



SOY TRANSPORTATION COALITION WASHINGTON REPORT



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Government Shutdown

The U.S. Department of Transportation (DOT) announced the impact of the current government shutdown on staffing levels at its various agencies.

<u>Agency</u>	<u>Furloughed Staff</u>	<u>Excepted Staff</u>	<u>% Furloughed</u>
Federal Aviation Administration	15,514	30,556	34%
National Highway Traffic Safety Administration	333	264	56%
Federal Highway Administration	0	2,914	0%
Federal Motor Carrier Safety Administration	0	1,102	0%
Federal Transit Administration	501	28	95%
Federal Railroad Administration*	467	419	53%
Maritime Administration	451	379	54%
Surface Transportation Board*	140	3	98%
Office of the Secretary	382	119	76%

The Federal Railroad Administration (FRA) is the government agency charged with promoting and enforcing rail safety regulations; administering railroad assistance programs; conducting research and development in support of improved railroad safety and national rail transportation policy; providing for the rehabilitation of Northeast rail passenger service; and consolidating government support of rail transportation activities.

The Surface Transportation Board (STB) is the regulatory agency created by the United States Congress to resolve railroad rate and service disputes and reviewing proposed railroad mergers.

While many Army Corps of Engineers activities have been suspended and employees furloughed, navigation along the inland waterway system is occurring as normal since closing the system would produce an “imminent threat” to property and would compromise national security. However, those employees are currently working without pay.

Legislation

Washington senators introduce legislation to amend HMTF. On September 17, Senators Patty Murray (D-WA) and Maria Cantwell (D-WA) introduced The Maritime Goods Movement Act for the 21st Century. The legislation would replace the Harbor Maintenance Tax (HMT) with a Maritime Goods Movement User Fee.

The Harbor Maintenance Trust Fund (HMTF) was created by Congress in 1986 to provide funding for harbor and channel dredging. Funds generated by the Harbor Maintenance Tax (a 0.125% ad valorem tax on imports) are deposited into the HMTF. Because the tax is assessed on imports arriving at U.S. ports, American port officials are concerned that significant volumes of U.S. imports will be unloaded at Canadian or Mexican ports and, in turn, transported over land via rail or truck to U.S. cities in order to avoid the tax. This creates a disincentive, port officials contend, to call at U.S. ports.

The Maritime Goods Movement User Fee would be accessed on freight entering the U.S., whether by ship, rail, or truck. For example, if an ocean vessel would discharge U.S. bound cargo at a Canadian port, the fee would be accessed on the cargo upon entry into the U.S., whether via rail or truck. Senators Murray and Cantwell argue that replacing the HMT with the Maritime Goods Movement User Fee would discourage shippers from diverting American-bound goods through Canadian or Mexican ports due to the existence of the Harbor Maintenance Tax.

The bill would also ensure that all of the proceeds from the user fee are spent annually for port operation and maintenance. Currently, only half of the tax revenue collected through the HMT each year is actually spent on port upkeep, even though American ports are in desperate need of more maintenance investment. This bill would enable full investment of fee collections.

The legislation would also set aside portions of the user fee to support critical low-use ports and to create a competitive grant program to improve the U.S. intermodal transportation system.

Boxer promotes replacing gas tax with sales tax at refineries. At a recent hearing, Senator Barbara Boxer (D-CA), Chairman of the Senate Environment and Public Works Committee, suggested that Congress should replace the federal tax on gasoline and diesel fuel with a sales tax on oil at refineries in an effort to increase funding for the nation's roads and bridges.

The hearing, "The Need to Invest in America's Infrastructure and Preserve Federal Transportation Funding," was held on September 25 and highlighted the funding shortfalls confronting the U.S. transportation system as well as opportunities to address them.

Congress and President Obama have been unwilling to raise the 18.4-cents-per-gallon tax on gasoline and 24.4-cents-per-gallon tax on diesel fuel given the current economic climate and out of concern they would be labeled as raising taxes on Americans. The gasoline and diesel tax has not been raised since 1993.

The Highway Trust Fund is projected to become insolvent in fiscal year 2015. The current \$109 billion surface transportation bill, "Moving Ahead for Progress in the 21st Century" (MAP-21), expires on September 30, 2014.

Surface Transportation Board

Miller nominated to STB. President Obama recently nominated Deb Miller to the three-member U.S. Surface Transportation Board, the agency established to resolve railroad rate and service disputes and reviewing proposed railroad mergers.

Miller's nomination must be approved by the Senate. If confirmed, Miller would assume the spot being vacated by Commissioner Francis Mulvey. The other members of the STB are Chairman Daniel Elliott and Commissioner Ann Begeman.

Miller has been a senior associate for Cambridge Systematics since 2012. Before that, she served as secretary of the Kansas Department of Transportation from 2003 to 2011. From 1998 to 2003, she was a senior planner for the HNTB Corp. She was also the director of planning and development at Kansas DOT from 1986 to 1997, and she served as

special assistant to the Kansas secretary of transportation from 1984 to 1986. From 1980 to 1984, Miller served as a policy aide in the office of Governor John Carlin.

Additionally, Miller e was a management development trainee at Southwestern Bell from 1978 to 1980 and the executive director of the Associated Students of Kansas from 1977 to 1978. She received a bachelor's degree in sociology from Kansas State University.