



**Committee on Transportation and Infrastructure
U.S. House of Representatives**

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February 21, 2014

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Highways and Transit
FROM: Staff, Subcommittee on Highways and Transit
RE: Subcommittee Hearing on “Improving the Nation’s Highway Freight Network”

PURPOSE

The Subcommittee on Highways and Transit will meet on Thursday, February 27, 2014 at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony related to highway freight mobility. The Subcommittee will hear from the Honorable Mark Gottlieb, Secretary of the Wisconsin Department of Transportation and Chairman of the American Association of State Highway and Transportation Officials Subcommittee on Highway Transport; the Honorable Gerald Bennett, Mayor of Palos Hills, Illinois, and Chair of the Chicago Metropolitan Agency for Planning; Henry Maier, President and Chief Executive Officer of FedEx Ground; and Susan Alt, Senior Vice President for Public Affairs of Volvo Group North America.

BACKGROUND

The Importance of Freight Mobility

The safe and efficient movement of freight throughout the United States directly impacts the day-to-day lives of every American. Basic necessities, such as food and clothing, rely on many modes of the freight transportation network to reach consumers. In testimony before the Senate Committee on Commerce, Science, and Transportation on June 18, 2009, Rick Gabrielson, Senior Director of International Transportation of the Target Corporation, provided a telling example that demonstrates the intermodal nature of goods movement.¹ A simple tee-shirt manufactured overseas moves by truck and ocean vessel before entering the United States at a domestic port. It is processed at a nearby sorting facility, where it is combined with similar items arriving from other foreign points of origin. These items are then loaded onto trucks or trains and

¹ *Freight Transportation in America: Options for Improving the Nation’s Network Before the S. Comm. on Commerce, Science, and Transp.*, 111th Cong. 1 (2009) (statement of Rick Gabrielson, Senior Dir. of Int’l Transp., Target).

delivered to a distribution facility, at which point the shirt is combined with other items designated for the same final destination. These items are then transported via truck or train, depending on the distance between the distribution facility and the destination. If a customer wants a product shipped directly to their residence or business, Target may utilize cargo aircraft to transport the goods, in addition to trucks, trains, and vessels. Due to the complexity of the supply chain, even the smallest delay at any point can cause massive ripples throughout the system, resulting in significant economic loss and higher prices for consumers.

The Nation's highway system is an essential part of the freight transportation network. Not every community is located adjacent to a railroad, airport, waterway, or port, but a consumer good is almost invariably transported along the Nation's four million miles of highways and roads for at least part of its journey. Furthermore, first- and last-mile connections to other modes of transportation are almost always made by the highway system.

Approximately 50 percent of all freight tonnage moved in the United States travels less than 100 miles between origin and destination.² At this distance, trucks carry almost 85 percent of all of the freight that is moved.³ More than 250 million vehicles, in total, traverse the highway system each year, and commercial trucking requires a reliable highway system on which to operate.⁴

However, each day approximately 12,000 miles of the highway system slow below posted speed limits, and an additional 7,000 miles experience stop-and-go conditions.⁵ In addition, America's reliance on the highway system is growing faster than the system itself. U.S. public highway mileage increased at an average rate of 0.2 percent between 1997 and 2010, while total vehicle miles travelled grew to an average annual rate of 1.3 percent during the same period.⁶ Such congestion negatively impacts the efficiency of the highway system as a reliable mode of transportation.

In 2011, the U.S. transportation system moved 17.6 billion tons of goods, valued at more than \$16.8 trillion.⁷ The Federal Highway Administration estimates that in the next 30 years, there will be 60 percent more freight that must be moved across the Nation.⁸ To keep up with such demand, it is critical that Congress seeks ways to increase the efficiency, safety, and overall condition and performance of the Nation's freight transportation network.

Panel on 21st Century Freight Transportation

To study the operation and needs of the Nation's freight transportation network, the Committee on Transportation and Infrastructure convened a special panel in April 2013. The

² U.S. DEP'T OF TRANSPORTATION, FED. HIGHWAY ADMIN. (FHWA), FREIGHT FACTS AND FIGURES REPORT 10 (2012).

³ *Id.*, at 11.

⁴ *Id.*, at 20.

⁵ *Id.*, at 42.

⁶ FHWA & FED. TRANSIT ADMIN., CONDITIONS AND PERFORMANCE REPORT 2-8 (2010).

⁷ FREIGHT FACTS AND FIGURES REPORT 10 (2012); U.S. DEP'T OF TRANSPORTATION, RESEARCH AND INNOVATIVE TECH. ADMIN. (RITA), TRANSPORTATION STATISTICS ANNUAL REPORT 1 (2012).

⁸ FREIGHT FACTS AND FIGURES REPORT, at 9.

Panel on 21st Century Freight Transportation spent six months holding hearings, conducting site visits, and meeting with stakeholders for roundtable policy discussions on all aspects related to the movement of goods throughout, into, and out of the United States.

After completing its fact-finding mission, all eleven Members of the Panel released a report summarizing its findings and making specific policy recommendations on ways to improve the safe and efficient movement of goods.⁹ The report can be found in its entirety at the following location: <http://transportation.house.gov/UploadedFiles/FreightReportSmall.pdf>.

MAP-21 Freight Provisions

Congress most recently reauthorized the federal surface transportation programs in the Moving Ahead for Progress in the 21st Century Act (MAP-21; P.L. 112-141), which was enacted on July 6, 2012. MAP-21 laid the foundation for a significant federal focus on freight mobility. Specifically, MAP-21 set national freight policy by delineating specific goals relating to freight mobility. MAP-21 also required the Secretary of Transportation to designate a national freight network and establish a strategic plan to meet the goals stipulated in the national freight policy. Finally, MAP-21 encouraged the creation of state freight advisory committees and the development of state freight plans. MAP-21 is set to expire on September 30, 2014.

Conclusion

Ensuring the safe and efficient movement of goods through consideration of the recommendations of the Panel on 21st Century Freight Transportation and building on the foundation laid in MAP-21 is a priority for the 113th Congress.

⁹ U.S. HOUSE OF REPRESENTATIVES, COM. ON TRANSPORTATION & INFRASTRUCTURE, IMPROVING THE NATION'S FREIGHT TRANSPORTATION SYSTEM: FINDINGS AND RECOMMENDATIONS OF THE SPECIAL PANEL ON 21ST CENTURY FREIGHT TRANSPORTATION (2013).

WITNESS LIST

The Honorable Mark Gottlieb
Secretary
Wisconsin Department of Transportation
On behalf of the American Association of State Highway and Transportation Officials

The Honorable Gerald Bennett
Mayor
Palos Hills, Illinois
On behalf of the Chicago Metropolitan Agency for Planning

Henry Maier
President and Chief Executive Officer
FedEx Ground

Susan Alt
Senior Vice President, Public Affairs
Volvo Group North America