endeavor to anticipate freight needs extending over multiple decades and seek to smooth the path for economic growth, both domestically and internationally.

A dedicated funding mechanism(s)

- Funding for the FTF should be collected from all users of the freight system and based on revenue sources that are predictable, dedicated and sustained. FTF monies should incentivize and reward state and local investment and leverage the widest array of public and private financing.

A set of merit-based criteria for funding allocation

- The new program should select projects through merit-based criteria that identify and prioritize projects with a demonstrable contribution to national freight efficiency. Long-term funding must be made available to ensure that, once a project is approved, funds will flow through to project completion. Funds would be available to support multi-jurisdictional and multi-state projects, regardless of mode, selected on the basis of objective measures designed to maximize and enhance system performance, while advancing related policy objectives such as environmental improvement.

A partnership with the private sector

- Private participation in the nation's freight infrastructure is vital to system expansion. Federal funding should leverage private participation and provide transportation planners with the largest toolbox of financing options possible to move freight projects forward quickly and efficiently. The establishment of an advisory council made up of freight industry members and system users could assist and partner with USDOT in optimizing results from planning, coordination and evaluation processes.

NEW FEDERAL FREIGHT FEE

While all possible funding sources should be considered, the FTF would best be served by a new national freight fee as supported by the recent National Surface Transportation Policy and Revenue Study Commission's report, *Transportation for Tomorrow*. Additionally, a fair contribution — such as a portion of increased fuel taxes or the freight fees that are currently dedicated to the Highway Trust Fund, including excise taxes on truck tires and tractors — from the Federal Highway Trust Fund could appropriately reflect benefits that accrue to the broader motoring public. While the FTF would provide a dedicated source for freight project funding, participation in this program would not preclude projects from seeking funding from existing federal, state and local sources, reflecting the multiple benefits they can provide to local communities as well as to national freight movement.

Other sources, such as customs fees now going to the general fund, may also be appropriate to supplement the FTF as these fees relate directly to the infrastructure used to carry the goods against which they are assessed.

Ultimately, the price of goods should support and internalize a portion of the cost of expanding related infrastructure, such that growth in demand for moving goods delivers proportional funding for related infrastructure improvement.

About the Coalition

The Coalition for America's Gateways and Trade Corridors (CAGTC) is a diverse coalition of more than 50 public and private 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 seamless goods movement transportation system across all modes to enhance capacity and economic growth.