



Giving a Voice to Freight

Federal funding for freight & goods movement infrastructure

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The Rest of the World Gets It

China, India and Europe combined are investing almost half a trillion dollars of public funding in new capacity transportation infrastructure, most of it to support freight and goods movement.

This funding is in addition to large sums of PPP financing.

So where are we going in the U.S.?

- Previous federal surface authorizations have led to increasing focus on multimodalism
 - ISTEA, TEA21, SAFETEA-LU
 - Now headed for a post-TEA paradigm
- Congress is looking at new approaches to the U.S. transportation system.
- Both Commissions likely to conclude the old way of doing business won't work anymore.
- General agreement on the need to focus on freight

National Surface Transportation Policy and Revenue Study Commission

- Report released January 15, 2008
- Federal surface transportation program should not be reauthorized in its current form
- Replace over 100 current programs with 10 outcome-based focus areas
- The Commission recommends “that the Federal fuel tax be increased from 5 to 8 cents per gallon per year over the next 5 years, then indexed to inflation.” This would equate to only 41 cents to 66 cents a day for the average American motorist – about the cost of a postage stamp!

“We need to invest at least **\$225 billion annually from all sources for the next 50 years** to upgrade to an advanced surface transportation system capable of sustaining strong economic growth.”

National Surface Transportation Policy and Revenue Study Commission

Overview:

- Nation's well-being, vitality, and global economic leadership is at stake. We must take significant, decisive action now to create and sustain the pre-eminent surface transportation system in the world.
- **Consequences of Inaction** - Congestion will continue to affect every mode of surface transportation for ever-lengthening periods each day, as a result of the mismatch between demand and supply of limited capacity.
- Therefore, US must build a the new **user-financed** Federal surface transportation program that is **performance-driven, outcome-based**, generally **mode-neutral**, and refocused to pursue activities of genuine national interest.

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Commission Report: Focus on Freight

- Majority Report and the dissenting Minority Views were unified around the need for a strong federal role in freight infrastructure development
- Calls for a multi-modal, federal freight program and dedicated funding based on user fees and customs fees

This recommendation parallels CAGTC's call for a federal freight trust fund with dedicated funding.

Freight Highlights from the Report

- Calls for increased gas tax revenues, tax credits, a portion of Customs duties revenues and a federal freight fee, “given the strong Federal interest in freight movement, Congress will need to make available a variety of funding sources to meet the needs of the Freight Transportation program.”
- Calls for program changes, “Congress should create an accountable and transparent programmatic linkage between an assessed freight fee and the selection and funding of projects that facilitate increasing volumes of primarily trade-driven freight.”
- Concerning a federal freight fee, “such a fee should be designed to ensure that commerce is not burdened by local and State proliferation of such fees; no mode of transportation or port of entry is disadvantaged; and the ultimate consumer bears the cost.”

Freight Trust Fund: Sounds great, but where does the money come from?

Possibilities include:

- HTF: gas tax increase
- Customs revenues
- Bill of lading fee
- National Container fee
- Value-added fee
 - Ultimately, a number of sources will probably be needed.

Our Coalition

- Established in 2001 to bring national attention to the need to significantly expand U.S. freight and goods movement transportation capabilities and to work toward national solutions
- Approx. 50 organizations, including motor carriers, railroads, ports, COGs and state DOTs, real estate and engineering firms and freight corridors
- Our sole purpose is to raise public recognition and Congressional awareness and to promote funding
- Supported by full-time staff for lobbying, outreach and media relations

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to

**IMPROVE and SECURE OUR FUTURE ECONOMY, CONSUMER
PRICES and GLOBAL COMPETITIVENESS!**

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