FEDERAL HIGHWAY ADMINISTRATION TEXAS DIVISION

State of Texas Border Partnership

E- Newsletter

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In this Month's Issue:

FY 2009 $68 Billion Budget Request for U.S. DOT Provides Vital Funding for Safety Programs, and Congestion Relief Improvements

WASHINGTON, D.C. - U.S. Secretary of Transportation Mary E. Peters on February 4th said President Bush's $68 billion budget for the U.S. Department of Transportation funds the Department's critical safety programs, provides financing for much-needed congestion relief programs for the nation's roads and airways, and honors the six-year transportation funding commitment under SAFETEA-LU.

"This budget helps us move forward on a new course that delivers high levels of safety, takes advantage of modern technology and financing mechanisms, and eases congestion with efficient and reliable transportation systems," Secretary Peters said.

The Secretary said almost one third of the budget will go toward safety programs to help make travel safer by focusing on problem areas like runway incursions and near misses in the air, motorcycle crashes, and pedestrian injuries. The budget also provides funding to hire additional safety personnel, such as air traffic controllers and pipeline inspectors.

In addition, the budget places a strong focus on fighting congestion, building on the Department's efforts to identify and implement new, innovative ways to fight gridlock on the roads and in the air, the Secretary said. To help supplement these efforts, the budget also provides a record $10.1 billion for transit programs. "If last-

year's record traffic jams and flight delays taught us anything, it is that traditional approaches are not capable of producing the results we need to keep America's economy growing," Secretary Peters said. Secretary Peters indicated that the FY 2009 budget more than doubles the investment in new technology – providing $688 million for the transformation from radar-based to satellite-based air traffic systems to help meet the nation's rapidly growing demand for air travel.

Secretary Peters said the budget also encourages innovation in fighting gridlock by proposing to use $175 million in inactive earmarks and 75 percent of certain discretionary highway and transit program funds to fight congestion, giving priority to projects that combine a mix of pricing, transit, and technology solutions. "Instead of having our transportation dollars whittled away with hundreds of congressional earmarks, we need to direct funding to projects that have the most impact on highway performance and congestion relief," Secretary Peters said.

For more information, please visit: www.dot.gov/bib2009 (Source: U.S. Department of Transportation website)

U.S. may not be ready for Panama Canal's expansion

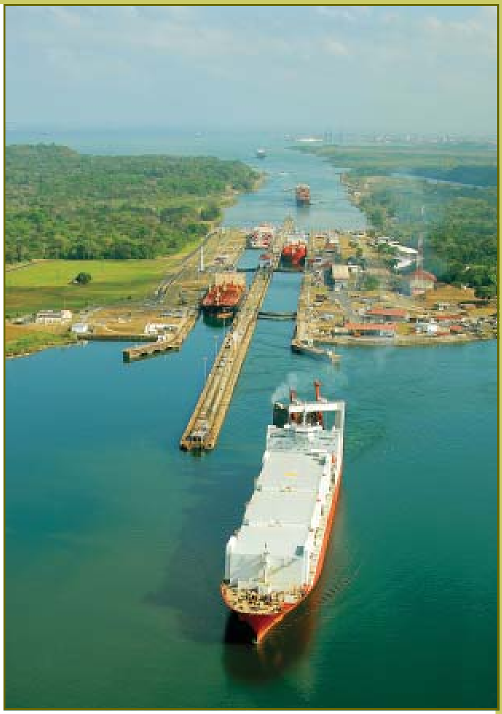
TAMPA, Fla. – Port directors say the United States is not ready for the shake-up in trade patterns across the Western Hemisphere that is likely to follow the expansion of the Panama Canal, which is now under way.

That lack of preparedness could mean higher prices than necessary for imported goods, costly delays in moving U.S. exports out of the country – and economic benefits for Caribbean seaports that might otherwise flow to Houston, Corpus Christi and inland to Dallas. Port directors, shipping company managers, government leaders and financiers at a conference in Tampa, Florida, last week described a slew of problems facing the ports and transportation companies on the Gulf and East coasts as they seek to capitalize on what should be a golden opportunity.

Backers of the Dallas Logistics Hub in southern Dallas County hope the canal's expansion will bring vast numbers of containers to North Texas distribution centers and rail yards, along with tens of thousands of new jobs and other businesses. But port directors and federal officials said here that the public review and funding process no longer works, whether it's for dredging to make room for bigger ships or building new highways and rail corridors.

The Panamanians are moving ahead to double the capacity of the canal by 2014, said Tampa Port executive director Richard Wainio, "and we're all sitting around not knowing what we're going to do." Some shipping analysts said the growing surge in U.S. exports now helping to stabilize the economy could change that outlook if U.S. businesses draw attention to the issue in an election year and gain the support of Congress and the next president. Bernard Grossglose, chief executive of the South Carolina Ports Authority, said many U.S. ports need deeper channels to accommodate a giant new class of container ships that will use the expanded Panama Canal. But channel-dredging projects typically take as long as 20 years from proposal to completion because of regulatory and funding delays, he said.

"Panama is like lightning compared to what we deal with," he said. Eighty percent of Asian goods shipped in containers (valued at more than $300 billion a year) come into the country through the ports of Los Angeles and Long Beach. Many of those containers are stacked onto rail cars for shipment to distribution centers in Dallas, Fort Worth, Kansas City and Chicago. But faced with port and dock congestion, labor strife and spiking railroad rates, shippers are moving more containers on "all-water routes" through the 50-mile long Panama Canal and even across the Indian and Atlantic oceans to get their goods to the Eastern half of the United States.



Once the canal expansion is completed in 2014, shippers say as much as 40 percent of U.S. imports from Asia will pass through the Panama Canal. What happens once those Asian containers reach the Atlantic side of the canal is a question of enormous importance to companies in the business of transporting goods – from ports to railroads to truckers and warehouse operators.

Tom Kornegay, executive director of the Houston Ports Authority, said container ships from Asia are already coming to Houston by way of the canal. "For 25 years, the railroads had taken most of the containers to and from Texas and the West Coast," he said. "Now we have an all-water route again via the Panama Canal. That business is growing 15 to 20 percent a year. With the growth of the canal, and bigger ships, it's really going to get interesting." Kornegay said it took 40 years – from 1966 to 2006 – to win approvals and dredge the channel to its current depth of 45 feet.

See full article in the Dallas Morning News at: http://www.dallasnews.com/sharedcontent/dws/bus/stories/020108dnbuscanal.3776b10.html

TRB E-Session Series Available On-Line from Annual Meeting (January 13-17, 2008)

View and listen to select presentations given at the TRB 87th Annual Meeting, January 13-17, 2008, as part of the TRB e-Session series.

Topics covered by the TRB 87th Annual Meeting e-Sessions include aviation; construction; design; energy and environment; freight systems; geology and earth materials; international activities; management and leadership; marine transportation; pavement management; public transportation and ferries; research and education; safety; security; structures; systems planning, policy, and process; taxation and finance; transportation policy, and trucking.

Sessions under the meeting's spotlight theme of "Partnerships for Progress in Transportation" are also included. The TRB e-Session series is designed to bring information presented at TRB conferences and meetings to those who were not able to attend.

For additional information, please see the following web-link at: http://www.trb.org/conferences/e-session/2008am.htm
In addition, the spotlight on the 2009 TRB Annual Meeting will be on transportation, energy, and climate change issues.

Governor Corzine unveils draft legislation for toll plan

TRENTON N.J. -- Gov. Jon S. Corzine on Monday February 4th released draft legislation for his proposal to increase tolls on some of the nation's busiest highways for decades to come to raise money to pay state debt and fund transportation.

The legislation calls for creation of a new state agency to issue bonds to pay at least half of $32 billion in state debt and fund transportation projects. To support the plan, Corzine wants to increase tolls 50 percent in 2010, 2014, 2018 and 2022. Those increases would include inflation adjustments, and after 2022 tolls would increase every four years until 2085 to reflect inflation. The Atlantic City Expressway, Garden Parkway, New Jersey Turnpike and Route 440 would be affected.

Under the bill, which Corzine wants approved by mid-March:
The New Jersey Turnpike Authority would be renamed the New Jersey Capital Solutions Corp. (CSC) and the expressway would be transferred from the South Jersey Transportation Authority to the new CSC. The CSC would consist of five members the transportation commissioner, the state treasurer, another executive branch member appointed by the governor and two public members recommended by the Senate president and Assembly speaker. The governor's power to veto Turnpike Authority decisions, approve bond issuances and approve toll changes would not apply to the new CSC.

The CSC would create two nonprofit corporations, the Public Benefit Corp. and the Citizens' Board, which would include 15 people appointed by the governor to elect members to the Public Benefit Corp., or PBC. Citizens' Board members would include people with expertise or an interest in toll roads or transportation matters.

The PBC would have authority to enter into an agreement to operate and maintain the toll roads and Route 440. Some people would be barred from serving on the PBC, including senior state government officials, the governor, the lieutenant governor, legislators and legislative staff.

The PBC would be required to hold one annual public forum and hold public meetings. The agreement to operate the toll roads would be no longer than 75 years, although an additional 24-year term could be added. See full news story at: http://www.newsday.com/news/local/wire/newjersey/ny-bc-nj--tollincreases-leg0204feb04,0,7437862.story

Inland Ports Gear Up for Even More Business

One of the emerging bright spots this past year has been the rail industry, which despite lower intermodal volumes in 2007, is on track to invest billions of dollars in a number of capital improvements this year. The nation's Class I railroads are busy double-tracking main corridors, increasing lift capacity at railheads, and expanding on-dock facilities.

One of the more prominent projects is the Heartland Corridor, a project undertaken by Norfolk Southern Railway (www.nscorp.com) to raise 28 tunnel clearances along its Norfolk to Columbus, Ohio route to accommodate double-stacked trains and reduce transit time up to 1.5 days. The project is scheduled for completion in 2010. At the same time, the project has prompted the Virginia Department of Rail and Public Transportation (DRPT) to look into the feasibility of a new intermodal terminal to the Roanoke, Virginia region. In short, the findings predict that the proposed Roanoke Region Intermodal Facility would create up to 2,900 jobs, bring in $71 million in tax revenues annually, reduce carbon dioxide emissions by 700,000 tons during the terminal's first 15 years of operation, and eliminate 1.9 million trucks from Virginia highways.

Meanwhile, Norfolk Southern has teamed up with Union Pacific on a new westbound intermodal train service that will shorten by a day the trip for standard intermodal freight from the Southeast to Los Angeles, California. The eastbound service was launched in May 2007. The new coast-to-coast service is part of the railroads' commitment to improve capacity, service quality and speed by shifting domestic traffic to a new, shorter route over the Shreveport, Louisiana gateway.

Another joint venture between CSX and BNSF railroads reduced the transit time from Southern California to Atlanta by one day. The viability of any inland port hinges on the transportation infrastructure that supports it, and for most that includes intermodal rail, which is why the state of the nation's railroads is so important.

Texas continues to be at the center of much inland port activity. In August, Union Pacific broke ground on a new $90 million intermodal hub in San Antonio, which is scheduled for completion later this year. The 300-acre intermodal hub, situated on Interstate 35 between rail lines traveling to and from the West Coast and Mexico, will ship and receive containers and trailers with household goods and other items for retailers and distribution centers, as well as auto parts for the new Toyota plant in San Antonio. According to Union Pacific, the San Antonio Intermodal Terminal will begin processing over 100,000 trailers with future growth potential of 250,000 trailers and containers per year. In Fort Worth, Hillwood Properties' AllianceTexas (www.alliancetexas.com) development boasts one of the nation's largest intermodal hubs, BNSF Railway's Alliance Intermodal Facility. The facility handles 600,000 lifts annually and is projected to grow to 1 million lifts by 2011. It also features direct Asian import/export from the West Coast and 13 double-stacked intermodal trains daily. Last month, BNSF announced that it would expand its intermodal hub in AllianceTexas while it considers whether to build a similar facility at the future Dallas Logistics Hub (www.dallaslogisticshub.com), being developed by The Allen Group.

During 2007, the Fort Worth-based railroad added nearly 9 miles of track and 4 new tracking lanes to meet current and future demand for business and to speed up train traffic through AllianceTexas. Furthermore, a Hillwood Properties spokesman said the expansion would help attract more distribution centers, such as those currently operated by J.C. Penney and Michael's Stores. In addition to its presence at AllianceTexas, UP's Southern Dallas Intermodal Terminal is located adjacent to the Dallas Logistics Hub. The development is the largest new logistics park in North America with 6,000 acres master-planned for up to 60 million square feet of vertical space for distribution, manufacturing, office and retail use. For additional information, please see the full article at: http://www.worldtrademag.com/Articles/Feature_Article/BNP_GUID_9-5-2006_A_10000000000000249315

Transportation Commission Recommends More Spending, New Revenues, Restructuring

A major investment is necessary in the nation's deteriorating transportation network according to a congressionally mandated commission that also recommended reforming the transportation policy prioritization and administration and a dramatic increase in fuel tax revenues

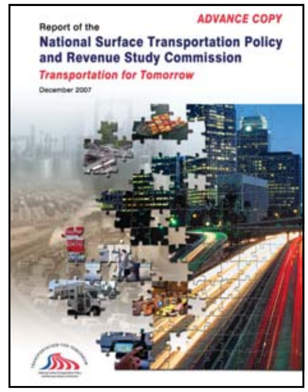
In a report released on Jan. 15, the National Surface Transportation Policy and Revenue Study Commission said the nation needs to invest at least $225 billion annually and possibly as much as $340 billion for the next 50 years to upgrade the transportation network to a "good state of repair." "We are spending less than 40 percent of this amount today, and the current fuel-tax-based revenue mechanisms probably cannot be relied upon alone to raise the needed sums," according to the executive summary of the report.

The commission was authorized as part of the 2005 highway and transit reauthorization law and tasked with studying the future of the surface transportation program. The commission's chief goal was to come up with ways to address deteriorating conditions among the nation's roads, bridges and highways, passenger and freight rail systems, and public transit networks.

The commission said that congestion cost the economy about $78 billion in 2005, and noted that over the next 50 years the U.S. population is expected to grow by about 120 million people. The commission proposed a three-pronged approach including accelerating the project delivery process, consolidating surface transportation programs, and creating a new commission to develop a national strategic plan for transportation investment.

Pair Down Programs, Group Says

The list of policy recommendations calls for replacing the 108 existing surface transportation programs with ten new federal programs:



- "Rebuilding America-state of good repair,"
- "Global Competitiveness-gateways and goods movement,"
- "Metropolitan Mobility-regions greater than 1 million population,"
- "Connecting America-connections to smaller cities and towns,"
- "Intercity Passenger Rail-new regional networks in high-growth corridors,
- "Highway Safety-incentives to save lives,"
- "Environmental Stewardship-both human and natural environments,"
- "Energy Security-development of alternative transportation fuels,"
- "Federal Lands-providing public access on federal property," and
- "Research and Development-a coherent national research program."

The commission said the federal Transportation Department, state and regional officials, and other stakeholders would establish performance standards for those proposed federal program areas and develop detailed plans to achieve those standards. "Detailed cost estimates would also be developed," the summary said. "These plans would then be assembled into a national surface transportation strategic plan. Federal investment would be directed by the national surface transportation strategic plan. Only projects called for in the plans would be eligible for federal funding. And all levels of government would be accountable to the public for achieving the results promised." See the Revenue Commission's full report at: http://www.transportationfortomorrow.org/

FRA Announces $4.6 Million RRIF Loan to Nashville and Eastern Railroad

The Federal Railroad Administration announced that the Nashville and Eastern Railroad Corp. (NERC) is receiving a $4.6 million loan under the Railroad Rehabilitation and Improvement Financing (RRIF) program. NERC will use the loan to purchase 50 new triple hopper railcars and two rehabilitated locomotives.

The locomotives and 25 of the 50 rail cars will be used primarily to serve a major new customer, Lojac Minerals.

The NERC will be transporting sand from Lojac's mine in Monterey, Tenn., to its concrete manufacturing facilities in Lebanon and Hermitage, both also in Tennessee. The remaining hopper cars will be used for other anticipated traffic increases.

See FRA web-link to news releases
http://www.fra.dot.gov/us/press-releases/172

Rail fatalities down 5% in 11 months of 2007

U.S. railroads reported 795 fatalities in the first 11 months of 2007, down 5% from the 837 deaths in the corresponding months of 2006.

Deaths at highway-rail grade crossings declined 7.5% to 309, and trespassing fatalities also dropped 7.5%, to 446. There were eight fatalities in train accidents, compared with three in the 2006 period, and a total of 15 employee fatalities, compared with 16 in 2006.

Total accidents/incidents reported by 714 large and small railroads were down 7.5% to 11,451 in the first 12 months of last year.

Train accidents declined 13.7% to 2,330; collisions were down 3.8% to 175; derailments dropped 14.4% to 1,696; and yard accidents declined 16.7% to 1,186.

Track causes were responsible for 810 train accidents, down 16.8% from the prior year; human factors for 885, down 7.4%; equipment causes for 287, down 8.9%; signal causes for 40, down 7.0%; and miscellaneous causes for 308, down 25.2%.

For additional information, please see: http://www.railwayage.com/breaking_news.shtml

U.S. Trucking Industry Reaches Freight Transportation Milestone

U.S. trucking industry in 2006 hauled more goods than ever before in a single year, said American Trucking Associations (ATA).

ATA's American Trucking Trends 2007-2008 reports the trucking industry hauled 69 percent of the total volume of freight transported in the U.S. in 2006. This equates to an all-time high carrying load of 10.7 billion tons, and $645.6 billion in revenue, representing 83.8 percent of the nation's freight bill.

For additional information, please see: http://www.reuters.com/article/pressRelease/idUS162692+25-Jan-2008+BW20080125

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Famous Quote of the Day:

"A man may die, nations may rise and fall, but an idea lives on."
John F. Kennedy (1917-1963)

Next FHWA HQ's Talking Freight Web Seminar

The next FHWA HQ's Talking Freight Seminar has been scheduled for February 20, 2008. The topic for discussion will be the updated "Quick Response Freight Manual."

The Quick Response Freight Manual has been recently updated and released by the FHWA . The new updated manual reflects latest analytical tools and trends. It has been over 10 years since the original manual was released by the FHWA.

For additional information on how to register for this event, at no cost, please see the following web-link for additional information: https://www.nhi.fhwa.dot.gov/resources/webconference/web_conf_learner_reg.aspx?webConfID=13524

For additional information related to the updated Quick Response Manual (dated November 2007), please see the following website for additional information:

http://www.fsutmsonline.net/images/uploads/qrfm.pdf

Oregon's Mileage Fee Concept and Road User Fee Pilot Program: Final Report

In November 2007, the Oregon Department of Transportation (ODOT) has released a report on a pilot program that examined the feasibility of replacing the gas tax with a mileage-based fee based on miles driven in Oregon and collected at fueling stations.

The pilot program also explores the feasibility of using this system to collect congestion charges. ODOT launched a 12-month pilot program in April 2006 designed to test the technological and administrative feasibility of this concept. The program included 285 volunteer vehicles, 299 motorists, and two service stations in Portland.

The pilot program showed that, using existing technology in new ways, a mileage fee could be implemented to replace the gas tax as the principal revenue source for road funding. At the conclusion of the pilot program, 91 percent of pilot program participants said that they would agree to continue paying the mileage fee in lieu of the gas tax if the program were extended statewide. The pilot program also showed that the mileage fee could be paid at the pump, with minimal difference in process or administration for motorists, compared to how they pay the gas tax. Like the gas tax, collection of the mileage fee can be embedded within routine commercial transactions, with the bulk of it prepaid by the distributor in the form of the gas tax. By including the mileage fee in the fuel bill, cash or credit payments are accommodated, just like the gas tax. Although many of the prototype components used in the pilot program did not, by definition, meet the standards of commercial products, the next stage of technology development would take the technology to commercial viability.

The study showed that different pricing zones could be established electronically and the assigned fees could be charged for driving in each zone, even at particular times of day. This proves the mileage fee concept could support not only congestion pricing but also assessment and collection of local revenues and other "zone-oriented" features. Furthermore, the area pricing strategy applied in the pilot program produced a 22 percent decline in driving during peak periods. See full report at: http://www.oregon.gov/ODOT/HWY/RUFPP/docs/RUFPP_finalreport.pdf