

**MEMORANDUM**

To: CMAP Board

From: CMAP Staff

Date: March 6, 2013

Re: Recent MAP-21 Freight Policy Developments and CMAP study of a potential Regional Freight Authority

A number of recent developments have occurred in freight policy since the passage of Moving Ahead for Progress in the 21st Century (MAP-21) last summer. This memorandum reviews the freight provisions in MAP-21, recent activities at the federal and state levels, as well as current initiatives at CMAP. Chief among those is the exploration of establishing a Regional Freight Authority.

FREIGHT PROVISIONS IN MAP-21

MAP-21 establishes the need for a National Freight Policy, incentivizes investment in highway freight projects, and recommends the creation of State freight plans and freight advisory committees. The Projects of National and Regional Significance, a MAP-21 program applicable to freight, was authorized out of the General Fund at \$500 million for FY 2013, subject to appropriation, although it will not be funded at all in FY 2014.

The National Freight Policy program will establish goals and recommend the designation of a National Freight Network. This network will include a Primary Freight Network of key transportation corridors on the Interstate system, not to exceed 27,000 centerline miles, and a network of critical rural freight corridors to connect the Primary Freight Network to freight facilities. MAP-21 directs U.S. DOT to assess the conditions and performance of the National Freight Network, to identify highway bottlenecks, and to estimate the cost of resolving those bottlenecks.

MAP-21 also incentivizes public investment in freight infrastructure by raising the federal share for eligible projects to 95 percent for projects on the Interstate System, and 90 percent for other eligible projects. Eligible projects include construction and operational improvements for freight, intelligent transportation systems, grade separations, geometric improvements, truck-

only lanes, improvements to freight intermodal connectors, and improvements to truck bottlenecks. Further, these projects must be identified in a state freight plan.

MAP-21 further requires that U.S. DOT determine performance measures for freight movements and economic vitality. State departments of transportation must set performance targets for these measures, which metropolitan planning organizations (MPOs) must meet through their transportation improvement programs and long-range transportation plans. MAP-21 also recommends the creation of state freight advisory boards and state freight plans.

RECENT FEDERAL ACTIVITIES

In August 2012, the U.S. Department of Transportation established an internal Freight Policy Council to facilitate the implementation of MAP-21 and develop the National Freight Plan. Headed by Deputy Secretary John Porcari, the Council has been making field visits to meet with stakeholders across the country, including one visit to Chicago on November 30, 2012. In February 2013, the U.S. DOT announced the establishment of an external stakeholder group, the [National Freight Advisory Committee](#), to provide recommendations to the Secretary for the National Freight Plan.

On February 6, 2013, the Federal Highway Administration published a [notice](#) to define the process for designating the Primary Freight Network as required under MAP-21. The Primary Freight Network will include the **highway system only**.

RECENT STATE ACTIVITIES

In September 2012, the Illinois Department of Transportation (IDOT) released two draft plans, the State Freight Plan and the State Rail Plan, for public comment along with the larger State Transportation Plan. As required by statute, the Freight Plan and Rail Plan are components of the State Transportation Plan and were adopted in December 2012.

IDOT is currently preparing to identify participants of the State Freight Advisory Committee as recommended in MAP-21. This Committee will assist IDOT as it updates the State Plan to incorporate MAP-21 required elements. That process is starting in the near future, but no firm date has been established.

SUMMARY OF RECENT FEDERAL AND STATE ACTIVITIES

The following table summarizes the key dates associated with national and state freight policy development.

Date	
7/12	MAP-21 signed by President Obama
9/12	U.S. DOT announces the establishment of internal Freight Policy Council
10/12	U.S. DOT publishes interim guidance on state freight plans
11/12	IDOT releases draft Freight and Rail Plans
11/12	U.S. DOT Deputy Director John Porcari site visit to Chicago

Date	
12/12	State of Illinois adopts combined transportation plan
2/13	U.S. DOT announces external National Freight Advisory Committee, nominations due March 2013
10/13	Final designation of the primary freight network, including any additional mileage designated by DOT

RECENT CMAP ACTIVITIES

CMAP has followed the development of MAP-21’s freight provisions and has provided comments to the U.S. DOT at several critical junctures as the legislation developed. CMAP has requested that in implementing MAP-21, the U.S. DOT work to ensure that MAP-21’s multimodal perspective should extend to freight, in order to support rail alternatives to highway use.

Further, CMAP requested that the U.S. DOT strongly urge the various state Departments of Transportation to confer with MPOs in developing state freight plans. CMAP recommended that the state freight plans include substantial coordination with regional plans like GO TO 2040, as well as with plans from neighboring states. This higher level of coordination will strengthen CMAP’s reauthorization principles of basing investment decisions on regional priorities.

In fall 2012, staff completed an internal strategic plan to guide staff work on freight issues. The strategic plan set out staff activities over the next two years on developing a freight legislative platform, modeling improvements, and the Regional Freight Authority feasibility study, described below.

As the U.S. DOT and IDOT implement the freight provisions of MAP-21, CMAP plans to reach out to other large MPOs across the country to develop common legislative principles for freight in the next transportation reauthorization bill. Building upon the federal legislative principles approved by the CMAP Board in February, CMAP will distribute this agenda to the Freight Policy Council and its congressional delegation. CMAP further expects IDOT to include MPOs as it works to define the Primary Freight Network.

Currently, CMAP is developing a freight module for the region’s Travel Demand Model. Capable of analyzing freight movements at a much more refined level of analysis than in the past, the module, when complete, will be useful in answering questions about the movement of freight through the region in response to scenarios such as pricing, truck routes and changing economic conditions.

EXPLORING THE FEASIBILITY OF A REGIONAL FREIGHT AUTHORITY

Both GO TO 2040 and the recently released [Freight Cluster Drill-Down report](#) conclude that freight is a major strength of our economy. The doubling of freight demand over the next 20 years represents enormous potential for regional economic growth. However, there is currently no unified voice for freight in the region, with limited collaboration between different modes, stakeholders, and levels of government. GO TO 2040 recommends exploring the establishment

of a governance structure, such as a Freight Authority, to identify issues, guide investments, and advocate on behalf of the region. The Freight Cluster Drill Down report recommends that the first step in the process should be for the CMAP Board to form a Task Force to analyze these complex issues and issue recommendations on next steps.

Creating a Taskforce

In June 2013, staff will request Board approval of a Freight Taskforce membership. CMAP is anticipating a Taskforce incorporating a balance of public, private, and other civic stakeholders involved in freight and its infrastructure. This includes many private firms within the overall freight “cluster”, including third-party logistics, manufacturing, retail, and construction sectors.

Over the next three months, staff plans to identify and reach out to potential members and propose a membership list for the CMAP Board’s consideration and approval in June 2013.

Regional Freight Authority Revenue Analysis

A potential function of a freight governance structure is to provide funds to construct capital projects. Building upon the CMAP [Regional Freight Plan’s](#) identification of several bundles of recommended transportation investment in support of freight, CMAP will develop an estimate of the costs of these projects to help frame the scale of revenue needs for Taskforce discussion. With Taskforce input, CMAP will consider a range of regionally sourced user-fees, as well as potential new federal and state revenue sources. Staff will present the Taskforce with a policy analysis of each source, including strengths and weaknesses.

Regional Freight Leadership and Institutional Vehicles

With or without dedicated freight revenue sources, competition for increasingly scarce public funds will require the freight movement industry to articulate the importance of investment in the freight system to the public. Freight-oriented institutions can also sustain continuing attention to projects and freight issues in a focused and prioritized environment.

The Taskforce will consider what kinds of activities support coordinated and active engagement by regional leadership and how those activities can be institutionalized to ensure a long term and high profile level of attention is focused on freight needs. A potential outcome is that the Taskforce recommends the creation of a standalone agency, the addition of new functions to an existing agency, a partnership with the private sector, or some other solution.

Timeline

The following table summarizes the draft dates for the major steps involved in the Regional Freight Authority feasibility study.

Start	End	Task
3/2013	9/2013	Staff prepares draft background papers, technical analysis
3/2013		CMAP Board and MPO Policy Committee input on Taskforce membership
4/2013	6/2013	CMAP solicits membership on Taskforce

Start	End	Task
6/2013		CMAP Board approves Taskforce membership
8/2013	5/2014	Taskforce holds monthly meetings
6/2014		Taskforce recommendation to CMAP Board

ACTION REQUESTED: Discussion

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