

Coalition for America's Gateways and Trade Corridors

AECOM November 22, 2016

Alameda Corridor-East
Construction Authority
Cambridge Systematics,
Inc.
Canaveral Port Authority
Cascadia Center
CenterPoint
Properties Trust
Chicago Metropolitan
Agency for Planning
City of Chicago
COMPASS – Community
Planning Association of
Southwest Idaho
Dewberry
Economic Development
Coalition of
Southwest Indiana
Florida Department of
Transportation
Florida East
Coast Railway
Florida Ports Council
Freight Mobility Strategic
Investment Board
(Washington State)
Gateway Cities Council of
Governments
HERZOG
HNTB Corporation
Illinois Soybean
Association
Intermodal Association
of North America
Jacobs Engineering
Kootenai Metropolitan
Planning Organization
Los Angeles
County Metropolitan
Transportation Authority
Majestic Realty Co.
Maricopa Association of
Governments
Memphis Chamber of
Commerce
Metropolitan
Transportation
Commission
National Railroad
Construction and
Maintenance Association

President-elect Donald J. Trump
Trump-Pence Transition Team
1717 Pennsylvania Ave, NW
Washington, DC 20006

Dear President-elect Trump,

Thank you for distinguishing throughout your campaign the importance of transportation infrastructure investment. We applaud you for recognizing that “America’s infrastructure is a linchpin of private sector growth.” Unique from other types of infrastructure investment, investment in the nation’s multimodal freight network is an economic multiplier. Not only are jobs created immediately in the construction phase, but an efficient goods movement system will attract and retain U.S. businesses, support exports, and benefit the economy for years to come. Every economic sector depends on a reliable, safe and cost-effective network to move goods and services.

By way of background, the Coalition for America’s Gateways and Trade Corridors (CAGTC) is a diverse group of more than 60 public and private organizations established to bring national attention to the need to significantly expand U.S. freight transportation infrastructure and to work toward solutions for this growing national challenge. In contrast to single mode interests, CAGTC’s mission is to promote a seamless goods movement transportation system across all modes to enhance capacity and economic growth. Since its formation in 2001, CAGTC has been a leader in freight infrastructure policy development.

Investment in Freight Infrastructure Supports U.S. Economy

The multimodal freight network directly supports 44 million U.S. jobs and affects quality of life. The system moves 55 million tons of goods, worth over \$49 billion daily. But system strains and inefficiencies hurt the U.S. economy. Congestion, including passenger car delay on roads shared with trucks, is estimated to cost \$1 trillion annually, roughly seven percent of U.S. economic output. U.S. businesses pay an astounding \$27 billion annually in extra freight transportation expenses due to shipping delays caused by system inefficiencies. To foster economic growth, retain U.S. businesses, and attract new industry to our country, we need to provide the built infrastructure that produces a competitive advantage. As Wilbur Ross correctly notes, building new infrastructure is a critical part of any growth strategy. Dollar for dollar, investment in freight infrastructure is the optimal investment for economic growth.

For your consideration, we respectfully recommend the following actions be considered early in your Administration:

- 1) *Make freight infrastructure the hallmark of any transportation investment plan:* In your vision, you’ve pledged to accelerate economic growth and productivity gains with substantial new infrastructure investments. (continued on next page)

NASCO – North
American Strategy for
Competitiveness
The Northwest
Seaport Alliance
Nossaman LLP
Ohio Kentucky Indiana
Regional Councils of
Government
Orange County
Transportation Authority
Oregon Department of
Transportation
Parsons
Parsons Brinckerhoff
Port Authority of
New York & New Jersey
Port Newark Container
Terminal
Port of Hueneme
Port of Long Beach
Port of Los Angeles
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Port of Pittsburgh
Port of Portland, OR
Port of San Diego
Port Tampa Bay
Port of Vancouver USA
Puget Sound Regional
Council
RAILCET
SANDAG - San Diego
Association of
Governments
Southern California
Association of
Governments
Supply Chain
Innovation Network of
Chicago- SINC
Tennessee Department
of Transportation
Washington State
Department of
Transportation
West Coast Corridor
Coalition
Will County Center for
Economic Development

We urge you to prioritize investments in freight infrastructure under this program, or any other transportation investment plan. Freight infrastructure investment aids American commerce, domestic manufacturing, agricultural producers, and improves our ability to compete internationally. Unfortunately, the U.S. is currently investing less than 2 percent of its GDP in infrastructure, whereas our largest trading partners and competitors – such as China and Mexico – are investing twice to five times our rate.

- 2) *Ensure freight formula funding is invested in freight infrastructure:* In December of 2015, a 5-year surface transportation authorization – the FAST Act – was signed into law containing the first-ever formula program designed to target freight system improvements, such as first and last mile connections and other important goods moving segments. We urge the United States Department of Transportation (USDOT) to monitor the spending of this money to ensure states invest in freight infrastructure, as Congress intended.
- 3) *Establish a federal public-private sector freight advisory committee:* The freight network is unique from other transportation systems as it is a mix of public and private infrastructure that is heavily relied upon by manufacturers, farmers, and other producers of goods and services. In order to benefit domestic commerce, the system must operate reliably, safely and efficiently. This complex network has a diverse stakeholder community that can assist the USDOT in developing federal freight policy and programs that serve our economy. We urge the Trump Administration to reestablish the now-dissolved National Freight Advisory Committee, or create a new entity that engages public and private sector stakeholders, to advise on priorities and projects that require federal attention and assistance. We suggest soliciting membership applications and appointing members representing a broad array of transportation system users and providers, with a special emphasis on private industry membership.
- 4) *Conduct a comprehensive needs assessment:* The U.S. population is growing, and with it, consumption is on the rise: each person in the U.S. requires the movement of approximately 40 tons of freight annually. By 2045, our population is estimated to increase by nearly 70 million. In order to prepare ourselves for this impending growth, a comprehensive freight system needs assessment is essential. While the previous Administration solicited transportation projects for inclusion in a Projects of National and Regional Significance survey, the survey was not published. We urge the Trump Administration to publish this survey as one element of a comprehensive freight needs assessment. Combining this survey with other available resources, such as executive summaries of the FASTLANE application list and projects identified under state freight plans, will go far in depicting the level of investment needed to keep our freight transportation network competitive in the global marketplace.
- 5) *Administer FASTLANE with a primary focus on freight:* The FAST Act created a much-needed competitive grant program designed to make investments in large freight and highway projects. Criteria written into law under this program – the FASTLANE program – focused on goods movement infrastructure and listed goals such as increasing global economic competitiveness, improving connectivity between freight modes, and improving the safety, efficiency and reliability of the movement of freight and people. Yet, at least 18 percent of available funding in the first round of the program was awarded to what are clearly non-freight projects, and a total dollar amount to projects that may contain a limited direct benefit to freight movement is indiscernible from the limited award information provided by the USDOT. We urge the Trump Administration to target remaining FASTLANE resources toward high-impact goods movement projects that improve the

flow of goods and aid the regional and national economy. Funds supporting projects in major freight hubs and along freight corridors across the country will improve the overall health of the economy.

- 6) *Improve FASTLANE transparency:* In July, 2016, USDOT announced the inaugural round of FASTLANE competitive grant awards. Unfortunately, the Administration released scant descriptions of each successful grant, giving Congress – and stakeholders – insufficient understanding of USDOT’s decision-making. Furthermore, a full list of applicant projects was not released in conjunction with USDOT’s proposed awards, forcing recipients to be viewed in a vacuum with no opportunity to gauge their merits against competing projects. The 60-day Congressional review period required by the FAST Act fell mostly during Congressional recess, giving lawmakers just eight days in session to consider awards and pass a joint resolution, if desired, before the review period expired. Going forward, it is essential that USDOT disclose more information about its decision-making process both to Congress and the public to produce a program that targets resources effectively and to affirm the integrity of the evaluation process.
- 7) *Increase freight investment under the TIGER program:* In 2016, freight received only 26 percent of total funds available in the eighth round of TIGER, a transportation infrastructure competitive grant program. This share is the lowest since the program was established in 2009. Traditionally, freight projects and projects with a freight component have earned upward of 40 percent of available funds in the highly-competitive award process. We urge the Trump Administration to reverse the decline in freight infrastructure investment in the TIGER program, which is a key component of the overall strategy to make critical investments in the nation’s freight infrastructure.

On behalf of our members and the businesses and consumers who rely on an efficient freight network, we thank you. We look forward to working with you in the future on this very important issue. Please contact us with any questions you may have.

Sincerely,



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Executive Vice President, Capitol Strategies



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President, CAGTC



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Director of Government & Community Relations,
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Paul Anderson
Treasurer, CAGTC Board of Directors
President & CEO, Port Tampa Bay