



Giving a Voice to Freight

Federal funding for freight & goods movement infrastructure

Presented by:

Leslie Blakey

Executive Director

CAGTC

Coalition for America's
Gateways & Trade Corridors

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. 60 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 for goods movement infrastructure
- Supported by full-time staff for lobbying, outreach and media relations

Getting to SAFETEA-LU...

- CAGTC organized nearly **500 meetings** with more than three-quarters of Congress, as well as the Department of Transportation and the Administration.
- Hosted **Congressional events** with top Members
- Designed and disseminated **supporting materials**:
 - *Counting the Ways: A Goods Movement Companion*
 - *Succeeding Through Borders and Corridors: Case Studies*
 - *Follow That... supply chain brochure series*
- Earned numerous **media** references circulating to 1,625,030 readers, including 25 detailed pieces in national media outlets such as **The Chicago Tribune, The Washington Post, The Washington Times, Traffic World** and **The Journal of Commerce**.

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FOLLOW THAT... COFFEE

*An intermodal adventure
with a delicious ending!*



PART I

Compliments of:

CAGTC

Coalition for America's
Gateways & Trade Corridors
www.tradecorridors.org

Departure Point:
SANTOS PORT IN SAO PAULO, BRAZIL

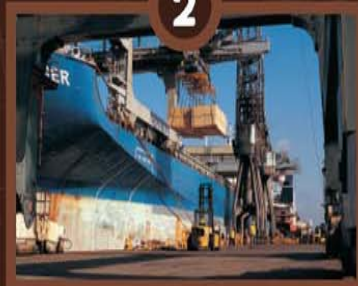


1

Containers of coffee beans are loaded
onto SHIPS for United States delivery.



2



U.S. Port Facility

3



The coffee beans are picked up by TRUCK.

4



Then transferred to RAIL.

5



U.S. Distribution Center

Final Destination:
STARBUCKS® CAFE - WASHINGTON, DC



6

The beans are again picked up by TRUCK
and brought to local cafes, coffee houses
and supermarkets, like those on Capitol Hill.

**Intermodal freight infrastructure
and goods movement must be
adequately funded through the
transportation reauthorization bill!**

Don't Forget Freight!



Have a cup of coffee and
remember the essential and
multi-modal freight transportation
system that brought it!

7

FOLLOW THAT... CRAYON

*An intermodal adventure
with a colorful ending!*



PART III

Compliments of:

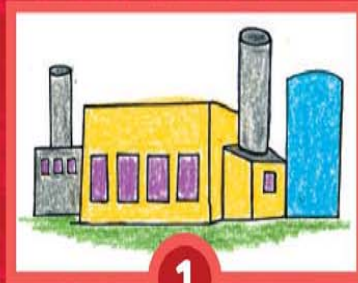
CAGTC

Coalition for America's
Gateways & Trade Corridors

www.trade corridors.org

Telephone: (202) 828-9100

Departure Point:
RAW MATERIALS PLANT

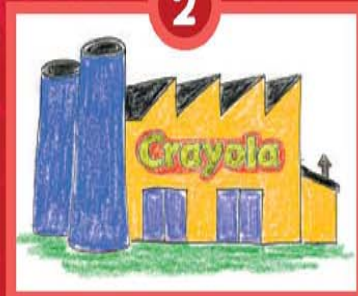


1



The raw materials are transported by RAIL
to the Crayola® manufacturing factory.

2



3



The boxes of crayons are picked up
by TRUCK.

4



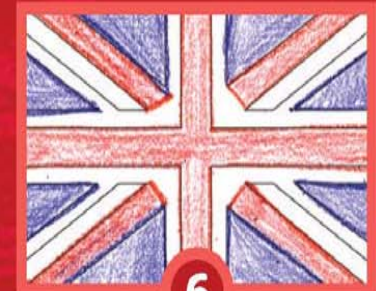
U.S. Port Facility

5



The boxes of crayons are exported by SHIP.

Final Destination:
ENGLAND



6

The crayons are offloaded and distributed
to retail stores throughout the country.

**Intermodal freight infrastructure
and goods movement must be
adequately funded through the
transportation reauthorization bill!**

Don't Forget Freight!

Do we have to draw
you a picture?

If you got it,
our essential and
multi-modal freight
transportation system
brought it!

7

Crayons provided by
Binney & Smith,
owners of the Crayola brand.



FOLLOW THAT... COTTON

*An intermodal adventure
with a fluffy ending!*



PART IV

Compliments of:

CAGTC

Coalition for America's
Gateways & Trade Corridors
www.tradecorridors.org

Telephone: (202) 828-9100

Departure Point:
COTTON FARM



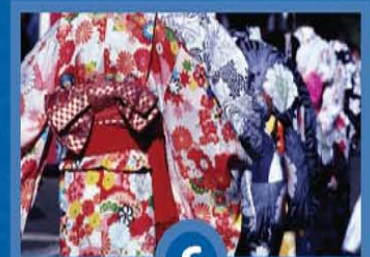
1



3

The cotton is carried from the
warehouse by RAIL.

Final Destination:
JAPAN



6

The cotton is offloaded and distributed
to product manufacturing plants throughout
the country where a variety of goods are
made, like kimonos.

.....
**Intermodal freight infrastructure
and goods movement must be
adequately funded through the
transportation reauthorization bill!**
.....

Don't Forget Freight!

Clean out your ears and listen:

Our essential and multi-modal
freight transportation system
needs at least \$2 billion
per year!

7

*Cotton products
provided by CVS/pharmacy.*



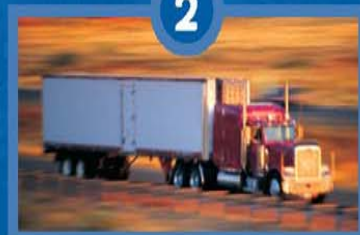
The cotton is sent through the
gin and baled.

2



4

U.S. Port Facility



The bales of cotton are picked by TRUCK
and brought to a rail-accessible warehouse.



5

The cotton is exported by SHIP.

What People Said

- “CAGTC used persistence and creativity to keep the issue of intermodal goods movement in front of key congressional members. Feedback from congressional staffs indicated this was one of the most looked-for and successful campaigns.”
 - Tom Smithberger, HDR Engineering
- “CAGTC was one of the most effective voices, maybe the only effective voice, for freight funding in SAFETEA-LU.”
 - Ray Chambers, National Rail Construction and Maintenance Association
- “We all need to be part of this effort.”
 - Butch Brown, Mississippi DOT

Merely a Down Payment on Needs

BOTTOM LINE: the bill is \$42 billion below the amount needed to “maintain” and \$91 billion below the amount to “improve” according to US Chamber Foundation’s 2005 report.

From 2005 to 2015, total national needs will be \$3.4 trillion to “improve” the system, but total revenue will be only \$2.4 trillion, leaving a cumulative gap of approximately

\$1 trillion

The Times They Are A-changing

- Huge investments are being made outside our borders that will put enormous pressure on freight flows within the U.S.
- Policy overdrive:
 - Congress: 25 separate rail bills alone, Calvert “corridor” bill, Blumenauer proposal, transportation stimulus, etc
 - Administration: Forcing the PPP issue
 - Commissions: Overhaul and reform
 - Associations & coalitions & “loose affiliations of millionaires & billionaires”: Do something! (but do it with somebody else’s money)
 - California: We’ll do it ourselves!

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

Freight Future by 2020

- **Imports and exports are doubling every 10 years**
- **The volume of freight moved on our infrastructure is expected to increase to 25 billion tons, worth about \$30 trillion**
- **Freight traffic within the U.S. borders will increase 100%**
- **Foreign trade moving through American ports is expected to increase by 187%**
- **Containerized cargo will experience an explosive 350% increase**
- **Trucks are expected to move more than 75% more tons of freight**
- **Rail is anticipated to carry 888 million tons of goods, a 44% increase**

North American Maritime Container Current and Future Trade Growth

(Top 10 Ports)



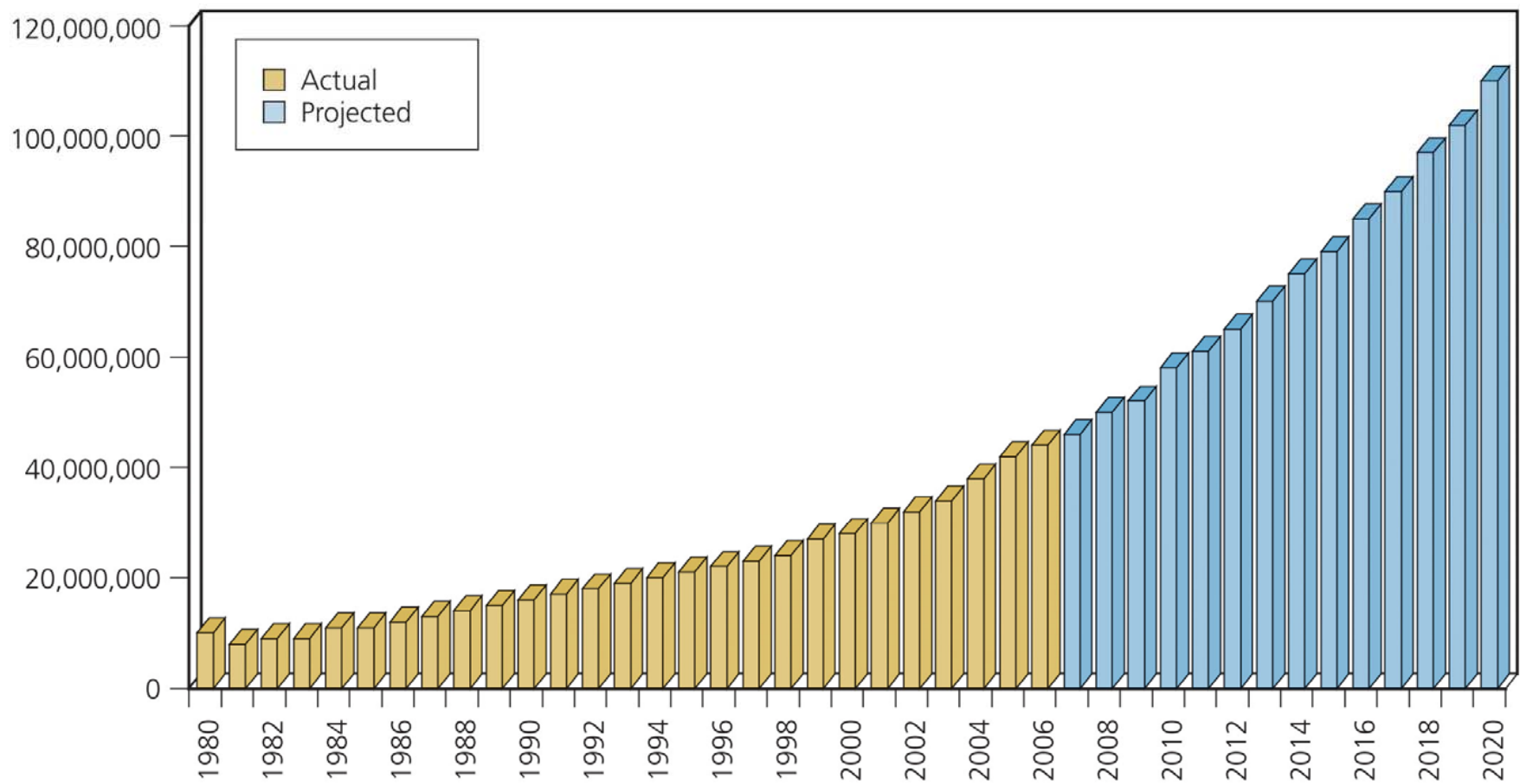
Forecast figures based on 6 year linear regression



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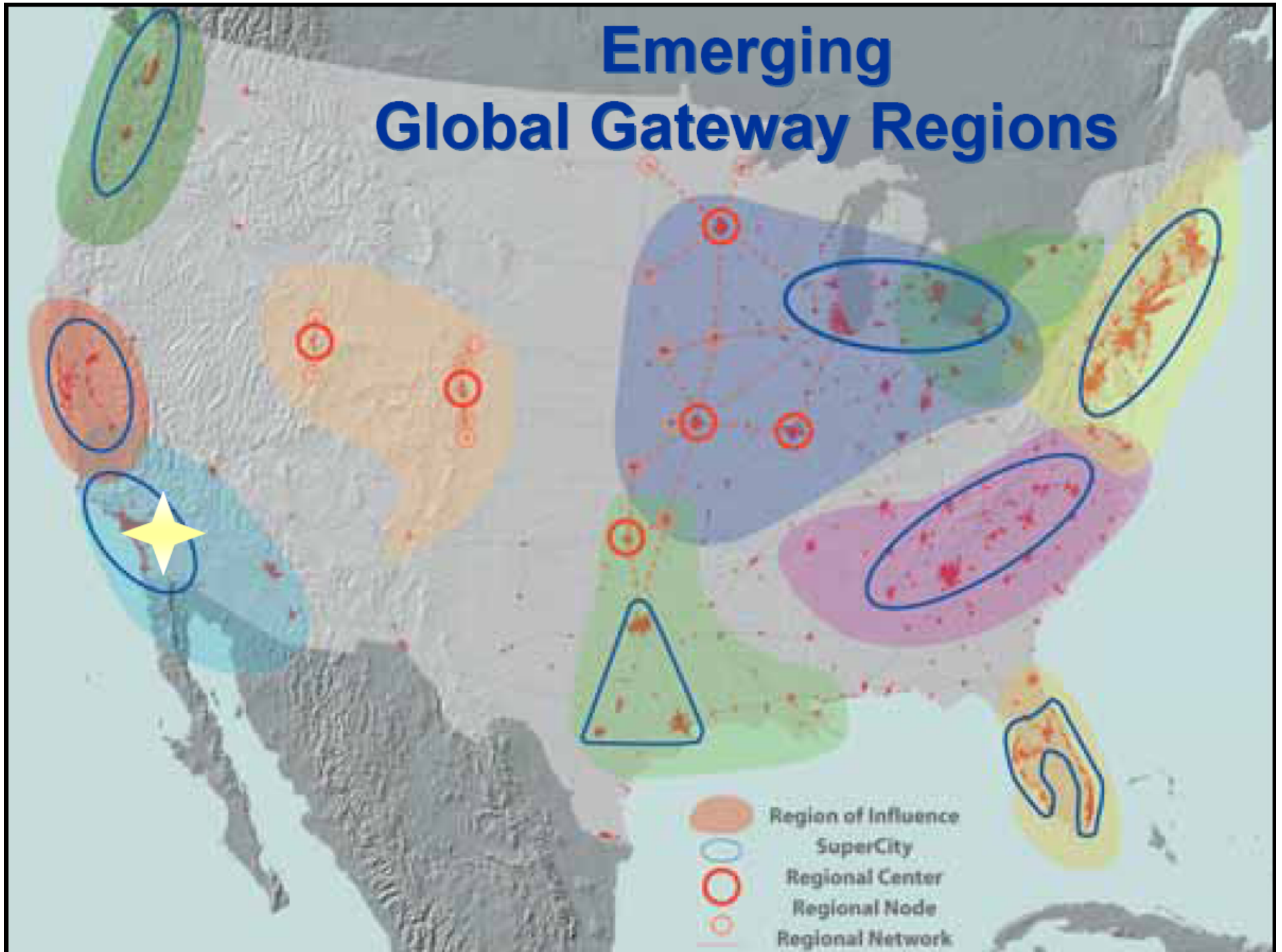
Historic and Projected U.S. Container Traffic (TEUs)

Historic and Projected U.S. Container Traffic (TEUs)



Source: Cambridge Systematics.

Emerging Global Gateway Regions



Major Freight Corridors and Bottlenecks



CAGTC Recent Achievements:

- ➔ **MORE THAN 700 MEETINGS WITH CONGRESS & ADMINISTRATION**
- ➔ **2007 TRADE CORRIDORS SUMMIT**
- ➔ **FEDERAL FREIGHT TRUST FUND POLICY GOAL**
- ➔ **PUBLIC-PRIVATE PARTNERSHIP POLICY PAPER**
- ➔ **PUBLIC EDUCATION**

Freight Trust Fund

- Goal:
 - Establish a comprehensive fund dedicated to the construction and improvement of goods movement infrastructure.
 - Build on objective merit-based criteria in PNRS program established in SAFETEA-LU.
 - Tap other revenue sources in addition to those currently dedicated to the federal Highway Trust Fund.

Public-Private Partnerships

Growing discussion about **appropriate role for PPPs** in financing transportation projects.

PPPs can take many forms in freight financing:
PPP \neq Tolling

Need is obvious for largest possible toolbox of financing mechanisms.

For freight infrastructure especially, PPPs play an important role as part of an overall funding program, but are only one piece of the total transportation financing picture.

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, after which it should be indexed to inflation.” This would equate to 41 cents to 66 cents a day for the average American motorist.

“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.”

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.

WHAT'S NEXT?

- Current surface authorization expires September 2009
 - The time to get in front of Congress is NOW
 - Highway Trust Fund Insolvent in 2009
- Goods Movement Caucus Launch -- April 2008
 - Led by Chairman DeFazio and Reps. Lipinski, Reichert, and Brown
- New Administration and Congress in January 2009

The Coalition for America's Gateways and Trade Corridors

JOIN OUR EFFORT

to

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

For more information, please contact:

Leslie Blakey or Adrienne Gregory

500 New Jersey Avenue, NW, Suite 400

Washington, DC 20001

Tel: 202.828.9100

Fax: 202.638.1045

lblakey@blakey-agnew.com

agregory@blakey-agnew.com

www.tradecorridors.org

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