An Introduction to the Intermodal Association of North America
KATIE FARMER  
Chairman, IANA Board  
BNSF Railway

Katie Farmer has over 20 years of experience in the railroad industry and is responsible for the commercial activities of BNSF’s intermodal and automotive business.

Ms. Farmer began her career with the Burlington Northern in 1992 as a management trainee in Fort Worth, Texas. In 1998, after holding a variety of positions in the Chemical, Plastic and Minerals business units as well as Finance, Customer Solutions and Network Operations, she returned to Fort Worth as director, Plastics Marketing.

In 2001, she was appointed to general director, Chemical Products Sales then advanced to the position of assistant vice president, Carload Equipment in 2002.

Ms. Farmer holds Bachelor of Business Administration and Master of Business Administration degrees from Texas Christian University.

JONI CASEY  
President & CEO  
Intermodal Association of North America

Joni Casey is a thirty-year veteran of the transportation industry, having been employed for most of that time in the Washington, D.C. area, by trade associations representing motor carriers, 3PLs, and intermodal operators.

She began her career as an economist for the American Trucking Associations and was the first Executive Director of the Intermodal Conference of ATA, before leaving to become the CEO of the Transportation Intermediaries Association. Ms. Casey joined IANA as its President and CEO in 1997.

She is a native of Wilkes-Barre, Pennsylvania, and holds B.S. and MBA degrees, from the University of Maryland’s Smith School of Business.

Ms. Casey is active in a number of professional organizations and has served on various industry committees and Boards including the Executive Committee of the Transportation Research Board; the University of Denver’s Intermodal Transportation Institute; the Global Maritime and Transportation School of the U.S. Merchant Marine Academy; the Board of Advisors of the Smith School of Business at the University of Maryland; and the Business Advisory Committee of Northwestern University. She has also received numerous service awards and recognitions throughout her career.
What We Do

Industry Issues: IANA takes an active role in monitoring federal and state legislative and regulatory activity, providing continuous status updates on key actions in these arenas. IANA Policy Issue Briefings provide important information on items that affect the intermodal freight transportation industry.

Intermodal Insights: IANA’s monthly online publication, Intermodal Insights, updates its 1,350 subscribers on market trends and news pertinent to the intermodal industry.

Standing Committees: IANA maintains standing committees to provide forums that address issues of significance specific to the intermodal industry, and allow for collaboration to establish solutions.

• The Intermodal Maintenance & Repair Committee – Addresses issues related to maintaining intermodal equipment and components in safe, good repair and in roadable/loadable service with a focus on inspection, maintenance and repair practices.

• The Intermodal Operations Committee – Responsible for fostering better operational practices between intermodal transportation providers to ensure customers receive the highest level of service and acts as a facilitator in resolving operational problems between and among intermodal providers.

Intermodal Market Trends and Statistics Report: IANA publishes a quarterly analysis of industry activities that provides a comprehensive look at intermodal business volumes. The report includes an in depth look at movements by equipment and key traffic corridors in the USA and Canada.

Who We Are

Overview: Founded in 1991, IANA is North America’s leading industry trade association representing the combined interests of the intermodal freight industry. Our mission is to promote the growth of efficient intermodal freight transportation through innovation, education and dialogue.

Membership: Headquartered in Calverton, Md., IANA boasts a membership roster of over 1,000 corporate members including railroads, ocean carriers, port authorities, intermodal truckers and over-the-road highway carriers, intermodal marketing and logistics companies, and suppliers to the industry. Associate members include shippers, academic institutions and government entities.
Industry Information Services: IANA offers an array of value added services and programs through industry information delivery flows that assist in facilitating business processes and enabling transactions. These services include:

- **Uniform Intermodal Interchange and Facilities Access Agreement (UIIA)** — UIIA provides guidelines and rules for the interchange of equipment among ocean carriers, railroads, leasing companies and intermodal trucking companies.

- **Global Intermodal Equipment Registry (GIER)** — Virtual solution to meet the Federal Motor Carrier Safety Administration (FMCSA) regulations requiring the identification of intermodal equipment and the Intermodal Equipment Provider responsible for maintenance and repair of that equipment.

- **Intermodal Driver Database (IDD)** — A secured web-based system for Motor Carriers to provide and maintain driver identification information that is required to access specific intermodal facilities.

- **Intermodal Tractor Registry (ITR)** — Provides a registration point via a web interface developed as an expansion of the Intermodal Driver Database (IDD) where UIIA Licensed Motor Carriers (LMC) can provide and manage tractor/truck information on behalf of their company drivers and/or owner operators.

Our Events

**Intermodal Expo:** The largest event for the intermodal freight community held annually since 1982 and attracting over 1,500 members, suppliers and industry stakeholders.

**Webinars:** IANA periodically hosts webinars designed to educate, update and inform intermodal industry participants on various topics that focus on industry challenges and solutions.
The chronic shortage of drivers is now affecting all segments of the trucking industry, from drayage to regional and long-haul operations, and shows no signs of abating near term – spawning a range of efforts to attract and keep workers willing to pilot commercial vehicles for a living.

“Tight over the road [OTR] capacity due to the driver shortage is certainly contributing to the growth of domestic and international intermodal,” noted Joni Casey, president and CEO of the Intermodal Association of North America (IANA), in a conference call hosted by Wall Street investment firm Stifel Nicolaus & Co. last week.

“However, the driver shortage is hitting the intermodal segment as well,” she said. “Trucks are a key component of every mode, from ocean shipping and rail to air cargo, because trucks handle the first and last mile.”

Still, intermodal traffic continues to grow in part because drivers are in shortest supply in the OTR segment, Casey stressed.

“Shorter lengths of haul are a positive factor” for driver retention, she noted, pointing out that hours of service (HOS) changes made several years ago have cut OTR productivity anywhere from 2% to 4%, based on industry data.

IANA’s data indicates intermodal traffic increased nearly 5% year-over-year in 2014 compared to 2013 and expanded 2% in the first quarter this year despite disruptions caused by severe winter weather across much of the U.S.

John Larkin, managing director & head of transportation capital markets research for Stifel, noted in follow-on written comments that intermodal “clearly is taking share within the containerizable freight market” often with the blessing of “bi-modal carriers” such as J.B. Hunt Transportation services, Swift Transportation, and Knight Transportation, which have forged collaborative relationships with the railroads.

“Simply put, the trucking-based companies want to shift as much freight as possible to the rails in order to preserve capital intensive tractors and scarce compliant drivers for those lanes not well served by rail-based intermodal services,” Larkin noted.

Near term, though, he said supply and demand where truck capacity is concerned remains “still relatively tight, just not as tight as experienced in 2014,” as the U.S. enters what he called a period of “normal supply chain fluidity.”

However, Larkin stressed that truck supply is being enhanced by the potentially reversible relaxation of the 34-hour restart rule within HOS regulations; a change made by Congress last year.

“All in all, supply and demand is now more in balance than at this time last year,” he noted. “As a result the spot market has cooled and contract price increases have been slightly harder to come by. One [Midwest TL] carrier executive told us he was getting 10% rate hikes last year, whereas this year the increases are likely to be half that.”

Larkin pointed out that carriers are “bending over backwards” to give drivers a large portion of those rate increases, though the Midwest-based TL carriers Stifel recently interviewed believe higher driver pay alone will not solve the ongoing shortage.

Thus a broader array of driver-focused retention efforts are being more widely deployed by motor carriers, he noted, including:

- Getting drivers home more frequently and more regularly;
- Buying trucks outfitted with the latest driver friendly amenities;
- Reducing the driver to fleet manager ratio in order to increase driver/fleet manager communication;
- Building driver-friendly lounges, cafeterias, exercise rooms, and bunk houses at or near terminals;
- Proving health improvement programs;
- Building or developing more driver training schools.

“Still, the driver recruiting and retention issue remains the number one challenge facing the industry today,” Larkin emphasized.
Heading into 2015, the intermodal sector was faced with the same challenges it had exiting 2014, namely the West Coast port labor disruption and harsh winter weather. But even with these obstacles volumes still managed to show overall growth on an annual basis, according to the most recent edition of the Intermodal Market Trends & Statistics Report from the Intermodal Association of North America (IANA).

First quarter total volume — at 3,853,661 containers and trailers — was up 2 percent annually, IANA reported. Domestic containers — at 1,568,581 — were up 6.5 percent, and international containers — at 1,883,031 — were down 0.4 percent. All domestic equipment at 1,970,630 — was up 4.5 percent, and trailers fell 2.7 percent to 402,049.

On a month-by-month basis for the first quarter, the report noted that intermodal volumes rose 2.3 percent in January, followed by a 4.2 percent drop off in February, due to port-related issues out West, but volumes closed out the quarter strong with a 7.4 percent uptick.

“Aggregate intermodal volumes were actually a little better than we expected, given the monthly international volume fluctuations and the downturn in trailer shipments,” IANA President and CEO Joni Casey said. “Domestic container movements were the driver to these results.”

The negative volumes on the international side in the first quarter had a negative impact on overall intermodal volumes, with volumes off 4.3 percent in February and international loads down 10.8 percent. A better March did not improve the overall international volume situation for the first quarter.

“Port congestion was the main cause of the weak performance of international performance in Q1,” the report explained. “These disruptions prevented containers from being off-loaded from ships and transferred to rail cars for significant parts of Q1.”

Even though the international situation was bleak for the first quarter, IANA said there are brighter signs ahead for various reasons, including the U.S. economy expanding at the same pace it has for the last five years, with imports getting a boost from the strong U.S. dollar that helped to make imports cheaper.

Taking that a step further, Casey said that there are indications that international will maintain a good portion (in the 5-to-7 percent range) of the growth that started to occur in March. But she pointed out that the international March numbers were directly related to the pent-up surge as congestion finally started to unwind.

The volume gains on the domestic side were strong and impressive, IANA said, in light of the “difficulties faced by the container import sector.” It added that the majority of domestic containers transport domestically-produced freight only, with a decent amount of domestic containers moving freight transloaded from a 40-foot container that came in through a port. And IANA also said that there is some evidence that weaker transload volumes caused domestic container growth to slow slightly, too.

Looking ahead, FTR Senior Consultant Larry Gross told LM he expects decent near-term intermodal growth, as the West Coast backlog continues to be worked off, but he cautioned there could be issues later in the year due to currently adequate truck capacity, particularly if service does not improve.
Executives from the trucking, rail, ocean and equipment industries will gather Sept. 21-23 for the Intermodal Expo as cargo growth continues at a record pace and rail service delays pose challenges in the sector.

The Intermodal Association of North America’s 2014 event in Long Beach, California, will be accompanied by the concurrent fall meeting of the Transportation Intermediaries Association.

Intermodal advocates can point to the latest figures that show a 5.7% increase in 2014 U.S. rail/truck shipments through Aug. 29 — and a 7% increase in Canada — as measured by the Association of American Railroads. Both figures top the growth pace of trucking and rail carload shipments this year.

However, the increase in intermodal along with rail shipments of grain and other bulk products have clogged rail lines, slowing intermodal shipments across the industry by at least 5%.

As for the 2014 conference, IANA and TIA, along with consultant FTR, have developed a broader focus.

“This year’s educational program has been doubled and organized into interest area tracks, with enhanced networking and social activities,” Joni Casey, president of IANA, told Transport Topics.

In addition to 16 educational sessions that concentrate on economics, sales, operations and small-business support, the event also includes general sessions. Those portions of the meeting will address broader industry issues, including the business outlook and the effect of changing ocean cargo patterns between West Coast and East Coast ports.

The maritime aspects are being emphasized in another way. Long Beach is the second-largest U.S. port, and attendees are being offered a tour of the port. Long Beach and larger neighbor Los Angeles have been an industry focal point because union workers are continuing to move cargo there while coastwise labor talks continue on a new contract to replace one that expired on June 30.

While there hasn’t been a disruption, trade groups representing retailers and other shippers have warned of widespread consequences in the event of a disruption.

Casey cited more new features, telling TT, “We’re also going digital with a ‘social wall’ and ‘media lounge’ to keep attendees connected while they visit more than 120 exhibits.”

TIA President Robert Voltmann said meeting simultaneously with IANA offers opportunities for brokers.

“The continuing expansion of the economy, coupled with the continuing reduction in trucking capacity, makes the use of intermodal by 3PLs a necessity,” he told TT. “The Intermodal Expo offers one-stop shopping for 3PLs looking to add or expand intermodal into their company’s service offerings.”

Brokers have increased truck/rail shipments on a year-over-year basis for the past six quarters, according to the TIA Market Report.

The report also identified little change in recent brokers’ profit margins on intermodal freight. Margins rose above 14% for the first time in three years on truckload shipments as reported in the TIA survey.

“The intermodal option continues to gain in stature and its importance will continue to grow given the trends that we foresee on the highway,” said Larry Gross, senior consultant at consulting firm and intermodal specialist FTR.

Another change in 2014 is the absence of the National Industrial Transportation League, whose TransComp event until last year had for more than a decade shared the trade show floor with Expo. This year’s separate NITL meeting is scheduled for Nov. 15-19 in Fort Lauderdale, Florida.
FOR IMMEDIATE RELEASE

CSX’s Gooden Wins Top Intermodal Industry Award
Former IANA Board Member to Receive 2015 Silver Kingpin

CALVERTON, MD (August 3, 2015) — The Intermodal Association of North America (IANA) announced today that Clarence Gooden, executive vice president & chief commercial officer of CSX Corporation, will be honored with the 2015 IANA Silver Kingpin Award at this year’s Intermodal EXPO in Ft. Lauderdale, Fla. Gooden will receive his award during the opening session on September 21 at the Greater Fort Lauderdale/ Broward County Convention Center.

The Silver Kingpin Award, the intermodal industry’s most prestigious, recognizes an individual’s long-term contributions to intermodalism. It was initiated in 1977.

During a career spanning more than 45 years, Gooden has played an integral role in the growth of CSX’s intermodal business, applying a visionary approach while focusing upon customer engagement. From 1993 to 2001 he served as president of CSX Intermodal. Among his accomplishments, Gooden was instrumental in the creation of the NACS free-running container program. He has been equally committed to enabling the success of company partners, and examples of his achievements in this area have included the launch of an annual eBusiness Customer Forum, a first for the industry, as well as improved business-to-business data-sharing.

“Clarence has been instrumental not only in growing CSX, but in helping to advance our industry as a whole,” said Joni Casey, IANA President and CEO. “His dedication and commitment to intermodalism has made him a strong advocate for our association.”

Gooden served two terms on the IANA board of directors and is active in several other industry and community organizations, including the National Freight Transportation Association, the TTX Corporation, the Jacksonville Museum of Modern Art and the National Association of Manufacturers.

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About IANA
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Domestic Containers are the Bulwark of Intermodal Growth in Q1, Pushing Intermodal Volumes

Overall international outlook remains positive despite regional challenges

CALVERTON, MD (May 5, 2015) — Total intermodal shipments rose 2 percent over last year’s Q1 volumes, according to the Intermodal Association of North America, despite port congestion issues that impacted international container traffic. Domestic intermodal loads grew 4.5 percent, buoyed by domestic containers, which rose 6.5 percent in a quarter-over-quarter comparison.

“Monthly first quarter results were uneven due to the issues on the West Coast,” said Joni Casey, president and CEO of IANA. “Despite February’s challenges, however, we still saw some overall quarterly growth, led by big boxes in regions less affected by port congestion.”

Domestic intermodal results were particularly impressive in view of the challenges facing the import sector. A significant share of the freight carried by domestic intermodal is transloaded from 40’ containers that come through a port. First quarter volumes exceeded the 5.1 percent gain recorded in Q4 of 2014.

Regional traffic growth remained tied to port issues, notwithstanding the relative strength of domestic intermodal. Volumes were down in the Southwest, which saw a 5.7 percent decline over Q1 2014. The Southeast surged 9.9 percent in Q1 2015, due to increases in both domestic and international containers. Western Canada posted the strongest growth rate of any region, jumping an exceptional 10.6 percent in Q1.

intermodal.org  IANA@intermodal.org
The seven largest volume corridors also varied according to their exposure to port disruptions. While lanes that included the Southwest were down, the intra-Southeast continued to be an intermodal powerhouse — intermodal shipments in that lane jumped 16.5 percent in a quarter-over-quarter comparison. Overall, high density lanes, which accounted for 64.5 percent of total volumes, saw a minimal decline of 0.9 percent this quarter.

Intermodal marketing companies (IMCs) reported 3 percent growth in Q1, laying the groundwork for an even stronger performance in the coming months. Intermodal and highway loads jumped 3.2 percent and 2.6 percent, respectively. IMC highway gains were significant enough to push revenues up 1 percent, compared to Q1 of 2014.

IANA Press Releases continued

FOR IMMEDIATE RELEASE

Intermodal Market Trends & Statistics is published quarterly by IANA and is available on a subscription and individual copy basis. Members of the press may request a sample copy of the 2015 First Quarter Intermodal Market Trends & Statistics from Tara Mullen at tara@intermodal.org. The report features detailed analyses and reproducible graphical representations of Q1 2015 results.

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Intermodal Volumes Climb 3.4 Percent in Q3
Domestic and International Nearly Even with Volume Increases of 4.1 and 4 Percent, Respectively

CALVERTON, MD (November 5, 2015) — Despite month-to-month variations, Q3 intermodal growth of 3.4 percent was in line with year-to-date results, according to the Intermodal Association of North America’s third quarter Intermodal Market Trends and Statistics report. The international market segment showed some volatility as its volumes climbed 3.3 percent in July and 6.4 percent in August, then slowed to 1.6 percent growth in September. Nevertheless, the segment closed the quarter with a 4 percent increase, almost even with the 4.1 percent growth in domestic containers.

“The international market segment normalized this quarter after dealing with the lingering effects of Q1 port congestion that were still felt during the second quarter,” said Joni Casey, president and CEO of IANA. “Overall we are seeing international container trends approaching pre-recession levels and domestic volume gains returning to numbers that are comparable to international.”

The domestic trailer market segment shrunk 3.1 percent in a quarter-over-quarter comparison, making Q3 the fifth consecutive quarter of dipping trailer volumes. This deflated the quarterly gains realized in total intermodal loads. However, September domestic container growth of 6 percent helped boost overall domestic numbers.
The seven highest-density trade corridors, accounting for 66 percent of total intermodal volume, rose 3.7% this quarter, exceeding the industry average. Growth rates for each individual corridor varied widely. The intra-Southeast corridor, positively affected by stronger imports and rising market share over trucking, experienced gains of over 20 percent. Meanwhile, the South Central-Southwest corridor volumes decreased by 5.9 percent, with international particularly affected.

Regional traffic growth was overall positive in Q3, despite significant losses in the South Central region and slight declines in Western Canada. The South Central area’s 9.2 percent decline is largely the result of a fall in international shipments. The Northwest and Southeast regions countered with substantial volume increases in Q3, rising 9.9 and 9.1 percent, respectively.

Intermodal Marketing Companies demonstrated clear growth in market share during a period of depressed freight output. Highway loadings shot up 10 percent, while intermodal loadings rose by just under 2 percent, combining to produce an overall volume increase of 5.2 percent. However, revenue decreases in both highway and intermodal loadings, resulting in a 3 percent decline, yielded mixed results for IMCs this quarter.

*Intermodal Market Trends & Statistics* is published quarterly by IANA and is available on a subscription and individual copy basis. Members of the press may request a sample copy of the 2015 Third Quarter Intermodal Market Trends & Statistics from Art Cleaver at art@intermodal.org. The report features detailed analyses and reproducible graphical representations of Q3 2015 results.

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Statement of the Issue

CSA is FMCSA's compliance model that was developed to increase commercial motor vehicle safety. The CSA program has three elements: (1) the Safety Measurement System (SMS), which uses previously-collected data to identify high-risk carriers; (2) a host of intervention tools, which allows FMCSA to contact carriers prior to a violation; and (3) a Safety Fitness Determination rulemaking which would allow FMCSA to rate the safety performance of motor carriers, and ultimately determine whether or not they are fit to operate.

Policy Position — Adopted by the Board (11/14/2010)
IANA should monitor implementation of the CSA program and its impact on intermodal operations, as well as the public and private sectors' use of motor carrier scores, and go back to the FMCSA if misuse of scoring occurs. In addition, IANA should review the official American Trucking Associations policy regarding CSA and coordinate its actions with those of ATA, whenever applicable.

Background

FMCSA's Compliance, Safety, Accountability program is intended to improve the effectiveness of the agency's compliance and enforcement programs and increase safety. It introduces a new enforcement and compliance model designed to allow FMCSA and its State partners to communicate earlier with a larger number of carriers to address potential safety issues before crashes occur. All safety-based roadside violations will count against the motor carrier or driver. Safety performance assessments will be made available to the public, including shippers and insurance companies, although FMCSA applied multiple caveats to improper use of information.

At the request of House T&I Committee leadership, USDOT's Inspector General (IG) evaluated the CSA program and, in a March 2014 audit, determined FMCSA has not fully implemented the program at the state level and data is sometimes incomplete and improperly analyzed. In June 2015, FMCSA published an independent report which found CSA needs to better align with the safety risks that cause crashes. Following the publication of the report, the Senate passed the DRIVE Act and the House passed the STRR Act, both of which hide BASIC scores from public view until FMCSA issues a corrective plan to address concerns raised by the 2014 IG audit and GAO report. The two proposals are in Conference and a final bill is expected in late fall.

The CSA program has four major elements:

1. Measurement
SMS groups safety performance data collected on motor carriers and drivers based on seven categories, named Behavioral Analysis Safety Improvement Categories (BASIC) – which include:
1) Unsafe Driving; 2) Fatigued Driving;
3) Driver Fitness; 4) Controlled Substances/Alcohol;
5) Vehicle Maintenance; 6) Cargo Related, and;
7) Crash Indicator.

Data is scored and weighted based on its relationship to crash causation. Based on a carrier’s score within each BASIC, the system triggers FMCSA intervention as well as the proposed “unfit” threshold.

Display and reliability of SMS scoring is widely debated. In March 2012, FMCSA announced changes to SMS methodology. IANA submitted comments to FMCSA citing concerns with the changes.
In 2013, FMCSA announced drivers with dismissed citations can have their violation removed from the program’s online database, the Motor Carrier Management Information System (MCMIS). MCMIS data is used to calculate SMS scores.

A 2013 ATA white paper concluded SMS scores alone as measures of individual carrier safety performance are unreliable. Similarly, a 2014 GAO report recommended revised SMS methodology because most regulations used to calculate scores are not violated enough to strongly associate with crash risk and most carriers lack sufficient data for peer comparison.

On June 29, 2015, FMCSA proposed enhancements to SMS methodology, including changes to intervention thresholds to better reflect BASIC scores correlation to crash risk. The DRIVE Act, if passed, would remove BAISC scores from public view until the CSA program is studied and a corrective action plan is issued and implemented.

2. Safety Evaluation
Safety fitness determination is based on performance data processed through SMS and is not necessarily tied to current FMCSA compliance review. Depending on a motor carrier’s BASIC scores, safety fitness determination could be “continue to operate,” “marginal,” (may operate with ongoing intervention) or “unfit” (correct safety performance or discontinue operations). Motor carriers and drivers with sufficient data receive a safety fitness determination that is updated every 30 days. To implement the “unfit” portion of CSA, FMCSA needs to finalize standard rulemaking procedures; industry awaits the “Safety Fitness Determination” NPRM (expected Sept. 2015) that will replace the existing SAFER program.

In January of 2015, a FMCSA study found the cost and difficulty of including crash fault in a CSA score outweighs the potential benefit. The CSA Act, introduced on July 16, would require FMCSA to consider crash fault and use scores solely for agency resource allocation.

3. Intervention
Once the measurement system signals for intervention, FMCSA advises the motor carrier or driver their safety performance has come to the agency’s attention to motivate the driver or carrier to improve earlier in the review process.

4. Information Technology
CSA is aligned closely with COMPASS, an agency-wide initiative leveraging technology that helps FMCSA and State enforcement personnel identify high-risk carriers and drivers more effectively and apply a wider range of interventions to correct high-risk behavior early. In March 2015, Rep. Barletta (R- PA) introduced a bill to prohibit FMCSA from publishing CSA scores until the agency designs a better scoring system.

Potential Impact to Intermodal Freight Transportation

Impact 1: Reduced size of the motor carrier/drayage community based on items related to roadside violations, which could have a negative impact on intermodal terminal throughput.

Impact 2: Reduced intermodal driver “pool” resulting from driver-associated violations, and the ability of that driver to continue working within the industry regardless of motor carrier affiliation.

Impact 3: Two of the BASICs – “Vehicle Maintenance” and “Cargo Related” – may have further reaching implications within the intermodal industry and impact the motor carrier/intermodal equipment provider relationship. “Vehicle Maintenance” pertains to sections 393-396 of the Federal Motor Carrier Safety Regulations and “Improper Loading/Cargo” relates to FMCSR sections 392, 393, and 397 and Hazardous Materials, and is impacted by proper loading, cargo securement and overweight issues.

Impact 4: Coupled with certain maintenance and repair aspects associated with the trailing unit (vehicle #2) and related to the recent roadability regulations, certain vehicle maintenance violations may be apportioned between the motor carrier, the driver and the IEP. Almost all brake violations carry a four-point penalty, while the penalty for issues involving lights is six points and tires is eight points. Improperly-secured and overweight intermodal units have a 10-point penalty. FMCSA has advised that size and weight violations have been removed from the cargo-related BASIC, but enforcement will continue citing these violations roadside.
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<tr>
<th>ISSUE TYPE</th>
<th>Local/Regulatory (State)/Legislative (Federal)</th>
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<tr>
<td>AGENCY</td>
<td>Port of LA/CARB</td>
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<td>STATUS</td>
<td>Legislation introduced/Implementation phase-in at Port</td>
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<td>DIVISION IMPACT</td>
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<td>INTERESTED PARTIES</td>
<td>ATA, OOIDA, NDRC</td>
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<td>KEY DATES</td>
<td>Sept. 26, 2011 — 9th Circuit Court of Appeals rules independent contractor status is preempted by Federal law.</td>
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<td>Feb. 27, 2013 — The following states have active bills regarding the classification of independent contractors as employees: CT, IL, KY, MA, MO, NC, NY, OR, and WA.</td>
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<td>June 13, 2013 — Supreme Court rules in ATA’s favor regarding off-street parking plans and placards, but declined to rule on issues relating to port-mandated financial capacity and truck maintenance.</td>
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<td>August 1, 2013 — Senator Gillibrand (D-NY) and Congressman Nadler (D-NY) re-introduce bills to allow clean truck programs at ports that could include employee-driver mandates.</td>
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<td>MOST RECENT ACTION</td>
<td>August 23, 2013 — A U.S. District Court issues a permanent injunction against enforcement of the Port of LA Clean Truck Program’s offstreet parking, placarding and employee-driver requirements.</td>
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**Statement of the Issue**
Over the last several years, several U.S. ports have enacted Clean Truck Programs (CTP) in an attempt to improve air quality within and around terminal locations. Most notably, the Ports of Los Angeles and Long Beach developed programs that initially included an employee-driver requirement. The American Trucking Associations (ATA) sued the ports over this provision, which is seen by many as a way for unions to organize port drivers.

**Policy Position – Adopted by the Board (11/14/2010)**
IANA should oppose attempts at the local, State or Federal level, to instill employee-driver mandates on the intermodal drayage industry. In addition, IANA should continue to support the efforts of the ATA in its attempts to defeat the employee-driver requirement included in the Port of Los Angeles’ concession plan under its CTP. This support should take the form of advocacy activities and, if appropriate, financial contributions to a fund specifically-designated for this purpose.

**Summary**
While the Port of Long Beach reached a negotiated settlement with ATA and removed its requirement that motor carriers accessing its facilities must utilize employee-drivers vs. owner-operators, the ATA and Port of Los Angeles did not reach an out-of-court agreement.

On Oct. 26, 2010, the U.S. District Court granted ATA’s request for a preliminary injunction to block the employee-driver aspect of the Port of Los Angeles’ concession agreement, but the Court left in place other program provisions. ATA subsequently took the case to the 9th Circuit Court of Appeals seeking reversal of the U.S. District Court’s decision. IANA filed an Amicus Brief in support of the ATA’s appeal to the 9th Circuit.

In September 2011, the 9th Circuit Court of Appeals ruled independent contractor status is preempted by Federal law, but upheld pieces of the concession requirement relating to safety and truck maintenance. ATA then petitioned the U.S. Supreme Court to review this decision. The Supreme Court heard arguments on April 16, 2013, and on June 13, 2013, released its unanimous decision, siding with ATA, that the FAAAAA expressly
Employee Driver Mandates (Clean Truck Programs)

preempts the Port’s placard and parking requirements. However, the Court declined issue a decision regarding a port’s ability to suspend or revoke a carrier’s access to a port facility based on their failure to comply with port-mandated rules relating to financial capacity and truck maintenance.

Further diminishing the Port of Los Angeles’ Clean Truck Program, the U.S. District Court in Central California issued an injunction on August 23, 2013 blocking enforcement of the off-street parking, placarding, and employee-driver requirements.

On August 1, 2013 Senator Kristen Gillibrand (D-NY) and Congressman Jerry Nadler (D-NY) re-introduced the “Clean Ports Act” which would amend the FAAAA to allow for states or their political subdivisions to adopt requirements for commercial motor vehicles servicing ports that could include employee driver mandates.

Potential Impact to Intermodal Freight Transportation

Impact 1: The employee-driver requirement of the Port of Los Angeles’ concession plan would change the predominant owner-operator drayage model in use throughout the U.S. (estimated to be 80% of the intermodal driver population) and potentially set a precedent for emulation at many other port facilities in North America. Drayage rates and associated charges would likely reflect an increase to offset compliance costs of the requirement.

There is also speculation that the supply of intermodal drivers would decrease under an employee model, given the inherent nature and culture of independent contractors.

Impact 2: The switch from owner-operators to employee-drivers would initiate a movement to unionize the port drayage community, which in turn, could result in additional drayage cost increases above and beyond the expense of compliant power equipment.

Impact 3: A broader implication in the employee-driver issue would result from modifications to the Federal Aviation Administration Authorization Act that would remove or temper the Federal preemption of State and local regulations of interstate motor carriers’ prices, routes or services. Proponents of employee-driver mandates support the elimination of Federal preemption since it would facilitate the ability to incorporate such requirements in clean truck programs. The statute specifically provides that:

“A State, political subdivision of a State, or political authority of two or more States may not enact or enforce a law, regulation or other provision having the force and effect of law related to a price, route, or service of any motor carrier. (49 U.S.C. Section 14501(c) (1)).”

In practice, the above preemption applies when such regulations are at odds with what the market dictates. In the case of intermodal drayage operations, the business model (i.e. the market) clearly favors the use of independent contractors vs. employee-drivers.
In December of 2010, the Federal Motor Carrier Safety Administration (FMCSA) issued a Notice of Proposed Rulemaking amending the Hours of Service (HOS) rule, which governs the amount of time commercial motor vehicle drivers are required to rest. FMCSA issued the final rule in December of 2011 and required compliance by July 1, 2013; it reduced maximum 7-day driving hours by 12 (70 vs. 82), redefined “on-duty” time and maintained 34-hour restart provision but allows just one restart per week and added two consecutive 1:00 – 5:00 a.m. “off duty” periods.

Policy Position – Adopted by the Board (11/14/2010)
IANA should evaluate final regulations once released and file comments if the Final Rule reduces the amount of driving time and/or the restart period is increased. In addition, IANA should review the official policy of the American Trucking Associations and coordinate IANA comments with those of ATA, if applicable.

Summary
Per a 2009 court settlement between the Administration and a number of organizations, including Public Citizen and the International Brotherhood of Teamsters, FMCSA published a new HOS Final Rule Dec. 22, 2011. While it retained the 11 hour daily driving limit, it cut maximum weekly hours worked by 12, redefined “on-duty” time and maintained 34-hour restart provision but allows just one restart per week and added two consecutive 1:00 – 5:00 a.m. “off duty” periods.

In July 2012, ATA filed a petition with the U.S. Court of Appeals seeking review of the final HOS rule; the petition challenged the rule’s 34-hour restart provisions and off-duty break requirements. IANA, along with 14 other trade associations, filed a joint amici curiae brief with the U.S. Court of Appeals for the District of Columbia Circuit in support of ATA’s lawsuit.

On Aug. 2, 2013 a U.S. appeals court issued a ruling, upholding the HOS rule with the exception of the 30-minute break requirement as it pertains to short-haul drivers; it remains intact for long-haul operators. Following this ruling, FMCSA issued guidance and updated its final HOS rule defining short-haul drivers as

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<td>KEY DATES</td>
<td>Dec. 22, 2011 — FMCSA released Final Rule</td>
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<td>Feb. 27, 2012 — On-duty time provision became effective</td>
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<td>July 1, 2013 — Restart and rest break provisions became effective</td>
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<td>Aug. 2, 2013 – The U.S. Court of Appeals upheld rule, with exception of 30-minute off-duty break requirement as it applies to short-haul drivers</td>
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<td>Aug. 8, 2013 – FMCSA issued a notice that it will no longer enforce 30-minute off-duty break requirement as it applies to short-haul drivers</td>
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<td>Dec. 16, 2014 – The FY15 appropriations bill defunded (i.e. suspended) enforcement of the 34-hour restart provision and directed FMCSA to do a related study of issue.</td>
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<td>MOST RECENT ACTION</td>
<td>July 29, 2015 – GAO finds FMCSA’s Jan. 31, 2014 study did not completely meet certain research standards, such as reporting limitations and linking conclusions to the report</td>
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Drivers Hours-of-Service

1) drivers with or without a Commercial Driver License (CDL) operating within 100 air-miles of their reporting location; or 2) drivers without a CDL operating within 150 air-miles of their reporting location. On Dec. 19, 2013 FMCSA clarified that drivers beginning their day as short-haul but occasionally exceed time or distance limits are subject to the 30-minute off-duty break requirements and must prepare a record-of-duty status.

On Jan. 31, 2014, FMCSA released results from its MAP-21-mandated field study of the 34-hour restart provision; the study supported the provision and cited merits of added safety. Reps. Bill Shuster (R-PA) and Tom Petri (R-WI), citing concerns with the agency’s methodology, requested GAO evaluate the findings. On July 29, GAO released their analysis, contending the field study did not meet certain research standards such as reporting limitations and linking conclusions to the results. FMCSA issued a response, in which the agency said the GAO report recognizes the impact the 34-hour restart rule has had in increasing safety.

With Congress' concern over the 34-hour restart provision mounting, an appropriations bill defunding enforcement of that particular piece of the HOS law and calling for further study on the topic was signed into law on December 16, 2014. Replacing the 34-hour restart requirements are those that were effective through June 30, 2013, meaning a driver's week can be restarted more than once during a seven day period and drivers are no longer required to take two consecutive 1:00 – 5:00 a.m. “off duty” periods within the 34-hours. On Jan. 15, 2015, FMCSA announced it will be conducting the study by collecting safety data over a five month period from two sets of drivers. One driver group will adhere to the 34-hour restart regulations in place through June 30, 2013 and currently, and the second group will follow the 34-hour restart regulations that existed July 1, 2013 through Dec. 16, 2014.

The HOS rule contains six elements of significance to intermodal motor carriers:

1) Retains the 11 hour daily driving limit;
2) Reduces the weekly driving limit by 12 hours (from 82 to 70 hours in a seven day period);
3) Retains the 14-hour maximum driving window;
4) Mandates a 30-minute break during, or at the end of, an eight hour driving window before a driver can continue to operate. Short-haul drivers are exempt from this provision;
5) Maintains the 34-hour restart provision, but requires two 1:00 am to 5:00 a.m. periods off within those 34 hours (restart provision can be used once in seven calendar days). As mentioned, this piece of the rule was rolled back through the FY15 appropriations law; and,
6) Revises the definition of “on-duty” to allow a team driver to log as “off-duty” up to two hours spent in passenger seat immediately before or after eight hours spent in the berth; time spent in a parked CMV is no longer on-duty.

Potential Impacts to Intermodal Freight Transportation

Impact 1: Weekly maximum hours for CMV drivers are reduced by 12. Increased service delay may become an unintended consequence resulting from this significant reduction in the potential number of hours a driver may operate. Such delays would negatively impact the competitiveness and viability of intermodal transportation. Additionally, an increase in required drivers would mean more power units required, causing increased emissions.

Impact 2: The 34-hour restart provision is critical to intermodal drivers because it permits them to restart their work period in the shortest amount of time allowable. The restart period has a strong positive effect for motor carriers supporting international and port facility drayage services. A 34-hour restart basically provides an additional half-day to full-day of work weekly, allowing drivers to work five-and-a-half to six days per week. If the work week is reduced, many additional power units and drivers would be required to operate on the highway during the Monday-Friday period, subsequently increasing traffic congestion and related emissions. The two consecutive 1:00 am to 5:00 a.m. “off” restrictions within a seven day period will essentially require many drivers to extend their restart period to 48 hours or longer.

Impact 3: Revision of the definition of “off-duty” could be a positive action for intermodal drayage carriers as this could allow for “wait” times at intermodal facilities and shippers’ docks to be logged as off duty versus the current “On-Duty Not Driving” status.
Policy Issue Briefing
Class I Railroad Re-Regulation

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Statement of the Issue
In 1980, the Federal government substantially deregulated U.S. freight railroads by passing the Staggers Rail Act, which allowed railroads to choose what routes to use, what services to offer, and what rates to charge. Since then, railroads have consistently opposed re-regulation legislation, arguing it would lower their revenues, and subsequently, funds available for investment. The shipping community is divided on the issue of re-regulation.

Policy Position – Adopted by the Board (11/14/2010)
IANA should continue to monitor rail re-regulation activities, and in conjunction and coordination with the AAR, oppose any legislation that substantially changes the current laws under which the freight railroads operate.

Summary
Prior to the Staggers Rail Act, government forced railroads to provide services the market did not support, resulting in bankruptcy for nearly 25% of U.S. freight railroads. Further, significant safety concerns arose from the industry’s inability to invest in its infrastructure and equipment. Since deregulation, freight railroads report that average rail rates have fallen 45%, rail accident rates are down 76%, and rail volume has nearly doubled.

Even with the Staggers Rail Act, rail remains a partially regulated industry. The Surface Transportation Board (STB) retains authority over a variety of non-rate areas and can set maximum rates for a large portion of rail traffic; it also can take action if a railroad is found to have engaged in anticompetitive behavior. In 2011 the STB held a public hearing to explore the current state of competition in the railroad industry and discuss possible policy initiatives to promote increased rail-to-rail competition. IANA provided written comments, and IANA Chairman Steve Rubin testified on behalf of the Association.

While some shippers have called for re-regulation, asserting that freight railroads are overcharging for their services, other shippers have expressed that re-regulation may needlessly and unfairly set rates and mandate service for only one segment of freight rail users at the expense of other customers.

There have been many attempts by Congress to re-regulate freight railroads, and the STB has examined shipping group proposals aimed at alleviating “captive shipper” concerns. Most recently, Senators Amy Klobuchar (D-MN) and David Vitter (R-LA) introduced the Railroad Antitrust Enforcement Act in March, 2013.

Currently under review by the STB, a proposal developed by the National Industrial Transportation League (NITL) would allow for shippers located in a terminal devoid of transportation alternatives to switch from one rail service provider to another if an interchange is located within 30 miles of the terminal. This proposal, NITL asserts, would allay concerns that freight railroads are overcharging for their services, especially where shippers are limited to service from only one long-haul railroad to transport their freight. The freight rail industry warns re-regulation would be a potentially catastrophic public policy that could erase 30 years of positive growth. STB will hold a public hearing March 25-26, 2014 to review NITL's proposal.

On a related note, STB held a public hearing on Feb. 24, 2011 to review certain categorical exemptions
Class I Railroad Re-Regulation

from regulation under Title 49 U.S.C. 10502. In addition to commodity exemptions and boxcar exemptions, exemptions regarding TOFC/COFC are also a topic of discussion at the hearing. IANA President and CEO, Joni Casey, testified on behalf of the Association. To view IANA’s comments, please click on the following link: IANA STB Comments.

Potential Impact to Intermodal Freight Transportation
If rail re-regulation is passed (which most analysts and industry “insiders” find unlikely), the impact to intermodal would most likely be a decline in rail infrastructure. It could also have an adverse impact on intermodal transportation’s competitiveness in the marketplace.
Summary
Rep. James L. Oberstar (D-MN), chairman of the House Committee on Transportation and Infrastructure introduced a bill in September 2010 designed to amend the law governing international shipping services performed by ocean liner carriers in the U.S. The Shipping Act of 2010 (H.R. 6167) seeks to increase competition among and between ocean common carriers through the elimination of the carriers' collective ratemaking authority, and to address a number of issues related to shortages in vessel capacity and retraction of service contract terms raised this year to the Federal Maritime Commission (FMC) by importers and exporters.

The bill would eliminate all carrier conferences and discussion agreements and would authorize ocean carriers to participate collectively only in "efficiency and service-enhancing agreements" that meet the requirements of the new law. The bill would also increase the authority of the FMC, particularly in the area of alternative dispute resolution, by requiring the FMC to establish binding arbitration procedures and to encourage mediation through a new Office of Dispute Resolution and Customer Advocate. It would also prohibit certain conduct by ocean carriers relating to discriminatory, unfair or deceptive practices that would reduce competition, violate service contracts or result in unreasonable surcharges.

The legislation has formally launched a battle between shippers and ocean carriers. A large coalition of shippers has endorsed the legislation. U.S. exporters of agricultural goods, led by the Agriculture Shippers Association have been especially vocal in their support of legislation that might also encourage carriers to provide more containers for westbound usage. The National Industrial Transportation League (NITL) supports the bill, calling it "the first step toward achieving a more robust, competitive and efficient maritime industry.” NITL alleges that carriers purposely caused equipment shortages in Jan. 2010 as a means of boosting revenue. Carriers deny this claim and recently said that available vessel capacity is back to normal. The FMC has launched a fact-finding investigation of this allegation (with a final report due by Nov. 30) and has also placed two trans-Pacific discussion agreements under enhanced monitoring.

Following their initial comments last month on the bill, the World Shipping Council (WSC), whose members operate around 90% of liner shipping capacity including all the major container and bulk freight and tanker carriers, has come out heavily against the proposed changes in the bill with regard to the way that the international liner shipping industry is regulated in U.S. foreign trades. WSC says that much attention has been paid to the fact that the bill proposes elimination of the limited antitrust immunity currently available for rate discussion agreements filed with the FMC, noting that ocean carriers believe that the repeal of rate discussion authority would lead to greater rate volatility and less predictable and less stable markets, which would not be beneficial to U.S. commerce.

WSC also notes that H.R. 6167’s proposed changes are not limited to rate discussion agreements, and that it contains many other provisions that would be detrimental to trade. It asserts that passing the legislation would create an ocean transportation system that would make U.S. trades less efficient and more costly for carriers, resulting in less choice, less capacity, lower service quality, and higher costs for U.S. importers and exporters.
Potential Impact to Intermodal Freight Transportation

Although in its early stages, the bill as presented has many aspects of its content under scrutiny and debate by multiple entities and organizations. Following are some preliminary concerns and potential impacts for IANA members:

**Impact 1:** Ocean carriers expect that repeal of the ability to retain rate discussion agreements would create rate instability, inconsistent and inefficient service offerings and hamper the ability to forecast demand. Impeding the ability to forecast demand and associated revenue could negatively impact the carriers’ ability to develop long term capital commitment and investment plans, which are critical to support the ongoing growth and expansion of the North American intermodal supply chain.

**Impact 2:** Ocean carriers would be severely hampered by the provisions in the bill that outline new FMC oversight, review and approval of vessel sharing agreements that have created undeniable operational efficiency and cost savings to carriers, shippers, terminal operators, railroads and motor carriers. These agreements have a positive effect on the inland portion of ocean carrier moves and enable the planning and operation of dedicated intermodal trains and the associated labor and terminal support at origin and termination points. Consolidated vessel operations and capacity management also allow motor carriers to provide inland delivery and drayage services in an efficient and timely manner, along with an adequate roster of drivers.

**Impact 3:** Under certain provisions of the bill, there are items related to equipment, equipment charges and equipment pools that would require ocean carriers to handle shipper-owned or private equipment and to itemize certain equipment charges on freight bills. This would be cumbersome to the ocean carrier, and also add further complexity to all intermodal service providers in managing equipment, equipment flows and operational procedures for pick-up and return of equipment that is not owned or controlled by the ocean carrier. These equipment provisions may also include chassis and chassis pools.

**Impact 4:** One provision of the bill attempts to define “regulation of equipment providers” by the FMC and although vague at this point, defines an equipment provider as “a person in the United States that rents or leases marine cargo containers, or chassis for marine cargo containers to shippers or common carriers.” This definition could make unclear the jurisdiction of Federal regulatory agencies’, as the FMCSA and FMC would likely have conflicting viewpoints on responsibilities. Furthermore, it also includes the term “common carriers,” that would affect all intermodal service providers with that designation, including motor carriers and railroads.

**Policy Committee Recommendation**
IANA should monitor Shipping Act reform activities and in conjunction and coordination with the World Shipping Council (WSC), oppose any legislation that substantially changes the current laws under which the ocean carriers provide international, intermodal service.
Moving Ahead for Progress in the 21st Century (MAP-21) was approved by Congress and signed into law by the President in July 2012. It authorized $105 billion in Federal investment for highways, public transportation and highway safety programs during fiscal years 2013 and 2014.

Policy Position – Adopted by the Board (2009)
IANA should support inclusion of the following provisions in a long-term surface transportation reauthorization bill and coordinate its actions with ATA and AAR whenever possible:

1. Dedicated Funding for Intermodal Freight Connectors
2. Freight Railroad Infrastructure Investment Tax Credits to Support Rail Infrastructure Projects
3. Increase in Fuel Taxes to Support Highway Infrastructure Projects
4. Public Private Partnerships that Improve and Expand America’s Freight Infrastructure
5. Formation of a Multimodal Freight Office that Would Report to the Secretary of Transportation

Summary
While MAP-21 policy provisions recognized goods movement as a national priority, the policy was very highway-centric and leaves room for improvement in the next bill. Further, the bill’s short duration is a consequence of the legislation’s failure to raise additional revenue through increased fuel taxes or other measures. IANA continues to advocate for five provisions that will benefit intermodal freight transportation to be included in new long-term legislation.

While the bill did not provide dedicated funding for Intermodal Freight Connectors, improvements to Intermodal Freight Connectors are now eligible to receive increased federal share through the bill’s prioritization of projects that improve freight movement. Under MAP-21, the federal share for eligible projects is increased to 95 percent for projects on the Interstate System, and 90 percent for other eligible projects.

MAP-21 did not contain a rail title, and thus, freight railroad infrastructure investment tax credits were not extended or authorized by the legislation. The bill also lacked programming related to public private partnerships that support investments in freight infrastructure. While a Multimodal Freight Office within the Department of Transportation (DOT) was not created, the DOT has subsequently initiated the formation of a National Freight Policy Council composed of DOT officials from various modal agencies and an external National Freight Advisory Committee composed of private sector stakeholders.
Federal Surface Transportation Reauthorization

Potential Impact to Intermodal Freight Transportation

Following are the five key provisions that IANA continues to advocate for in a new surface transportation reauthorization bill and their potential impacts to intermodal freight transportation:

1. Dedicated Funding for Intermodal Freight Connectors: Without dedicated funding for intermodal freight connectors, freight movement will slow, goods will be likelier to be damaged in transit, and transportation efficiency and safety will be decreased. National Highway System (NHS) connectors provide linkages to ports, rail facilities and airports, and are typically located in older, Federal Surface Transportation Reauthorization industrialized and mixed-land use areas that are subject to physical constraints and environmental considerations. The Federal Highway Administration found these connectors have significantly poorer physical and operational characteristics, and are underfunded when compared with total NHS mileage. In fact, estimates prepared ten years ago showed the cost of improving connectors to an adequate level of service over the 2002-2020 timeframe would be $3.5 to $4.0 billion. A 20-year amortization to address backlog and accruing NHS freight connector needs would require approximately $200 million/year in constant dollars.

2. Freight Railroad Infrastructure Investment Tax Credits to Support Rail Infrastructure Projects: Federal policy should encourage private investment in America’s freight rail system. New capital investment in freight transportation infrastructure leads to significant benefits including higher productivity, enhanced global competitiveness and a higher standard of living for our nation. With forecasted increases in freight volumes over the next 10-20 years, the U.S. must expand its limited transportation infrastructure dollars by leveraging additional sources of funding. We support the Association of American Railroads’ call for the authorization of tax credits for main line railroads and the reauthorization of tax credits for short line railroads. These investment tax credits will provide America’s freight railroads with an incentive to invest in infrastructure that will expand capacity without placing additional financial burdens on the general public.

3. Increase in Fuel Taxes to Support Highway Infrastructure Projects: The traditional source of revenue for the Highway Trust Fund has been the Federal fuel tax. Collections have been decreasing, however, due to the use of more fuel efficient vehicles, alternative fuels, and a reduction in miles traveled. We believe that a reasonable increase in this tax could finance significant freight-related highway projects and support the American Trucking Associations’ call for an increase in diesel fuel taxes that would be used solely to support highway projects as long as railroads are not required to contribute (unless their tax proceeds are solely used to benefit freight rail infrastructure).

4. Public Private Partnerships that Improve and Expand America’s Freight Infrastructure: Until recently, the term Public Private Partnerships, in the context of transportation investment, typically referred to project-based infrastructure bonds to finance income-producing infrastructure assets. Interest and principal on such bonds are repaid with revenue generated by user fees. Other examples of PPPs involve the commitment of funds from the public sector based on specified levels of private investment dollars. Successful PPPs include the Alameda Corridor project, the Heartland and Crescent Corridors, the National Gateway program and to some extent, the CREATE program.

In the last several years, toll roads have become a popular PPP investment due to the fact that they produce steady cash flows that are relatively unaffected by economic swings. Ports and container facilities are also emerging as investment vehicles based on returns that are comparable to a fixed-income basis.

At issue with these kinds of investments is the movement to privatize the roads/facilities, which effectively relinquishes any public sector oversight of assets that were once part of the public domain. The viability and success of these partnerships depends on the interest and willingness of the private sector to invest in public infrastructure assets. The proliferation of private equity funds focused on investments in infrastructure over the last several years appears to support this premise. In today’s landscape of constrained federal resources, creative financing, such as that offered through PPPs, is critical to ensuring investment in the national goods movement system continues to occur.

5. Formation of a Multimodal Freight Office that Would Report to the Secretary of Transportation: The USDOT should establish a new office dedicated to multimodal freight transportation issues, which would be responsible for coordinating across all modes and working with various offices and administrations within the Department. This office would coordinate freight transportation projects that would increase capacity and provide additional infrastructure that would have a national impact on freight mobility.