
Press Release

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SCAG, Congressional leaders applaud House freight panel's support of national freight policy and funding

Los Angeles, CA – Local Congressional leaders joined the Southern California Association of Governments Tuesday in applauding a House panel's bipartisan support of a national freight transportation policy and federal funding to improve the nation's freight infrastructure.

The Panel on 21st Century Freight Transportation released its final recommendations Tuesday, calling for a comprehensive national plan and "robust" public and private investment in the nation's freight infrastructure system. The recommendations will be included in next year's Congressional negotiations on transportation funding with the expiration of the current Moving Ahead for Progress in the 21st Century (MAP-21).

U.S. Reps. Janice Hahn, D-44th District, and Gary Miller, R-31st District, both served on the panel and led a site visit to Southern California in May.

"It was a pleasure to work with my esteemed colleagues on the Special Panel on 21st Century Freight Transportation," said Rep. Hahn. "Bringing the panel to Los Angeles to see firsthand the port complex showed the panel how communities and officials confront everyday freight issues. This site visit gave members a clearer understanding of Southern California freight successes and challenges when the panel made our recommendations on national freight policy to Congress. This bipartisan partnership will boost American competitiveness and ensure future generations inherit a stronger transportation network. More than 2.9 million jobs in my region are tied to a successful national freight network that produces good paying jobs and helps drive goods to market in all our communities in a timely and efficient manner."

"As we saw during the site visit and field hearing in my district in San Bernardino, there are vital conduits for transporting goods to the rest of the nation that are not well served by our nation's current policy toward freight movement," said Rep. Miller. "In the Southern California region, we expect to experience a three-fold increase in goods movement over the next two decades. In my district, there are two major east-west truck corridors, two Class 1 rail lines, abundant commercial and industrial land, and a major cargo hub. But without a comprehensive freight movement policy, we will not be able to maximize the potential of these assets."

He added, "A national freight policy will result in efficiencies in the system, better-directed resources, and reforms that will help facilitate safe and effective freight movement. As a result, our economy will grow and well-paying jobs in the transportation, warehousing, construction, and logistics industries will be created. The economic activity generated by efficient goods movement will spur manufacturing, retail, and housing growth."

Hasan Ikhata, Executive Director of SCAG, called the panel's recommendations "critical to meeting our nation's long-term freight infrastructure needs." Ikhata testified at the field hearing in Southern California, cautioning Congress to "consider the national economic implications if America does not keep pace with other countries who are investing in their freight infrastructure to compete with the United States."

"Tuesday's recommendations underscore how the freight transportation system has a direct and dramatic impact on our economic vitality and quality of life," Ikhata said. "This is a significant economic driver, especially here in Southern California."

The ports of Long Beach and Los Angeles handle \$350 billion worth of goods each year, roughly 40 percent of the nation's cargo shipments. In addition, Los Angeles International Airport handles \$78 billion in cargo each year, with another \$35 billion passing through our international border crossings. In all, goods movement and related industries account for 2.9 million jobs and \$249 billion in gross regional product – roughly one-third of all economic activity in the six-county SCAG region.

SCAG's 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy called for \$60 billion in freight transportation investment over the next quarter century.

"We're grateful that the House panel took the time to visit with us and listen to our concerns," Ikhata said. "Their recommendations, if followed, would go a long way to ensuring that Southern California will continue to be a leading trade gateway, and that our cargo and goods movement industry will continue to be an economic catalyst for our country."

Specifically, the House panel's recommendations call for:

- Direct the Secretary of Transportation, in coordination with the Secretary of the Army and the Commandant of the U.S. Coast Guard, to establish a comprehensive national freight transportation policy and designate a national, multimodal freight network.
- Ensure robust public investment in all modes of transportation on which freight movement relies, and incentivize additional private investment in freight transportation facilities, to maintain and improve the condition and performance of the freight transportation network.
- Promote and expedite the development and delivery of projects and activities that improve and facilitate the efficient movement of goods.
- Authorize dedicated, sustainable funding for multimodal freight Projects of National and Regional Significance through a grant process and establish clear benchmarks for project selection. Projects eligible for such funding would have a regional or national impact on the overall performance of the multimodal freight network identified by the Secretary of Transportation.
- Direct the Secretary of Transportation, in coordination with the Secretary of the Treasury and Secretary of the Army, to identify and recommend sustainable sources of revenue across all modes of transportation that would provide the necessary investment in the nation's multimodal freight network and align contributions with use of, and expected benefit of increased investment in, such network.

- Review, working through the Committee on Transportation and Infrastructure and the Committee on Ways and Means, the Secretary's freight funding and revenue recommendations and develop specific funding and revenue options for freight transportation projects prior to Congress' consideration of the surface transportation reauthorization bill in 2014.

The Coalition of America's Gateways and Trade Corridors, of which SCAG is a member, had been pushing hard for a national freight funding strategy after Congress last year removed \$2 billion a year that had been part of the MAP-21 negotiations. "A truly strategic freight mobility program would serve the economic needs of our country in the near term and for generations to come by making investment decisions that optimize freight mobility, especially at locations of national significance, unconstrained by mode or political jurisdiction," the Coalition argued.

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About SCAG

SCAG is the nation's largest metropolitan planning organization, representing six counties, 191 cities and more than 18 million residents. SCAG undertakes a variety of planning and policy initiatives to plan for a livable and sustainable Southern California now and in the future. For more information about SCAG's regional efforts, please visit www.scag.ca.gov.