

Good afternoon, Chairman Duncan, panel members, and committee members. Thank you for inviting me to provide testimony before the Panel on 21st Century Freight Transportation. My name is Marnie O'Brien Primmer and I am the Executive Director of Mobility 21. I am here today representing 21 million Americans living in seven Southern California counties: Los Angeles, Imperial, Orange, Riverside, San Bernardino, San Diego, and Ventura. Mobility 21 is a nonprofit non-partisan multi-modal transportation advocacy coalition that brings together business, community leaders and transportation providers to support increased investment in transportation throughout our region. Membership in Mobility 21 is free and open to the public, and I am proud to say we have over 5000 active members.

On behalf of my Chairman, Anne Mayer, and my Board of Directors, I offer testimony today that will highlight the commitment Southern California has made to supporting trade throughout the United States, creating good-paying jobs, and strengthening our global economic competitiveness all while improving the quality of life for Americans calling our region home. I will respectfully ask for your partnership to make sure that our region's commitment to stewardship of a national asset- namely our freight movement network- receives recognition and partnership from the federal government.

I commend the Chairman and Panel for convening a field hearing here in Southern California, or as we like to think of it, the heart of America's freight movement network. I know you have had the opportunity to tour some of the essential freight facilities here in Southern California, such as the San Pedro Bay Port Complex, the Alameda Corridor, Alameda Corridor East, and Colton Crossing. However, there are many equally important freight facilities such as the Ventura County Port and intermodal infrastructure, border crossings in San Diego and Imperial Counties, and key freight corridors from the I-710 and SR-60 in Los Angeles and Riverside to the Devore Interchange in San Bernardino that also require resources to maintain and expand, ensuring that freight moves smoothly from our region to the rest of the nation. Knowing this, you can begin to understand the magnitude of the freight operations here in Southern California and the critical nature of freight movement to the economy of not only our region but the nation as a whole. In fact, cargo that enters through our ports makes its way to every single Congressional district in the country. There are millions of jobs nationally that are supported by the trade emanating from our freight network. And it is easily said that many of the goods on shelves in stores all across this nation, start their journey right here in Southern California.

What makes Southern California a unique asset to our nation's economic health, is the fact that our distribution and warehousing sector, second to none nationally and one of the most formidable globally, supports the cargo that moves through our ports. With nearly 1 billion square feet of distribution and warehousing space right here in Southern California, the efficiency of freight to be trans-loaded, repackaged and distributed across the country via rail and truck, is undeniable. Our ports can accommodate the latest generation of ships- ships too large to traverse the soon to

be complete Panama Canal. We have border crossings that support trade with our largest trading partner, Mexico. All this means that cargo will continue to come through Southern California despite improvements to other areas of the nation's freight network.

What does that mean for this panel? It means that you should be greatly concerned with the funding gap that we have identified to support the maintenance and expansion of this nationally significant freight network. It is imperative that our leaders recognize that of the freight that comes into Southern California, nearly 70% is heading out of our region and state to support the commerce for the rest of the nation. And it means that Congress should be looking for ways to make sure that the efficiency and safety of the heart of the nation's freight network is assured.

MAP-21, while it was a watershed for freight in that it is the first bill to include a freight title, stopped far short of addressing the needs of effective freight movement. We are pleased that the Department of Transportation (DOT) has moved quickly to establish its internal Freight Policy Council and is working toward selection of the Freight Advisory Committee. However, Mobility 21 is justifiably concerned that the interstate-only approach prescribed in MAP-21 will severely impact the effectiveness of the freight network to be identified. By forcing DOT to be bound only by interstate highway lane miles, rather than also including state routes that carry freight, and limiting the number of lane miles that can be included to far fewer than experts agree are part of our freight system, we fear that critical multi-modal freight facilities such as those you have toured while here, will be left out of the assessment and therefore left out in the cold when it comes to providing funding for their maintenance and necessary upgrade.

While Congress included Section 1120, *Projects of National and Regional Significance* (PNRS) in the final version of MAP-21, and authorized \$500 million of funding, Congress failed to appropriate funds to support this critical program supporting multi-modal freight investments. By not appropriating the \$500 million Congress is limiting the ability of our ports, transportation authorities, and our state department of transportation to invest increasingly scarce federal dollars and augment the local dollars our communities have voted to tax themselves in support of transportation investments. The PNRS program is essential to the Alameda Corridor East-I 710 freight corridor in Southern California and is beneficial to projects like CREATE in Chicago and intermodal freight improvements serving the Port of New York and New Jersey.

Expanding on the progress made under MAP-21, Mobility 21 has some suggestions for you to consider when addressing this complex set of issues:

- 1) Establish a national multi-modal freight system with a comprehensive catalog of essential regional and national freight assets.

- 2) Establish a dedicated source of funding, separate and apart from the Highway Trust Fund, that will provide for the needed investment in the multi-modal freight system identified.
- 3) Invest in the entire spectrum of issues arising from freight movement in a metropolitan region, from ports and border crossings to warehousing and distribution centers and the highways, grade crossings, and railways that connect them.
- 4) Support additional revenues for freight movement including the creation of a dedicated Freight Trust Fund (FTF) with a specified sunset date for a set of infrastructure improvement projects prioritized by regions for ports, border crossings, key freight assets and mitigation to complement available local funding sources. Once the investments have been made, the FTF sunsets.
- 5) Eligible FTF projects should be comprised of water/landside gateways, international borders and corridor projects; highway, grade-separations, freight rail benefiting passenger rail and port/intermodal projects. Eligible projects should also include zero and near-zero-emission elements and encourage private funds/investment (e.g., tolls or public-private partnerships).
- 6) Make sure the FTF is lock-boxed, and ensure revenues generated for freight movement be specifically designated to fund projects that have performance measures that increase throughput, reliability and safety while simultaneously reducing congestion, improving air quality and minimizing community impacts directly associated with the movement of freight.
- 7) Support Innovative Financing Tool Proposals, like the American Fast Forward Transportation Bonds, which establish a new class of qualified tax credit bonds. Qualified tax credit bonds are taxable bonds issued by state, local or other eligible issuers where the federal government subsidizes most or all of the interest cost through granting investors annual tax credits in lieu of interest payments. This bond model has been very successful for the school construction and renewable energy industries.

Mobility 21 as a coalition of public and private sector leaders passionate about our future mobility and economic viability is actively engaged in efforts to bring freight stakeholders together nationally around these six important principles in support of increased investment in America's freight network. We appreciate the opportunity to share our suggestions today and look forward to working with you as you seek to bring forward recommendations to the Committee for addressing the challenges facing freight in our nation. Please consider Mobility 21 a partner and a resource in your efforts going forward to ensure a successful freight transportation program that is vital to long-term economic growth in our state and nation.