



August 11, 2010

Legislation

Senate bill would raise semi weight limits. Bipartisan legislation introduced on August 5th by Idaho Senator Mike Crapo (R-ID), Senator Susan Collins (R-ME), and Senator Herb Kohl (D-WI) would bring more efficiency to the trucking industry and help transport goods to consumers more safely and effectively. The three joined together to introduce the Safe and Efficient Transportation ACT (SETA) of 2010 (S. 3705), which would increase truck weights from 80,000 to 97,000 on the Interstate System in any state that would opt in to the plan. Identical legislation (H.R. 1799) in the U.S. House of Representatives has 54 bipartisan co-sponsors.

The measure sets several stipulations for the increased weight. The vehicles would have to be equipped with at least six axles. The legislation would result in reduced emissions, fewer trucks on the road, and a decrease in fuel usage. Most importantly, it leaves it up to the states to determine if the weight increase would be allowed on the highways through that state.

Crapo said, "This bipartisan legislation gives states the option to increase interstate truck weight limits in a safe manner so that we can get more goods from the farm or factory to consumers in fewer trips and fewer vehicle miles. Many trucks now hit the federal weight limit with space left in their trailers. The U.S. DOT estimates that the use of six-axle trucks could save as much as \$14.5 billion in shipping costs annually. SETA will also make U.S. goods more competitive in the global marketplace, as Canada, the United Kingdom, and many other countries already have higher weight limits."

Collins said, "Our legislation would finally create a level playing field for truck weight limits on interstate highways in all states. Under federal law, trucks heavier than 80,000 pounds are forced off the interstate and onto local roads in several states, including my home state of Maine, creating safety hazards for motorists and pedestrians and causing road wear and tear. However, a weight exemption for these same trucks permits them to travel on interstate highways in New Hampshire, Massachusetts, and New York. This disparity for certain states simply makes no sense and puts them at an economic disadvantage. Our legislation would allow all states to have the option of increasing truck weight limits on the Interstate System. Keeping heavy trucks on the interstate highways where they belong, and off smaller streets, would improve safety for motorists and pedestrians, and reduce congestion, fuel use, emissions, and road damage."

"This bipartisan legislation strikes the right balance between productivity and safety," said Kohl. "This common sense bill will make a big impact on the countless businesses and industries that depend on trucks to move their products. I've met with a number of people in Wisconsin who say this legislation will make their business more efficient and allow them to invest in their company and add jobs. This legislation will allow us to reduce our dependence on foreign oil, cut air pollution, and keep American businesses competitive."

In July 2009, the Soy Transportation Coalition completed a report titled, "Heavier Semis: A Good Idea?" – a study analyzing the likely results of expanding semi weight limits over the federal highway system. The report verified how increasing semi weight limits offers the potential of enhancing efficiency in transporting agricultural products without endangering fellow motorists or imposing greater damage to the road system. A summary and the full report can be accessed at www.soytransportation.org.

House approves FY2011 transportation appropriations. On July 29, the House of Representatives passed the FY 2011 Transportation, Housing and Urban Development Appropriations bill by a 251-167 vote.

Among the appropriations, the bill would provide \$11.3 billion for rail and bus public transportation projects — \$500 million more than FY2010's appropriation and \$575 million more than President Obama's request. The bill would allocate \$1.77 billion for Amtrak, \$201.9 million more than FY2010's appropriation and \$151.5 million more than the Administration's request.

The bill would also provide \$1.4 billion to expand and improve intercity passenger rail and develop a national high-speed rail system. The appropriation is \$400 million higher than the initial request, but more than \$1 billion shy of what the program received in FY2010.

The bill would allocate \$75 million in grants to help railroads implement positive train control — \$25 million more than the 2010 appropriation and \$75 million more than the President's request.

Lock and dam maintenance neglected in WRDA bill. The House Transportation and Infrastructure Committee recently passed the Water Resources Development Act (WRDA) of 2010 without addressing the dilapidated condition of the nation's locks and dams.

The WRDA bill reauthorizes almost \$6 billion for water resources studies and construction projects by the Army Corps of Engineers for flood damage mitigation, environmental restoration and protection, and hurricane damage prevention. The bill establishes a policy for increased expenditures from the Harbor Maintenance Trust Fund to ensure that annual revenues collected are utilized to meet the nation's navigation maintenance dredging needs. However, little attention is devoted to inland waterways navigation.

According to the Waterways Council, attempts were made to get the committee to include the Inland Waterways Capital Development Plan in the legislation. However, the effort was not successful since, according to the committee, discussions with the administration and Congress about inland waterways policy had not been completed by the time of the vote.

The Inland Waterways Capital Development Plan includes:

- Preserving the existing 50% industry/50% federal cost-sharing formula for new lock construction and major lock rehabilitation projects costing \$100 million or more.
- Adjusting the current model to provide 100% federal funding for dam construction and major rehabilitation and smaller lock rehabilitation projects, recognizing the value derived by other beneficiaries from dams and the pools created by dams.
- Including a cost share cap on new lock construction projects to incentivize keeping projects on budget and prevent industry taxpayers from bearing the burden of paying for unreasonable cost overruns.
- Increasing the 20 cent per gallon fuel tax by the barge and towing industry by 30% to 45% to provide additional revenues for lock and dam maintenance and construction.

There is still the potential that funding authorization for locks and dams will be included when the legislation is considered by the full House or in conference committee after the Senate passes its own version of the bill.

Over the past year, there have been gate failures at Markland Lock and Dam and Greenup Lock and Dam along the Ohio River. Fortunately, these sites possess auxiliary lock chambers – allowing freight movement to continue. Of the 29 locks on the Upper Mississippi/Illinois River system, only three have more than one lock chamber.

Rail capacity expansion bill introduced in Senate. On August 5, Senators Kent Conrad (D-ND) and John Ensign (R-NV) introduced the Freight Rail Infrastructure Capacity Expansion Act of 2010 (S. 3749), which provides incentives to encourage investment in the expansion of freight rail infrastructure capacity.

The legislation – along with its companion bill in the House (H.R. 1806) – would provide two tax incentives: a 25 percent tax credit for capacity expansion expenditures on new freight-rail infrastructure and a vehicle for expensing all qualifying rail infrastructure capital expenditures - thereby accelerating the availability of capital necessary to expand capacity.

The incentives would apply to railroads, shippers, ports and trucking companies. Qualifying expenditures would include track, tunnels, signals, train control devices, locomotives, bridges, yards, terminals, and intermodal transfer and transload facilities.

“America has great expectations for our nation’s railroads – to provide not only the vital connection for U.S. business to the global marketplace, but also the underlying network for expanded intercity passenger and high-speed rail,” said Association of American Railroads President and CEO Edward R. Hamberger. “This bill offers incentives for our highly capital-intensive business, and will ensure freight rail can continue to meet these expectations.”

The inherent fuel efficiency and cost-effectiveness of rail has increased the demand to move more people and goods by rail. According to a recent report from the American Association of State Highway and Transportation Officials, the demand for freight will double in the next 40 years – with the demand for rail expected to increase by 38 percent from today’s levels.”

Surface Transportation Board

STB to form toxic cargo committee. The federal Surface Transportation Board (STB) announced on August 3rd its decision to form an advisory committee to study and suggest ways to safely move toxic cargo like chlorine in a cost-effective manner.

The Toxic by Inhalation Hazard Common Carrier Transportation Advisory Committee will provide the STB with independent advice and policy suggestions related to the common carrier obligation of railroads to transport toxic by inhalation hazards (TIH). The committee will specifically focus on the amount of economic responsibility for liability that railroads can reasonably ask TIH shippers to assume before the carrier will transport the cargo.

Common carrier obligation is the statutory duty of railroads to provide transportation or service on reasonable request. In recent years, the STB has seen an increasing number of issues and contentiousness regarding the common carrier obligation to transport TIH cargo.

By creating the advisory committee, the STB hopes to facilitate dialogue among TIH shippers, railroads, insurers or underwriters and tank-car owners, lessors or manufacturers with a goal of resolving economic concerns surrounding the transportation of TIH cargo.

"Achieving an industry-wide consensus on these tough problems through a process where shippers and railroads meet face-to-face and find common ground is more likely to result in better, more sustainable solutions," said STB Chairman Daniel R. Elliott III.

The STB seeks comment from interested persons on issues ranging from the scope of the committee's mandate to the composition of its membership.

Department of Transportation

FMCSA proposes limited hours of service exemption for anhydrous ammonia deliveries.

The Federal Motor Carrier Safety Administration (FMCSA) recently announced its proposal to grant a 2-year, limited exemption from the Federal hours-of-service regulations for the transportation of anhydrous ammonia from any distribution point to a local farm retailer or to the ultimate consumer, and from a local farm retailer to the ultimate consumer, as long as the transportation takes place within a 100 air-mile radius of the retail or wholesale distribution point.

The exemption would extend the agricultural operations exemption established by section 345 of the National Highway System Designation Act of 1995, as amended, by the sections 4115 and 4130 of the Safe, Accountable, Flexible, Efficient Transportation Equity: A Legacy for Users (SAFETEA-LU) to certain drivers and motor carriers engaged in the distribution of anhydrous ammonia during the planting and harvesting seasons, as defined by the States in which the carriers and drivers operate.

The FMCSA believes that the exemption would likely achieve a level of safety that is equivalent to, or greater than, the level that would be achieved absent such exemption, based on the terms and conditions imposed. This exemption would preempt inconsistent State and local requirements applicable to interstate commerce.