Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2019-0511, **File Type:** Federal Legislation / State Legislation (Position) **Agenda Number:** 41.

EXECUTIVE MANAGEMENT COMMITTEE
JULY 18, 2019

SUBJECT: FEDERAL LEGISLATION

ACTION: ADOPT STAFF RECOMMENDED POSITION

RECOMMENDATION

ADOPT staff recommended position:

A. House Resolution 2723 (Lowenthal) - Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act **SUPPORT**

ATTACHMENT

Attachment A - HR 2723 (Lowenthal) Legislative Analysis

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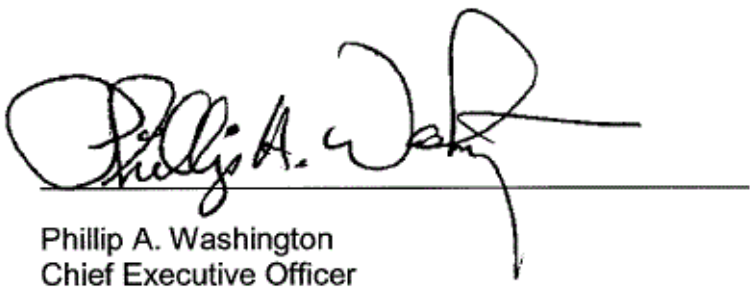

Phillip A. Washington
Chief Executive Officer

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ATTACHMENT A

BILL: **HOUSE RESOLUTION 2723**

AUTHOR: **CONGRESSMAN ALAN LOWENTHAL (D-LONG BEACH)**

SUBJECT: **ECONOMY IN MOTION: THE NATIONAL MULTIMODAL AND SUSTAINABLE FREIGHT INFRASTRUCTURE ACT**

STATUS: **HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE; HOUSE COMMITTEE ON WAYS AND MEANS**

ACTION: **SUPPORT**

RECOMMENDATION

Staff recommends that the Board of Directors adopt a SUPPORT position on House Resolution 2723 (Lowenthal), the National Multimodal and Sustainable Freight Infrastructure Act.

ISSUE

H.R. 2723 (Lowenthal) would establish a Freight Transportation Infrastructure Trust Fund and create a freight specific formula and competitive grant program for multimodal projects. Specifically, H.R. 2723 offers a dedicated revenue source by implementing a proposed national 1% waybill fee. The entity paying for the cargo to be shipped via ground transportation within the United States would be required to pay a fee of 1% of the total cost of transportation.

DISCUSSION

In 2015, Congress passed the bipartisan Fixing America's Surface Transportation (FAST) Act, which for the first time outlined a national freight policy and set up both formula and competitive programs to invest in these systems. The FAST Act funded both of these programs through 2021, but because the Highway Trust Fund is not able to provide the amount of funding necessary to keep up with the nation's infrastructure needs, it is important to identify and support sustainable funding sources that will be dedicated for goods movement projects.

Goods movement is a significant economic engine in Los Angeles County, with the Ports of Los Angeles and Long Beach handling well over 40% of all cargo shipped into the United States. Communities that surround Los Angeles County's ports experience a high level of congestion and negative environmental impacts as a result of the large amount of cargo exiting the County's two ports as it is transported to rail yards and warehouses across Los Angeles County and surrounding counties. Through the creation of a program aimed at improving the movement of goods, residents, commuters and businesses will benefit from less congestion and improved air quality.

Consistent with Metro's 2019 Board-approved Federal Legislative Program in support of creating a fully funded federal freight program; H.R. 2723 (Lowenthal) establishes a Freight Transportation Infrastructure Trust Fund, a formula and competitive multimodal grant program, and incorporates these programs into existing FAST Act freight program

criteria. The program would generate funding through the collection of fees for transporting cargo nationally.

The estimated $10 billion in annual funds collected from this proposed fee would be deposited into a Freight Transportation Infrastructure Trust Fund and then be distributed equally between the existing National Multimodal Freight Funding Formula Program and the National Freight Infrastructure Multimodal Competitive Grant Program (currently known as the Infrastructure for Rebuilding America program, or INFRA) created in the FAST Act. Qualifying projects could include capital freight projects on roads, rail, intermodal connectors, including first and last mile connectors, rail grade separations, on-dock rail and landside infrastructure on ports and airports included in a State Freight Plan.

Metro is currently developing the Los Angeles County Goods Movement Strategic Plan in coordination with many of the regional partners in the County involved in the goods movement sector. Funding created through H.R. 2723 will support the implementation of projects, pilots, and programs identified in this plan as priorities for the county.

Staff believes that H.R. 2723 could be adopted in any infrastructure package offered or incorporated into the next surface transportation reauthorization bill (the current bill expires in September of 2020).

For these reasons, staff recommends the Board adopt a SUPPORT position on the measure H.R. 2723.

DETERMINATION OF SAFETY IMPACT

There is no determined safety impact due to the enactment of the proposed legislation.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Staff recommendation supports strategic plan goal # 4.2: Metro will help drive mobility agendas, discussions and policies at the state, regional and national levels.

FINANCIAL IMPACT

This bill could have a positive financial impact on our agency as it provides additional federal funding that Metro and its regional partners could utilize for goods movement projects across Los Angeles County.

ALTERNATIVES CONSIDERED

Staff has considered adopting an oppose position on the bill. Adopting an oppose position on the bill would be counter to the advocacy efforts as outlined in the Board-approved 2019 Federal Legislative Program.

NEXT STEPS

Should the Board adopt a SUPPORT position on this measure; staff will communicate the Board's position to the author and work with Congress to ensure its adoption into law. Staff will continue to keep the Board informed as this issue is addressed throughout the 116th Congress.