

February 10, 2020

The Honorable Elaine L. Chao
Secretary, U.S. Department of Transportation
U.S. Department of Transportation
1200 New Jersey Avenue S.E.
Washington, DC 20590

Re: National Freight Strategic Plan (Docket Number: DOT-OST-2019-0184)

Dear Secretary Chao,

The American Association of State Highway and Transportation Officials (AASHTO) is pleased to provide comments on the U.S. Department of Transportation's (USDOT) "National Freight Strategic Plan: Request for Information (Docket No. OST-2019-0184), issued on December 27, 2019. Representing all 50 states, the District of Columbia, and Puerto Rico, AASHTO serves as a liaison between state Departments of Transportation and the federal government.

AASHTO believes that the safe and efficient movement of freight by air, highways, rail, and water is essential to a successful U.S. economy. State DOTs strive to deliver the most effective and efficient transportation network as they continue to pursue investments that enhance the multimodal freight system. We are committed to working with USDOT in developing a national vision that informs infrastructure planning and supports future freight efficiencies.

AASHTO provides the following principles and specific policy recommendations to aid the development of the National Freight Strategic Plan (NFSP).

General Comments Based on Core AASHTO Policy Principles for Surface Transportation Reauthorization

Provide Long-term Sustainable Formula Based Federal Funding to States

The NFSP should emphasize the importance of timely reauthorization of a long-term federal surface transportation bill. The uncertainty of federal funding due to recurring short-term extensions of program authorization and Highway Trust Fund (HTF) cash shortfalls is problematic to planning and implementing freight projects. State DOTs work to deliver needed priority projects to improve freight movement as quickly as possible, but given the complex nature of large capital programs combined with an extensive regulatory process, many of the projects take several years to complete.

Despite substantial funding challenges facing our transportation system, the investment backlog for transportation infrastructure continues to increase—reaching \$786 billion for highways and bridges and \$116 billion for transit according to the United States Department of Transportation. According to the Congressional Budget Office, in order to simply maintain the current HTF spending levels adjusted for inflation after the Fixing America’s Surface Transportation (FAST) Act, Congress will need to identify \$100 billion in additional revenues for a six-year bill through 2026. At the same time, the purchasing power of HTF revenues has declined substantially mainly due to the flat, per-gallon motor fuel taxes that have not been adjusted since 1993, losing over half of its value in the last 26 years. The lack of sustainable revenue solutions is a key challenge for state DOTs as they work to preserve and maintain their existing critical freight networks.

We also strongly maintain that the federal program must maximize formula-based funding provided directly to states through the existing core formula programs rather than looking at new discretionary programs. Congress recognized in the Moving Ahead for Progress in the 21st Century (MAP-21) legislation the need to consolidate a complex array of federal highway programs into a smaller number of broader programs, with the eligibilities generally continuing under such programs. This revised program structure was continued in the FAST Act and it has provided state DOTs with greater flexibility to deliver projects—including key freight projects—more efficiently, and it better supports data-driven investment decisions to meet national performance targets. The discretionary grant process requires extensive resources for an uncertain chance of success. This uncertainty prevents effective planning which translates to lost efficiency and added complexity to processes and project delivery. State and local governments have existing long-range plans and capital programming processes based on extensive public input already in place and can put new federal formula funds to work promptly.

Ensuring stable and sustainable funding will safeguard uninterrupted investment in our freight transportation infrastructure to secure our nation’s key economic platform.

Increase Flexibility, Reduce Program Burdens, and Improve Project Delivery of Freight Projects

State DOTs are appreciative of the flexibility in the federal program that supports the right mix of projects to meet the unique investment needs of their own states. To further enhance the effectiveness of federal funding, we recommend increased flexibility of and transferability between the various federal programs, which will better enable states to target their scarce resources into the most beneficial freight programs and projects. Each program has rules that are not always flexible regarding how the funds may be used, and each program is governed by transferability provisions that are established in statute. Specifically, because some set-aside programs have strict guidelines for use or narrow purposes, these programs tend to be underutilized. Yet limitations in the flexibility of set-aside programs prevent states from prioritizing projects based on local needs, as well as limiting the ability of state DOTs to maximize the use of available funding if a partner is not ready to begin a set-aside project.

With regard to project delivery, even with significant progress being made in the past decade, getting the projects done—especially larger improvements—still takes too long and is unduly costly and delay-prone. We believe there remain opportunities to not only make continued improvement in the National Environmental Policy Act (NEPA) process itself—for which we laud the Administration’s current efforts and focus—but also in making the NEPA process work

more efficiently with other federal requirements, all the while carefully and responsibly stewarding optimal environmental outcomes.

Ensure that the National Freight Strategic Plan Remain Flexible to Technological Advances

The freight industry is experiencing a dramatic technological change as information and communication technologies are applied to optimize supply chains. It is important for the NFSP to address the major issues that are affecting the transportation system today in order to adapt and fully integrate innovation into the freight network. Areas of great potential include automation of ports and intermodal facilities, unmanned aircraft systems, predictive analytics, and the use of connected applications. In addition, state DOTs believe that the future of transportation includes cooperative automated transportation (CAT). Establishing a strong foundation for CAT requires ensuring robust connectivity for vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) communication. State DOTs are committed to leading, supporting, and fostering these new technologies but the recent proposal from the Federal Communications Commission to take away more than half of the spectrum in the 5.9GHz band currently reserved for transportation safety communications will significantly harm investments made over the past two decades on safely and efficiently moving freight through the transportation system.

Ensure Appropriate Use of Definitions of Freight Performance Measures and Defer Specifics to the Rulemaking Process

AASHTO is supportive of the use and application of performance management principles as part of the management of the multimodal transportation network by state DOTs. AASHTO particularly supports state-based performance measurement and management. AASHTO recommends that the NFSP make clear that any performance management recommendations would not establish requirements for state governments to track and manage these measures or to make improvements on their freight system. Proposed requirements should be addressed through the rulemaking process, which gives the public clear notice of the imposition of the requirements being considered.

Specific Comments Based on AASHTO's Surface Transportation Reauthorization Recommendations

Expand the Extent of the Primary Highway Freight System and National Multimodal Freight Network

The current definition and limitations of the Primary Highway Freight System (PHFS), National Highway Freight Network (NHFN) and the National Multimodal Freight Network (NMFN) will not allow states to attain the comprehensive goals set forth in MAP-21 and the FAST Act and do not take into account the geographic and economic differences in states, including the challenges of rural, large, land-based states and other concerns of states. The PHFS network currently consists of 41,518 centerline miles, including 37,436 centerline miles of Interstate and 4,082 centerline miles of non-Interstate roads. The designation of PHFS roads in various states has resulted in a limited and disconnected network. The ability of a state to designate some additional mileage to the NHFN as critical urban and rural corridors still leaves an unduly limited and disconnected network. For the NMFN, the current draft network is limited and does

not include all of the National Highway System (NHS) roads nor critical rural and urban transportation links.

AASHTO recommends the following changes:

- Expand eligibility of the National Highway Freight Program to include all of the NHFN.
- Eliminate the 2 percent rule so states can spend funds on any NHFN route (to include Critical Urban Freight Corridors and Critical Rural Freight Corridors).
- Expand the PHFS to include all Interstate System roadways regardless of how much freight funding a state receives. Given that the Interstate System is just that—a system—a fragmented designation of the Interstate System is not appropriate to addressing freight transportation and goods movement. Freight program eligibility should include all Interstate miles by default.
- Remove restrictions on state authority to add mileage to the PHFS, NHFN and NMFN, including but not limited to mileage caps on critical urban and critical rural corridors.
- Add eligibility to use funds on any portion of a state’s multimodal freight network as defined in a state’s freight plan.

Expand Eligible Activities through National Highway Freight Program

The use of the nation’s transportation system for freight is increasing, and with it the need for integrated solutions to better move freight throughout the country. Currently, no more than 10 percent of NHFP formula funding may be used for intermodal, freight rail, or water transportation. This 10 percent cap needs to be removed to provide the flexibility for states to use discretion in determining the amount of NHFP formula funding to go toward multimodal freight projects identified in the state’s freight investment plan and to invest more in multimodal projects if appropriate for that state. Eligibility should include multi-state proposals and projects for regions and corridors to improve freight intermodal connectivity. Furthermore, the NHFP, both the formula program and the discretionary program (INFRA) should integrate eligibility for integrated freight management solutions, freight safety programs, and research supporting future investments.

Modify the Infrastructure for Rebuilding America (INFRA) Discretionary Grant Program

The FAST Act established a new discretionary grant program for Nationally Significant Freight and Highway projects. Grant eligibility is limited to highway projects on the NHFN, highway or bridge projects on the NHS, railway-highway grade crossing or grade separation projects, or intermodal or rail projects, including those within the boundaries of public or private freight facilities. Under the FAST Act, not more than \$500 million in aggregate of the \$4.5 billion authorized for INFRA grants over fiscal years 2016 to 2020 may be used for grants to freight rail, water (including ports), or other freight intermodal projects that make significant improvements to freight movement on the National Highway Freight Network. AASHTO recommends removing or increasing the caps used for grants to freight rail, water (including port), or other freight intermodal projects and add eligibility to use the funds on any portion of a state’s multimodal freight network as defined in a state’s freight plan. Lastly, while annual changes are made to the INFRA program application requirements and awards criteria to reflect present Administration priorities, AASHTO requests minimizing such changes as they create uncertainty and additional burden for state DOTs when planning and applying for this program.

Reestablish the National Cooperative Freight Research Program (NCFRP)

The FHWA Research, Development, and Technology Transfer's (RD&T) mission has been to promote innovation and improvement in the highway system. Over the last decades, this critical mission element has developed into a broad array of research and technology activities covering the spectrum of advanced research, applied research, technology transfer, and implementation. The NCFRP, however, was last authorized under SAFETEA-LU. MAP-21 and the FAST ACT provided much more emphasis on freight, while simultaneously reducing funding for freight research at the national level. NCFRP funds would enable the states the ability to solely focus on freight research needs for the challenges such as truck parking, lack of supply chain data, technological advancements, last-mile delivery impacts, private sector coordination, and emerging freight-related issues. The NCFRP funds are vital in promoting research that will inform investment and operation decisions for improving the multimodal freight network.

We greatly appreciate the opportunity to provide these comments and look forward to working with USDOT on the development of the National Freight Strategic Plan. Many of AASHTO's state DOT members will provide separate and in-depth comments and examples through this docket and we urge USDOT to consider those comments.

If you would like to discuss the issues raised in this letter, please contact Caroline Kieltyka, AASHTO's Program Manager for Freight at ckieltyka@aaashto.org or (202) 624-8489.

Sincerely,



Patrick K. McKenna
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