Freight Institutional Models

In its second meeting, the Regional Freight Leadership Task Force discussed three case studies – the Alameda Corridor Transportation Authority in southern California, the Freight Mobility Strategic Investment Board in Washington State, and KC SmartPort in the Kansas City region – representing novel institutional responses to improve freight performance in key nodes of the national freight system. While all share a focus on freight, each takes a unique approach to institutional design and performs distinct functions ranging from economic development to project funding and delivery.

This white paper takes a step back to consider freight institutional models more broadly. It first reviews high-level conceptual models offered in the literature, next outlines various decision parameters in crafting a potential freight institution, and then reviews the Regional Freight Authority recommendations included in GO TO 2040. Because the plan explicitly calls for a potential Regional Freight Authority to be housed within an existing institution, this document then scans existing state and regional transportation institutions in northeastern Illinois that are currently active in freight issues.

Conceptual Models

Freight institutions can be described across many dimensions, including function, mode, funding, and legal structure. They range from the purely public to the purely private to the nonprofit, and can exist across multiple geographic scales. A report from the National Cooperative Freight Research Program (NCFRP) identifies three main categories of institutional arrangements for freight, and recommends guidelines for establishing these types of organizations.[1] The three classifications are as follows:

- Type I – These organizations are primarily information-sharing and educational institutions. They seek to increase the visibility of freight issues, build consensus among freight stakeholders, and provide a general advocacy role. Examples of Type I freight institutions include advisory councils, such as those often organized by metropolitan planning organizations, but can also include industry or nonprofit groups. Because of its role as a regional freight champion, KC SmartPort is an example of a Type I institution.
- Type II – These organizations evaluate, prioritize, select, and program projects. These institutions build consensus at the project level and focus on financing specific projects, and as such have a more targeted advocacy role. Examples of Type II freight institutions include state infrastructure banks or investment boards, although regional or local agencies could also fill these roles. The Freight Mobility Strategic Investment Board in Washington State is an example of a Type II institution.

[1] National Cooperative Freight Research Program, 2009. Institutional Arrangements for Freight Transportation Systems. NCFRP Report 2. Available online: http://onlinepubs.trb.org/onlinepubs/ncfrp/ncfrp_rpt_002.pdf.

- Type III – These organizations implement freight projects. They are responsible for design, permitting, approvals, construction, and, in some cases, operations and maintenance. These institutions also focus on financing issues and often have bonding authority; some can also tackle innovative project delivery methods. The Alameda Corridor Transportation Authority in Los Angeles County, California is an example of a Type III freight organization.

These definitions are sufficiently flexible to allow an array of institutions to fall within each category. For example, the educational mission of a Type I institution could be delivered to a fairly narrow, technical audience through an MPO's freight committee or could take on a broader, policy-oriented role through a business or nonprofit group. The programming responsibilities of a Type II institution could be housed at the state, regional, or local levels, or even, in theory, at the federal level. As envisioned in the literature, Type II institutions are public agencies. Finally, Type III institutions can include project-specific entities that finance and build projects, such as the Alameda Corridor Transportation Authority, or can function as a consortium of partners dedicated to a common investment program, as seen in the CREATE program.

Further, the boundaries between categories can be blurred, and are not mutually exclusive. For example, KC SmartPort is a Type I institution due to its role as the preeminent freight champion in the Kansas City region. However, KC SmartPort is also involved in business recruitment and site-specific real estate development – roles that are more similar to a Type III organization. The definitions in the NCFRP report simply offer a conceptual framework to consider design options, not a strict classification system.

Evaluation of Conceptual Models

Each approach has its strengths and weaknesses. Type I institutions generally have broad membership, play important roles in disseminating information and building consensus, and help to improve coordination among freight stakeholders. Type I institutions are sometimes housed within public agencies, but can also be organized by business or nonprofit groups. While these tasks are important and necessary, Type I institutions have limited ability to implement projects; they do not generally collect revenues or allocate funding. Further, their broad membership may reduce their ability to reach consensus or move beyond broad recommendations.

Type II organizations, on the other hand, have the ability to evaluate and select projects for funding. As such, they have the ability to prioritize projects, and can adopt performance criteria to support broad policy goals. This expanded responsibility may come at the cost of a narrower and potentially less representative membership. Tier II organizations generally require enabling legislation to be established, and may also require legislation to receive a dedicated revenue source. CMAP currently evaluates and selects projects for funding through the federal Congestion Mitigation and Air Quality Improvement (CMAQ) program, as well as the federal Transportation Alternatives Program (TAP), although neither of those programs is

explicitly focused on the freight system. Additionally, the Regional Transportation Authority evaluates and selects projects through its Innovation, Coordination, and Enhancement (ICE) program and the federal Job Access Reverse Commute (JARC)/New Freedom program, although these funds are focused on the transit system. As such, there are no dedicated Type II freight organizations in northeastern Illinois.

Type III organizations have largely the same strengths and weaknesses of Type II organizations, but carried to a greater degree. Type III organizations have extensive responsibility to design, deliver, and operate freight projects. They may have broad authority over financing projects, and in some cases collect revenues and have bonding authority. Type III organizations are narrow, special-purpose organizations: they can provide detailed technical capacity but cannot address broader policy concerns in a comprehensive fashion.

Decision Parameters

The choice of an institutional arrangement depends on policymakers' objectives. As the preceding discussion illustrates, the three institutional approaches serve different purposes. Policymakers wishing for an educational body or a discussion forum should choose a Tier I format, while those seeking to evaluate, select, and program projects should consider a Tier II institution. Tier III bodies are primarily project delivery mechanisms; once a freight project has been identified, a Tier III institution can design, build, finance, and operate the facility. All freight institutions increase awareness of freight issues and promote greater cooperation among stakeholders. Table 1 suggests which types of arrangements are most conducive to meeting various objectives.

Table 1. Decision Parameters for Freight Institutions

	Tier I Institution	Tier II Institution	Tier III Institution
Increased visibility and awareness of freight issues	X	X	X
Coordination and cooperation among stakeholders	X	X	X
Broad membership	X		
Data collection and dissemination	X	X	
Policy development	X	X	
Setting regional priorities	X	X	
Project evaluation		X	
Project selection		X	
Project financing		X	X
Project design			X
Project construction			X
Project operation and maintenance			X

Source: CMAP staff analysis

Design Tradeoffs

Moving beyond the parameters identified in Table 1 above, a number of design options should be considered, particularly for Tier II institutions. These options can be thought of as a series of tradeoffs across funding and institutional design parameters. More specifically, a freight institution could:

- Access existing revenue sources or develop new sources;
- Rely on broad-based revenues or project-specific revenues;
- Operate through a pay-as-you-go program or a bond program;
- Offer grant or financing support;
- Be housed in an existing agency or act as a standalone body; or
- Act as a public agency, a private corporation, or as some sort of hybrid of the two.

Some of the above items are better thought of as a continuum of options, rather than tradeoffs between two mutually exclusive choices. For example, an organization may have access to both existing revenue sources and new sources, or operate through a combined bond and pay-as-you-go program. The organization may generally offer grants to recipients, but for some types of projects may offer loan and credit assistance. Each of these tradeoffs offers advantages and disadvantages, and the most appropriate choice depends on regional needs and policy objectives.

Finally, as an overarching consideration, a freight institution could range in geographic scale from local or regional to state or even multi-state. Given CMAP's mandate to plan for the seven-county northeastern Illinois region, the Task Force is encouraged to consider a regional geographic scale.

GO TO 2040 and Freight Institutional Models

As illustrated in the case studies presented in Meeting 2, as well as the literature review provided here, there are a number of different design options for a potential freight institution. To help frame the Task Force's discussion, it may be informative to draw on the direction offered in GO TO 2040. The following excerpt captures the plan's recommendation for a Regional Freight Authority.

> *To address the institutional and funding barriers of all freight modes, a self-financed Regional Freight Authority should be explored and designated to establish a balance of interests and a mandate to address these needs and lower operating costs by upgrading regional infrastructure. The Regional Freight Authority should have the ability to finance freight system capital improvements and to address public policy issues, such as community issues (grade crossing delay, safety, and noise). Current financing has not been adequate to provide freight mobility or address freight-related community issues, so new revenue sources (for example, instituting a freight transfer fee or increased tolling) should be established for dedicated freight improvements. Since there is a benefit to both the government and the private sector, a cooperative effort is a*

> *necessity to determine how the costs should be shared among the parties and how the required funds should be raised.*[2]

The plan goes on to specify that "this authority should be integrated into an existing agency to avoid creating an entirely new organization",[3] and that the Authority's "oversight responsibilities would include all freight modes, as well as freight-related economic development opportunities within the region".[4] The plan also goes on to clarify that the Authority should have the ability to issue bonds.[5]

The vision offered in GO TO 2040 would create a robust freight institution with broad responsibilities. While the plan envisions a Regional Freight Authority to largely focus on the selection and funding of capital improvements – coordinating with public and private partners to do so – it also expects an Authority to address the community impacts of goods movement. Responses to issues like grade crossing delay, safety, and noise could include both capital and operational strategies, and so the Task Force should consider regulatory responsibilities for a Regional Freight Authority. Further, the plan explicitly charges a Regional Freight Authority with overseeing freight-related economic development.

Existing Transportation Institutions in Northeastern Illinois

GO TO 2040 calls for a Regional Freight Authority along the lines of a Tier II organization, calls for an Authority to be housed within an existing organization, and calls on the region to investigate potential host agencies. As such, a discussion of potential freight institutions for northeastern Illinois must consider the existing institutional actors and their responsibilities over the freight system.

Table 2 below summarizes six existing institutions active at the state and regional levels, noting their overall role, modal jurisdiction, geographic jurisdiction, and revenue sources. These institutions were selected due to their existing roles that are at least regional in scale, and these factors were selected for discussion because of their relevance to the potential purview of a Regional Freight Authority. While municipalities and counties play an important role in providing transportation infrastructure, regulating freight movements and activities, and promoting freight economic development, they are not positioned to act at the regional scale and so are excluded from the analysis.

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[2] GO TO 2040, Chapter 12: Create a More Efficient Freight Network, Organization and Public Policy: Regional Freight Authority and Regional Transportation Operations Coalition, p. 317.

[3] ibid

[4] GO TO 2040, Chapter 12: Create a More Efficient Freight Network, Implementation Action Area #4: Organization and Public Policy, p. 321.

[5] ibid.

Table 2. Matrix of Existing Freight-Related Institutions in Northeastern Illinois

	Core Functions	Mode	Geography	Major Revenue Sources
Illinois Department of Transportation (IDOT)	Selects, funds, and delivers capital projects; operates the highway system, regulates the transportation system	Highway, rail, aviation, maritime	State	Motor fuel tax, vehicle registration fee, bond proceeds
Illinois Tollway	Selects, funds, and delivers capital projects; regulates and operates the Tollway system	Highway	State	Tolls, bond proceeds
Illinois Finance Authority (IFA)	Financing assistance, including issuance of both taxable and tax-exempt bonds	IFA offers credit assistance to agriculture, business/industry, community, education, energy, and healthcare projects	State	Interest and investment income, administrative fees, issuance and loan fees
Regional Transportation Authority (RTA)	Provides fiscal oversight of transit boards; evaluates and selects some projects	Transit, including commuter rail, heavy rail, bus, and paratransit	Regional	Motor fuel tax (federal grants), bond proceeds, sales tax, real estate transfer tax
Chicago Metropolitan Agency for Planning (CMAP)	Long range planning; selects and funds capital projects through select federal programs	Primarily highway, transit, rail	Regional	Federal and state transportation funds
Illinois International Port District	Selects, funds, delivers rail improvements; articulates investment needs and applies for funding	Rail	Facility-specific	Private investment, public grants (both transportation user fees and general revenues), bond proceeds

Source: CMAP staff analysis

Illinois Department of Transportation (IDOT)

IDOT is responsible for constructing, operating, and maintaining a large highway network, and spends billions annually to do so. IDOT's current highway program, included in the FY 2014-2019 Multi-Modal Transportation Improvement Program, budgets $9.53 billion in

improvements across the state.[6] This program includes $7.2 billion in federal funds, $1.9 billion in state funds, and $0.4 billion in local funds. The six-year highway improvement program schedules $3.1 billion for District 1 in northeastern Illinois,[7] not including statewide line items or the local road program.

IDOT also plays an important role in rail project development and funding. IDOT's current rail improvement program, also incorporated into the FY 2014-2019 Multi-Modal Transportation Improvement Program, budgets a total of $1.121 billion for rail improvements. The state's rail investments leverage funds from the private railroads and Amtrak. IDOT is also a key partner in the CREATE rail program, a series of 70 rail improvements primarily located in Chicago and western and southern Cook County, and has provided substantial funding to that effort, including $400 million through Illinois Jobs Now! program.[8] Further, IDOT is working to implement high-speed rail on the Chicago-St. Louis corridor and provides operating assistance for intra-state Amtrak service.

IDOT's primary funding sources include federal and state transportation user fees, chief among them the federal gas tax of 18.4 cents/gallon and the state gas tax of 19 cents/gallon. Further, state vehicle registration fees generate substantial revenues, and IDOT is a top recipient of bond proceeds under the state's episodic capital programs. The most recent capital program, Illinois Jobs Now!, was passed by the General Assembly in 2009. State law governs the flow of state-generated revenues. For more information on the flow of highway funds, visit http://www.cmap.illinois.gov/mobility/strategic-investment/performance-based-funding/state-highway-funding.

In addition to selecting and constructing transportation projects, and operating highway projects, IDOT plays a significant role in regulating freight activities. For example, the Department identifies truck routes on the state highway system, implements vehicle weight and size regulations defined in the Illinois Vehicle Code, determines further size and weight regulations, issues permits for oversized and overweight vehicles, and posts maximum weight limits for bridges. IDOT also determines design standards for highways, and implements federal highway safety regulations.

Illinois State Toll Highway Authority (Tollway)

The Illinois Tollway operates 286 centerline miles of highway across four facilities (Tri-State, Jane Addams Memorial, Reagan Memorial, and Veterans Memorial tollways) in northern Illinois.[9] The system includes 24 mainline toll plazas, seven "oasis" rest areas, and serves 1.4

[6] IDOT, FY 2014-2019 Proposed Multi-Modal Transportation Improvement Program, http://www.dot.il.gov/opp/hip1419/hwyimprov.htm.
[7] IDOT District 1 includes Cook, DuPage, Kane, Lake, McHenry, and Will counties. Kendall County is located in IDOT District 3.
[8] Illinois Chamber of Commerce, "CREATE at Ten Years: The Past, Present, and Future of the Chicago Region's Railroads", May 6, 2013, http://tinyurl.com/p4by36m.
[9] Illinois Tollway, "Making Our *Move*: Building a New Tomorrow Today", 2012 Annual Report, http://www.illinoistollway.com/about-the-tollway/reports/annual-report.

million daily average vehicles. The Illinois Tollway collected $955 million in tolls and evasion recovery in 2012, along with $7 million in concessions and miscellaneous items and $1 million in investment income. On the expenditure side, the Tollway spent $242 million on debt service, $259 million on maintenance and operations, and $464 million on renewal, replacement, and improvement activities.

In August 2011, the Tollway Board approved the *Move Illinois* capital plan, a $12 billion, 15-year plan.[10] It includes maintenance and modernization projects as well as new roadways. Approximately 70 percent of the *Move Illinois* budget is dedicated to maintenance or modernization of the existing system. To fund this program, tolls were increased by 87.5 percent on January 1, 2012, the first system-wide increase since 1983. That increase did not affect trucks and trailers, although it affirmed a previously scheduled increase in truck toll rates beginning January 1, 2015.[11] Approved in November 2008, truck toll rates will rise about 60 percent over the next few years, with most of the increase to occur in 2015 and the remainder to be phased in between 2015-2017. Further, truck toll rates will be inflated based on the Consumer Price Index on January 1, 2018 and every January 1 thereafter.

Currently, the Tollway base toll for trucks and trailers is summarized in Table 3, although actual toll rates vary by plaza. Note that the Tollway offers an off-peak discount to trucks that travel between 10:00 pm and 6:00 am.

Table 3. Typical Mainline Toll Plaza Rates, Trucks and Trailers

	2 Axles, 6 Tires	**3-4 Axles**	**5+ Axles**
Daytime: 6am-10pm	$1.50	$2.25	$4.00
Overnight: 10pm-6am	$1.00	$1.75	$3.00

Source: Illinois Tollway, Commercial Truck Rates, http://tinyurl.com/7sgz4hw

In addition to selecting, constructing, and operating highway projects, the Tollway plays a significant role in regulating freight activities by requiring permits for overweight or oversized vehicles. Consistent with IDOT regulations, such vehicles must have an IDOT permit number prior to applying for a Tollway permit. A full listing of overweight and oversized permit fees is available on the Tollway website.[12]

Illinois Finance Authority (IFA)

The Illinois Finance Authority was created in 2004 through the consolidation of seven separate state authorities and offers a number of bonding assistance programs to promote affordable housing, business investment, healthcare and institutional investment, and local infrastructure improvements.[13] The IFA can issue both taxable and tax-exempt bonds, and works with both

[10] Illinois Tollway, *Move Illinois: The Illinois Tollway Driving the Future*, http://www.illinoistollway.com/move-illinois.
[11] Illinois Tollway, Official Statement, 2013A Bond Series, http://www.illinoistollway.com/documents/10157/15905/Series+2013A+Official+Statement.pdf.
[12] Illinois Tollway, Overweight/Oversized Vehicle Permits, http://tinyurl.com/no38oe8.
[13] 20 ILCS 3501

public and private entities to finance projects that promote economic development or have other public benefits. The IFA receives no annual state appropriation. The agency generates its own revenues through interest on loans, investment gains, administrative fees, issuance and loan fees, and other sources.[14] The IFA has powers similar to an infrastructure bank, but is not designated as the official infrastructure bank for Illinois.

The IFA can offer municipalities or other public agencies a vehicle for pooling separate local funds to pay for a single project, which has the potential to save on one-time issuance and legal costs, and, to the extent the IFA has a superior credit rating than the various partners, long-term interest costs. By issuing conduit debt, the IFA also offers private entities access to lower interest rates via federal tax benefits. In addition to issuing bonds, the IFA can make or guarantee loans.

While most of the projects in the IFA's portfolio focus on agricultural, educational, environmental, housing, and non-profit projects, the IFA has supported freight-related projects in the past. Notably, the IFA has worked with CenterPoint Properties to issue $150 million in Freight Transfer Facilities Revenue Bonds in 2010[15] and an additional $75 million in Freight Transfer Facilities Revenue Bonds in 2012[16] for land acquisition, infrastructure improvements, and construction of facilities at the intermodal facility in Joliet.

Regional Transportation Authority (RTA)

The Regional Transportation Authority provides financial and budget oversight for the three transit service boards (CTA, Metra, and Pace) and is also active in regional transit planning issues. The RTA was first created in 1974 and then subsequently amended by the General Assembly in 1983 and 2008.[17] The RTA is responsible for a six-county region in northeastern Illinois, including Cook, DuPage, Kane, Lake, McHenry, and Will counties.

The RTA receives much of its funding from a sales tax levied in its six-county service area. The sales tax rates vary by location and include the following:

- A 0.75 percent tax on general merchandise and qualifying food, drugs and medical appliances in DuPage, Kane, Lake, McHenry and Will Counties.
- A 1.0 percent tax on general merchandise in Cook County.
- A 1.25 percent tax on qualifying food, drugs, and medical appliances in Cook County.

[14] IFA, General Budget Summary, Budget FY 2013, http://www.il-fa.com/sites/default/files/2013-budget_1.pdf.
[15] IFA, CenterPoint Joliet Terminal Road, Series 2010A&B, http://www.il-fa.com/projects?projectid=I-FRT-TE-CD-7170.
[16] IFA, CenterPoint Joliet Terminal Road, Series 2012, http://www.il-fa.com/projects?projectid=I-FRT-TE-CD-7170B.
[17] 70 ILCS 3615

The RTA sales tax is estimated to have raised $1.01 billion in 2012 and is expected to generate $1.04 billion in 2013.[18] One-third of the revenues generated in DuPage, Kane, Lake, McHenry, and Will are allocated back to those counties for discretionary use on public safety and transportation purposes and are known as "County Empowerment Funds" ($53.1 million in 2012). The RTA receives a share of the sales tax revenues ($117.6 million in 2012)[19] and the remaining funds are distributed to the CTA, Metra, Pace, and Pace ADA paratransit service by formula.

Additionally, a real estate transfer tax (RETT) of $1.50 per $500 of property transferred is levied within the City of Chicago with revenues flowing to the CTA. The RTA and service boards also receive state matching funds by formula from the Public Transportation Fund, along with additional state assistance. The Public Transportation Fund provides a 30 percent match of sales tax and RETT receipts. The service boards generate their own revenue through passenger fares, and the transit system receives capital grants through the federal government and state capital program.

The RTA's primary interface with the regional freight system is via Metra, the commuter rail agency. Metra owns and directly operates service on four lines (MD-N, MD-W, ME, RI), directly operates service on freight-owned railroad tracks for three lines (HC, NCS, SWS), and contracts with private railroads to operate service on freight-owned track for four lines (BNSF, UP-N, UP-NW, and UP-N).[20] Because of its close relationship with freight railroads, Metra is a partner in the CREATE program.

Chicago Metropolitan Agency for Planning (CMAP)

CMAP is the official metropolitan planning organization (MPO) for the seven-county northeast Illinois region. As the federally-designated MPO, CMAP is responsible for developing the long-range metropolitan transportation plan, the near-term Transportation Improvement Program, working cooperatively with IDOT to select projects through various federal transportation programs, and directly administering three federal transportation programs: the local Surface Transportation Program (STP), the Congestion Mitigation and Air Quality Improvement Program (CMAQ), and the newly created Transportation Alternatives Program (TAP). CMAP suballocates its STP local program to the City of Chicago and eleven suburban Councils of Mayors, each of which has its own methodology for selecting projects.

The CMAQ program has been part of transportation funding in northeastern Illinois since the early 1990s. Besides the new Transportation Alternatives program, it is the only funding that CMAP directly programs. The federal CMAQ program is designed to improve air quality and mitigate congestion. Through this mission, the CMAQ program has long funded freight-related projects such as intersection improvements, grade separations, and engine retrofits. Additionally, Moving Ahead for Progress in the 21st Century (MAP-21), the current federal

[18] RTA 2013 Operating Budget, Two-Year Financial Plan and Five-year Capital Program, http://tinyurl.com/lnerket.
[19] These revenues are calculated by CMAP based on RTA financial documents.
[20] Metra, "Metra History", http://metrarail.com/metra/en/home/about_metra/leadership/metra_history.html.

transportation law, further requires that regions in non-attainment or maintenance of federal air quality standards obligate 25 percent of their CMAQ funds to projects that address fine particulate matter. Because diesel emissions are a major source of fine particulate matter, this set-aside has direct relevance to freight projects. CMAP's most recently approved five-year CMAQ program totaled $411 million,[21] and the agency recently approved an additional $286 million to be added to the FY 2014-2018 CMAQ program.[22]

In addition to providing funding for selected projects, CMAP is active in freight issues, convening a Freight Committee, collecting data, and publishing research. CMAP's Freight Committee is comprised of representatives from freight industry organizations, private railroads, trucking companies, consultants, researchers, and planners, along with representatives of local, regional and state governments.[23] The group acts as a forum to identify, assess, and respond to regional freight issues. Additionally, CMAP's other committees, including the Transportation Committee and Regional Transportation Operations Coalition, conduct work relevant to goods movement.

On the data side, CMAP maintains the Freight Snapshot as a component of its Freight Committee.[24] CMAP also maintains other performance measures relevant to freight as part of the federally mandated Congestion Management Process (CMP). Several of these measures are broad indicators, reported at an aggregated level rather than for specific facilities. Further, time series data is not available for all measures. The system operations and system maintenance measures are generally applied to the entire transportation system, and as such reflect the performance of both the passenger and freight systems.

CMAP is active in studying freight issues and has published three major reports on freight issues in recent years. These reports, the Regional Freight System Planning Recommendations Study,[25] the Freight Cluster Drill-Down,[26] and the Freight-Manufacturing Nexus,[27] describe the current state of the regional freight system, assess its contribution to the regional economy, outline issues facing the freight system, and make recommendations for improvements.

Illinois International Port District

The Illinois International Port District is a city-state agency that owns the Port of Chicago.[28] Created in the early 1950s as a municipal corporation, four of the District's board members are appointed by the Governor of Illinois and the remaining five are appointed by the Mayor of Chicago. The Port of Chicago includes terminal, transit shed, and storage facilities on

[21] CMAP, CMAQ FY 2012-2016 Multi-Year Program, http://www.cmap.illinois.gov/cmaq/2012-2016-program-information.
[22] CMAP, CMAQ FY 2014-2018 Program, http://www.cmap.illinois.gov/cmaq/program-development.
[23] CMAP, Freight Committee, http://www.cmap.illinois.gov/freight-committee.
[24] CMAP, Freight Snapshot, http://www.cmap.illinois.gov/freight-snapshot.
[25] CMAP, Freight System Planning Recommendations Study, http://www.cmap.illinois.gov/freight-system-planning.
[26] CMAP, Freight Cluster Drill-Down, http://www.cmap.illinois.gov/policy/drill-downs/freight.
[27] CMAP, Freight-Manufacturing Nexus, http://tinyurl.com/nbz7yko.
[28] Illinois International Port District, http://www.iipd.com/.

approximately 1,500 acres of land at Lake Calumet and Iroquois Landing on Lake Michigan, both located on Chicago's far south side. The Port enjoys direct truck and rail access to the regional transportation network. The Illinois International Port District is self-funded, relying on rents from its tenants and fee payments. The District also owns the Harborside International Golf Center, which it leased to a private operator at the beginning of this year.[29]

The Port of Chicago has long been viewed as an underperforming component of the region's transportation system, and CMAP's Freight Cluster Drill Down report suggests that targeted development of the port could expand the region's freight capacity. In July 2013, the City of Chicago, State of Illinois, and the Illinois International Port District announced the selection of a private concessionaire to operate the Port of Chicago for a 62-lease.[30] However, the private concessionaire backed out of that deal in September 2013.[31]

Discussion Items

Freight institutions can span a range of designs and meet a variety of functions. The National Cooperative Freight Research Program offers a conceptual framework to help decision-makers identify and navigate the tradeoffs in these designs. According to NCFRP, a Type I freight institution largely focuses on educational and outreach activities, a Type II freight institution largely focuses on evaluating and selecting projects for funding, and a Type III freight institution largely focuses on delivering projects.

While the NCFRP framework offers some broad ways of thinking about freight governance, GO TO 2040 offers more specific guidance. The plan calls for a robust, multimodal freight institution that would have revenue-raising and bonding authority. Such an institution would work collaboratively with the private sector to select and finance projects, and would also address community issues related to goods movement. The description in GO TO 2040 bears many of the hallmarks of NCFRP's Type II institution, similar to the Freight Mobility Strategic Investment Board in Washington State. The plan also calls for a Regional Freight Authority to be housed in an existing agency. As such, it is important to survey the agencies that are active in the freight system at the regional or state scales.

Given this background, the Regional Freight Leadership Task Force should consider the following questions: [32]

- **Lack of mandate.** Do existing institutions in northeastern Illinois have sufficient focus on the freight system? How could they better prioritize freight improvements?

[29] Merrion, Paul, 2013, "Chicago's port birdies golf course deal", *Crain's Chicago Business*, February 1, 2013, http://tinyurl.com/pzpg488.
[30] CMAP, "Private Firm to Manage Port of Chicago", Policy Updates, http://tinyurl.com/orgaysu.
[31] Karp, Gregory, 2013. "Deal to privatize Port of Chicago falls through", *Chicago Tribune*, September 30, 2013, http://tinyurl.com/lrood6y.
[32] Adapted from NCFRP 2.

- **Mismatch of scope.** Do existing agencies have overly broad or overly narrow scopes? Are there gaps or duplications of effort among existing institutions?
- **Insufficient funding.** Do existing institutions provide sufficient funding to the freight system?

The responses to these questions will help to form the backbone of Task Force's final recommendations to the CMAP Board in June 2014 – namely, whether to form a Regional Freight Authority, and if so, where to house it. Further, if the region were to pursue a Regional Freight Authority as envisioned in GO TO 2040, a number of additional questions would need to be addressed:

- Should the Authority have access to existing revenue sources or develop new sources?
    - If it were to develop new sources, what should those sources be?
    - If it were to develop new sources, what should be the funding level?
- Should the Authority offer grant or financing support to projects? Or a hybrid of both?
- Should the Authority have regulatory authority?
    - If so, which responsibilities should it take on?

While these questions will not be addressed in the Task Force's January meeting, they will help to frame subsequent meetings of the Task Force, particularly those related to funding and regulations. Therefore, it is important for the Task Force members to begin thinking about these issues now to help craft the final recommendations to the CMAP Board.