The Alameda Corridor: A Case Study

Freight Institutions and Infrastructure Financing

presented to

CMAP Regional Freight Leadership Task Force

presented by

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Alameda Corridor: Timeline

- Southern California Association of Governments (SCAG) Ports Advisory Committee (1981 – 1985)
- SCAG Alameda Corridor Task Force (1985 – 1989)
- Alameda Corridor Transportation Authority (ACTA), a Joint Powers Authority (JPA) formed by Cities of Los Angeles and Long Beach in 1989
- Environmental Approval: CEQA in 1993 and NEPA in 1996
- Construction 1997 – 2002
- Opened April 15, 2002

- 22-Mile 40 m.p.h. Rail Corridor
- Consolidated Four Branch Lines (10 m.p.h.)
- Reduced Conflicts at 200 Grade Crossings
- 10-Mile Trench Section
- 4 Million Cu. Yds. Excavation
- 40 Grade Separations
- 2,000 Utility Interfaces

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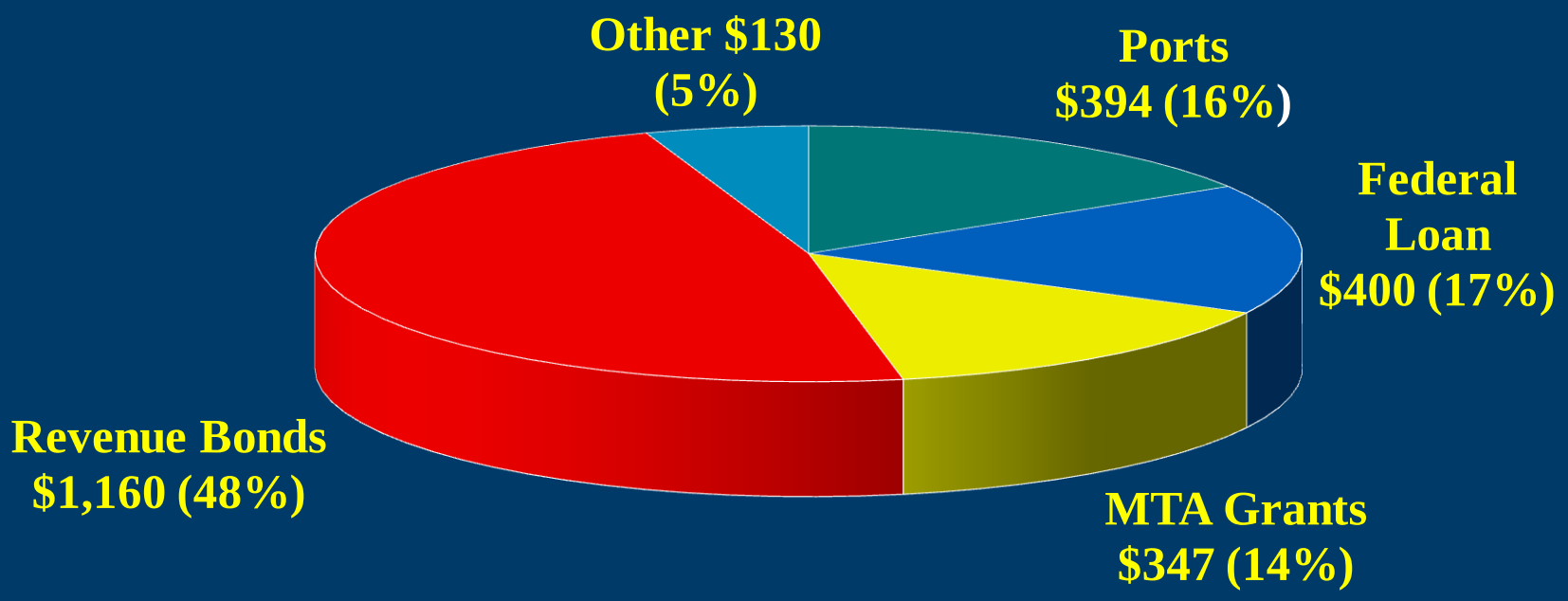
2680
2680
BNSF

Alameda Corridor Sources of Funding
(in Millions)



Total Project Cost: $2.43 Billion

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Alameda Corridor Fees Paid by Railroads (as of January 1, 2013)

- Loaded Container: $22.25 per TEU *
- Empty Container: $5.33 per TEU *
- Non-Containerized Cargo: $10.66 per Railcar

ACTA business model involving railroad user fees unlikely to be implemented elsewhere.

* TEU = Twenty-Foot Equivalent Unit

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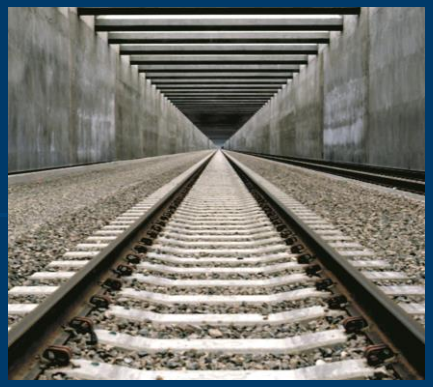
Challenges that ACTA Overcame



- Project definition (at-grade or lowered railway?)
- Governance and relations with corridor cities
- Railroad cooperation and participation
- Fund raising/financing
- Construction and project delivery/risk management
- Environmental management
- Community relations, DBE participation, job training, local worker participation

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Public-Private Partnerships: Keys to Success

- Consensus on what to build, funding shares, method of payment (industry buy-in essential)
- Legal authority
- Stable revenue stream
- Funding firewalls and sunset clauses
- Appropriate allocation of risk
- Cost and schedule control
- Experienced project management
- Product orientation not process orientation
- Focused agency mission
- Clear decision making authority

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Other Freight Related Fees

- Infrastructure Cargo Fee (ICF) added to POLB and POLA tariffs in 2008 but never collected due to recession and competitiveness concerns. POLA removed the fee from tariff in Sept. 2013. POLB may do the same in Nov. 2013.
- At POLA and POLB, “PierPASS” Traffic Mitigation Fee of $61.50 (soon to be raised to $66.50) per loaded TEU charged to Beneficial Cargo Owners (BCOs) for weekday gate moves (3 AM to 6 PM).
- PANYNJ is collecting a $4.95/TEU Cargo Facility Charge (being challenged by shipping lines at FMC; Maher Terminals has filed lawsuit; state legislation may prohibit it or shift responsibility for payment to shippers.)

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POLA/POLB Infrastructure Cargo Fee (ICF)

- Fees paid by importers/exporters (Beneficial Cargo Owners) for infrastructure
- Nexus-based fees assessed on loaded containers
- Revenues to be spent on pre-determined consensus list of projects only.
- Commence only after environmental approval (i.e., fees would contribute to funding for final design, right-of-way acquisition, and construction)
- Fees eliminated when projects completed
- Fees computed based on projected cash flows (not an arbitrary amount); pay-as-you go (no borrowing)

PierPASS Traffic Mitigation Fee

- Fees paid by importers/exporters (BCOs)
- Established in July 2005.
- Designed to encourage off-peak truck movements.
- OffPeak = 6 PM - 3 AM on week nights, 8 AM - 5 PM on Saturday.
- RFID tags on trucks and RFID readers at marine terminal gates match the truck with a particular BCO shipment; BCO is billed.
- Empties and moves to intermodal rail yards are exempt.

PANYNJ Cargo Facility Charge

- Collected since March 14, 2011
- $4.95 per TEU (all containers, loaded or empty)
- $1.11 per vehicle
- $0.13 per metric ton for bulk, break-bulk cargo
- For reducing congestion, wait times, and recovering costs of roadway and security projects

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House T & I Committee's Panel on 21st Century Freight Transportation -- Recommendations

- Authorize dedicated, sustainable funding for multimodal freight projects of national and regional significance (PNRS) through a competitive grant process and establish clear benchmarks for project selection;
- Create an environment where private investment should be encouraged when possible and appropriate; and
- Explore additional funding mechanisms. Sustainable freight revenue sources should be identified and evaluated by DOT and Congress prior to the next surface transportation authorization.

NCFRP Project 29 (2012)

"New Dedicated Revenue Mechanisms for Freight Transportation Investment", by Tioga Group

Recommendations of report:

- Federal registration fees assessed on trucks, railroad cars or locomotives, or waterborne vessels.
- Fuel surcharges (all modes affected)

National Cargo or Container Fee?

- Maritime Goods Movement Act for 21st Century would revise Harbor Maintenance Tax but reserves only 5% of revenues for intermodal and land port of entry projects.
- Another option: model a fee after the Passenger Facility Charge (PFC) at airports (permissive, not prescribed)
- Provides for consistent approach nationally (but what about inland areas; e.g. Chicago?)
- Who would actually pay the fee? BCOs? Terminals? Carriers?

Need to Expand the Dialogue Regarding National Freight Policy

- "Sustainable freight revenue sources should be identified": Sounds good, but the "the devil is in the details"
- Where is the political will?
- Do we have to wait for a freight congestion crisis before any real decisions are made?

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