



# Infrastructure & Freight Policy: Communicating the Benefits of Gateways & Corridors

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**Coalition for America's  
Gateways and Trade Corridors**



# What is CAGTC?

(Coalition for America's Gateways and Trade Corridors)

- 2001 – 2012: National freight advocacy organization
- Mission: to raise public recognition and Congressional awareness of the nation's freight needs and to promote sufficient funding in federal legislation for our national multimodal goods movement system.
- 70+ member organizations: geographically and politically diverse, public & private sectors, Including
  - DOTs, Cities, MPOs, Carriers, Labor, Freight Corridors, DCs, Engineering Firms and Associations



# May 2012 Eno Brief

“It is inconceivable, and yet largely true, that the U.S. has never really put together a national, multi-modal plan for freight transportation. Not only is there is no national freight plan; there is no federal money available specifically for freight despite its obvious relationship to interstate commerce and our global competitiveness.” *Joshua Shank*

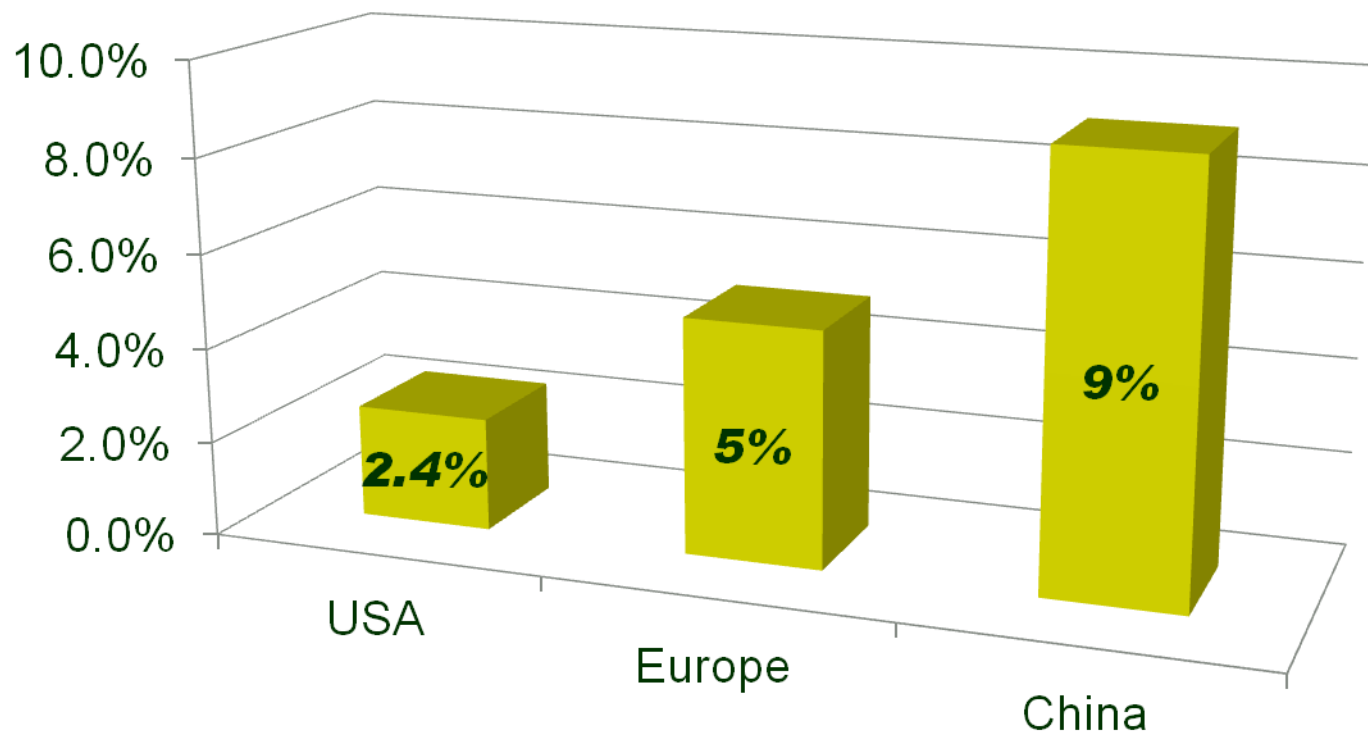
SUBINDEXES								
Country/Economy	OVERALL INDEX		Basic requirements		Efficiency enhancers		Innovation and sophistication factors	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Switzerland	1	5.74	3	6.18	2	5.53	1	5.79
Singapore	2	5.63	1	6.33	1	5.58	11	5.23
Sweden	3	5.61	4	6.06	7	5.33	2	5.79
Finland	4	5.47	5	6.02	10	5.19	4	5.56
United States	5	5.43	36	5.21	3	5.49	6	5.46
Germany	6	5.41	11	5.83	13	5.18	5	5.53
Netherlands	7	5.41	7	5.88	8	5.29	9	5.30
Denmark	8	5.40	8	5.86	9	5.27	8	5.31
Japan	9	5.40	28	5.40	11	5.19	3	5.75
United Kingdom	10	5.39	21	5.60	5	5.43	12	5.17
Hong Kong SAR	11	5.36	2	6.21	4	5.48	25	4.58
Canada	12	5.33	13	5.77	6	5.36	15	4.99
Taiwan, China	13	5.26	15	5.69	16	5.10	10	5.25
Qatar	14	5.24	12	5.81	27	4.68	16	4.98
Belgium	15	5.20	22	5.58	15	5.13	14	5.06
Norway	16	5.18	9	5.85	14	5.15	19	4.78
Saudi Arabia	17	5.17	16	5.66	24	4.82	24	4.64
France	18	5.14	23	5.57	17	5.09	17	4.93
Austria	19	5.14	18	5.65	19	4.94	13	5.12
Australia	20	5.11	14	5.74	12	5.18	26	4.57



World Economic Forum Global Competitiveness Report 2011-2012

1. Hong Kong SAR (6.71)
2. Germany (6.35)
3. Singapore (6.33)
4. France (6.30)
5. Switzerland (6.15)
6. United Kingdom (6.09)
7. Netherlands (6.02)
8. United Arab Emirates (5.97)
9. Republic of Korea (5.94)
10. Denmark (5.89)
11. Canada (5.88)
12. Spain (5.83)
13. Sweden (5.74)
14. Iceland (5.70)
15. Japan (5.69)
16. United States (5.68)

# U.S. Transportation and Water Spending as a % of GDP



# Relationship Between US Trade and US Prosperity

## (US Trade & Gross Domestic Product - \$ Billions)



Source: USDOT Based on USDOC Data



# Current Outlook

## IMPORT/EXPORT RECORDS:

- **U.S. set all-time records for BOTH import and export volumes** increasing 5% and 3% respectively in March.
- **U.S seaports set the all-time record for TEU imports** in April (up 9.2% over march). This totaled 1.52 million TEU's imported, and the **second-largest number of shipments ever**, with 756,000 processed.
- The **active container ship fleet reached a record 15 million TEU's**. Sixty-two new container ships have been delivered since January, 23 of which exceeded 10,000 TEU's each.
- Both **CSX and Norfolk Southern brought in record Q1 2012 profits** as earning rose 13.7% and 26% respectively year-over-year.

■ Source: <http://snapshot.georgialogistics.org/>



# Current Situation

## Current Locks Insufficient

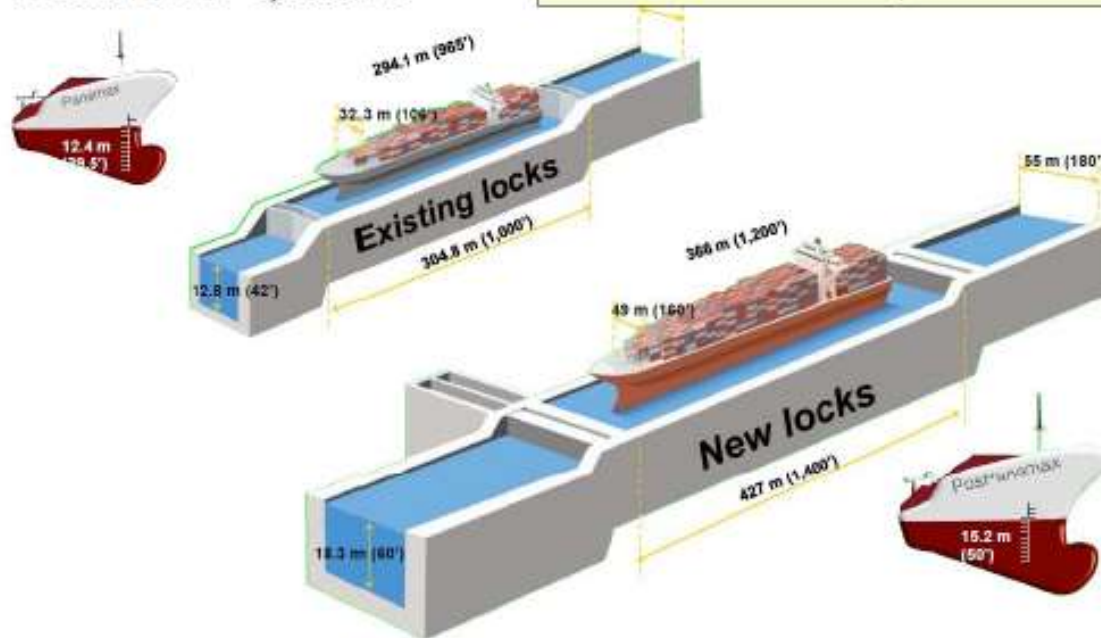
Expand to 12,500 TEU Vessel



**WorleyParsons**

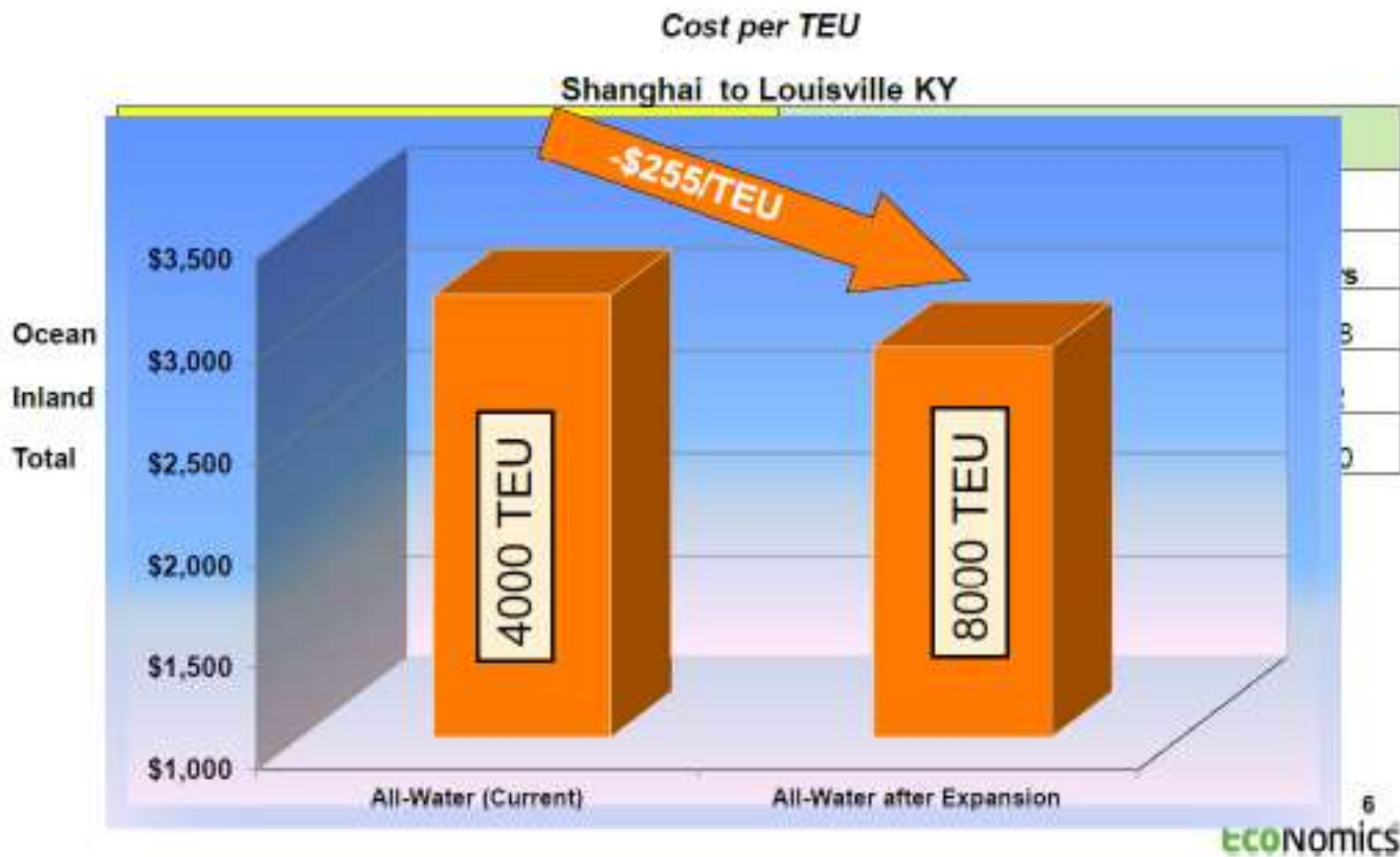
**Existing locks' maximum  
vessel size: 4,400 TEU**

"We intend to deploy the biggest ships as quickly as possible once the locks are open."



**New locks' maximum vessel size: 12,600 – 14,000 TEU**

**EcoNomics**



## Reaches 61% of US Population

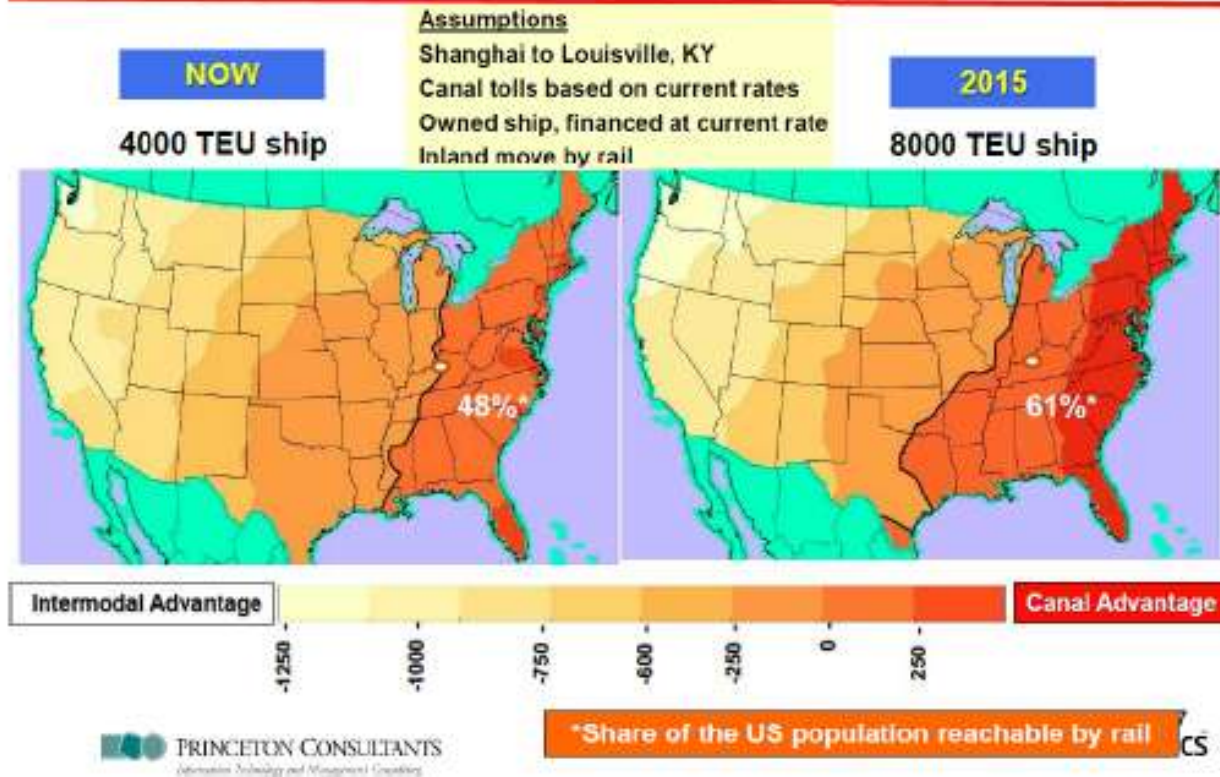
8,000 TEU Ship



**WorleyParsons**

resources & energy

For a typical Asia-USEC voyage, shifting to an 8000 TEU ship expands the market reach of the USEC ports.





# North American Emerging Mega-Regions

*Future US Growth Areas*



Source: America 2050 Prospects - Regional Plan Association



# Experts Agree!

## Numerous Studies Concur

Latest is from Rand, just released:

### A Federal Role in Freight Planning and Finance

“Challenges in the supply chain network currently cost U.S. shippers, businesses, and passengers billions of dollars per year in lost time and productivity, increased transport costs, and lack of reliability, while at the same time disrupting communities and creating health and environmental problems.”

## Challenge: Define the Federal Role



# CAGTC's FREIGHT 21 Proposal

## National Strategic Freight Mobility Program & Trust Fund:

- **National strategy for planning & investment –**
  - “System” view; long range horizon
- **Predictable, dedicated, sustained funding for freight infrastructure –**
  - Modally “blind” investment
  - Public benefit & system performance
- **Merit-based criteria for prioritizing projects –**
  - Broad eligibility; objective & competitive
- **Partnership with the private sector to:**
  - Leverage federal investment
  - Anticipate and meet needs of system users



# Surface Transportation Bill Conference

- SAFETEA-LU is currently on its 9<sup>th</sup> extension.
- House Proposal (s)
  - H.R. 4348 (passed by House) – Keystone Pipeline XL Approval, HMTF Fix, Environmental Streamlining Provisions
  - H.R. 7 (not passed by full House; not technically in scope of bill conference) – \$260 billion spread over five years, program consolidation, increases flexibility to states, expands TIFIA loan program
- Senate Proposal
  - S. 1813 – \$109 billion spread over 2 years (now 1.5 years; money prorated accordingly), program consolidation, national freight program, expands TIFIA loan program
- **CONFERENCE DEADLINE: JUNE 30**



# Freight Activity at the Federal Level

## Congress

### □ Senate Proposal Would:

- Contain \$2 billion/year in set-aside formula funding for freight projects ; 90% for road projects, 10% rail and maritime
- Call for development of National Freight Plan & Policy
- Authorize up to \$1 billion in appropriations for the Projects of National and Regional Significance Program

### □ House Proposal Would:

- Establish a National Freight Policy, to be implemented by state & local governments (From H.R. 7)
- *Encourage* states to develop state freight plans and establish freight advisory committees (From H.R. 7)

## Administration

Senator Maria Cantwell (D-WA) asked USDOT to establish a high-level coordinating office at USDOT to focus on multimodal goods movement





# WARNING!

Journal of Commerce, April 5, 2012

## “S&P: Lack of US Infrastructure Plan Could Spur Credit Crisis

Standard & Poor’s said the U.S. government’s inability to provide long-term infrastructure and transportation funding could create another credit crisis.”



# The Coalition for America's Gateways and Trade Corridors

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**[www.tradecorridors.org](http://www.tradecorridors.org)**

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