

April 25, 2016

Honorable Anthony Foxx
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue S.E.
Washington, DC 20590

Re. Draft National Freight Strategic Plan

Dear Secretary Foxx:

The American Association of State Highway and Transportation Officials (AASHTO) is pleased to provide comments on the U.S. Department of Transportation's "Draft National Freight Strategic Plan" (Docket Number DOT-OST-2015-0248). Notice of the opportunity to comment was published in the Federal Register on March 10, 2016. Representing all 50 states, the District of Columbia, and Puerto Rico, AASHTO serves as a liaison between state departments of transportation and the federal government.

AASHTO and the State DOTs appreciate the opportunity to provide comments on the draft National Freight Strategic Plan (NFSP) that was developed in response to provisions in MAP-21 and will be updated and finalized under the authority of the Fixing America's Surface Transportation (FAST) Act. AASHTO also takes this opportunity to provide early recommendations to USDOT on the establishment of the Interim National Multimodal Freight Network (NMFN) that will be issued for comment in a separate Federal Register notice on or about June 1, 2016.

AASHTO agrees with USDOT that the safe and efficient movement of freight by highway, by other modes, and by multiple modes (intermodal movements) is essential to a successful U.S. economy. To that end, AASHTO believes that an innovative freight future would be well served by a stronger, more explicit vision which acknowledges that long term efficiency, competitiveness and sustainability requires the flexibility to apply a holistic multi-modal transportation systems approach as part of efforts to reduce harmful emissions and increase efficiency. More advanced technology and research would facilitate this progress. AASHTO also agrees that the Federal government, as well as states and others, should pursue investments that enhance freight transportation. The draft NFSP sets forth significant and useful information on freight transportation in the United States and efforts to improve it. While we are encouraged by aspects of the draft NFSP, State DOTs have important concerns on a number of areas of the draft NFSP. We recommend that USDOT take action to address those concerns in finalizing the NFSP and developing the NMFN.

AASHTO's comments are attached and are organized around seven principal points—for which AASHTO provides a more detailed analysis and discussion. Many of the State DOTs have separate and more in-depth comments and examples that have been provided to the docket and we encourage USDOT to consider those comments as well. These comments represent a substantial effort among State DOTs to thoroughly review and comment on the draft NFSP.

We appreciate the opportunity to provide these comments and look forward to working with USDOT on the implementation of final NFSP and the FAST Act freight provisions in general. If you would like to discuss the issues raised in this letter, please contact Matthew Hardy, Program Director for Planning and Performance Management at (202) 624-3625 or Shayne Gill, Program Director for Multimodal Transportation at (202) 624-3630.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Trombino III". The signature is fluid and cursive, with a prominent initial "P" and a long, sweeping underline.

Paul Trombino III
President, American Association of State Highway and Transportation Officials
Director, Iowa Department of Transportation

PRINCIPAL COMMENTS

1) ENGAGE STATE DEPARTMENTS OF TRANSPORTATION AND ENSURE ADEQUATE TIME TO INCORPORATE ALL NECESSARY INFORMATION BEFORE FINALIZING THE NATIONAL MULTIMODAL FREIGHT NETWORK AND NSFP

AASHTO supports USDOT's effort to designate a comprehensive national multimodal freight network to identify key infrastructure critical for the efficient movement of freight. However, the draft NMFN designation in the draft NFSP appears to lack important freight corridors that should be part of the national system. AASHTO has heard from many different State DOTs that the draft NMFN does not include important components of the freight network in their respective states. In fact, many State DOTs have already developed comprehensive state freight plans. For example, Washington State DOT developed its 2014 Washington State Freight Mobility Plan which includes priorities and principles associated with key Freight Economic Corridors identified in the plan and is also consistent with the criteria defined in the FAST Act.

AASHTO has significant concern about USDOT's intent to modify the current draft NFSP to reflect the new FAST Act provisions and issue a fully compliant NFSP in final format by the end of July 2016. AASHTO is concerned that USDOT will not be able to adequately incorporate condition assessments and performance of the National Multimodal Freight Network when it has not yet been fully identified or approved. ASHTO encourages USDOT to use the amount of time provided in the FAST Act to create the NFSP and to work with the individual State DOTs in developing the NMFN and finalizing the NFSP.

2) RECOGNIZE THE SHARED USE OF INFRASTRUCTURE IN PROVIDING BOTH FREIGHT AND PASSENGER MOBILITY ON AND OFF THE NMFN

AASHTO is concerned that the draft NFSP places significant emphasis on freight investments solely on the NMFN thereby not adequately addressing: 1) the dual nature of the benefits that many investments would have on the transportation system by improving passenger and freight mobility, and 2) the importance of freight investments beyond the NMFN. First, the improvement of a road, bridge, or rail segment on the transportation network will likely improve both freight and passenger mobility. In almost all cases, the surface transportation network serves this dual purpose and the current draft NFSP does not give this issue adequate attention.

Second, the draft NFSP needs to properly address the importance of Federal formula funding, not just a freight formula program, in maintaining and improving the entire Federal-aid highway network, including but not limited to the 65,000 highway miles of the NMFN identified by USDOT in the draft plan. The new freight discretionary program included by Congress in the FAST Act provides eligibility for projects on the full 227,000 mile NHS network, not just on 65,000 miles of it. That new program also includes provisions ensuring that at least 25 percent of discretionary freight funds are for projects in rural areas and also provides some funding for smaller projects.

The final version of the NFSP should be much clearer than the draft plan that roads not on the NMFN but on the Federal-aid system, including NHS and non-NHS routes, also serve many important purposes, for passenger and freight movement. They serve, among other purposes, as

connectors to the nation's ports, airports, passenger transportation and intermodal facilities. They usually serve as the initial and concluding miles on trips that use the 65,000 mile designated system. There are trips that do not use the NMFN at all, or even the NHS. These non-NMFN roads also provide needed redundancy and resilience for the system. Formula funds support the 65,000 highway miles on the NMFN as well as other roads.

Regarding the nation's rail infrastructure, the performance of freight and passenger rail service is directly linked due to the shared nature of nearly all of the facilities. The NFSP discussion should specifically recognize the challenges of balancing current and future freight and intercity passenger and commuter rail needs. The Surface Transportation Board is developing rules and regulations on measuring AMTRAK on-time performance, which clearly also affects freight and commuter rail. In addition, section 11311 of the FAST Act calls for the USDOT Secretary to conduct a shared-use study in consultation with Amtrak, commuter rail authorities, railroad carriers and owners of rail infrastructure that serve both rail passenger and freight needs. The study will look at operational, institutional and legal structures that best support improvements to shared infrastructure. The NFSP should recognize this work, and future USDOT Freight Plans should reflect the results of the required study.

3) DO NOT DISMISS OR DOWNPLAY THE NEED FOR A CONNECTED FREIGHT NETWORK THAT INCLUDES URBAN AND RURAL AREAS BEYOND THE NMFN

The draft NFSP places considerable emphasis on high volume facilities primarily in metropolitan areas. Perhaps unintentionally, this gives the appearance that USDOT does not recognize the importance to efficient freight transportation of roads other than the 65,000 designated miles that are part of the roughly 227,000 miles on the National Highway System (NHS) or the roughly one million miles of Federal-aid highways, or the 4.1 million plus miles of public roads in the U.S. But that larger system is important for several reasons.

First, highways in rural areas provide essential connections for freight between major metropolitan areas. The draft NFSP notes that the percentage of the nation's population living in rural areas is declining. However, the draft must do more to recognize that the connectivity of the system, which derives in no small part from long stretches of highways (and rail and waterways) across rural areas, benefits the nation, including the residents of the large population centers. In that regard, AASHTO appreciates that the 65,000 mile highway portion of the draft NMFN includes the full Interstate System, and therefore gives at least some (though still not enough) recognition to the national interest in connectivity provided by highways in and through rural states.

Second, the draft NFSP does not give sufficient recognition to the importance of freight movements that originate or terminate some distance from the NMFN in both metropolitan and rural areas. This includes agricultural and natural resources that must be moved from farms, forests and mines before they connect to the NMFN as well as manufacturing and warehousing facilities near and in metropolitan areas. The draft NFSP correctly references improving intermodal connections as a goal but does not give sufficient weight to rural settings or modal connections, such as the trucking of farm output to an elevator or other facility that has a rail or water connection to national or world markets. In rural areas, moving agricultural, energy, other natural resources and rural manufacturing output is not a question of addressing the first or last

“mile”, but the first tens or more of miles from the NMFN. In general, USDOT should emphasize the need for a connected network. While the FAST Act recognizes the need for the primary highway freight system to include critical urban and critical rural corridors, it places mileage limitations on states’ and MPOs’ ability to designate such corridors. This could constrain the development of the overall primary highway freight system and, more generally, the larger highway and transportation system.

Finally, the draft plan does not give adequate attention to improving the efficiency of moving rural production, which can be hampered by size or weight restrictions, including but not limited to during “spring thaw.” When aging roads and bridges cannot accommodate modern freight demands, the result can be detours of tens or even hundreds of miles for single trucks and multi-vehicle convoys. These inefficiencies result in lost time and fuel, unnecessary greenhouse gas emissions, increased costs, and a reduced global competitive edge for the U.S. economy.

4) AVOID HEAVY RELIANCE ON FEDERAL DISCRETIONARY GRANT PROGRAMS AS A MEANS TO FUND FREIGHT PROJECTS

AASHTO believes that it is of high importance to provide a stable and predictable source of formula funding that can be used by states on all portions of the freight network, as identified through the national and/or state freight plans, rather than address freight projects principally through discretionary grants that take extensive time to prepare for an uncertain chance of success. The policy discussion in the draft NFSP appears to overemphasize Federal discretionary grants for a limited number of high volume facilities as the means of addressing freight project investment.

More specifically, first, while the draft NFSP references highway freight formula funding, AASHTO believes that the draft plan does not give adequate weight to the need for investment in the much larger multimodal national transportation system, including connections in and across rural States, and including investment made by means of Federal highway formula funds apportioned to States. This includes not just funds apportioned through the new freight formula program, but also funds apportioned for use on the National Highway System (NHS) and other Federal-aid highways through traditional Federal highway apportioned programs. These apportioned programs have always been an important part of the nation’s investment to facilitate freight transportation as well as personal transportation. AASHTO believes that the final version of the draft plan should be revised to present this more comprehensive picture of freight related investment.

Second, the recent action by Congress in passing the FAST Act addressed freight primarily through a new formula program, as well as through continuing longstanding formula programs. It also added an important freight discretionary grant program. Under the new legislation, more funding is given to freight formula funding than to freight discretionary funding. The FAST Act also provides for an increase in highway formula funding generally, enabling investments on the NHS and other Federal-aid highways that will serve to improve freight (as well as passenger) transportation. This supports giving greater emphasis to formula funding in the NFSP.

5) EMPHASIZE THE IMPORTANCE OF FREIGHT PLANNING AT THE STATE LEVEL

In the draft NFSP, USDOT observes that decentralization in planning (which involves not only states but many smaller political units) is often an obstacle to freight projects (see pages 49-50 of the draft plan). AASHTO agrees that the dispersion of planning authority presents a challenge to advancing freight projects. For example, AASHTO notes that within the FAST Act, the decision for designating Critical Urban Freight Corridors has been split between MPOs (in metropolitan areas of greater than or equal to 500,000) and the State in areas of less than 500,000. Given that the overall mileage of this network has been constrained, there could be challenges in balancing a state's critical urban network and the overall state freight plan. It will be critical that State DOTs and MPOs coordinate on the designation of these freight corridors as well as the continued coordination on the overall development of state freight plans. The current planning process works well, is well coordinated and AASHTO recommends that the final NFSP be supportive of continuing at least the current extent of State authority over planning and programming and not encourage further dilution of State authority over Federal transportation funds. AASHTO also recommends that USDOT ensure coordination on the federal level as well and that as the various national modal administrations conduct further research, develop best practices, and issue advice that this information not vary substantially from each other in terms of goals, priorities, detail and methodology.

6) ENSURE APPROPRIATE USE AND DEFINITIONS OF FREIGHT PERFORMANCE MEASURES AND DEFER SPECIFICS TO THE RULEMAKING PROCESS

AASHTO is supportive of the use and application of performance management principles as part of the management of the transportation network by State DOTs. AASHTO particularly supports State-based performance measurement and management. AASHTO has submitted comments in many USDOT rulemaking and other dockets on the particulars of possible Federal performance management requirements.

As to the draft NFSP, AASHTO agrees with USDOT that freight delay and freight reliability are two important measures that State DOTs could use as part of a performance management process. However, AASHTO recommends that the final NFSP make clear that the performance measures set forth in Appendix B, if retained in the final NFSP, would **NOT** establish requirements for state governments to track and manage these measures or to make improvements on their freight systems. Proposed requirements of this nature should be addressed through the rulemaking process, which gives the public clear notice that the imposition of requirements is being considered. AASHTO recommends that the guidance/discussion found in the draft NFSP on page 88, should it be retained in the final plan, clearly state that such measures do not establish a new requirement. Language such as the following could be inserted to accompany any such discussion: "Except to the extent that statutory provisions already exist that direct states to participate in performance measurement (e.g., pavement and bridge performance, freight on interstates), the goals, objectives, and measures listed in this Plan are intended solely to inform progress at a national level and do not impose new requirements, restraints, or conditions on states, Tribal governments, MPOs, local governments, private sector companies, or other non-Federal entities."

To the extent that USDOT opts to include in the NFSP particulars as to freight delay and freight reliability measurement and management, AASHTO notes here its strong disagreement with the draft NFSP's definition of freight delay and freight reliability. The draft NFSP states the goal is to "Reduce freight transportation delay time and schedule variability on the Multimodal Freight Network (MFN) for all modes by 10 percent per decade through 2045 (relative to 2015 levels). Delay is to be measured as 'additional time required for freight vehicles to travel the distance of a segment vs minimum speed threshold' (such as the speed limit or track design speed)." AASHTO is specifically concerned with at least the following:

- a) The performance objectives for delay and reliability reduction are not realistic. The Plan's goals to reduce delay time and schedule variability by at least 10 percent per decade through 2045 would mean a delay reduction of at least 30 percent from 2015 to 2045.
- b) The State DOTs do not have data to accurately report on delay and reliability measures for all of the highway and road portions of the NMFN. For example, the probe vehicle travel time data (NPMRDS dataset) provided by FHWA has major data limitations such as: a limited vehicle sample size that results in many missing data points; the reported speeds are much more variable than actual roadway performance; and the sample has a bias toward vehicles traveling at slower speeds.¹ The Texas Transportation Institute (TTI) also found that the completeness of NPMRDS data decreases with functional classifications, which implies that the probe samples are likely to be smaller on lower-order functional classes and the data accuracy is questionable when used for computing truck performance measures for non-Interstate routes and the intermodal connectors on the roadway portion of the NMFN. The NPMRDS data set must improve to enable State DOTs to use it for monitoring progress towards performance objectives.
- c) The truck freight delay definition is problematic. More specifically:
 - Expecting all freight trucks to travel at the speed limit at all times, in all locations, is an unrealistic target.
 - Consistent with previous AASHTO recommendations, the definition of reliability should be based on travel time, not speed. In 2012, AASHTO forwarded to FHWA a recommendation measuring reliability as the ratio of 80th percentile travel time to a travel time threshold set by states after consultation with their partners. While AASHTO reserves the right to adjust that earlier advice when it comments in the context presented in the proposed freight performance management rule that has just been released, the key points of that suggestion, compared to what is set forth in the draft NFSP are that there is a state role in setting the measure and the measure itself is more realistic.²
- d) The Freight Plan directs an unknown party to reduce delay and variability on the national rail system. Mainline railroads are privately owned. The federal government and states do not control their operations or investments, nor do they set the railroads' performance measures.

¹ For further information please see the Washington State DOT's in-depth evaluation of the available at <http://www.wsdot.wa.gov/NR/rdonlyres/7F3E07D0-D3C0-44D2-956B-919E7A90EDE9/107114/WARD8441FINALWSDOTFPM1.pdf>

² Specific advice on measures in a rulemaking context could depend upon such matters as lead time for implementation, extent to which certain information is readily available from USDOT and other factors.

- e) On the national waterway system, delay may not be the most important performance measure. For example, the Washington State Freight Plan prioritized two freight waterway performance measures that do not involve time delay directly: (1) maintaining the federally-authorized channel depth, and (2) blocking the spread of invasive species. If the channel depth is not maintained, ships may move but be light loaded and inefficient.
- f) AASHTO encourages USDOT to make consistent any performance measures included in the final NFSP with MAP-21 performance measures currently being developed by FHWA through the rulemaking process. However, as indicated earlier, specifics should be driven by the rulemaking process, where the public is on alert that requirements are being proposed. The plan should be kept general (perhaps referring to “such measures as may be adopted by rule”.) AASHTO is concerned that adoption of detailed performance management approaches in this plan could prejudice action in a rulemaking docket, as USDOT could decide that it has to match the rule to the plan. That should not be the case.

Finally, the draft NFSP proposed a measure of freight-related fatalities and serious injuries per freight vehicle miles traveled (VMT). First, the specification of freight-specific injury and fatality measures, which would likely include specific targets goes against a comprehensive data-driven approach to addressing safety on the surface transportation system that examines all fatality and serious injuries regardless of mode, vehicle, or crash types.

Second, it is not clear how a “freight fatality” or “freight serious injury” would be defined given the multimodal nature of the draft NFSP. Currently, state DOTs collect information on truck-related fatalities and serious injuries occurring on roadways and similar data likely exists for other modes as well (e.g., railroads and waterways). However, as currently specified, fatality and serious injury data is associated with a vehicle type (e.g., large truck) and does not include additional information such as what type of freight cargo the large truck was carrying. It would be important to distinguish between large trucks that are carrying freight cargo versus other cargo in calculating these type of performance measures. In addition, state DOTs do not have data for freight-specific VMT thus making it difficult to calculate a rate-based measure. As such, many states may not be able to report on these freight-related safety measures.

7) ENSURE THAT THE DESIGNATION OF THE MULTIMODAL FREIGHT NETWORK REMAINS FLEXIBLE TO ADDRESS EMERGING NEEDS

Freight movements and facilities often change rapidly throughout the U.S. For example, there are significant questions yet to be answered concerning the Panama Canal expansion and the impact it will have on West and East Coast ports as well as railroad demand. In addition, the states of North Dakota and Minnesota have seen significant increase and, recently, decreases in railroad demand. As a result of oil production in the Bakken Oil Fields that has fluctuated significantly over the course of 15 years (2000 to 2015). In short, the volatility in demand on the freight network can be significant and it is important that the NFSP and designation of the NMFN remain flexible and be adaptable as the freight needs change throughout the U.S. For this reason, AASHTO suggests that the NMFN remains flexible to address emerging needs in the future.