

# Illustrative Scenario for an RFA

This document presents a scenario for a Regional Freight Authority in northeastern Illinois. This scenario is purely illustrative and designed to stimulate the Task Force's conversation; it does not represent an official staff recommendation to the Task Force. Consistent with GO TO 2040, this scenario creates no new units of government, instead relying on existing agencies to fulfill expanded freight roles. This scenario is also consistent with the draft principles presented in Agenda Item No. 4.0.

This scenario has three main components. The first is to develop a comprehensive, multimodal freight plan for the region and the second is to secure new funding from user fees. The third component combines the first two, harnessing the new revenues to build projects and fund operational programs identified in the regional freight plan. The following outline describes each of these components in more detail.

## 1. Robust Freight Planning

- a. Working with relevant stakeholders, CMAP will develop an official freight plan as a component of the long-range transportation plan (LRTP, currently GO TO 2040) and govern the implementation of this plan through the Transportation Improvement Program (TIP). CMAP is required to develop and update the LRTP and TIP according to federal and state law.
  - i. The plan should include specific and reasonable lists of prioritized capital and operational improvements.
  - ii. While this planning effort will largely focus on trucking improvements, it will be multimodal. The trucking emphasis reflects the public sector's ownership and operation of the highway system, but it is equally important to identify rail, maritime, and aviation needs. The plan should take a particular focus on intermodal connections.
- b. CMAP will convene a regional conversation to critically evaluate the progress of the CREATE program and its long-term funding plan. The CREATE program is over ten years old, and less than half of its 70 projects have been completed to date. This regional conversation should be conducted in concert with the freight planning effort described above, and identify the next phase of rail improvements in the region.
- c. CMAP will continue to identify discontinuities in regional truck routes and municipal regulations.

## 2. Funding

- a. Direct the diesel taxes and truck registration fees currently collected by the state into new dedicated freight funds. There will be two funds: one for revenues currently collected from the Chicago region (the "Metropolitan Chicago Freight Fund) and the second from revenues currently collected from downstate (the "Downstate Freight Fund").
- b. Directing these revenues will create a substantial gap in IDOT's existing funding for its Multimodal Transportation Improvement Program. This problem will be

resolved by expanding the Illinois Tollway system to include the entire expressway network in northeastern Illinois. Doing so removes hundreds of lane-miles of expressways from IDOT's jurisdiction, reducing the Department's funding requirements by hundreds of millions of dollars annually. The Department's remaining funding sources will be focused on the regional arterial highway network.

3. Institutional Organization

- a. IDOT will program the Downstate Freight Fund and CMAP will program the Metropolitan Chicago Freight Fund. CMAP's programming process would be similar to its current approach to administering the Congestion Mitigation and Air Quality Improvement (CMAQ) and Transportation Alternatives Program (TAP), in which it evaluates eligible proposals submitted through a call for projects. Existing implementing agencies would be responsible for delivery and management of projects. The Illinois Tollway would take on an expanded role in maintaining and operating the entire regional expressway system.
  - i. Both freight funds will be restricted to certain work types that are most relevant to freight (e.g., geometric improvements, arterial improvements, resurfacing, grade separations, etc.). The Metropolitan Freight Fund will be allowed and encouraged to fund operational improvements (e.g., off-hours delivery incentive programs, capital improvements required to upgrade truck routes, etc.).
  - ii. Both freight funds will be restricted to certain facilities that are most relevant to freight. These facilities could be identified through the regional planning process, and could include National Highway System routes, Strategic Regional Arterials, and intermodal connectors.
  - iii. Both freight funds will be required to meet performance-based requirements. Combined with the restricted work types and facilities, these requirements will ensure that freight funds are "firewalled" to support goods movement activities and will not be diverted to other purposes.
- b. The Tollway would operate the entire regional expressway network. With this larger system, the Tollway could lower its base toll rates and more readily implement congestion pricing on portions of the system. Alternatively, the Tollway could retain its base toll rates for the entire system, but fund transit, ridesharing, bicycle, and pedestrian travel alternatives in the priced corridors.
- c. The Tollway would also be empowered to use its revenues to develop truck parking facilities in the staging areas outside the Chicago urbanized area (e.g., along I-90 near Rockford, I-88 near DeKalb, I-57 and I-55 in southern Will County or northern Kankakee and Grundy counties), and potentially within the region as well (e.g., near O'Hare International Airport).
- d. IDOT or CMAP should take on a centralized truck permitting system, providing a clearinghouse for local oversized/overweight truck permits and remitting revenues back to local governments.

## Evaluation

This illustrative scenario directly addresses the three main challenges identified by the Task Force in its deliberations to date:

- Too little funding. The scenario raises new revenues for transportation investment in the region and for the first time dedicates revenue streams to freight improvements. It does not raise the rates for the motor fuel tax, vehicle registration fees, or sales taxes.
- Too many jurisdictions. The scenario provides a planning and funding framework to help sort out jurisdictional conflicts. It does not create new units of government.
- Too little prioritization of freight. The scenario develops dedicated funding streams for freight, and restricts the eligible work types for these funds to maintain a logical nexus to freight improvements. The development of a regional freight plan helps to clarify goals and objectives for all providers of the transportation system.

The illustrative scenario is also consistent with the five draft principles outlined in Agenda Item No. 4.0:

- Robust freight planning. This scenario would call on CMAP to lead a collaborative regional planning effort. The freight plan should be multimodal in nature, specific, and focus on both capital and operational improvements. Additionally, CMAP should convene a regional conversation to evaluate the CREATE program and develop the next phase of rail improvements.
- User-pays principle. The scenario relies on existing and new user fees not only to fund a new freight revenue stream, but also support increased investment in the regional transportation system as a whole. Dedicating existing truck registration fees and diesel taxes to freight improvements is arguably a better implementation of the user-fees principle than current practice. Also, expanding tolling to the entire expressway network is also a direct application of user-fees principles, and guarantees sustainable funding for the most heavily trafficked component of the regional transportation system.
- Performance-based programming. This scenario would require revenues from the Metropolitan Chicago and Downstate Freight Funds to be programmed using performance-based criteria.
- Project delivery. This scenario would rely on existing implementing agencies to plan, construct, operate, and maintain transportation facilities.
- Sustained, focused advocacy. By creating a thorough, comprehensive freight plan and dedicating revenues to implementing it, this scenario would result in an enhanced freight focus among all stakeholders.

## Discussion Questions

Each of the three sections in the illustrative scenario will be discussed separately.

- Robust freight planning
  - Are these planning efforts acceptable? If not, what would be an alternative?
- Funding
  - Are these revenue sources acceptable as a long-term funding solution? If not, what would be an alternative?
  - Are there ideas for a short-term funding solution?
- Institutional organization
  - Are these institutional arrangements acceptable? If not, what would be an alternative?