

May 23, 2012

House and Senate Conferees on Surface Transportation Authorization

Dear Conferees:

We write to you today to ask your support for a national freight program and policy in the surface transportation authorization bill. The Freight Stakeholders Coalition is a longstanding group of the country's largest shippers and public and private transportation providers. The Coalition represents America's diverse freight community and firmly believes it is vital for surface transportation reauthorization to contain a national freight program and supporting funding. We are unified in our conviction that substantial investment in the nation's freight transportation system must be given a high priority in this authorization.

According to the U.S. Department of Commerce's annual "GDP by Industry Report", the manufacturing industry has grown by \$337 billion since 2009, as the agriculture and mining industries have grown by \$110 billion. These goods-producing industries are heavily reliant on our nation's freight system and now outweigh our construction and real estate industries. They also positively impact our nation's export growth, which is up from \$1.58 trillion in 2009 to \$2.09 trillion. In 2008 American exports accounted for 12.8 percent of GDP – today our exports account for 13.9 percent, which is the highest ever measured.

At the same time, goods coming in to ports for sale in the United States significantly support jobs and economic growth within our country's border. A national freight policy would help facilitate important wholesale and retail freight and allow the United States to continue to be a leader in two-way trade. Total freight tonnage is expected to increase by 21 percent between 2011 and 2023. Without the ability to quickly and cost-effectively move goods into, out of and through the United States, America will not be able to maintain our standard of living and high employment levels.

The attached Freight Stakeholders Coalition ten-point platform addresses freight mobility through a comprehensive program focused on policy, planning and funding. Many of these recommendations have parallels in the bill language currently under consideration by the conference committee, particularly the language included in Title I Section 1115 of S. 1813 which establishes a National Freight Program and provides \$2 billion per year in funding by formula to states specifically to address freight connectivity issues.

Now more than ever, the needs of our goods movement network must be addressed as system use continues to grow in lockstep with America's recovering economy. The inclusion of a national freight plan with supporting policies, strategy and funding will help ensure America's international competitiveness, create jobs and bolster the U.S. economic recovery.

Thank you for your consideration of these important issues.

Sincerely,

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Attachment: Freight Stakeholders Platform

FREIGHT STAKEHOLDERS COALITION

Surface Transportation Reauthorization Platform

The Freight Stakeholders Coalition represents shippers and public and private transportation providers working together to support policies to promote freight mobility in the United States. The Coalition believes that the next surface transportation authorization bill must maintain a strong federal role and provide for the creation of a national freight program.

We are unified in our conviction that substantial investment in the nation's freight transportation system must be given a high priority in the next authorization. Without such investment, the performance of all modes of goods movement will continue to deteriorate and our country will pay a high price in terms of domestic prosperity and international competitiveness.

The Federal government must continue to play a strong and focused role in shaping the future of our nation's surface transportation policy. The federal government should lead in furthering America's competitive advantage by developing projects of regional and national significance which reduce congestion, enhance goods movement, improve the environment, and create and maintain jobs. In addition, freight mobility should be a key factor in any performance standards established by Congress or the Department of Transportation.

We are committed to working together, with the Congress, the Administration and other important interests, to develop the public-private consensus necessary to develop a freight transportation policy and program that will meet the needs of the nation.

The Freight Stakeholders Coalition has agreed to the following principles for the upcoming surface transportation authorization legislation:

1. Mandate the development of a National Multimodal Freight Strategic Plan. The next surface transportation authorization should mandate the development of a National Multimodal Freight Strategic Plan. The development of this plan should be led by the

U.S. Department of Transportation, in partnership with state DOTs, cities, counties, MPOS and regional planning organizations, ports, freight shippers, freight carriers, and other stakeholders.

2. Provide dedicated funds for freight mobility/goods movement. The legislation should provide dedicated funds for freight mobility/goods movement. Dedicated funds should be provided to support capital investment in critical freight transportation infrastructure to produce major public benefits including higher productivity, enhanced global competitiveness and a higher standard of living for our nation. High priority should be given to investment in efficient goods movement on the most significant freight corridors, including investment in intermodal connectors into freight terminals and projects that support national and regional connectivity.

3. Authorize a state-administered freight transportation program. Congress should authorize a state-administered freight transportation program as a new core element of the federal highway program apportioned to states.

4. If a new freight trust fund is created, it should be firewalled, with the funds fully spent on projects that facilitate freight transportation and not used for any other purpose. Priority should be given to nationally and regionally significant infrastructure, with funds distributed through a competitive grant process using objective, merit-based criteria. Appropriate projects that are freight-related should still be eligible to compete for other federal funding sources.

5. Establish a multi-modal freight office within the Office of the Secretary. Freight mobility should be a key priority within USDOT. The Secretary's office should have staff with freight expertise who can focus on nationally and regionally significant infrastructure.

6. Form a national freight industry advisory group pursuant to the Federal Advisory Committee Act to provide industry input to USDOT, working in conjunction with the new multi-modal freight office. The advisory group should be funded and staffed, and it should consist of freight transportation providers from all modes as well as shippers and state and local planning organizations. Despite the best efforts of the agency to function as "One DOT," there is still not enough of a focused voice for freight. An Advisory Group would meet the need for regular and professional interaction between USDOT and the diverse freight industry, and could help identify critical freight chokepoints in the national freight transportation system.

7. Fund multi-state freight corridor planning organizations. Given that goods often move across state lines and involve multiple modes of transportation, Congress should fund multi-state, multi-modal planning organizations that will make it possible to plan and invest in projects where costs are concentrated in a single state but benefits are distributed among multiple states.

8. Build on the success of existing freight programs. There are numerous existing transportation programs that facilitate freight mobility and are demonstrably valuable. A new national freight policy should continue and strengthen these core programs or build

on their principles and successes to guide freight program development if DOT is restructured and/or program areas are consolidated.

Examples of these successful core freight programs are the Projects of Regional and National Significance, National Corridor Infrastructure Improvement Program; Freight Planning Capacity Building Program; Transportation Infrastructure Finance and Innovation Act, National Cooperative Freight Transportation Research Program; Coordinated Border Infrastructure Program; Private Activity Bonds for Intermodal Facilities; Capital Grants for Rail Line Relocation Projects; Rail Rehabilitation and Improvement Financing (RRIF); Congestion Mitigation and Air Quality Program, Truck Parking Pilot Program, and Rail-Highway Crossings. Funding for discretionary programs should be awarded through a competitive grant process.

9. Expand freight planning expertise at the state and local levels. Given the importance of freight mobility to the national economy, States and MPOs should be provided additional funds for expert staff positions dedicated to freight issues (commensurate to the volumes of freight moving in and through their areas). All states should have a freight plan as a tool for planning investments and for linking to the national freight system.

10. Foster operational and environmental efficiencies in goods movement. As in other aspects of transportation, improvements designed to achieve long term sustainability in goods movement are desirable to meet both commercial objectives—economy and efficiency—and public objectives—energy security and reduced environmental impact. Federal policy should employ positive approaches to enhance freight system efficiency and throughput with the goal of reducing energy consumption and green house gas emissions.

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