Coalition for America's Gateways and Trade Corridors

ACS Transportation Solutions
AECOM
Alameda Corridor-East Construction Authority
American Standard Companies
Cascadia Center
CenterPoint Properties Trust
Chicago Metropolis 2020
Chicago Metropolitan Agency for Planning
City of Chicago
City of Industry, A Municipality
Delaware River Maritime Enterprise Council
Delaware Valley Regional Planning Commission
Detroit Regional Chamber
Economic Development Coalition of Southwest Indiana
FAST Corridor Partnership (Seattle-Tacoma-Everett)
Florida East Coast Railway
Florida Ports Council
Gateway Cities Council of Governments
Hatch Mott MacDonald
HELP, Inc.
HERZOG
HNTB
Intermodal Association of North America
Jacobs Carter Burgess
Kiewit Corporation
Los Angeles County Metropolitan Transportation Authority
Los Angeles Economic Development Corporation
Majestic Realty Co.
Memphis Chamber of Commerce
Mi-Jack Products, Inc.
Mississippi State Department of Transportation
Moffatt & Nichol Engineers
National Association of Industrial & Office Properties
National Corn Growers Association
National Railroad Construction and Maintenance Association
Ohio Kentucky Indiana Regional Councils of Government
Orange County Transportation Authority
Oregon Department of Transportation
Parsons
Parsons Brinckerhoff
Port Authority of New York/New Jersey
Port of Cleveland
Port of Long Beach
Port of Los Angeles
Port of Oakland
Port of Pittsburgh
Port of San Diego
Port of Seattle
Port of Stockton
Port of Tacoma
Port of Vancouver USA
RAILCET
River of Trade Corridor Coalition
Riverside (Calif.) County Transportation Commission
San Bernardino Associated Governments
SANDAG - San Diego Association of Governments
San Gabriel Valley Economic Partnership
Seattle Department of Transportation
Southern California Association of Governments
Southern California Leadership Council
Spokane Regional Transportation Council
Tennessee Department of Transportation
Virginia Port Authority
Washington State Department of Transportation
West Coast Corridor Coalition
Wilbur Smith Associates
Will County Center for Economic Development

Written Submission of

The Coalition for America's Gateways and Trade Corridors

Presented by

Mortimer L. Downey
Chairman, Coalition for America's Gateways and Trade Corridors
Senior Advisor, Parsons Brinckerhoff
Former U.S. Deputy Secretary of Transportation

Before

Subcommittee on Highways and Transit

Committee on Transportation and Infrastructure

United States House of Representatives

on

Improving and Reforming the Nation's Surface Transportation Programs

March 29, 2011

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America's freight network is too often thought of as various single modes that occasionally interact, when, in fact, it is better described as a vast circulatory system that carries our nation's commerce across several modes in almost every goods movement journey. America needs a safe, efficient, reliable, multimodal supply chain to continue driving the nation's commerce and supporting economic growth. To achieve this potential, the nation's freight and goods movement system users must overcome a number of challenges in pursuit of a functioning, efficient system. Helping this to happen should be a high priority objective in any reauthorization bill.

Despite the freight system's economic importance and environmental impacts, and despite a few examples of new investment, the system as a whole is lagging in fulfilling its mission and has been allowed to deteriorate. Today it carries more than 60 million tons per day, or the equivalent of about 2.4 million truckloads of goods, and that volume has grown substantially in the last 15 years. Each American generates an average 40 tons of freight a year. During the decade beginning in 1997, trucking ton-miles grew by 22 percent, and rail grew by 25 percent. By 2020, overall volume is expected to grow to more than 90 million tons per day. Yet the infrastructure and operations have not kept pace. In a disturbing reversal of trend, the share of our GDP consumed in transportation and logistics costs has risen in recent years after nearly two decades of decline.

Throughout the world, most developed countries have government structures at a national level, or even among economically linked nations such as those in the European Union, that allow for public investment based on strategic planning that takes the private sector's intermodal commerce fully into account and prioritizes access to the world marketplace. In the United States, we are different and proud of it, but our state-based, diffused transportation-spending approach works to our disadvantage vis-à-vis the global commerce "superstore." While our international trading partners and competitors are breezing through express lanes and 24-hour checkouts, we waste days and hours sitting in long lines waiting for limited capacity to handle the goods we're trying to get out the door. This was the message delivered in the last few weeks by the members of the President's Export Council.

We lack a comprehensive, nationally-guided strategy for prioritizing and investing in goods movement infrastructure in support of our private economy. Currently, investments are being

made without consideration for how each project serves to improve the overall functionality of the larger network. This has led to an under-funded, disjointed system that does not provide an acceptable level of service to our shippers, our farmers, our manufacturers, or the billions of global consumers for their enterprises, a vast source of prosperity here at home. The system also short-changes millions of American consumers who rely on it to bring them food, clothing and all the things that make up the American experience and quality of life.

Federal investment in freight infrastructure is firmly supported in the mandates of our own Constitution. In upholding the "the general welfare" of the country, Article I, Section 8 of the U.S. Constitution provides to Congress both the power to regulate commerce with foreign nations and among the states, as well as the authority over that which is "necessary and proper" to carry out these obligations. At the state or local level, it is understandable that investments that might have widespread national benefits are seen as a lesser priority to local projects, but this is at a serious cost to our national economy.

Office of Multimodal Freight

To help address these needs, the Coalition for America's Gateways and Trade Corridors calls on Congress to establish a new USDOT Office of Multimodal Freight, led by a senior official at the Assistant Secretary level within the Office of the Secretary at the U.S. Department of Transportation (DOT). The Office of Multimodal Freight would work with states and localities and the private sector developing data and analytical capacity to evaluate how the nation's freight and goods movement network operates now and what changes will be necessary to meet future freight needs. Using this information as well as information gathered from our trading partners about changes being made to their supply chains that will impact the U.S., the Office would develop and maintain a national freight policy and strategy.

Creating an Office of Multimodal Freight would help fill a policy void not currently being addressed in our surface transportation program. Furthermore, as Congress is looking to address unnecessary redundancies at DOT by consolidating programs, adding an Office of Multimodal Freight should help to achieve greater efficiency and coherence among programs.

Drawing on expertise in the modal agencies, input from state DOTs and in consultation with private sector users and carriers, the new Office of Multimodal Freight would be tasked with

developing an integrated, informed national freight plan. In addition, the Office of Multimodal Freight would coordinate with other departments within the government, to ensure that the policies being developed at other agencies such as the Environmental Protection Agency or the Department of Commerce work in concert with those at DOT.

In short, the new Office of Multimodal Freight would provide much needed leadership, coordination, planning and guidance on an issue that is truly federal in nature – the nation's interstate and international commerce.

Dedicated Freight Program

Experience with federal transportation policy has shown that progress in meeting transportation needs is greatest when federal-aid programs are linked to dedicated funding with stable sources of revenue. The need for dedicated and predictable freight infrastructure funding has been documented by the U.S. Department of Transportation, the U.S. Chamber Foundation and other studies. When freight programs and projects compete with all other transportation programs – maintenance, safety, and personal mobility – they often lose to those other equally important, and often more popular, priorities. Users and participants in the freight system have expressed their willingness to contribute more heavily to the cost of system development if they can be assured that the money will be used in a way that meets their needs and provides tangible benefits to their bottom line.

In February of 2009, the U.S. Government Accountability Office (GAO) released a report citing the need for an increased federal role in freight policy. In the report, the GAO recommended that Congress consider developing "a national strategy to transform the federal government's involvement in freight transportation projects. This strategy should include defining federal and nonfederal stakeholder roles and using new and existing federal funding sources and mechanisms to support a targeted, efficient, and sustainable federal role."

Under such an approach, funds would be available to support projects, across all modes, of various size and scope, but with special priority for projects of national significance. Fund distribution should be based on objective, merit-based criteria, with higher-cost projects subject to more stringent evaluation than lower-cost efforts. And, project eligibility for freight fund spending should be defined in a way that emphasizes system performance outcomes,

including freight movement reliability and environmental performance, with rewards for those projects where the bulk of the financing is being provided by project beneficiaries.

Furthermore, a competitive program – with a strong investment focus including exercise of discretion through a partnership between the executive and legislative branches – for identifying critical freight projects is needed. Funding competitions established through the transportation bill have proved effective in driving transportation planners and engineers to work with other entities to develop better ways to address problems. The transit New Starts Program is a successful example of this policy in action.

The new federal freight program would require an adequate, guaranteed funding stream – most likely from a new freight user fee dedicated to freight transportation infrastructure only – which will grow along with the demand for freight infrastructure. A new freight fee should be assessed as broadly as possible, on all domestic and international freight, without advantaging or burdening any sector, mode or region.

Partnership with the Private Sector

Finally, private participation in the nation's freight infrastructure is vital to system expansion and adequate capacity. The Office of Multimodal Freight would provide a central point of contact and cooperation for the private sector, which is often frustrated and discouraged by the lengthy and cumbersome processes currently in place for project approvals. This new office could help facilitate an on-going dialogue with private sector companies to find ways to leverage public funds and encourage private participation in project financing and development. This collaboration would give transportation agencies a much larger toolbox of financial options while encouraging participation by tangible beneficiaries.

In addition, the new authorization should establish a private sector freight advisory committee to work with the Office of Multimodal Freight to provide input on the strategic plan, help formulate criteria for project selection, oversee efficiency in program implementation and ensure a forum for expanding the dialogue with system users.

This group should also be tasked with assisting DOT in developing better data for freight analysis and planning, an effort that must be supported with funding for data collection on

freight system performance, needs and impacts. While DOT has improved its freight data collection and analysis in recent years, there are still large gaps that can be improved with private sector participation in designing a better collection methodology. Such an approach was recently presented in a Special Report by the Transportation Research Board.

Conclusion

As the economy recovers and the demand for moving goods grows, the nation's freight network will again begin to show increasing stress from congestion, inadequate capacity and failure to modernize. If unaddressed, the drag on our global competitiveness will be manifest as we limp along, operating in an inefficient system without clear priorities, goals or strategies. The solution lies in the creation of a national freight plan, a federal freight program to address needs identified in the plan, and a high level of engagement with the private sector.

A truly strategic freight mobility program would serve the economic needs of our country in the near term and for generations to come by making investment decisions that optimize freight mobility and support economic expansion and continually improving standards of living. This can be a signal accomplishment within a new surface authorization bill.

Mortimer L. Downey

TRANSPORTATION EXECUTIVE *experienced at national and local policymaking levels. Consultant to transportation agencies and others planning and managing large transportation projects. Led transformation of cabinet agency to top ratings in strategic planning and performance management top ratings. Developed innovative financing techniques and management structures for capital infrastructure renewal. Experienced in dealing with senior administration and elected officials, press, financial institutions and others to achieve positive results. Significant responsibilities for international negotiations, national security matters, labor management relations, and technology development. Extensive service on corporate and non-profit boards.*

EMPLOYMENT SUMMARY

OBAMA-BIDEN TRANSITION PROJECT ***2008-2009***

Team Leader. *Served as team leader for the Agency Review Group covering the Department of Transportation and related agencies. Previously served on the Campaign Transportation Policy Committee*

MORT DOWNEY CONSULTING, LLC ***2005-present***

President. *As an independent consultant on a part-time basis, offer advice and assistance to public and private clients developing or managing infrastructure projects. Substantial proportion of the work through Parsons Brinckerhoff (see below), with additional direct contracts with particular clients.*

PB CONSULT, INC (Parsons Brinckerhoff) ***2001-2005***

President. *In addition to consulting duties as described below, served as President of the subsidiary company.*

Principal Consultant. *As a senior principal with the management consulting subsidiary of Parsons Brinckerhoff, Inc, offers advice and assistance to a wide variety of public and private clients in aspects of the infrastructure industry. Projects have included financial, organizational and institutional reviews in the United States and abroad.*

U.S. DEPARTMENT OF TRANSPORTATION ***1993 - 2001***

Deputy Secretary of Transportation. *As DOT Chief Operating Officer, supported the Secretary of Transportation with authority to act for him in all areas of Departmental responsibility -- land, sea, air and space. Served on the President's Management Council, as chairman of the National Science and Technology Council Committee on Technology, and as a member of the Trade Promotion Coordinating Committee, the AMTRAK Board of Directors, the Partnership for a New Generation of Vehicles Steering Group, and the Deputies Committees of the National Security Council and National Economic Council. Provided oversight and direction to DOT's 12 agency heads and 13 staff units. Responsible for successful Y2K preparations for the Department and the transportation industry. Managed the Department's highly-regarded strategic planning process. Doubled infrastructure funding over eight years while reducing departmental overhead staff by 10%. Reviewed all significant regulations issued by DOT agencies.*

METROPOLITAN TRANSPORTATION AUTHORITY (New York) ***1981-1993***

Executive Director and Chief Financial Officer ***1986-1993***

Combined duties of CFO (see below) and MTA Executive Director, reporting to the Board and serving as an officer of each MTA subsidiary. Represented MTA in policy level contact at national, regional, and local levels. Worked with government agencies and private sector to define future needs, resources, and programs to meet regional transportation requirements.

Chief Financial Officer ***1985-1986***
Deputy Executive Director for Capital Programs ***1983-1985***
Assistant Executive Director for Management and Budget ***1981-1983***

Direction of MTA capital program of $20 billion between 1982-93, including development of new public and private financing techniques and responsibility for oversight of capital projects, design, budgets, schedules, and performance. Provided leadership in developing and funding $5 billion annual operating budget. Responsible for treasury, comptroller, and risk management functions. Participant in developing labor relations strategy and information system policies.

U.S. DEPARTMENT OF TRANSPORTATION ***1977-1981***

Assistant Secretary for Budget and Programs
Principal Advisor to the Secretary of Transportation on budget and program evaluation. Special assignments in urban policy, energy, and legislative matters. Member of the President's Interagency Coordinating Committee on Urban Programs. Developed and gained support for $24 billion annual budget, focusing policy change through the budget process. Developed formal program evaluation process to support decisionmaking. Regulatory process experience as a member of the White House Regulatory Analysis Review Group.

U.S. HOUSE OF REPRESENTATIVES - COMMITTEE ON THE BUDGET ***1975-1977***

Budget Priorities Analyst (Transportation)
Specialist on transportation issues, liaison with transportation institutions, constituencies, and House and Senate Committees in implementing the Congressional Budget process.

PORT AUTHORITY OF NEW YORK AND NEW JERSEY ***1958-1975***

Supervisor, Rail Public Services ***1973-1975***
Marketing, community relations, and passenger services for rail transit operations. Agency representative on national transportation policy matters.

Principal Transportation Planner ***1968-1973***
Conducted institutional and financial analysis of transportation plans and proposals, special assignments in transportation policies, strategic plans, and intergovernmental relations.

Assistant to Chief, Central Research and Statistics ***1962-1968***
Organized a new economic research unit, carried out special analysis and forecasting projects in passenger and freight transportation.

Management Trainee, Staff Assistant ***1958-1962***

EDUCATION

Phillips Academy, Andover, Massachusetts, 1954

Yale University, B.A., Magna Cum Laude, Political Science, 1958

New York University, Masters in Public Administration with Honors, 1966

Harvard University Graduate School of Business Administration, Certificate, Advanced Management Program, 1988

Attended M.I.T. Summer School in Transportation Systems Analysis, 1972; and Carnegie-Mellon Program in Urban Transportation, 1974.

MEMBERSHIPS (Current)*

**Second Vice Chairman, Board of Directors, Washington Metropolitan Area Transit Authority*

**Fellow, National Academy of Public Administration (former Chairman, Board of Directors)*

**Member, Advisory Committee to the Comptroller General of the United States*

**Board Member and Secretary, Eno Foundation for Transportation Research*

Member, National Academy of Science Committee on Science and Technology for Counter Terrorism (Chair, Transportation subpanel)

Member, Transportation Accountability Commission, Commonwealth of Virginia

Member, U.S. Secretary of Transportation's Oversight Panel for Border Truck Crossing Program

Chairman, OMB Advisory Committee on Performance Management

Member, Council on Strategic and International Studies Working Group on Defense Reorganization

**Member, Industry Leadership Council, American Society of Civil Engineers*

**Member, Advisory Board to Rudin Transportation Center, New York University Wagner School*

**Chairman, Advisory Board to Voorhees Transportation Center, Rutgers University Bloustein School*

**Chairman, Board of Trustees Norman Mineta Transportation Institute, San Jose State University*

**Chairman, Coalition for America's Gateways and Trade Corridors*

**Member, Board of Advisors, Young Professionals in Transportation*

Board of Advisors, Global Maritime and Transportation School, USMMA Kings Point

**Member, Council of Minority Transportation Officials*

Member, Critical Infrastructure Protection Roundtable, National Research Council

**American Society for Public Administration (past President, New York Chapter)*

**American Public Transit Association (Legislative Committee; High Speed and Intercity Rail Committee, Public Private Partnerships Committee, former Chairman of APTA Dues Commission)*

New York Municipal Forum (former Member, Board of Governors)

New York Building Congress (former Member, Executive Committee)

**Transportation Research Board (former Member, Executive Committee), participant in various transportation study panels.*

**Women's Transportation Seminar*

National Competitiveness Policy Council (Member, Public Infrastructure Subcouncil)

New York University Alumni Council (Chair, Public Affairs & Government Relations Committee)

AWARDS

1993 - NY Metro Chapter, American Society of Public Administration
1998 - Secretary of Transportation's Award for Distinguished Service
1998 - Women's Transportation Seminar - National Member of the Year
1998 - DC Chapter, American Society of Public Administration
1999 - NYU Alumni Torch Award
1999 - Truitt Award for Transportation Management, American Society for Public Administration
2000 - Intelligent Transportation Society of America Leadership Award
2000 - Lifetime Achievement Award, American Public Transportation Association
2001 - Frank Turner Lifetime Achievement Award, Transportation Research Board

PERSONAL

Born in Springfield, Massachusetts; Married Two Children, Five Grandchildren

U.S. Coast Guard Reserve, Lieutenant Commander, 1959-1971

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name:

Mortimer L Downey III

(2) Other than yourself, name of entity you are representing:

Coalition for America's Gateways and Trade Corridors

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

YES **If yes, please provide the information requested below and attach your curriculum vitae.**

NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

No Federal grants or contracts to me personally nor to the Coalition. Some projects I have worked on during this period may have been Federally Funded, but my role was not under a formal contract or subcontract.

Signature

3/23/2011
Date