June 8, 2007

Volume 1, Issue 4

State of Texas Border Partnership Working Group Newsletter

Special Interest Articles:

President Signs Bill to Restrict U.S. DOT Mexican Truck Pilot Program

President Bush recently signed a bill into law setting restrictions on the federal U.S. DOT (Federal Motor Carrier Safety Administration- FMCSA) pilot program to allow Mexican trucks access to U.S. highways.

The bill was signed into law on May 25, 2007, and was included as part of a $120 billion Iraq war spending bill. The law includes new requirements such as a certification from the Department of Transportation's Office of Inspector General (OIG) that certain safety and inspection requirements have been met before the U.S. DOT Cross Border pilot program can begin.

The FMCSA had wanted to start a one-year pilot this year, and if successful, fully open the border to Mexican trucks under NAFTA.

However, the U.S. House of Representatives passed a measure earlier during the month of May and by a 411-3 vote delayed the U.S. DOT pilot program until certain safety requirements were met.

Norfolk Southern Rail Corp Plans $2 B Rail Corridor

Eastern freight rail line Norfolk Southern Corp. plans to build a rail corridor costing more than $2 billion from Louisiana to the Northeast that it said would speed shipments and reduce truck freight, the Associated Press reported.

The "Crescent Corridor" project involves expanding and improving its rail network from the Northeast to the Southeast.

Virginia has committed $40 million in seed money for the project, which would run along Interstate 81, a major truck route, and the Norfolk, Virginia-based railroad is seeking additional public money for this corridor. The NS rail vice president of intermodal and automotive marketing announced the plan to analysts at a recent conference in New York.

The corridor would include about 1,400 rail miles from New Orleans to Newark, N.J., plus investments on parallel routes, he said, adding that NS would build new terminals in central Maryland and eastern Tennessee.

Effort to Expand Truck Safety Enforcement sent to Texas Governor

A Texas state legislative bill sent to Governor Rick Perry is intended to allow more police to enforce truck rules.

Texas law now allows police in cities with populations of 100,000 or more to enforce commercial motor vehicle safety standards. Police in cities with populations of 25,000 or more also are allowed to enforce the CMV safety standards, as long as they are located in counties with populations of at least 2 million.

Cities must be certified by the Texas Department of Public Safety (DPS) before their officers can enforce the safety standards. The Senate signed off on House changes to the bill clearing the way for it to head to the governor's desk.

A provision added to the bill on the House floor would extend enforcement of truck rules to municipalities with populations of at least 34,000. The only requirement would be that they are located in a county that borders two or more states.

Supporters say the changes to state law would allow an additional 43 cities to become eligible to enforce truck rules.

The governor can sign the bill into law, let it become law without his signature or veto it.

Port of Long Beach and Los Angeles Plan for Next Wave of Freight Goods Movement

The ports of Los Angeles and Long Beach handle roughly 43 percent of the nation's imports. Together they make up the world's fifth-largest port complex, handling about $300 billion worth of goods in 14 million containers every year. More than 16,000 trucks travel through the Los Angeles port alone every day, clogging up freeways such as the Long Beach (710) Freeway.

But the volume of goods moving through the ports has steadily increased over the years, and some analysts have predicted that if the ports do not increase their capacity soon, they could reach their capacity limit as early as 2010. Gov. Arnold Schwarzenegger earlier this year proposed a $15 billion "Goods Movement Action Plan" with about 200 projects to improve goods movement in California.

That list was chosen out of $47 billion in potential projects that have been identified statewide. "California's economy moves in its trucks, in its trains, through its airports, and through its seaports," said Richard Nordahl, chief of the goods movement office in Caltrans.

At stake is billions of dollars in international trade and hundreds of thousands of jobs in the fast-growing logistics industry. And experts say if the state isn't able to expand its infrastructure fast enough, California risks losing its reputation as the nation's gateway to international trade. For additional information on the State of California's Goods Movement Action Plan please see the following website: http://www.arb.ca.gov/gmp/docs/gmap-1-11-07.pdf

CVSA International Road Check 2007

The Commercial Vehicle Safety Alliance's International Road Check inspection program began this week on Tuesday and ran from Tuesday, June 5th and ran through Thursday, June 7th.

The annual roadside inspection blitz will feature an estimated 10,000 specially-trained and certified officers who will blanket North America's roadways. Last year, officials inspected more than 60,000 trucks and buses, and put 20 percent of them out of service, according to a press release.

For the past 20 years, the CVSA annual Road Check event dispatches federal, state, provincial and local inspectors to conduct North American Standard Inspections around the clock for 72 hours Tuesday through Thursday. These inspections involve a comprehensive 37-step procedure which includes items related to vehicle, driver and cargo safety.

Inspectors also hand out educational materials to drivers on various aspects of commercial vehicle, driver and hazardous materials safety.

This year, CVSA is launching a new pod cast focusing on educating the commercial vehicle driver on safety and security measures. The new podcast series, called "Inside the Safety Lane with CVSA," will include discussions with FMCSA Administrator John Hill, CVSA President Captain John Harrison and others. For additional information on the CVSA RoadCheck 2007 please see the following website: http://www.cvsa.org/latestnews/cvsa_latestnews.cfm#may24

Swift's Mexican Unit Links to U.S. Customs via ACE

Swift Transportation Company said its wholly owned Mexican subsidiary has become one of the first Mexican trucking companies to deploy a trade processing system developed by U.S. Customs and Border Protection that accelerates cross-border commerce while improving security at the U.S. border.

The agreement with the unit, Trans-Mex, allows Swift to use the Automated Commercial Environment, or ACE, part of a multi-year modernization effort by the CBP to automate the flow of information between trucks and the border agents about cargo approaching U.S. borders.

The electronic manifest for trucks replaces a paper-based process. "Tying our Trans-Mex business information systems to ACE not only provides our customers with tangible benefits such as faster customs clearances, it also supports the Department of Homeland Security's dual mission to facilitate legitimate trade and secure our nation's borders," said Jerry Moyes, chairman and chief executive officer of Swift's parent, Saint Corp.

Swift is ranked No. 9 on the Transport Topics 100 list of the largest for-hire carriers in the United States and Canada and is the largest U.S. truckload carrier.

AASHTO Report on “Intermodal Connections—The Missing Links”[1]

As daunting as are the problems within each major mode of transportation, some of the largest problems facing the U.S. transportation system lie at the connections between modes. In the 1991 Surface Transportation Act, the federal government first expressed the national need to look at the transportation system as a whole. The connections between modes need to be seamless if each mode is to maximize the efficiencies of the global supply chains. Progress has been made in many areas. The National Highway System Intermodal Connectors have been identified and the problems with some have been addressed.

Among the problems that have been identified are:

- Direct rail service to the dock of major American water ports. Often containers are trucked on local streets to rail yards miles from the ports multiplying the number of truck trips;
- “Last mile” highway connections to ports and rail yards. Often the last mile is on a local city street with traffic signals, poor turning radii, inadequate overhead clearances and narrow bridges which restrict efficient movements;
- Freeway interchanges to ports. The freeways and ports were developed independently and the local road network is the linkage between the massive international port and the intercontinental highway system.

The problems on the highway connectors are mirrored at hundreds of locations across the country when connections between other modes are examined. The examples that follow demonstrate how determined public–private effort can create more efficient intermodal connections.

What Are States Doing?

State Departments of Transportation, local governments, and the freight transportation industry are collaborating on many important projects and programs to nudge the freight transportation system into the 21st century. Four of the most notable are CREATE, he FAST Corridor, the Alameda Corridor, and the I-95 Corridor Coalition. The last mile connector often is the most serious problem on the international supply chain.

Chicago’s CREATE Program

The nation’s Atlantic, Pacific, and Canadian railroads meet in Chicago—a development pattern that exists from the 1800s. Critical linkages between these railroads are missing

[1] SOURCE: AASHTO, “Transportation Invest in Our Future” website at: http://www.transportation1.org/tif3report/intro.html

which creates inefficient truck movements across Chicago to move cargo from one rail yard to another. The CREATE program seeks to modernize this network by connecting 27 major rail yards that perform 5.5 million lifts annually. More than 14,000 daily truck movements serve these lifts. An estimated $350 billion a year in freight movements traverse Chicago, with more than 60 percent of it as high-value traffic such as intermodal and finished vehicles. As critical as these rail yards are, they are not interconnected, requiring containerized cargo to be trucked between them.

The State of Illinois, the City of Chicago, the seven Class 1 railroads, Amtrak, and Metra, the area's transit system, have committed to a program of $1.5 billion in improvements. It will require state, local, industry, and federal financing proportioned to the estimated benefits of the project. In September 2006, federal, state, and local officials announced an agreement to supply $330 million of that sum over three years.

The agreement includes $100 million in SAFETEA-LU funds, $100 million from the railroads, $100 million from the state of Illinois, and $30 million from the city of Chicago. Slated improvements include 15 new overpasses separate motor vehicles from train tracks, six new overpasses to separate freight-rail trains from passenger-rail trains, and extensive upgrades to tracks, switches, and signals.

Washington State's FAST Corridor

In the Seattle–Tacoma Washington region, the FAST corridor network seeks to tie together overcrowded port, highway, and rail connections at the nation's third busiest international freight portal. The Puget Sound ports serve the entire nation with up to 75 percent of the containers entering its ports moving to rail with destinations outside of Washington State. More than $60 billion in imports and $12 billion in American exports used the Washington State ports in 2004. The Washington State DOT, the Puget Sound Regional Council, and the freight industry developed and are carrying out a multiyear, multimodal program of projects.

Since 1998, the public–private coalition has invested $568 million of public and private funding for strategic freight mobility infrastructure improvements in the FAST Corridor. Another $300 million is needed to complete the remaining 16 of the 25 of the priority Corridor projects.

California's Alameda Corridor

The Alameda Corridor is the granddaddy of the intermodal connector projects. The ports of Long Beach and Los Angeles handle more than 64 percent of Asian container imports and nearly 25 percent of all U.S. imports. The Alameda Corridor project built a state-of-the art rail access network to the ports. It consists of a 20-mile long rail expressway—basically a large-grade separation project—linking the Ports of Long Beach and Los Angeles to the nation's rail network near downtown Los Angeles. It consolidated four branch line railroads and eliminated more than 200 at-grade crossings. The financing for the $2.4 billion project, which included a $400 million federal loan, was backed by a fee on every container moved. Traffic exceeded the projections, making it possible to retire the original Federal loan 28 years early. Trains moving through Corridor in 2006 hauled about 5 million TEUs, up by 32 percent from 2005. The success of the Alameda Corridor means that train traffic will increase as much as 160 percent to the East through the San Gabriel Valley by the year 2020. To deal with that growth the $1.4 billion Alameda Corridor East Project is under development. It will improve safety and mobility at 39 crossings, construct grade separations at 20 crossings and eliminate several others. The result will be time savings for highway and rail traffic, improved safety and reduced air emissions.

The Multi-State I-95 Corridor Coalition

The coalition of 16 Eastern Seaboard states and various other public and private transportation providers has banded together for more than a decade to bring integrated planning to the massive highway, rail, transit, and water networks that exist between Maine and Florida. The Coalition members are anxious to expand north–south rail service to alleviate the overwhelmed I-95 highway corridor.

A major study for the Coalition found that the rail network was designed in the 19th century to service primarily east–west traffic. The study identified more than 71 needed projects to eliminate rail choke points in the Mid-Atlantic states alone that would cost more than $6.1 billion. The freight traffic served is enormous, in a region that would be the world's third largest economy if it were a country. The states and their private sector partners are now confronting the challenges of implementing a massive multistate freight infrastructure investment program.

States Move Forward on Planning, Investing

In addition to these well-known initiatives, many other states are actively involved in efforts to make the freight system more efficient and productive. They are planning, organizing, collaborating, and investing.

Planning—States such as Minnesota, Washington, Ohio, Oregon, California, New Jersey, Vermont, New Jersey, and Virginia have completed or initiated freight transportation to plans as a basis for establishing investment priorities.

Organizing—A number of states have established a unit within their departments of transportation through which to develop and carry out a freight transportation program. They include Louisiana, Maryland, Maine, Pennsylvania, Minnesota, Washington, and Oregon.

Collaborating—Because freight transportation operations and much freight transportation infrastructure lie in the private sector states are initiating freight advisory committees to strengthen the link with government. They are well-established in Oregon, Colorado, and Minnesota and in the early stages in a number of other states.

Investing—Florida, New York, Virginia, Mississippi, Pennsylvania, Oregon, and California have recently created or expanded freight financing programs that either focus on rail or are available for investments in all freight modes.

- ConnectOregon—The State of Oregon developed the ConnectOregon program that provided approximately $100 million investments not possible from the State's traditional revenue sources. Nearly 75 percent of the money went into non-highway freight projects at ports, railroads, airports and facilities which connected to them. The program was so successful that its Legislature is considering another round of projects.

The Alameda Corridor Project built a rail access network to the ports of Long Beach and Los Angeles.

- Florida's Strategic Intermodal System—Florida identified a strategic multi-modal network of highways, railroads, ports, airports, intra-coastal waterways and connectors which it calls its Strategic Intermodal System. It is making strategic investments of approximately $100 million annually to improve this network.

- California Goods Movement Action Plan—A portion of the proceeds from a $40 billion bond issue approved by the voters in 2006 will be devoted to projects identified in the state's Goods Movement Action, many of which will relieve congestion and increase the velocity of shipments to and from the state's major ports.

In other states creative financing arrangements involving government and business have made critical freight transportation possible where otherwise they would have been pushed into the distant future or into oblivion. One example is the Shelpot Bridge in Delaware where the state provided the $13 million in funding needed to restore a rail bridge connection to the Port of Wilmington, to be repaid by a “toll” on rail traffic over the bridge over 20 years, starting at $35 per car and dropping with increased volume. Another example is the Kansas City Flyovers, two projects which totaled $135 million, financed through the creation of Joint Transportation Corporations which issued bonds being repaid from railroad revenues.

The flyovers will increase the velocity of train movement by eliminating rail intersections and highway-rail crossings. These are just a few of dozens of major initiatives occurring across the United States. Each one represents a major effort to remove impediments to the free flow of freight within their region and collectively across the continent. However, each state and region is addressing these issues independently because there is no national framework or policy for freight mobility.

More needs to be done at the national level. See the full AASHTO report on-line entitled “Transportation- Invest in Our Future” at: http://www.transportation1.org/tif3report/intro.html

Effects of the Panama Canal Expansion on Port of Houston

A planned $5.25 billion expansion of the Panama Canal will have a major impact not only on the Port of Houston but all aspects of transportation in Texas, according to a study released by the Texas Department of Transportation in 2006.

In a national referendum October 22, Panamanians voted more than three to one in support of the expansion, which would enable the nearly century old waterway to handle larger ships.

Conducted by Cambridge Systematics, the study found that the Panama Canal expansion will have a significant effect on the state’s intermodal transportation system. The canal improvements also will accelerate growth at all of the state’s seaports. In the short term, these impacts will be felt most heavily in and around Houston, the state’s largest container port and a key trading partner for goods shipped via the Panama Canal.

But overall, the study found, Texas ports are actively preparing for the increased opportunities that will arise from the Panama Canal’s expansion. The Texas coast, the report continued, stands to become the preferred shipping point for moving goods throughout the United States.

The study also found that the planned Trans-Texas Corridor will help the state absorb the anticipated growth in freight traffic resulting from the canal expansion, as well as enabling Texas to meet the challenge of evolving passenger mobility needs. The Trans-Texas Corridor will enhance the competitiveness and connectivity of the state’s port facilities, allowing them to more effectively serve growing regional and national markets, create and retain jobs, and improve the state’s overall economic vitality, the study said.

Growth at the ports also will have an impact on freight rail lines. Capitalizing the Texas Rail Relocation and Improvement Fund (RRIF) will allow railroads in the state to more effectively improve their infrastructure and operations, positioning them to better serve growing volumes of international trade.

"The Panama Canal expansion will have profound impacts on job opportunities and economic development for Texas, as well as solidify Texas as the trade corridor of this hemisphere for decades to come," said Transportation Commissioner Ted Houghton. "The commission is committed to doing whatever it takes to ensure Texas is ready to respond to this significant shift in trade."

The Port of Houston is addressing increased growth by constructing the Bayport Container Terminal, which will triple the available capacity for containerized traffic. Overall, 90 percent of the Bayport Container Terminal has been completed.

The Port of Corpus Christi also is developing a new container terminal – the La Quinta Trade Gateway – to offer congestion relief from other existing container terminals along the Gulf. The port also is planning improvements to the ship channel but is waiting on funding from the Water Resources Development Act (passed by Congress and currently being reconciled in a conference committee).

In the longer term, the study found, the Panama Canal expansion will have an even more profound effect on the state's transportation system. As traffic through the canal increases, other Texas ports are likely to make improvements to capture market share while shippers will evaluate their supply chain with an eye toward development of new distribution centers and warehouses. Increasing volumes of intermodal freight will also result in transportation, environmental, and land use issues at or around Texas' port facilities.

These and other impacts raise key policy questions to consider as the Texas Department of Transportation, metropolitan planning organizations, economic development agencies, and other public and private freight stakeholders work to improve the safety, security, and efficiency of people and goods movement statewide, the report concluded.

To obtain a full copy of the TxDOT report entitled "Effects of the Panama Canal Expansion on Texas Ports and Highway Corridors" please see the following website: http://www.dot.state.tx.us/news/029-2006.htm

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FHWA HQ's "Talking Freight" Seminar Series

The Federal Highway Administration Office of Freight Management and Operations and the Office of Planning host the **"Talking Freight" web 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.

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 Talking Freight webinar on June 20, 2007 (12:00 N-1:30 PM CDT) and the topic to be presented is "***The Effects of Construction Zones on Freight Movement"***

For additional information, see the following FHWA HQ's website for future scheduled **"Talking Freight" webinar events:** http://www.ops.fhwa.dot.gov/freight/FPD/talking_freight.htm.

Questions or comments? Please send your thoughts, comments, and/or suggestions related to this newsletter to Kirk Fauver, Statewide Planning Engineer of the FHWA Texas Division Office at: **kirk.fauver@fhwa.dot.gov**

Famous Quote for the day:

"The man who has no imagination has no wings."

Muhammad Ali- Boxer

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