



FEDERAL HIGHWAY
ADMINISTRATION
TEXAS DIVISION

State of Texas Border Partnership E-Newsletter

Volume 1, Issue 16 Border Partnership Newsletter

May 5, 2008

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The Transportation Challenge: Moving the U.S. Economy

The U.S. Chamber of Commerce has released a report that explores the linkages between the capacity and performance of the nation's transportation system and U.S. economic productivity, competitiveness, and growth. The report also highlights the manner in which the United States and global economies are changing, how different sectors of the economy depend on transportation, the increasing demands these industry sectors are putting on inter-modal transportation systems, and how present-day transportation systems are performing in response to these new demands.

According to the report, transportation is a vital part of the nation's economy. Business, consumer, and government spending on transportation represents 10% of gross domestic product (GDP) by most estimates. But if household contributions and other missing components are included, transportation is estimated to be as much as 16% to 18% of the economy. Substantial population and economic growth is forecast for the coming decades.

Over the next 30 years, the U.S. population is projected to grow by 80 million people, from 300 million today to 380 million in 2035. The economy is projected to grow faster, at about 2.8% per year in real terms over this period. To support this population and economic growth, the demand for freight transportation is projected to nearly double by

2035. Recent studies and testimony show that as a nation we are under-investing in our transportation systems. We are not adequately maintaining the transportation systems we already have, we are not providing sufficient capacity to meet today's demand, and we are not planning and making the improvements required to support a 21st century economy. The American Society of Civil Engineers (ASCE) recently gave the nation's overall transportation network a grade of D and cited the need to invest \$1.6 trillion in upgrades over the next 20 years.

The U.S. Chamber of Commerce's *Future Highway and Public Transportation Finance Study* found that we need to invest an additional \$50 billion a year in our highway and public transportation systems just to maintain their current performance, and more than \$100 billion annually to improve the performance of the highway and transit systems. Ports need to accommodate a near doubling of cargo volumes by 2020, with some ports facing a tripling or quadrupling of container volumes moving across their piers. ASCE estimated it would require \$125 billion to replace the locks on our aging inland waterway system. For additional information, please see the report at:

http://www.uschamber.com/NR/rdonlyres/e6kv6kzmntqhxynqb7zjz7gjt3g6zghebakm-jethyo7kl255paebokys4qehr4jnpluaq5ljyefozhigywmrnqjngf/0804trans_challenge.pdf

Interim Report on the NAFTA Border Crossing Trucking Demo Program

The U.S. DOT Office of Inspector General (OIG) recently issued an interim report on the status of the U.S./Mexico NAFTA border crossing trucking demonstration program under Report No. MH-2008-040. The report was made publicly available on March 10, 2008.

As part of the ongoing audit of the cross-border trucking demonstration project, initiated by the Department of Transportation (FMCSA) on September 6, 2007, this report presents the interim results of this program. Section 6901 of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (the Act) required the U.S. DOT (OIG) to provide interim and final reports on the demonstration project to Congress and the Secretary of Transportation. The U.S. DOT (OIG) final report is due 60 days after the conclusion of the demonstration project. As required by the Act, the OIG audit objectives were to determine whether:

- the demonstration project consists of a representative and adequate sample of Mexico-domiciled carriers likely to engage in cross-border operations beyond the United States municipalities and commercial zones on the United States-Mexico border,
- the Department has established sufficient mechanisms to determine whether the demonstration project is adversely affecting motor carrier safety, and
- Federal and state monitoring and enforcement activities are sufficient to ensure that participants in the demonstration project are complying with all applicable laws and regulations.

Immediately after issuing the Department of Transportation's September 2007 response to Congress, FMCSA initiated the one-year pilot demonstration project by granting provisional operating authority to the first Mexico-domiciled carrier. However, at the 6-month point, fewer carriers than anticipated are participating in the demonstration project. Specifically, since the project's initiation, only 19 Mexican carriers have been granted provisional operat-

ing authority, one of which withdrew on February 1, 2008. By contrast, in April 2007, FMCSA had anticipated granting provisional authority to 25 carriers each month, until 100 were participating.

According to FMCSA records, an additional 28 carriers have qualified for the program, but they have not filed the required proof of insurance. However, even if those carriers were to file the required insurance proof and were granted provisional authority, the total number of Mexican carriers would reach only 47—just under half the 100 carriers originally envisioned by FMCSA.

Fewer vehicles than estimated are involved in the project and FMCSA records indicate that only 247 trips extended beyond the commercial zones. In August 2007, FMCSA estimated that, based on the number of vehicles approved at that time, 540 vehicles would be participating in the project if 100 Mexican carriers eventually received provisional authority.

By contrast, as of February 25, 2008, only 70 vehicles were identified by the 16 Mexican carriers that had participated up to that point, including the carrier that dropped out. FMCSA's records, as of February 25, 2008, show 3,680 crossings into the United States by project participants with 247, or 6.7 percent listing destinations beyond the commercial zones. About 89 percent of these appear to be to one state—California.

For additional information, please see the following OIG report at the following web-link: http://www.oig.dot.gov/StreamFile?file=/data/pdffdocs/Interim_NAFTA_Report_with_508.pdf

Congressional House Subcommittee Hearing on Freight Movement from Origin to Destination

The U.S. House Subcommittee on Highways and Transit met on Thursday, April 24, 2008, at 11:00 a.m., in Room 2167 of the Rayburn House Office building to receive testimony on freight movement from origin to destination.

The House Subcommittee heard from the Vice Chairman of the Technical Oversight Committee of the Transportation Research Board's National Cooperative Freight Research Program and executives of third-party logistics providers and inter-modal carriers.

The public hearing was held as part of the Subcommittee's effort to prepare for the reauthorization of federal surface transportation

programs under the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which will expire in September 2009.

The design, organization, capacity, and operation of our surface transportation system to move freight efficiently and reliably to its destination is one of the major issues that the Subcommittee will consider as part of the federal-aid Highway Act reauthorization.

For a summary of the subject matter, please see the following website at: http://transportation.house.gov/Media/File/Highways/20080424/SSM_HT_4-24-08.pdf

BTS Releases North American Surface Trade Numbers for February 2008 (Rose 16.3 Percent from February 2007)

Trade using surface transportation between the United States and its North American Free Trade Agreement (NAFTA) partners, Canada and Mexico, was 16.3 percent higher in February 2008 than in February 2007, reaching \$69.4 billion, according to the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation.

The value of U.S. surface transportation trade with Canada and Mexico rose 6.5 percent in February from January. Month-to-month changes can be affected by seasonal variations and other factors.

Surface transportation consists largely of freight movements by truck, rail and pipeline. About 90 percent of U.S. trade by value with Canada and Mexico moves on land. The value of U.S. surface transportation trade with Canada and Mexico in February was up 58.3 percent compared to February 2003, and up 89.5 percent com-

pared to February 1998, a period of 10 years. Imports in February were up 104.8 percent compared to February 1998, while exports were up 72.5 percent. See website at: <http://www.dot.gov/affairs/bts2008.htm>

Table 7. Top 10 States Trading with Mexico by Surface Modes of Transportation

Ranked by February 2008 Surface Trade Value (millions of dollars)

Rank	State	February 2008
1	Texas	7,632
2	California	3,899
3	Michigan	2,661
4	Arizona	983
5	Illinois	831
6	Ohio	653
7	Tennessee	494
8	North Carolina	490
9	Georgia	434
10	Indiana	400

Source: BTS TransBorder Freight Data, <http://www.bts.gov/transborder/>

NCFRP Issues RFP for Studies Representing Freight in Air Quality and Greenhouse Gas Models

TRB's National Cooperative Freight Research Program (NCFRP) has released a \$200 k request for proposals to evaluate the current methods used to generate air emissions information from freight transportation activities and determine their suitability for purposes such as in health and climate risk assessments, the prioritization of emission reduction activities, and in public education activities.

An efficient and robust freight transportation system is essential to the continued economic well-being of the United States. Demand for freight transportation has been growing rapidly, and it is forecasted to continue growing at the same pace for the foreseeable future. Conversely, new freight transportation capacity has lagged far behind freight demand, and there are now numerous local, state, and federal attempts to bolster the performance of the freight transportation system.

The move toward increased freight transportation capacity has conflicted with concerns about the health effects of air pollution and greenhouse gas (GHG) emissions that contribute to global warming. For instance, according to the Environmental Protection Agency (EPA), transportation-related activities account for 28% of total U.S. GHG emissions. EPA data also show a trend of decreasing vehicle efficiency in addition to an increase in vehicle miles traveled.

However, there are uncertainties in the current practices for estimating freight emissions, particularly at the regional level such as: (1) the contribution of truck idling to local emissions estimates; (2) the effects of traffic congestion; (3) the differences between passenger vehicle and truck operations; (4) variations in railroad emissions data; (5) limited or outdated marine emissions data; and (6) weak data on port cargo handling emissions and their contribution to regional air pollution, such as to particulate (PM-2.5) estimates.

Nevertheless, although there are known data limitations, including the lack of actual emissions measurements available to validate model estimates, decision-

makers at all levels of government are proceeding with efforts to regulate emissions, given concern over public health, often through freight operations controls. Research is needed to evaluate air emissions models, identify their strengths and weaknesses, and outline a roadmap for developing better combinations of ambient air quality measurements, new modeling tools, and validation of results so that the effects of decision-making are clear to all stakeholders.

The objective of this research is to evaluate the current methods used to generate air emissions information from freight transportation activities and determine their suitability for purposes such as: (a) health and climate risk assessments, (b) prioritization of emission reduction activities such as through State Implementation Plans (SIPs), and (c) public education. The evaluations will include an identification of the state of the practice, gaps, and strength and limitations of current emissions data estimates and methods. The research results should better inform the near-term needs of public and private stakeholders regarding the quality of these data and guide future research that links freight activities with emissions. A schematic illustrating transportation-related economic activity for emissions and health effects is presented below and provides a framework for the work considered in this project.

The NCFRP is seeking the insights of proposers on how best to achieve the research objective. Proposers are expected to describe research plans that can realistically be accomplished within the constraints of available funds and contract time. Proposals must present the proposers' current thinking in sufficient detail to demonstrate their understanding of the issues and the soundness of their approach to meeting the research objective. For additional information on this RFP, please see the following web-link for additional information:

<http://www.trb.org/TRBNet/ProjectDisplay.asp?ProjectID=2409>

Colorado DOT Research Report on Freight Data Needs for Transportation Planning

The Colorado Department of Transportation has released a report that explores the freight data needed to support transportation planning in Colorado.

The research in this report was designed to collect information on the freight data needed to support transportation planning in Colorado. There were three steps involved in the research for this study. First, the freight-related transportation planning efforts in the State were reviewed.

The second step was to research freight planning efforts in other states to document the types of freight data that were used and needed for these studies. This step represents the core of the research effort. The third step was to develop recommendations for freight data collection for studies planned in Colorado based on the types of data that were successfully used in other states on similar studies. The primary finding of this research is that there are freight data needs in the State that would significantly improve freight transportation planning.

The primary freight data need is improved origin-destination data collected through roadside truck origin-destination surveys on interstates and key freight-intensive state highways in Colorado. This type of data would be beneficial for several types of studies, including corridor studies, truck-rail diversion studies, safety studies, and economic development studies. The research in this study also indicated that there were several freight-related studies that would be beneficial for the State including a freight-focused vehicle classification count program, a truck safety analysis, and a freight-focused economic analysis.

This research also identified a freight data collection program for Colorado that includes the development of rough cost estimates for each freight data collection effort that is recommended along with examples of how the freight data can

be utilized. This study recommends that transportation agencies in Colorado implement the following four types of freight-related data programs:

- Roadside truck origin-destination data program;
- Freight-focused vehicle classification data program;
- Truck safety data analysis; and
- Economic data analysis.

The Colorado DOT would be the responsible agency for the truck origin-destination program, the truck safety data program, and the economic data analysis. The freight-focused vehicle data collection program would best be jointly handled by CDOT to fill in large-scale truck count gaps and at the MPO/TPR level where local jurisdictions can determine the most important local freight facilities and conduct classification counts according to local needs. A truck safety data analysis would include parsing through the existing statewide accident database to determine the number, type and severity of accidents on each interstate and state highway in the State.

Also, accident mitigation measures at each of the high-accident hot spots can be developed. An economic data analysis would include a review of the industries that rely on freight transportation, a description of the number and types of jobs in each industry, and a review of the logistics chains of key industries in the State and identification of the location of bottlenecks in the State that likely impact these industries.

For additional information regarding this report, please see the following web-link: <http://www.dot.state.co.us/publications/PDFFiles/freightsyn.pdf>

33rd Annual TRB Summer Ports, Waterways, Freight, and International Trade Conference, June 18-20, 2008 (Baltimore, MD)

The TRB is sponsoring the 33rd Annual Summer Ports, Waterways, Freight, and International Trade Conference on June 18-20, 2008, in Baltimore Maryland. The conference will focus on a range of issues relating to the impact of globalization on transportation, such as shifting global trade routes, landside access, supply chain security, financing, and the environment. Early bird registration expired on April 16, 2008.

Attendees at the 33rd Annual Summer Ports Conference are encouraged to participate as well in the [TRB 2008 Summer Conference, June 15-18, 2008, in Baltimore, Maryland](http://www.trb.org/news/blurb_detail.asp?id=8923). The summer conference will attract more than 400 transportation professionals who will participate in midyear meetings of at least 40 TRB committees. The TRB 2008 Summer Conference will provide attendees with a unique opportunity to take part

in sessions, group discussions, and TRB standing committee meetings and to network with peers across a broad array of topic areas. This year's conference will focus on the impact of globalization on transportation.

For additional information, please see the following website: http://www.trb.org/news/blurb_detail.asp?id=8923

Deadline Extended for Transportation Worker Identification Cards (TWIC)

WASHINGTON (AP) - The Bush administration will delay a post-9/11 program that provides special identification cards to every worker with access to seaports.

The Sept. 25 deadline to enroll 850,000 port workers into the transportation worker credentialing program will be extended to April 15, 2009, according to a Homeland Security Department official who spoke on condition of anonymity because the announcement had not yet been made. The department started the enrollment process in October.

As of May 1st this past week, the department had enrolled 260,608 people in the program. For enrollment the department collects personal information including

fingerprints, name, birth date, address and phone number.

So far, the department has officially denied only 13 card requests because workers failed to meet the application standards. House Homeland Security Committee Chairman Bennie Thompson, D-Miss., said delaying the enrollment deadline is a good idea.

"It is my hope that this extra time will enable the department to fix the glaring holes and minimize the excessive burdens that it has placed on our nation's port workers, the valuable eyes and ears of the maritime system," Thompson said.

The more than \$70 million program has been criticized because of potentially intrusive background checks on the workers and the \$132.50 cost of the card, which workers pay. In addition, the department has not deployed machines to read the cards. There are plans to test

Please see the Dept of Homeland Security website for additional information: <https://twicprogram.tsa.dhs.gov/TWICWebApp/>

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Famous Quote of the Day:

"You must do the thing
you think you cannot do."

--**Eleanor Roosevelt**,
former first lady

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Next FHWA HQ's Talking Freight Web Seminar (May 21st)

The Federal Highway Administration's (FHWA) Office of Freight Management and Operations and the Office of Planning host the "Talking Freight" seminars.

The web seminars are part of a broader Freight Professional Development Program aimed at providing technical assistance, training, tools, and information to help the freight and planning workforce meet the transportation challenges of tomorrow.

The web seminars are held on a monthly basis throughout the year and are open at no cost to all interested parties in both the public and private sectors.

The next FHWA HQ's Talking Freight seminar will cover the topic of supply chains on May 21st from

12-1:30 PM (CST) with special guest speaker Paula Dowell of Wilbur Smith & Associates and other guest speakers TBD. The purpose of the May 21st FHWA Talking Freight Web Seminar will be to learn about supply chain operations and their implications on the transportation planning process. For additional information, and registration information, please see the following web-link:

http://www.ops.fhwa.dot.gov/freight/fpd/talking_freight.htm

For additional information on freight-related courses and training opportunities as part of the FHWA Freight Professional Development Program, please see the following web-link at:

<http://www.ops.fhwa.dot.gov/freight/fpd/training.asp>

Upcoming TxDOT Transportation Planning Conference (Houston, TX) at Westin Galleria Hotel

TxDOT is planning to host its biennial Transportation Planning Conference on May 27-30th in Houston, Texas at the Westin Galleria Hotel. For additional information and for on-line registration for this conference, please see the following web-site: <http://tti.tamu.edu/conferences/tpp08/>

Please note that the TTI on-line registration will only be available until 5:00 pm CST, Wednesday, May 21, 2008. After this date, attendees will need to register on-site at the Westin Galleria Hotel.

