

INTRODUCTION

Chairman Petri, Ranking Member Norton, and Members of the Subcommittee, thank you for the opportunity to provide input on the Nation's highway freight challenges and policy recommendations for surface transportation reauthorization. These recommendations will support and enhance the States' ability to make improvements to the highway freight system for safer and more efficient movement of goods. My name is Mark Gottlieb, and I serve as the Secretary of the Wisconsin Department of Transportation and Chair of the Highway Transport Subcommittee of the American Association of State Highway and Transportation Officials (AASHTO). Today I am testifying on behalf of AASHTO, which represents the departments of transportation (DOTs) of all 50 states, Washington, D.C. and Puerto Rico.

AASHTO applauds the leadership of Transportation and Infrastructure Committee Chairman Bill Shuster and Ranking Member Nick Rahall for working to advance reauthorization, including establishing the Special Panel on 21st Century Freight Transportation. Last October, the panel, led by Chairman John Duncan and Ranking Member Jerrold Nadler, reported their findings and recommendations for improving the Nation's freight transportation system. We believe that the report provides an excellent starting point for discussion and debate about how best to address our freight challenges and to advance innovative approaches to reconstruct and modernize our highway system to meet those challenges. My testimony will address some of the key findings and recommendations from the special panel.

IMPORTANCE OF FREIGHT TO THE NATION AND THE STATES' ECONOMIES TO ENSURE ECONOMIC COMPETITIVENESS

Our Nation's highway system is the backbone of the freight system. The U.S. Interstate and National Highway Systems carry more than 85 percent of all heavy truck traffic yet account for just over 5 percent of the 4.1 million miles of public roads in the country. While these systems carry the most freight traffic, the feeder routes and first and last miles which form the capillaries of the system are also critical to the safe and efficient movement of freight from origin to destination. Logistics and supply chain challenges can create inefficiencies at either end, making the first and last miles the longest.

Certain sectors of our national and state economies are heavy consumers of products that move on our freight transportation system – such as manufacturing, trade, mining, logging, agriculture, commercial fishing and construction. Others rely substantially on integrated supply-chain logistics, for example retail merchandizing and energy supply. These sectors account for approximately one-third of the U.S. economy, and growth is directly related to the ability to improve the safety, efficiency and productivity of our freight transportation system. Freight movement is important in all regions of the country and in rural as well as urban areas.

Our highway freight system also connects our businesses, industries and consumers with the global market place. Total trade (exports and imports) accounted for 31 percent of U.S. GDP in

2012¹. Merchandise trade, which includes such items as machinery, chemicals, petroleum and coal, consumer items, capital goods, automotive parts and industrial supplies and materials, accounted for almost 25 percent of the average annual U.S. GDP in the period from 2009-2013 according to the World Bank. American businesses exported nearly \$1.6 trillion in goods in 2013, according to the U.S. Census Bureau.

More than 45 million American jobs are in freight dependent economic sectors, including mining, construction, manufacturing, wholesale and retail trade, transportation and warehousing, and agriculture and forestry.²

Given the importance of excellent freight transportation to our nation's economic competitiveness and quality of life, AASHTO carefully considered freight transportation issues in developing its reauthorization policy recommendations. The freight policy resolution adopted by the AASHTO Board of Directors last fall is attached.

Wisconsin's economy is very dependent on freight intensive industries, which account for almost 50 percent of the state's GDP. In 2011, over 518 million tons of freight was shipped in the state with a value of over \$524 billion. These freight intensive industries, especially agriculture, forestry, manufacturing, and mining will continue to be strong and put increased demands on the state's transportation network.

A prime example of this is the rapidly growing frac sand mining industry in Wisconsin. Shipping the sand to many areas of the country, and internationally, for oil and natural gas extraction is accomplished in an intermodal manner across roads, rail, and water. Frac sand related freight has grown by nearly 300 percent in Wisconsin in the last five years alone and is expected to continue to grow at a rapid rate and is imposing unique challenges to our transportation infrastructure, particularly at the township and county level.

Other state DOTs have also documented the importance of freight to their economies. For example:

Maryland... "Real output among Maryland's freight-intensive industries, a measure of economic performance is expected to grow by 119.7 percent statewide between 2000 and 2030. As a result of this statewide growth, and the corresponding growth across the country, the tonnage of freight transported into, out of, within, and through Maryland is estimated to increase by about 105 percent by 2035, comprising about 1.4 billion total tons and \$4.98 trillion of value (an increase of 118 percent over 2006 value).⁸ While the State's largest concentration of freight-intensive industries and freight flows will remain in the I-95 corridor, freight industries and the resulting goods movement in the I-270 corridor are projected to grow at a faster rate."³

¹ International Trade Administration, *U.S. Trade Overview 2012*

² Bureau of Labor Statistics, *December 2013 Monthly Labor Review*

³ Maryland Department of Transportation, *Maryland Statewide Freight Plan 2010*

Georgia... *“Freight is a critical component Georgia’s economy. Five freight-related economic sectors produced nearly \$100 billion of output in 2007—25 percent of Georgia’s 380 billion of gross state product. These sectors are heavily dependent on highways, railroads, ports, and airports to receive goods from suppliers and deliver goods to customers. The growth of these freight-related sectors will be directly related to the quality of improvement to the State’s freight transportation infrastructure.”*⁴

Texas... *“Trucks are a critical link in the Texas multimodal freight system. Annually over \$1.6 trillion/1.2 billion tons of freight are moved on Texas highways. In 2011, trucks moved over 46 percent of all freight moved in Texas. By 2040, truck tonnage will increase by 78 percent and account for 56 percent of all freight moved. The top commodities moved by truck in Texas include mainly agriculture products: live animals/fish, cereal grains, animal feed, meat/fish, other agriculture products such as fertilizer and milled grain products.”*⁵

Florida... *“The economic success of Florida is inescapably tied to freight activity. Florida has the 3rd largest logistics and distribution industry in the nation, and the 5th number of logistics and distribution jobs. Thriving in the global economy is dependent upon efficient freight movements. Global, national, regional and local markets are very competitive, and Florida must capitalize on its advantages and position itself to compete well.”*⁶

Missouri... *“Freight moved by trucks, barges, planes and trains is an essential part of the state’s economy. In 2012, for example, Missouri exported \$13.9 billion in freight.”*⁷

Texas

- 1 in 16 Texans are employed by the trucking industry
- 73 percent of goods manufactured in Texas are transported by truck
- 85 percent of trade between Texas and Mexico is handled by trucks
- There are over 66,000 trucking companies in Texas
- Trucking industry wages exceeded \$22.5 billion, with an average industry salary of \$45,000
- There are over 185,000 truck drivers employed in Texas, with an average salary of \$34,500
- Trucks represent 12 percent of the vehicle miles traveled in Texas annually

The challenge is whether the nation as a whole will make the investment to meet the freight transportation demand projected for the future. If sufficient investment is made, economic growth can be supported while insufficient investment will stifle economic productivity, growth and economic competitiveness.

⁴ Georgia Department of Transportation and the Georgia Center of Innovation for Logistics, *Freight and Logistics Action Plan*, December 2011

⁵ Texas Freight Advisory Committee, *Texas Freight Mobility Plan, 2013*

⁶ Florida Department of Transportation, *Florida Freight Mobility and Trade Plan*, June, 2013

⁷ Missouri Economic Research and Information Center, *Missouri Freight Transportation: Economy on the Move/Truck Freight 2007*

FREIGHT CHALLENGE: ENSURE AND INCENTIVIZE ROBUST PUBLIC INVESTMENT IN THE FREIGHT HIGHWAY SYSTEM

Solvency of the Highway Trust Fund

We will not be able to tackle our Nation's freight challenges and provide for the highway freight system of the future, unless we confront the underlying threat of disinvestment in our transportation infrastructure. State DOTs play a critical role in ensuring that we have a safe, reliable and efficient transportation network. But states are only able to play this role through a robust partnership with the Federal government.

In January, the U.S. Department of Transportation (U.S. DOT) announced that the Highway Account of the Highway Trust Fund (HTF) will likely run out of money as early as this summer. If this is allowed to happen, states may not be reimbursed for work they have already paid for. In addition, failure to ensure the solvency of the HTF will prevent states from being able to obligate any new federal highway funds in Fiscal Year 2015. In Wisconsin, this would result in a 66 percent reduction in funding for our core program that maintains and preserves our existing state highway system.

Almost half of capital investments made by states on our nation's roads, bridges, and transit systems are supported by the federal highway and transit programs administered by the U.S. DOT. Without this strong federal-state partnership, state DOTs will not be able to play their part in building and maintaining the national transportation network on which our economy relies to be competitive in the global marketplace.

Since 2008, the Congress has avoided shortfalls in the HTF by transferring \$52.1 billion from the general fund of the Treasury to the HTF. If lawmakers choose to continue authorizing such transfers, an additional \$19 billion in FY 2015 and a total of \$100 billion over the next six years will be needed to prevent future shortfalls, if spending is to be maintained at existing levels and adjusted for inflation.

In addition, state DOTs rely on the predictability of federal funding to produce long-range transportation plans and to plan for major projects. Surface transportation reauthorization bills that only provide funding for one or two years and short-term fixes for the HTF prevent state DOTs from being able to properly plan for complex transportation projects that span multiple years. These types of projects often have a significant impact on the efficient movement of freight. Ensuring the long-term solvency of the HTF and authorizing the surface transportation programs for 5 to 6 years will greatly improve state DOTs' ability to undertake complex freight transportation projects that will facilitate freight movement

Recommendation:

Congress could address the projected annual shortfalls by substantially reducing spending for surface transportation programs, which we do not support, could boost revenues, or adopt some combination of the two approaches. According to the Congressional Budget

Office (CBO), bringing the HTF into balance in FY 2015 would require the devastating action of entirely eliminating the authority in that year to obligate funds (projected to be about \$51 billion for the federal highway and transit programs), raising revenue or otherwise providing funding that is the equivalent of an additional 10 cents per gallon, or undertaking some combination of those approaches. Whichever tools are utilized, at a minimum, it is crucial to identify solutions that at least will sustain the MAP-21 level of surface transportation investment in real terms.

Funding for Freight Projects

Currently, highway freight-related projects, including for example, projects to eliminate bottlenecks or improve throughput and reliability, are funded through the core, formula federal-aid highway and bridge programs – the National Highway Performance Program, the Surface Transportation Program, Highway Safety Improvement and Congestion Mitigation and Air Quality Programs – through state and local freight programs and projects, and through public-private partnerships. The flexibility of the core federal highway programs enables states to use federal, state, local and private funds jointly or separately to address very diverse highway freight needs. That is appropriate as, with very few exceptions, in this country roads are shared by passenger vehicles and freight vehicles. Proper planning takes both into account. Since funding for the HTF-supported programs supports both freight needs and passenger/personal mobility needs, a solution to the HTF solvency crisis will help meet freight mobility as well as other mobility needs.

There are also non-HTF supported federal investments that help meet freight mobility needs. Since 2009, appropriations for the Transportation Investment Generating Economic Recovery (TIGER) program, a discretionary grant program, has enabled the U.S. DOT to invest in road, rail, transit and port projects, including freight projects, which can demonstrate that they will achieve critical national objectives. Since its inception Congress has provided more than \$4.1 billion from the General Fund to the TIGER program: \$1.5 billion for TIGER I, \$600 million for TIGER II, \$526.944 million for FY 2011, \$500 million for FY 2012, \$473.847 million for FY2013, and \$600 million for the FY 2014 round of TIGER Grants. So far, more than \$1.2 billion in TIGER grants has gone to highway freight, rail and port projects across the country and of that, \$183.5 million was awarded to highway freight projects.

In addition, the Moving Ahead for Progress in the 21st Century (MAP-21) authorized \$500 million from the General Fund (subject to appropriation) in FY 2013 only, to fund Projects of Regional and National Significance -- critical high-cost surface transportation capital projects that will accomplish national goals, such as generating national/regional economic benefits and improving safety, and that are difficult to complete with existing Federal, State, local, and private funds. To date, funds have not been appropriated for this program.

We note that the Transportation and Infrastructure Committee's Special Panel on 21st Century Freight Transportation recommends that Congress --

“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.”

In 2010, prior to MAP-21’s 2012 enactment, in a report, *Unlocking Freight*, AASHTO documented the challenges associated with the U.S. freight system not keeping up with the demands being made on it, and the need for freight to be a priority in reauthorization of the federal surface transportation program. At that time AASHTO supported the creation of a new national freight program only as a component of a much larger surface transportation program with a funding increase of 40 percent or greater. Moreover, we recommended that if created, most of the funding for a new freight program should be funded through new freight user fees outside the current HTF. We also recommended that the program should incorporate both a formula and discretionary element.

However, with the enactment of MAP-21, funding for federal-aid highway, highway safety, and transit programs was not increased. The greater value for the federal highway dollar came from reforms, including the consolidation of more than 100 individual program, new performance measures, risk-based asset management and performance-based planning all of which are likely to lead to greater priority given to investments in freight projects.

Recommendations:

AASHTO believes that with the program consolidation and performance reforms in MAP-21, much of the federal funding for the existing federal-aid highway and bridge programs will be invested in projects that contribute to safer and more efficient freight movement. Increases in funding for the current program structure would reinforce that flexible but freight-friendly approach.

AASHTO favors flexibility for states, not increasing the number of programmatic categories within federal transportation programs, and an emphasis on formula funding, including not reducing the proportion of the overall federal highway program that goes to formula dollars.

AASHTO’s funding priority is to ensure support for current program levels plus inflation for current, predominantly formula programs. If Congress should choose to advance a new, dedicated freight program, it should not come at the expense of existing funding, plus inflation, for apportioned highway programs nor should funding be carved from the existing revenue structure that supports the HTF. Any such program should also emphasize formula funding.

AASHTO recommends that the highway user fee mechanism which supports the HTF should maintain the existing limitations on the use of highway user revenues to the programs and projects currently eligible. If Congress were to create a new multimodal

freight program, funding should come from new sources outside the existing HTF funding mechanism.

Freight Project Match Incentive

To encourage states to invest in freight projects, MAP-21 allows for a higher federal matching share for projects that will improve the efficient movement of freight – from 90 to 95 percent for projects on the Interstate Highway System, and from 80 to 90 percent for a non-Interstate System project. In addition, the projects must come from a state freight plan.

Recommendation:

AASHTO believes that the provision allowing for a reduced non-federal share for freight projects identified in state freight plans incentivizes investments in freight projects and provides tangible encouragement to develop and update state freight plans as part of the new performance-based planning process. AASHTO recommends the continuation of this incentive provision.

FREIGHT CHALLENGE: DESIGNATE A NATIONAL HIGHWAY FREIGHT NETWORK AS A COMPONENT OF AN OVERALL NATIONAL FREIGHT TRANSPORTATION POLICY

In MAP-21 Congress requires U.S. DOT to establish a national highway freight network to assist states in strategically directing resources toward improving movement of freight on highways.

The national highway freight network will consist of three components:

1. A primary freight network, as designated by the Secretary of U.S. DOT;
2. Any portions of the Interstate System not designated as part of the primary freight network; and
3. Critical rural freight corridors.

MAP-21 limits the initial designation of the primary highway freight network to a maximum of 27,000 centerline miles of existing roadways “that are most critical to the movement of freight”. USDOT may add up to 3,000 additional centerline miles of roads, existing or planned, considered critical to movement of goods on the network. States are given authority to designate the critical rural freight corridors using criteria contained in MAP-21.

USDOT has proposed a primary highway freight network based on the 27,000 centerline mile cap imposed by MAP-21. After seeing the network that results from a strict application of the MAP-21 designation criteria, it is apparent that the network is too small. Rather, a corridor-based approach which incorporates multiple highway facilities rather than highway centerline miles would be a more appropriate approach.

Moreover, we believe that the designation criteria used by the U.S. DOT as required by MAP-21 fail to address important freight-related considerations in the states. We recommend that U.S.

DOT give greater weight to factors that states suggest, including consideration of State Freight Plans that may be developed, and factors that address connectivity, including but not limited to, important freight origins and destinations, multimodal hubs, and connections to international borders. While U.S. DOT may be restricted by the mileage requirement, we urge them to be as flexible as possible in using the designation criteria. For example, an Average Annual Daily Truck Traffic (AADTT) count of 8,500 trucks per day is too high in most places to identify a primary freight network that will also yield network connectivity.

Combined, these factors and the methodology have resulted in the creation of critical gaps in the identified freight corridors and omit altogether some corridors viewed as critical for freight movement. Further, the designated corridors do not reflect the freight generating endpoints or nodes (such as ports, airports, and intermodal facilities) and the role they play in the freight system.

In Wisconsin, the proposed network lacks route continuity, has large gaps, and omits some critical primary freight routes in the state entirely. Eight critical primary freight routes have been identified in Wisconsin, which are not currently included in the U.S. DOT's primary freight network. On each of these eight omitted routes, more than 20 percent of the average annual daily traffic is heavy truck traffic and/or is connected to a freight node or intermodal terminal. In addition, each of the eight omitted routes is also part of Wisconsin's Oversize/Overweight Freight Network.

The designation of a highway freight network is a useful mechanism to be used in the new performance-and risk-based planning process to assist the states in prioritizing freight needs and allocating highway investment dollars. The ultimate goal is to make the transport of goods as economically competitive, efficient and frictionless as possible. The designated network is only a tool to assist in allocating federal, state, local and private sector resources to achieve that goal. The designation of a primary highway freight network is one designation which is layered on several others – the Interstate, the enhanced NHS, the National Strategic Network, the Twin Trailer Network, for example – and all with separate designation processes. The designation of the primary freight network must consider the integration of all these networks as well as systems operations issues, such as harmonization of special permitting and emergency permitting procedures.

Unfortunately, the mileage caps and designation criteria undermine the ability to designate a network that integrates the existing freight networks on which investments and planning decisions to serve freight needs are being made.

Recommendation:

AASHTO recommends that Congress replace the mileage caps in MAP-21 with standards and guidance for a designation process undertaken by the state DOTs in consultation with Metropolitan Planning Organizations (MPOs), local governments, the private sector and U.S. DOT, and giving the Secretary of U.S. DOT the authority to add,

but not delete, routes to those designated by the states to ensure connectivity. In addition, the criteria for critical rural freight corridors should be more flexible.

FREIGHT CHALLENGE: ENSURE THE TRANSPORTATION PLANNING PROCESS LEADS TO INVESTMENTS DECISIONS THAT SUPPORT AND ENHANCE FREIGHT MOVEMENT

Performance Measures and Performance-Based Planning

MAP-21's policy reforms include provisions for performance measurement and risk-based performance-based planning and programming. These two performance-related reforms will add to the performance information and management systems of the state DOTs and MPOs, enhancing their ability to direct federal resources to enable them to address their highest priority transportation needs with investments in projects that will yield the greatest benefits. It is important to note that the state DOTs have been engaged in using performance and asset management systems to guide investment and administration of their state transportation programs for more than a decade. The introduction of national performance measures will enable them to better coordinate and integrate achievement of national goals with their state transportation priorities.

MAP-21 requires specific freight-related performance measures for the "States to use to assess freight movement on the Interstate System." Since the enactment of MAP-21 AASHTO has been working in cooperation with the Federal Highway Administration (FHWA) to identify an appropriate national-level highway freight performance measure for Interstate System movements, and to address the associated issues related to measure definition, methodology, data, target setting, reporting and other technical issues. A team of experts in freight from state DOTs has identified two measures to assess freight movements:

- Annual Hours of Truck Delay (AHTD) – Travel time above the congestion threshold in units of vehicle-hours for trucks on the Interstate Highway System.
- Truck Reliability Index (RI₈₀) – The RI is defined as the ratio of the total truck travel time need to ensure on-time arrival to the agency-determined threshold travel time (e.g., observed travel time or preferred travel time).

Full implementation of MAP-21's performance measures and performance-based planning and programming provisions will not be in place prior to the expiration of the current authorization period. We believe that the sufficient time will be needed to implement, "test-drive", and make adjustments to the measures, reporting process, and performance based planning process once the regulations are finalized.

State Freight Plans and Freight Advisory Councils

However, in the meantime, the state DOTs are continuing to advance the practice of performance management to assist in managing their programs and in ensuring best value for their

investments. Over 30 state DOTs now have a dedicated freight office or lead in their respective organizations.

In recent years, many states have also developed freight strategies, plans, programs and projects. AASHTO has identified 25 states that have State Freight Plans—13 individual State Freight Plans and an additional 12 that are incorporated into the state's strategic long-range transportation plan. Other states have separate modal plans that, if combined, would constitute freight plans.

In developing state freight plans, the focus, emphasis, priorities, analysis, scope and complexity of plans, will and should vary among the states depending on their size, economies, transportation systems and state-identified objectives. MAP-21 identifies six elements that the state freight plans must include. AASHTO is collaborating with U.S. DOT to determine how to meet the data and analysis needs for the preparation of state freight plans that contain the six required elements. In some cases this may involve U.S. DOT providing national data sets for the use of state DOTs.

MAP-21 also directs the USDOT to encourage states to establish freight advisory committees. A number of state DOTs have established freight advisory committees or their equivalent principally for the purpose of involving the private sector in freight strategies, plans, programs, and projects.

A state freight advisory council may take many forms depending upon the given state. Different institutional relationships exist between state DOTs and freight advisory committees, councils and advisory groups, and have generally proven effective.

Freight advisory committees are structured and operate in a variety of ways: groups that are organized and managed by the DOT; external groups that actively champion freight and advise the DOT through development agencies; the utilization of regional planning relationships; transient committees and groups that are formed for special projects and freight planning activities then disbanded; and freight advisory committees that are established and required by state law. What is important is the function.

In Wisconsin, we have placed an emphasis on freight planning. Our long-range multi-modal state transportation strategic plan, Connections 2030, incorporates strategic freight planning in all modes. We have also conducted several studies and published reports related to freight including a Truck Size and Weight Study and a Freight Data Report among others.

Given the multi- and intermodal nature of freight, we are also working on organizational and programmatic issues related to freight planning and management. We have established an internal Freight Policy Administrators Committee and work with businesses and stakeholder groups on both general freight policy and planning issues and specific freight-related issues and needs.

We are also developing data driven approaches to increasing weight limits and a performance based oversize/overweight permitting system. These will facilitate freight movement as well as provide increased operational and engineering support in moving oversize loads.

The state's Multimodal Freight Network (MFN) is a statewide transportation system that comprises highways, local roads, rail lines and freight terminals, ports, and airports. The MFN uses a data-driven approach - refined and validated through stakeholder outreach - which is focused on creating tools and data analysis methods to support freight transportation investment decision-making from a statewide, regional, and corridor perspective.

Wisconsin hosts the Governor's Annual Freight Summit which includes multimodal representation and stakeholder participation. This annual event is focused on providing a forum for external freight stakeholders to communicate transportation system/process impediments they are encountering on a state, regional, and national level. This venue also affords the state an opportunity to review previous concerns expressed by industry stakeholders and how the state has responded as well as new freight projects the state is engaged in. Neighboring state DOT agencies attend to learn about industry concerns and to identify opportunities to harmonize freight efforts with Wisconsin. The event is themed as "Freight Friendly Wisconsin".

Recommendations:

AASHTO recommends that U.S. DOT be encouraged to work with the state DOTs and MPOs to address data and analytic needs, and to provide technical support to advance the state of the practice of freight planning.

AASHTO recommends that the states and the U.S. DOT assess the experience of the states with freight advisory committees, and based on that, develop a program to encourage the development of committees in states that do not have them and improvements in states that do have them.

Multi-State Freight Organizations

We know that our Nation's economy is dependent on a well-functioning and efficient freight transportation system which in turn depends on the capacity, condition and operation of the underlying infrastructure. We also know that the demand for freight transportation is growing and with it, increased congestion and more chokepoints, all of which contribute to delay, unreliability and rising transport costs which are passed on to the costs of the goods. Living in a global economy means that more and more of our freight is moving across state jurisdictions. Almost 50 percent of the freight tonnage in the U.S. moved more than 100 miles; 19 percent moved more than 500 miles, and this percentage is growing.

Multistate planning is being employed to address the total freight trip which may move along multistate corridors. For more than 25 years, state DOTs have come together to provide a forum to address and plan for freight movement operations across state jurisdictions. More than a dozen formal and informal freight corridor coalitions exist today. These voluntary multi-state

freight organizations are contributing significantly in regional planning and consensus building to provide support for investments in regional freight projects.

The Mid-America Freight Coalition is a regional organization that cooperates in the planning, operation, preservation, and improvement of transportation infrastructure in the Midwest. The ten states of the AASHTO Mid-America Association of State Transportation Officials (MAASTO) share key interstate corridors, inland waterways, and the Great Lakes. Wisconsin is an active participant in this group and manages the group's federal pooled fund which utilizes federal and state funding to enable joint research projects and special studies.

In addition to the Mid-America Freight Coalition, I'd like to mention a few other multi-state freight related efforts Wisconsin is involved in. While these are not all of our efforts, they represent the broad range of activities that Wisconsin and other states are involved in to improve freight movement.

Wisconsin has created an Oversize/Overweight (OS/OW) Freight Network (the Network) to accommodate the exponential growth in specialized OS/OW shipments that move to, through, and from Wisconsin. The Network involves transfer points from rail, ferry, and ports and was developed in collaboration with our neighboring states of Iowa, Illinois, Michigan, and Minnesota. Wisconsin shippers, producers, and manufacturers rely heavily on the Network to move their products. As an example of how critical the Network is for Wisconsin businesses, one business relies on OS/OW routes for all of its products, shipping most outside the state. That business has more than doubled its employment in the last three years with the Network facilitating their success.

Wisconsin is also a member of the Great Lakes Regional Transportation Operations Coalition (GLRTOC), a partnership of agencies in the Great Lakes mega region with a goal of improving transportation operations in pursuit of regional economic competitiveness. One of GLRTOC's main strategic focus areas is efficient freight operations. Recently GLRTOC teamed with the Mid-America Freight Coalition on an effort to improve multistate system performance management and network operations to improve reliability for motor carriers and intermodal freight movements. In addition to Wisconsin DOT, the effort includes the Iowa, Illinois, Indiana, Michigan, Minnesota, and Ohio DOTs, the Indiana and Illinois Tollways, and the Ontario Ministry of Transportation.

We are currently partnering with Minnesota and Michigan on an FHWA pilot project to evaluate truck parking needs along the I-94 corridor. The project includes projected freight growth along the corridor as well as changes in hours of service regulations.

While not a highway freight project, I'd like to mention that Iowa, Illinois, Minnesota, Missouri, and Wisconsin have partnered to request the designation of the M-35 Marine Highway. The M-35 includes the Upper Mississippi River from St. Louis to the Twin Cities and will connect with the M-55 corridor providing a direct water route for freight from the Twin Cities to the Gulf of Mexico.

Recommendation:

AASHTO recommends enhanced eligibility for states to support multi-state corridor planning and/or multi-state organizations in order to enhance the ability to address multi-state projects and strategies to improve freight capacity, operations and connectivity.

FREIGHT CHALLENGE: SUPPORT AND ENCOURAGE INNOVATION IN FREIGHT PLANNING AND PROJECT DELIVERY

USDOT Multimodal Office

There is no institutional mechanism within the U.S. DOT to address the multi-modal national freight planning needs across the various modal administrations. Such an office would provide a focal point for innovation and technology transfer.

Recommendation:

Congress should provide funding to establish and staff an Office of Multimodal Freight Transportation within the U.S. DOT Office of the Secretary with responsibilities that would include international freight transportation issues.

Freight Research

The National Cooperative Freight Research Program (NCFRP), authorized under the Safe Accountable Flexible Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) for \$5 million, was not reauthorized in MAP-21. NCFRP has produced numerous research products that provide significant assistance to States in their delivery of freight transportation projects.

Recommendation:

Congress should seek funding from within the funds allocated to transportation research to reestablish this successful program.

CONCLUSION

We applaud this Subcommittee and the leaders of the Transportation and Infrastructure Committee for your recognition of the significance of freight transportation to the Nation's and the states' economies. States have long recognized this importance by engaging in impressive and extensive statewide freight planning, active engagement with statewide freight advisory councils, and delivery of multimodal freight transportation programs that directly benefit and enhance freight mobility and the economy in their respective jurisdictions.

We look forward to working with you and with the U.S. DOT to implement a reauthorization bill that achieves the goal of making the transportation of goods as economically competitive,

efficient, frictionless, safe and environmentally sustainable as possible, and that maximizes the contributions that the states and the federal government, working cooperatively, can make to this effort

Thank you for the opportunity to testify on behalf of AASHTO.