

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: August 18, 2014

TO: Honorable Members of the Rules, Elections & Intergovernmental Relations Committee

FROM: Gerry F. Miller 
Chief Legislative Analyst C.F. 14-0002-S88
Assignment No. 14-08-0582

SUBJECT: Resolution (Buscaino-LaBonge) to SUPPORT H.R. 5101 (Hahn), the "National Freight Network Trust Fund Act of 2014,"

CLA RECOMMENDATION: ADOPT Resolution (Buscaino-LaBonge) to include in the City's 2013-2014 Federal Legislative Program SUPPORT of H.R. 5101, the "National Freight Network Trust Fund Act of 2014," which would establish a national Freight Network Trust Fund and a National Freight Network Grant Program to improve the performance of the national freight transportation network.

SUMMARY:

Resolution (Buscaino-LaBonge), introduced on August 8, 2014, addresses the basic fact that our nation needs a well-designed, well-maintained transportation network of highways and railways to serve the needs of our manufacturing and agricultural economic sectors to export their products, through our ports, to our international trading partners.

The Resolution notes that the Highway Trust Fund currently does not have sufficient funds in it to make the investment needed to modernize and increase the efficiency of our freight transportation network, including funding of our port infrastructure; and argues that, if we fail to make this very important investment, we will lose our competitive edge and add costs to our goods.

The Resolution advises that a recent U.S.D.O.T. report, *Freight Transportation: Improvements and the Economy*, estimates the cost of carrying freight on the highway system to be between \$25 and \$200 an hour and further estimates that unexpected delays can increase that cost by 50 to 250 percent.

The Resolution maintains that it is crucial for our nation to have a dedicated source of funding to keep our nation's freight transportation network globally competitive and recommends that the City support H.R. 5101 (Hahn), the "National Freight Network Trust Fund Act of 2014," for this purpose:

BY _____
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CITY CLERK

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CITY CLERK'S OFFICE

- H.R. 5101 would direct five percent (5%) of all import duties collected by U.S. Customs and Border Protection (CBP) at Ports of Entry to be deposited in a National Freight Network Trust Fund for the purpose of funding improvements to the national freight transportation network.
- H.R. 5101 would authorize the Secretary of Transportation to make grants from the Trust Fund to assist any project that would improve the performance of a segment of the national freight network.
- These grants would be awarded based on specified criteria, as proposed by a State, by a regional or local transportation organization, or by a port authority.

BILL STATUS:

Introduced on July 14, 2014 (40 Co-Sponsors, as of 8-15-14)
Referred to the House Committee on Ways and Means and House Committee on Transportation and Infrastructure.
A Committee hearing has not yet been set.

DEPARTMENTS NOTIFIED: Harbor, Transportation



Christine Yee Hollis
Analyst

Attachments: Resolution (Buscaino-LaBonge)
H.R. 5101 (Hahn) as introduced on July 14, 2014

14-0002-588

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, it is important to ensure that goods “Made in America”—including manufacturing and agricultural goods—can be shipped efficiently across our nation’s highways and railways to our ports for export, which is crucial to our nation’s continued economic success; and

WHEREAS, the surface transportation bill enacted in 2012, the “Moving Ahead for Progress in the 21st Century Act” (MAP-21), was successful in including provisions to start the conversation about developing a national freight transportation network; and

WHEREAS, today there are not enough funds to keep the Highway Trust Fund solvent, let alone make the necessary investment to modernize and increase the efficiency of our freight transportation network, including funding of our port infrastructure, we will lose our competitive edge and add costs to our goods; and

WHEREAS, a U.S.D.O.T. report, *Freight Transportation: Improvements and the Economy*, estimates the cost of carrying freight on the highway system to be between \$25 and \$200 an hour and further estimates that unexpected delays can increase the cost of transporting goods by 50 to 250 percent; and

WHEREAS, it is crucial for our nation to have a dedicated source of funding to keep our nation’s freight network globally competitive; and

WHEREAS, Congresswoman Janice Hahn (D-CA) has introduced H. R. 5101, the “National Freight Network Trust Fund Act of 2014,” which would direct five percent (5%) of all import duties collected by Customs and Border Protection (CBP) at Ports of Entry to be deposited in a National Freight Network Trust Fund to be spent on improvements to the national freight transportation network; and

WHEREAS, H.R. 5101 would authorize the Secretary of Transportation, in accordance with the National Freight Strategic Plan, to make grants from the Trust Fund to assist any project that improves the performance of a segment of the national freight network, based on specified criteria and as proposed by a State, a regional or local transportation organization, or a port authority;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2013-2014 Federal Legislative Program SUPPORT for H.R. 5101 (Hahn), the “National Freight Network Trust Fund Act of 2014,” which would establish a National Freight Network Trust Fund and a National Freight Network Grant Program to improve the performance of the national freight transportation network.

PRESENTED BY

Joe Buscaino

 JOE BUSCAINO
 Councilmember, 15th District

SECONDED BY

[Signature]

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113TH CONGRESS
2D SESSION

H. R. 5101

To establish a National Freight Network Trust Fund to improve the performance of the national freight network, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2014

Ms. HAHN (for herself, Mr. POE of Texas, Mr. RICHMOND, Mr. LOWENTHAL, Mr. GENE GREEN of Texas, Mr. NOLAN, Mr. RUSH, and Ms. FUDGE) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a National Freight Network Trust Fund to improve the performance of the national freight network, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Freight Net-
5 work Trust Fund Act of 2014”.

1 **SEC. 3. NATIONAL FREIGHT NETWORK GRANT PROGRAM.**

2 (a) ESTABLISHMENT.—There is hereby established in
3 the Department of Transportation a National Freight
4 Network Grant Program (in this section referred to as the
5 “Program”) to improve the performance of the national
6 freight network.

7 (b) GRANT AUTHORITY.—Under the Program, the
8 Secretary of Transportation, in accordance with the na-
9 tional freight strategic plan developed under section 167
10 of title 23, United States Code, may make a grant to as-
11 sist any project that improves the performance of a seg-
12 ment of the national freight network.

13 (c) GRANT RECIPIENTS.—Under the Program, the
14 Secretary may make a grant to the following:

15 (1) A State.

16 (2) A regional or local transportation organiza-
17 tion.

18 (3) A port authority.

19 (d) APPLICATIONS.—To be eligible for a grant under
20 the Program, an entity specified in subsection (c) shall
21 submit to the Secretary an application regarding a pro-
22 posed project at such time, in such form, and containing
23 such information as the Secretary determines is appro-
24 priate.

25 (e) SELECTION CRITERIA.—In making grants under
26 the Program, the Secretary shall evaluate and select

1 (5) projects that appear in a regional transpor-
2 tation plan;

3 (6) high freight volume roadway or rail cor-
4 ridors that provide connectivity for—

5 (A) ports;

6 (B) intermodal connectors;

7 (C) multimodal freight facilities;

8 (D) multistate freight corridors;

9 (E) international borders; or

10 (F) airports; and

11 (7) railway-highway grade separations.

12 **SEC. 4. NATIONAL FREIGHT POLICY.**

13 Section 167(c)(1) of title 23, United States Code, is
14 amended by inserting “, and update every 5 years there-
15 after,” after “shall establish”.

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