FEDERAL HIGHWAY ADMINISTRATION TEXAS DIVISION

State of Texas Border Partnership E-Newsletter

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In this Month's Issue:

US freight to benefit significantly from TIGER grants

The U.S. Department of Transportation (DOT) has finalized which projects are to receive funding out of the Transportation Investment Generating Economic Recovery (TIGER) scheme which will see $1.5 billion invested in the nation's rail, ports and roadways.

Amongst the beneficiaries of grants are eleven important freight infrastructure developments across America which, in the words of the DOT, will "…help get freight off America's highways and onto rail. This investment will make our roads safer, the air cleaner, reduce traffic congestion and decrease our reliance on foreign oil."

In addition, money is to be spent on a number of road routes which should assist in cutting congestion and improving safety, assisting road drayage.

One example is US-491, a primary truck route in north-west New Mexico, which is to receive $31million to widen 69 miles of what is described as 'one of the most dangerous routes in New Mexico'.

Three of the biggest recipients will be the rail freight projects CREATE, which will receive $100 million in federal grants to address the problems of rail freight congestion across Chicago; the National Gateway Freight Corridor, which will get $98 million to improve intermodal facilities and routes across the Mid-West and the Atlantic seaboard, and the Crescent Corridor Project, which will receive the biggest grant of some $105 million in order to provide a major boost to freight capacity between the South-East and the Mid-Atlantic.

Speaking of the allocation of the TIGER grants Ray LaHood, the U.S. DOT Secretary said in his blog that: "DOT's Transportation Investment Generating Economic Recovery discretionary grant program is a crucial part of the Recovery Act. We're trying to help build high-priority innovative transportation projects that were difficult to fund through traditional programs--projects that create jobs, stimulate economic activity, and help develop livable communities.

"Were there a lot of projects out there that fit such criteria? You bet there were. In fact, DOT received more than 1,400 applications seeking more than $60 billion in support. Now that is an overwhelming number of interesting and useful projects that testifies to the vitality of American transportation planning.

"I think the range of project awards bears that out. From freight rail to streetcars, from roadways to waterways to bikeways, we are affirming the truly multi-modal nature of American transportation."

For a full list of the transportation projects to benefit see the following web-link.

http://www.dot.gov/documents/finaltigergrantinfo.pdf

URL Source: http://tinyurl.com/ylyzmkq

AAR conference shines spotlight on freight railroads' public policy goals, concerns

In the first of what could be quarterly meetings with the media, the Association of American Railroads (AAR) held a press conference yesterday to tout the release of an economic recovery report and discuss current rail industry issues.

With the Obama Administration focusing attention on developing high-speed rail, increasing exports, improving the environment, creating jobs and bolstering the economy, freight railroads' key role in helping the nation achieve those goals tends to be overlooked, said AAR President and Chief Executive Officer Ed Hamberger during the hour-long conference.

"We need to make sure the idea of freight railroads isn't lost in the high-speed rail vision," he said. "And the Administration expects to double exports in the next five years — how will they do that without a strong freight railroad system?"

According to the AAR's "Great Expectations: Railroads and U.S. Economic Recovery" report — which examines the freight rail industry's contributions to the U.S. economy, provides statistical data and analyzes key policy initiatives in Washington, D.C. — freight railroads generate nearly $265 billion in total annual economic activity. The industry directly or indirectly supports more than 1.2 million U.S. jobs, and every freight-rail job supports another 4.5 jobs elsewhere in the economy, according to the AAR.

Hamberger also addressed challenges facing the industry from "over-burdensome federal regulatory mandates," such as positive train control (PTC) implementation, the Surface Transportation Board Reauthorization Act of 2009 (S. 2889), and "cap and trade" energy bill. PTC's cost-to-benefit ratio is 20-to-1, meaning "a lot of money will be spent in a not-very efficient way," said Hamberger, adding that freight railroads likely will have to forego investments in certain capacity projects because funds will be diverted to implementing the technology.

"It's a misallocation of resources," he said. "Public policy will choke off investments if [Washington] isn't careful."

The cap and trade bill would reduce the amount of coal used to generate electricity, and "we shouldn't drive coal out of the picture," said Hamberger. Freight railroads move about 70 percent of the coal transported from mines to utility plants. If the bill were enacted, railroads would have to idle $8 billion worth of assets devoted to coal moves, primarily track used only by coal trains, he said.

As for S. 2889 and other legislation that would hamper railroad's ability to earn a return on investments, policymakers need to look at railroads from a broader perspective, said Hamberger.

"Select legislative and regulatory proposals are creating an air of uncertainty at a time when there is already too much of that," he said. "When so much is riding on freight rail's ability to sustain a healthy national rail network necessary to help America through to economic recovery, now is not the time to undermine our financial viability."

In addition to opposing antitrust and paper barrier provisions in S. 2889, railroads are "fighting for" one key element to be included in the bill as it continues to evolve in Congress: replacement cost, said Hamberger. The provision would require the STB to determine the value of a rail asset based on today's cost to replace that asset vs. a book value, he said. "A bridge that needs to be replaced might have a next-to-nothing book value, but it would cost millions to replace it," he said.

Source: Progressive Railroading
URL: http://tinyurl.com/yzkx5gh

States awarded $777 M in recovery funds from U.S. DOT

State transportation agencies received $777 million on February 17th from the U.S. Department of Transportation (DOT) to help fund 22 state-sponsored projects including several that will improve freight connections. State DOTs and affiliated agencies from 23 states were awarded 52 percent of the $1.5 billion made available by Congress through the American Recovery and Reinvestment Act for the Transportation Investment Generating Economic Recovery grant program.

"We are particularly pleased to see nine TIGER grants awarded to states for freight and intermodal improvements," said AASHTO President Butch Brown, executive director of the Mississippi Department of Transportation, whose emphasis areas this year include improving freight transportation. "These investments will unclog bottlenecks that delay freight shipments, reconstruct ports, improve rail lines -- producing long-term economic benefits well beyond the initial construction work."

States also received grants for seven highway, three bridge, and three transit projects. A complete list of all projects and their descriptions can be found at tinyurl.com/TIGERgrants2010.

"The federal economic recovery TIGER funds awarded today to states will support a total project volume of $4 billion when state, local, private, and other matching funds are combined," said John Horsley, AASHTO executive director. "State DOTs have already started or completed work on 12,250 recovery projects worth $26.4 billion. On today's one-year anniversary of the recovery act's signing, states are once again ready to create thousands of new jobs in the short term during design and construction of these TIGER projects while building critical infrastructure that will benefit generations of Americans to come."

An AASHTO report outlining the first year of state successes in spending the transportation portion of the recovery act is available at recovery.transportation.org.
Several states shared grants for regional projects including $98 million for Maryland, Ohio, Pennsylvania, and West Virginia's National Gateway Freight Rail Corridor. The project will enhance operations along three major CSX freight rail corridors through the Midwest and along the Atlantic coast. Improvements will allow trains to carry double-stack containers, increase freight capacity, and make the corridor more marketable to major East Coast ports and shippers.

Other significant freight awards given to state-sponsored projects include $105 million for intermodal facilities in Birmingham, AL, and Memphis, TN; $100 million to the Illinois Department of Transportation for a package of 78 projects that address freight rail congestion in the Chicago area; $33.8 million to the California Department of Transportation to eliminate a grade crossing in Colton that has become a chokepoint for freight trains coming in and out of the Ports of Long Beach and Los Angeles; $24.5 million to the Hawaii Department of Transportation to reconstruct a container yard at Honolulu Harbor; and $20 million to the Mississippi State Port Authority for rail improvements at the Port of Gulfport.

Also receiving TIGER grants are state projects for substantial improvements to New York's Penn Station; construction of a new border crossing between Port Huron, MI, and Canada; several light-rail projects; the first multimodal bridge in Tulsa, OK; and a new divided freeway in Spokane, WA.

Other TIGER grants went directly to cities, metropolitan organizations, and other entities. Overall, the competitive grant program received more than 1,400 applications from all 50 states and the U.S. territories for more than $56 billion worth of projects. U.S. Transportation Secretary Ray LaHood announced the grant awards Wednesday in Kansas City, MO.

"TIGER grants will tackle the kind of major transportation projects that have been difficult to build under other funding programs," LaHood said. "This will help us meet the 21st century challenges of improving the environment, making our communities more livable, and enhancing safety, all while creating jobs and growing the economy."

LaHood noted in a Wednesday blog posting that specialists at U.S. DOT used four criteria to evaluate TIGER grant applications: long-term outcomes, job creation/economic stimulus, innovation, and partnerships.

Congress has appropriated an additional $600 million for TIGER grants in Fiscal Year 2010 outside of the recovery act. Those funds will be disbursed following a separate application and evaluation process.

Source: AASHTO
URL: http://tinyurl.com/yhpqxsc

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U.S. major cargo containers to rise 25% year-over-year in first half of 2010

Industry experts expect import cargo container volume at the nation's major retail cargo container ports will jump by 25 percent in first half 2010 versus a year earlier, the National Retail Federation and Hackett Associates said in their monthly Global Port Tracker report released Feb. 8.

"This is a dramatic turnaround over what we've seen during the past two years," NRF Vice President for Supply Chain and Customs Policy Jonathan Gold said in a statement. Increases in import volumes don't correspond directly with dollar volumes in sales, so caution has to be exercised when looking at these numbers, but retailers are clearly expecting to move more merchandise this year," he said.

U.S. ports handled 1.09 million Twenty-foot Equivalent Units (TEU) in December, the last month for which data is available, unchanged from November, but up 2.6 percent from December 2008. The December results broke a 28-month streak during which monthly totals were lower than the same month the year before. One TEU is one 20-foot cargo container or its equivalent. The report indicated January cargo was expected to hit 1.19 million TEU, a 17 percent increase over January 2009, and February, traditionally the slowest month of the year, is seen coming in at 1.1 million TEU, up 30 percent from the previous year. The report said March is seen hitting 1.18 million TEU, up 23 percent as retailers move to build inventory ahead of spring and summer, April at 1.25 million TEU, up 27 percent, May at 1.3 million TEU, up 26 percent, and June at 1.38 million TEU, up 36 percent.

Those monthly numbers would put the first half of 2010 at 7.4 million TEU, up 25 percent from last year's 5.9 million TEU. "Although 2009 saw decreased import activity levels, the forecast for 2010 points towards growth." Source: http://logisticstoday.com/global_markets/retail-traffic-up-percent-us-ports-0211/

The authoritative Global Port Tracker report, produced for the NRF by the consulting firm Hackett Associates, covers the U.S. ports of Long Angeles/Long Beach, Oakland, Seattle and Tacoma on the West Coast; New York/New Jersey, Hampton Roads, Charleston and Savannah on the East Coast, and Houston on the Gulf Coast.

Source: Logistics Today
URL: http://tinyurl.com/yf5hatw

Truck tonnage rises again, gaining 5.7% in January

Year-to-Year Gain Is Second Straight

U.S. truck tonnage rose 5.7% in January from the same month last year, the second straight year-over-year increase following more than a year of comparable declines, American Trucking Associations said on February 24th.

ATA's seasonally adjusted for-hire truck tonnage index rose 3.1% in January from December, following a 2.1% gain in December from November. The year-to-year gain in December had been 6.6%. January's year-to-year gain was the best such reading for the month of January since 2004-2005.

For 2009, the tonnage index was down 8.7%, slightly larger than a previously reported 8.3% drop. The decline was the biggest since a 12.3% plunge in 1982. ATA Chief Economist Bob Costello said that the latest tonnage reading, coupled with anecdotal reports from carriers, indicates that both the industry and the economy are clearly in a recovery mode.

"While I don't expect tonnage to continue growing as robustly as it did in January, the industry is finally moving in the right direction," Costello said. "Although there are still risks that could throw the rebound off track, the likelihood of that happening continues to diminish," he said in a statement.

ATA, which calculates the tonnage each month based on reports by its member trucking companies, also said it had recently revised the seasonally adjusted index back five years as part of its annual revision.

Source: Transport Topics
URL: http://tinyurl.com/ykqh7mq

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Ports gear up for widened panama canal

NEW ORLEANS — Port officials from Savannah, Ga., to Mobile, Ala., to Long Beach are moving full steam ahead to expand and modernize their ports. The eyed prize: luring anticipated increased ship traffic and bigger ships sailing through a widened Panama Canal, which is scheduled to open in 2014.

"Those who are best prepared when the recession ends will have the best opportunity for rewards later," said Don Allee, chief executive of the Mississippi State Port Authority at Gulfport, which is undergoing a $570 million expansion.

Panamanian voters in 2006 approved a referendum to expand the 48-mile canal's capacity, setting off a frenzy of new projects among competing U.S. ports. Despite a global recession and declines in revenue over the past year, ports are pushing to expand:

- The Port of Mobile is undergoing $600 million in upgrades, including a new container terminal and a turning basin for large ships. The port lost $225 million in revenue the past two years, said Jimmy Lyons, the port's chief executive.
- The Port of Savannah is midway through an eight-year, $500 million expansion that will nearly double its container capacity, executive director Curtis Foltz said. Port business was down 10% last year.
- The Port of Long Beach is spending $3 billion over the next 10 years to modernize its port, despite losing about one-third of its cargo business last year, spokesman Art Wong said.

The most heated port expansion competition is centered on the Gulf Coast. Port directors there believe they can lure the largest, 1,200-foot-long ships sailing from China and other Asian destinations laden with goods for the U.S., greatly boosting their business. Many of those ships now dock at West Coast ports.

Port officials in New Orleans are trying to give their port a $250 million expansion. Plans to partner with private investors to shoulder part of the cost were stymied by the recession, said Gary LaGrange, the

port's president and chief executive. The port has invested $33 million of its money and is looking to state funds and federal stimulus money to finish the job, he said. "Everything came to sort of a screeching halt in the fall of 2008," LaGrange said.

It is unclear whether the global economy allows for enough waterborne trade to validate the billions of dollars in port expansions across the country, said Jim Brennan, a Washington-based port consultant. "The question is whether the market will support those ships," he said.

Richard Wainio, head of the Port of Tampa, said his port has chosen a more cautious approach. A long-term expansion project underway there will continue only as the market develops, he said.

"A lot of ports are going forward with the 'We build it and they will come' approach," Wainio said. "We don't believe in that."

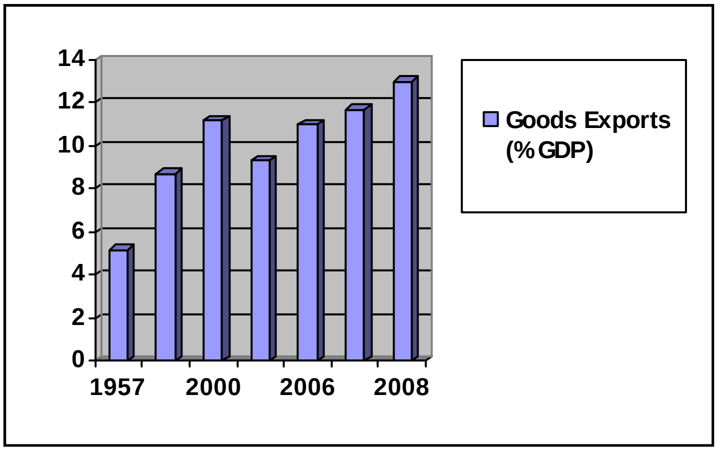
Source: USA Today

URL: http://tinyurl.com/yzwqq6w

U.S. outlines national export plan to double exports in five years

WASHINGTON -- U.S. Secretary of Commerce Gary Locke unveiled a new National Export Initiative of the Obama Administration Feb. 4 whose central goal is to double the U.S.' annual exports within five years - an objective President Obama first spoke of in his January State of the Union speech.

Locke, a former Washington state governor, said he was well aware previous such efforts to boost U.S. exports had not met with success, in announcing details of the plan at the National Press Club in the nation's capital.



"What sets this effort apart is that this is the first time the U.S. will have a government-wide, export-promotion strategy with focused attention from the president and his Cabinet," Locke said. "This initiative will correct an economic blind spot that has allowed other countries to chip away at America's international competitiveness."

Locke said the export initiative would:

-Provide more funding for export promotion and more coordination between government agencies.

-Ensure that commercial advocacy objectives get government-wide support and that the U.S. does a more effective job of advocating for U.S. products in interactions with foreign businesses, farmers and foreign officials.

-Create an Export Promotion Cabinet reporting to the president that will consist of top leaders from the Commerce, Treasury and State departments, the Department of Agriculture, the Export-Import Bank, the office of the United States Trade Representative and the Small Business Administration.

"To put it another way, prior to the NEI, export promotion may have been a 'some of the time' focus for many U.S. cabinet agencies and departments," Locke said. "The NEI makes it an 'all-the-time focus.' "

Within 180 days, all of the agencies in the Export Cabinet will be responsible for submitting a coordinated, detailed plan to the president about how they will collectively enhance U.S. exports.

Locke listed several key issues that must be addressed, issues he said affect the ability of U.S. businesses to export.

One of those, he said, is continuing the rigorous enforcement of international trade laws to help remove barriers that prevent U.S. companies from getting open and fair access to foreign markets.

Source: American Shipper

URL: http://tinyurl.com/ylbxdla

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Famous Quote of the Day:

"Undertake not what you cannot perform, but be careful to keep your promise."

-George Washington, 1st U.S. president

Next Talking Freight Web Seminar on March 17th

The Federal Highway Administration's (FHWA) Office of Freight Management and Operations and the Office of Planning host the "Talking Freight" web seminars. These web seminars are part of a broader Freight Professional Development Program (FPD) aimed at providing technical assistance, training, tools, and information to help the freight and planning workforce meet the transportation challenges of tomorrow.

The Talking Freight seminars are sponsored by the Federal Highway Administration (FHWA) and are held via web conference. This means that you view the PowerPoint presentations over the Internet while listening to the presenters over the telephone. The FHWA "Talking Freight" 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 be held on March 17, and will cover the topic of "Clean Air at Port Facilities".

The Talking Freight seminars are sponsored by the Federal Highway Administration (FHWA) and are held via web conference. This means that you view the PowerPoint presentations over the Internet while listening to the presenters over the telephone. There is no cost involved and you do not have to leave your desk to participate. However, registration and attendance is limited to 100 people.

The seminars are held on the third Wednesday of each month, 1:00 pm - 2:30 pm EDT/ 10:00 am - 11:30 am Pacific. The first hour of each seminar is dedicated to the presentations and the remaining 30 minutes are for audience question and answer. For additional information on registering for this web seminar, please see the following URL web-link:

http://tinyurl.com/yz3yhpc

EDITOR'S NOTE:

The FHWA "Talking Freight" monthly webinar series is now eligible for AICP certification maintenance (CM) credits for AICP members through the American Planning Association. Credits can be claimed at: http://www.planning.org/cm/search/provider.htm?ProviderCompanyID=246167

For additional information please contact Ms.Carol Keenan of FHWA HQ's at: carol.keenan@dot.gov.

New diesel index shows state of economy

A new index, which projects the state of the U.S. economy based on how much diesel fuel heavy trucks are using, indicates that the economy cooled off a little in January. The so-called "Pulse of Commerce" index was created by economists at UCLA who partnered with the business services company Ceridian, which owns Comdata.

Ceridian issues credit cards that are good at about 7,000 truck stops. Each time fuel is bought, the purchase is immediately noted in the Pulse of Commerce system.

The economists say diesel fuel purchases in January were much lower than in December of this past year but that generally the trend is moving slowly upward. In fact, the January 2010 index reflected a 3.6 percent improvement over January 2009.

UCLA economist Ed Leamer, Ph.D., told *Land Line Now* why diesel is an economic indicator instead of something else. "We use the words "a pulse of commerce" to describe this thing," Leamer said. "That metaphor is a reference to the interstates that criss-cross the country being the arteries of the system. And the products that are flowing on those arteries are the lifeblood.

"Without the movement of product, the U.S. economy's going to come to a crashing halt. ... It's hard to imagine anything more critical than the movement of products and trucks around the country."

The trucking industry has long been viewed as an indicator of the nation's overall economic health. But the new index is the first time the health of the economy has been linked directly to diesel fuel consumption. Leamer says they also went back and compared diesel fuel purchases in the past. And drops in diesel consumption accurately forecast both of the last two major recessions.

Source: Land Line Magazine
URL: http://tinyurl.com/ylaw72g