

Written Testimony of Mr. Rick Richmond,  
former Chief Executive Officer, Alameda Corridor-East Construction Authority,  
submitted to a field hearing of the Special Panel on 21st Century Freight Transportation  
of the House Committee on Transportation and Infrastructure

"How Southern California Freight Transportation Challenges Impact the Nation"

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Chairman Duncan, Ranking Member Nadler and Distinguished Members of the Panel:

Thank you for this opportunity to offer my perspective regarding how Southern California's freight transportation challenges impact the nation. By way of background, my professional experience in transportation spans 41 years at four different transportation agencies, starting at the Federal Urban Mass Transportation Administration, then at the Los Angeles County Transportation Commission, at New Jersey Transit, and most recently as the Chief Executive Officer of the Alameda Corridor-East Construction Authority in eastern Los Angeles County for 14 years.

I applaud your leadership in initiating this important information gathering effort and particularly for traveling to Southern California to understand firsthand the national implications and impacts of goods movement in our Nation's leading gateway for Pacific Rim trade.

Together, the ports of Los Angeles and Long Beach handle more than 40 percent of all shipping containers arriving by ocean vessel on our shores. Approximately three-quarters of these goods are then shipped to domestic destinations outside of Southern California, with about 60 percent of that transported by rail along the Alameda Corridor-East Trade Corridor through Los Angeles, Orange, Riverside and San Bernardino counties. This transcontinental commerce results in up to 100 freight trains a day traversing the Southern California region, with more than 90 percent of these trains heading east. By 2025, freight train counts are projected to increase to 250 trains per day along the BNSF and Union Pacific mainline rail network, according to a study conducted for the Southern California Association of Governments. The current recession has delayed projected trade growth in our region, but recovery is underway and the ports anticipate container volumes to triple over the next two decades.

To reduce emissions and roadway congestion and impacts, our region has sought to encourage a modal shift from trucks to trains for transcontinental freight arriving in the Southern California gateway region. Proposals supported regionally include on- and near-dock rail projects to facilitate more direct transfer of containers from ships to trains as well as railroad mainline capacity and grade separation projects. It is important to note that goods movement channeled through Southern California has widespread national economic benefits but also results in significant localized negative impacts. Increased freight rail traffic can create mounting safety, mobility, environmental and community impacts that degrade the region's quality of life and which could threaten this region's support for a modal shift to rail.

A key project to improve freight transportation while mitigating the impacts on our communities was the opening 11 years ago of the Alameda Corridor, a 20-mile, grade-separated railway that consolidated several freight mainlines in a single rail expressway. While the Alameda Corridor resolved a freight rail bottleneck between the San Pedro Bay ports and the transcontinental rail yards near downtown Los Angeles, it did not address the impacts of freight rail traffic which continues to the east, crossing Los Angeles, Orange, Riverside and San Bernardino counties. In many places these freight mainlines are shared with Metrolink commuter and Amtrak interstate passenger trains.

Prior to the opening of the Alameda Corridor, the adjoining four counties began planning to accommodate growing freight traffic. The Alameda Corridor-East Construction Authority was established in 1998 as a single-purpose local government authority charged with a \$1.7 billion program of constructing rail-roadway grade separations and at-grade crossing safety improvements. The purpose of the projects was to mitigate the impacts of significant increases in freight rail traffic along 70 miles of Union Pacific mainline railroad in the San Gabriel Valley in eastern Los Angeles County.

Grade separations, where the road goes over or under the railroad, eliminate traffic chokepoints and deadly collisions at crossings, reduce vehicle emissions and train noise, and help mitigate the impact of goods movement in Southern California. In the San Gabriel Valley, studies have shown that without the Alameda Corridor-East Program, traffic delays at rail-highway crossings would increase by 300 percent. Design engineering plans for the projects are developed with the review and approval of the railroads and provide sufficient capacity to accommodate the railroad's plans for future track expansion.

The regional significance of the Alameda Corridor-East grade separation program in Los Angeles County was soon recognized and the program replicated by other agencies in Orange, Riverside and San Bernardino counties. Congress recognized the national significance of the program and provided funding for and designated the Alameda Corridor-East Trade Corridor as a National High Priority Corridor in 1998 in the Transportation Equity Act for the 21st Century (TEA-21), followed by a designation and funding in 2005 as a Project of National and Regional Significance in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users Act (SAFETEA-LU).

This Federal investment supported the design and construction of an initial round of rail-highway crossing improvements, which was followed in subsequent years by a major commitment of Trade Corridor Improvement Funds provided to the region by the State of California as well as local sales tax measure funds provided by the counties. All told, the Alameda Corridor-East Construction Authority has successfully secured nearly \$1.5 billion in federal, state, county, local and railroad funding commitments for the Alameda Corridor-East program in Los Angeles County. The initial TEA-21 funding was an early catalyst for the Alameda Corridor-East program but the overall Federal share of this regionally and nationally significant program has declined to about 16 percent while today the Alameda Corridor-East Construction Authority faces a funding shortfall of about a quarter billion dollars to complete its program.

The shrinking share of federal funding illustrates why the National Freight Program authorized in the Moving Ahead for Progress in the 21<sup>st</sup> Century Act, or MAP-21, represents a critical and promising component of national transportation policy. Particularly important are the designation this year of a Primary Freight Network and the release by October 2015 of a National Freight Strategic Plan to identify freight bottlenecks, road, bridge and intermodal improvements and associated costs as well as best practices for mitigating the impacts of freight movement. Given that MAP-21 will expire next year, as you report to your colleagues on possible solutions to our national and regional freight challenges, the Alameda Corridor-East Construction Authority respectfully suggests the following:

#### Establish a National Freight Infrastructure Grant program

We strongly recommend that a National Freight Infrastructure Grant program be authorized in the next transportation program bill or other Federal legislation. A grant program specific to freight projects is warranted given that international trade and resulting interstate commerce is driven by national trade policies and due to the

national and regional impacts of goods movement on our economy and on our environment. A freight grant program should provide significant capital investment grants that improve the efficiency and safety of the national transportation system to move freight and mitigate the system's adverse impacts on local communities.

A grant program to provide stable funding specific to freight projects, and distinct from the TIGER general-purpose competitive grant program, would be critical to the Alameda Corridor-East Construction Authority. Because we are a single-purpose local government authority and grade separations do not easily fit in existing modal funding programs, we have not had access to Federal funds distributed by formula to the States and Federal funding received for our program has been Congressionally directed.

In addition, a grant program should leverage non-Federal funds by assigning priority to State and regions, such as Southern California's sales tax "self-help" counties, that have made a commitment to provide State and local matching funds. Eligible projects should include those that deliver critical safety, emissions, mobility and other regional and community environmental benefits in addition to projects that increase freight movement capacity, reliability and velocity. Eligible applicants should include States and local governments, ports and government-sponsored authorities with responsibility for implementing freight projects of national significance. Federal loan programs for infrastructure projects can be a significant source of leveraged funding for freight projects but many freight projects, such as grade separation projects, are unable to capitalize on a revenue stream and will continue to be reliant on grant programs.

#### Reauthorize the Projects of National and Regional Significance program

The Alameda Corridor-East Trade Corridor through four Southern California counties was previously designated by Congress and received federal funding as a Project of National and Regional Significance (PNRS) in SAFETEA-LU. The PNRS program can provide a significant and predictable source of Federal assistance over multiple years to major freight infrastructure projects which often have long timelines, are multi-jurisdictional and multi-modal and thus difficult to fund through the existing modal programs.

We were pleased that the Projects of National and Regional Significance program was authorized in MAP-21, but unfortunately it was not subsequently provided with appropriated funds. We recommend the program be reauthorized in successor legislation for megaprojects costing more than \$1 billion and refocused on goods movement projects of national and regional significance, similar to the original purpose

of the program in the SAFETEA-LU legislation. In MAP-21, eligible projects were expanded to include transit projects while eligible applicants were restricted to States, transit agencies and tribal entities, omitting ports and local governments and local government authorities. We strongly recommend that projects and applicants eligible for PNRS funding be similar to those pertaining to the freight grant program discussed above.

#### Include Nationally Significant Trade Corridors in the Primary Freight Network

The national freight network as defined in MAP-21 is highway-centric and we recommend this national network be redefined in a new transportation bill or other legislation to include nationally significant water and rail trade corridors and air and maritime ports of entry. We believe this expanded definition of a freight network acknowledges the multimodal reality of goods transport, in Southern California and elsewhere in the nation, and the Federal responsibility to support that network and mitigate the impacts of goods movement.

H.R. 974, the Multimodal Opportunities Via Enhanced Freight Act of 2013, or MOVE Freight Act, recognizes the multimodal nature of freight gateways and corridors and proposes to include nationally significant trade corridors of all modes in the national freight network. I thank Congressman Sires for introducing the Act, Congresswomen Brown, Hahn and Napolitano for being original co-sponsors of the Act, and respectfully request the panel members to consider supporting the legislation and the policies proposed in it, particularly the National Freight Infrastructure Investment Grant program.

In closing, I thank the Chairman and members of the panel for this opportunity to offer testimony concerning our national freight policies on behalf of the Alameda Corridor-East Construction Authority.