FRAMEWORK FOR A NATIONAL FREIGHT POLICY

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The United States freight system underpins the nation's continued economic growth, and historically the U.S. has led the world in freight system design and management. Today the nation faces a new challenge. Dramatically increasing freight flows have created congestion in the transportation system, imposing costs on shippers, consumers, and the environment. The U.S. freight system faces significant capacity constraints at key freight gateways, and the Department of Transportation doesn't have the tools--or the authority--to remedy all of the problems on its own. Effective policy solutions will require coordinated and collaborative action by both public and private parties. That coordination and collaboration starts with focused communication about a framework for action.

To bring together public and private stakeholders around a common vision, the U.S. Department of Transportation proposes this *Framework for a National Freight Policy*. The framework lays out a vision and objectives, then details strategies and tactics that the Department and its partners - both public and private sector - can pursue to achieve those objectives. To be credible and achievable, the framework requires input and buy-in from the broader freight sector, including both public and private sector interests. The Department has begun the process of soliciting such input, and DOT looks forward to working with its partners to further develop the framework over the coming months.

Comments and questions concerning this proposed framework should be directed to freight@dot.gov .

Vision statement

The United States freight transportation system will ensure the efficient, reliable, safe and secure movement of goods and support the nation's economic growth while improving environmental quality.

Overarching themes

- *Framework for **National** freight policy, not **Federal** freight policy.* The United States freight transportation system is a national system, not a Federal system, composed of a vast array of inter-connected public and private sector institutions and organizations. In recognition of that fact, this framework includes strategies and tactics that draw upon not only the U.S. DOT, but also many other public and private sector organizations.

- *Importance of investment.* The national freight transportation system is a tremendous asset, and like any asset it requires investment to maintain its high level of performance - performance upon which the nation's economic growth depends. Historically public sector investment has largely taken the form of Federal grants. Going forward, this framework takes a broader perspective, leveraging a wide range of public and private investment tools to finance the construction and operation of freight infrastructure.

- *Public-private collaboration.* Historically the public sector and private sector have played clearly divided roles in relation to freight transportation: the public sector has built, owned, and operated transportation infrastructure - predominantly highways - and the private sector has used that infrastructure to conduct freight operations. This division has limited the opportunities for leveraging private sector efficiencies and expertise in the construction and operation freight infrastructure. Consequently, this framework focuses on facilitating freight transportation through collaborative action between the public and private sectors.

- *Living document.* This framework must be as dynamic as the freight sector and the economy it serves. This framework will evolve as conditions change and as strategies and tactics are tried and evaluated.

Objectives, strategies, and tactics

Objective 1. Improve the operations of the existing freight transportation system.

Strategy 1.1. Improve management and operations of existing facilities.

- Tactic 1.1.1. Focus on bottlenecks.
- Tactic 1.1.2. Pursue information technology initiatives to improve freight operations.
- Tactic 1.1.3. Promote equipment pooling in regions where it seems most promising.
- Tactic 1.1.4. Establish extended gate hours in regions where they seems most promising.

Strategy 1.2. Maintain and preserve existing infrastructure.

- Tactic 1.2.1. Target resources to existing intermodal connectors.
- Tactic 1.2.2. Prioritize timely operations and maintenance projects for inland waterways and great lakes.
- Tactic 1.2.3. Apply harbor maintenance tax revenues to channel improvements.

Strategy 1.3. Explore opportunities for privatization.

Strategy 1.4. Ensure the availability of a skilled labor pool sufficient to meet transportation needs.

- Tactic 1.4.1. Discuss driver availability with trucking industry.

Objective 2. Add physical capacity to the freight transportation system in places where investment makes economic sense.

Strategy 2.1. Facilitate regionally-based solutions for freight gateways and projects of national or regional significance.

- Tactic 2.1.1. Focus DOT attention on facilitating SAFETEA-LU-designated "Projects of National or Regional Significance" likely to generate the greatest economic returns.
- Tactic 2.1.2. Establish criteria for projects of national or regional significance, then encourage additional public sector investment toward projects that meet these criteria.
- Tactic 2.1.3. Encourage private-sector identification of and investment in nationally or regionally-significant freight infrastructure projects.
- Tactic 2.1.4. Ensure that inland waterways trust fund revenues are used for construction of additional lock capacity where needed.

Strategy 2.2. Utilize and promote new/expanded financing tools to incentivize private sector investment in transportation projects.

- Tactic 2.2.1. Explore tax incentives as stimuli for infrastructure construction.
- Tactic 2.2.2. Use private activity bonds to stimulate private sector investment in transportation infrastructure.
- Tactic 2.2.3. Utilize Transportation Infrastructure Finance and Innovation Act (TIFIA) loans to leverage private sector transportation infrastructure investment.
- Tactic 2.2.4. Apply Railroad Rehabilitation and Improvement Financing (RRIF) funding as available.

Strategy 2.3. Explore opportunities for public-private partnerships and/or privatization.

- Tactic 2.3.1. Facilitate public-private partnerships for the design, construction, ownership, and operation of transportation infrastructure.
- Tactic 2.3.2. Encourage private sector institutional investment (both debt and equity) in transportation infrastructure projects.

Objective 3. Use pricing to better align all costs and benefits between users and owners of the freight system and to encourage deployment of productivity-enhancing technologies.

Strategy 3.1. Utilize public sector pricing tools.

- Tactic 3.1.1. Institute highway user charges where appropriate.
- Tactic 3.1.2. Implement congestion pricing pilot programs.
- Tactic 3.1.3. Pursue the possibility of user fees for financing landside access projects.

Strategy 3.2. Utilize private sector pricing tools.

- Tactic 3.2.1. Institute variable pricing in terminals (e.g., PierPass).
- Tactic 3.2.2. Construct and operate private toll roads.

Objective 4. Reduce or remove statutory, regulatory, and institutional barriers to improved freight transportation performance.

Strategy 4.1. Identify/inventory potential statutory, regulatory, and institutional changes (not the usual suspects or non-starters).

- Tactic 4.1.1. Review private sector institutional arrangements for opportunities to improve freight operations.
- Tactic 4.1.2. Review public sector statutes, regulations, institutional arrangements and human capital for opportunities to improve freight operations.
- Tactic 4.1.3. Encourage localities to consider freight needs in their land use decisions.

Strategy 4.2. Provide pilot projects with temporary relief from unnecessarily-restrictive regulations and/or processes.

Strategy 4.3. Encourage regionally-based intermodal gateway responses.

- Tactic 4.3.1. Establish DOT intermodal facilitation teams for key gateway projects.
- Tactic 4.3.2. Support local or regional efforts in gateway regions (e.g., Washington state FAST corridor).

Strategy 4.4. Actively engage and support the establishment of international standards to facilitate freight movement.

- Tactic 4.4.1. Promote establishment of international data standards through the International Standards Organization (ISO).

Objective 5. Proactively identify and address emerging transportation needs.

Strategy 5.1. Develop data and analytical capacity for making future investment decisions.

- Tactic 5.1.1. Fully engage private sector data sources.

- Tactic 5.1.2. Promote public sector freight professional development.

Strategy 5.2. Conduct freight-related research and development.

- Tactic 5.2.1. Ensure that public sector research and development places a sufficient emphasis on freight-related projects.
- Tactic 5.2.2. Fully utilize the Transportation Research Board's National Cooperative Freight Research Program.

Strategy 5.3. Maintain dialogue between and among public and private sector freight stakeholders.

- Tactic 5.3.1. Coordinate freight policy strategies and tactics with the work of the SAFETEA-LU-mandated commission(s): the National Surface Transportation Policy and Revenue Study Commission and the National Surface Transportation Infrastructure Financing Commission.
- Tactic 5.3.2. Increase public sector awareness of trends in private sector freight operations and investment.
- Tactic 5.3.3. Strengthen interagency dialogue (DOT, DOD, EPA, DOL, Corps of Engineers, etc.) on freight issues.
- Tactic 5.3.4. Continue dialogue between DOT and stakeholder associations (AASHTO, TRB, Waterfront Coalition, AAR, ATA, etc.).
- Tactic 5.3.5. Endorse/establish freight advisory boards for public agencies.
- Tactic 5.3.6. Raise awareness of best practices for freight operations and investment.

Strategy 5.4. Make public sector institutional arrangements more responsive.

- Tactic 5.4.1. Adopt fast track/streamlined planning/environmental processes.
- Tactic 5.4.2. Employ public private partnerships in the construction, ownership, and operation of transportation infrastructure
- Tactic 5.4.3. Incorporate goods movement into public sector transportation planning.

Objective 6. Maximize the safety and security of the freight transportation system.

Strategy 6.1. Ensure a balanced approach to security and efficiency in all freight initiatives.

- Tactic 6.1.1. Carry out intermodal equipment roadability rulemaking.

Strategy 6.2. Preserve redundant capacity for security and reliability.

Strategy 6.3. Manage public exposure to hazardous materials.

Objective 7. Mitigate and better manage the environmental, health, and community impacts of freight transportation.

Strategy 7.1. Pursue pollution reduction technologies and operations.

- Tactic 7.1.1. Promote idle reduction opportunities.
- Tactic 7.1.2. Pursue new diesel technologies.
- Tactic 7.1.3. Enact noise reduction strategies.
- Tactic 7.1.4. Explore alternatives for reducing ship stack emissions.

Strategy 7.2. Pursue investments to mitigate environmental, health, and community transportation impacts.

- Tactic 7.2.1. Create noise buffers.
- Tactic 7.2.2. Create green space buffers.
- Tactic 7.2.3. Pursue grade separations and rail relocation strategies.
- Tactic 7.2.4. Promote best-in-class urban design to better integrate freight facilities into surrounding communities.

Strategy 7.3. Promote adaptive reuse of brownfields and dredge material.

- Tactic 7.3.1. Pursue opportunities for adaptive reuse of Base Realignment and Closure (BRAC) facilities or brownfields sites.

Strategy 7.4. Prevent introduction of or control invasive species.

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