AAPA
TRANSATLANTIC EXCHANGE ON PORTS AND TRANSPORTATION LOGISTICS POLICY

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AGENDA

2012 Budget

EU Scan on Freight Corridors

Scenario Planning
HIGHLIGHTS OF 2012 BUDGET

2012 Proposal provides funding to:

- Modernize our highway system and create jobs.
- Focus investment on safety, state of good repair, and livability.
- Establish a performance-based highway program.
- Encourage innovations that will shorten project delivery and accelerate the deployment of new technologies.
- Simplify the highway program structure by consolidating over 55 programs to 5 core programs.
National Highway Program

- Targets investment to maintain state of good repair and operational performance on roads critical to national interest.
- Provides flexibility to the States for making transportation investment decisions on the larger system of Federal-aid eligible highways.
- Streamlines and consolidates portions of several existing programs including Interstate Maintenance, National Highway System, Highway Bridge, Surface Transportation Program.
**Enhanced National Highway System**

- Redefines the NHS as 220,000-mile network that includes:
  - Interstate System.
  - All principal arterials.
  - Intermodal connectors.
  - Other roads important to strategic defense policy.

- Expands network that would carry 55% of all traffic and 97% of all truck-borne freight.

- Consistently defined network of national interest that would operate as a cohesive highway system to support interstate commerce and economic competitiveness.
HIGHWAY INFRASTRUCTURE PERFORMANCE PROGRAM (HIPP)

- Establishes formula and performance based program ($16.75 billion)
  - Maintains infrastructure condition and performance on the expanded NHS network.
  - Performance focus on pavement and bridge conditions, and safety.
FLEXIBLE INVESTMENT PROGRAM (FIP)

- Establishes formula-based program ($15.6 billion)
- Provides flexibility to the States to replace or improve highway infrastructure, improve operational performance, and build or expand needed transportation facilities
- Funds can be used on any Federal-aid eligible highways (~995,000 miles) and off-system bridges.
**Performance Management Process**

- Establishes a performance-based Federal-aid highway program.
- Focuses initially on safety, pavement and bridge conditions.
- Requires the Secretary to establish quantifiable performance measures and national performance goals.
- States to work in partnership with FHWA to set state targets.
  - Pavements/Bridges – requires risk-based asset management plan for enhanced NHS.
- Provides additional flexibility when targets are met.
- Requires performance improvement plan when targets not met.
OTHER KEY PROVISIONS

ACCELERATED PROJECT DELIVERY
- Includes provisions to improve project delivery in the areas of environmental review, permitting, integrating transportation planning and environmental review of transportation projects and efficiencies in contracting.

FREIGHT POLICY
- Establishes a National Freight Transportation Policy and designates a National Freight Transportation System.
- Broader State flexibility on the use of HIPP and FIP funds to improve performance of designated national freight corridors.

NATIONAL INFRASTRUCTURE BANK
- Finances transportation projects of national or regional significance
- Leverages resources to achieve maximum return on federal funds.
- Funded at $5 billion annually.
- Within USDOT and governed by board of officials from USDOT and other federal agencies.
2012 BUDGET (Freight)

- Program Consolidation - 55 to 5 core programs
- Enhanced NHS - 220K miles - 97% of truck freight
  - Consistently defined network of national interest that would operate to support interstate commerce & economic competitiveness
  - Targets 40% of 2012 funds (16.75B/42.8B)
- Performance Based System
  - Safety / State of Good Repair
- National Infrastructure Bank
  - Projects of National / Regional Significance
- Transportation Leadership Awards
- National Freight Policy
  - Defined National Freight Transportation System
  - National Freight Corridors (flexibility)
EU Freight Corridor Scan

Purpose

- Learn from the EU and member countries experiences on freight corridor planning and implementation
- Understand how programs were developed, evolved and implemented on a national level and across jurisdictional levels

Specific Objectives

- Understand how specific corridors are selected and prioritized
- Understand how corridor improvements and operations are financed
- Understand leadership required to develop and implement policy
- Identify how performance standards/measures are developed
- Identify ways to foster international collaborations on freight corridor issues
OVERARCHING ISSUES

- A unifying vision of the corridors and its constancy is key
- Multi-jurisdictional planning, decision-making, and project selection challenges established protocols, institutions
- Funding - multiple options for different objectives
- Policy alignment / coherence
The EU has a unifying vision: an effective and integrated trans-European transportation network (TEN-T) is critical to their long-term economic health and their ability to compete in global markets.

- **Connectivity/Access - Corridors/Axes**
- **Economic Development/Commerce**

Member states understand and support this Vision

Unifying vision provides stable policy and funding that survives short-term changes in leadership at the national and EU levels

Stable vision / objective is very helpful in attracting private financing
**KEY FINDINGS - PLANNING**

Need for a **corridor** system that is balanced w/ **connectivity**
- Original network was not defined on the basis of data
- Is being revised to include analytic base

**CORE NETWORK (corridor)**
- "**top-down**" analytic approach determined at the EU.
- Will use nodes and links that allow implementation flexibility at Member State level - will not define physical corridors, but conceptual corridors without specific modal infrastructure

**COMPREHENSIVE NETWORK (connectivity)**
- "**bottom-up**" approach that serves both member State and regional interests.
- Member States submit what they believe should be on the Comprehensive Network
TEN-T POTENTIAL CORE & COMPREHENSIVE
Alignment of Member States priorities and EU priorities is a challenge.

€8B tunnel through the Alps has limited value to Austria

Poland is aligning its transportation infrastructure eastward and southward
CONCLUSIONS

- Importance of a unifying vision linking transportation and the economy
- Challenges of multijurisdictional/regional transportation planning and implementation
- Evolution from exclusively national/local to international understanding
- Aligning National and EU interests / priorities and balancing the funding accordingly
- Create foundation for fact-based policy decisions
- Aligning benefits and costs
- Aligning policies
- Reinforce the value of multi-year stable funding
Notes: Major freight corridors are based on highway routes with annual average daily truck traffic $\geq 8,500$ or highway & parallel rail routes with annual average daily truck traffic plus average daily intermodal service on parallel railroads $\geq 8,500$. Average daily intermodal service is the annual tonnage moved by container-on-flatcar and trailer-on-flatcar service divided by 365 days per year and 16 tons per average truck payload.
SCENARIO PLANNING (NCHRP 20-83-1)

- 6 months
- 2 – 4 years
- 20 – 30 years

FUTURE 1
FUTURE 2
FUTURE 3
FUTURE 4