



**Date:** November 12, 2014

**To:** Federal Legislation Committee Members

**From:** X Patrick H. West, City Manager *PHW*

**Subject:** **H.R. 5624 (Lowenthal): the "Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act"**

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For your information, attached is a fact sheet on H.R. 5624 (Lowenthal), the "Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act". This legislation proposes a new tax equal to 1 percent of the amount paid for transportation of goods. The tax will be paid by the person to whom the property is delivered in the United States. While the City generally supports improvements to goods movement infrastructure and seeks federal funding to support such projects, a new tax on transportation will increase the overall cost of goods.

This bill also competes with H.R. 5101 (Hahn), which the Long Beach City Council voted to support on August 12, 2014. H.R. 5101 proposes to establish a National Freight Network Trust Fund and appropriate five percent of existing import duties to finance projects similar to those targeted by H.R. 5624.

Please contact Diana Tang, Manager of Government Affairs at 8-6506 if you have any questions.

cc: Mayor and Members of the City Council  
Jyl Marden, Interim Assistant City Manager  
Tom Modica, Deputy City Manager  
Ara Maloyan, Director of Public Works  
Samara Ashley, Director of Government Affairs, Harbor Department  
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Attachment  
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## H.R. 5624 (LOWENTHAL)

# NATIONAL MULTIMODAL & SUSTAINABLE FREIGHT INFRASTRUCTURE ACT

November 2014

### **Introduction**

House Resolution 5624, the "Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act" by Congressman Lowenthal, provides funding for goods movement infrastructure. Below a fact sheet on this proposed legislation.

### **Background**

Long Beach is home to the second busiest port in the nation. The Long Beach Freeway (I-710) facilitates hundreds of thousands of trucks to the Port of Long Beach and the Port of Los Angeles each year. These trucks link the ports of Long Beach and Los Angeles to major Southern California distribution centers and intermodal rail facilities. As a result of population growth, increased cargo container volume at the ports of Long Beach and Los Angeles, increasing traffic volumes, and an aging infrastructure, the I-710 Freeway experiences serious congestion. Congestion mitigation projects are being developed to address these issue, but the City and ports still need to identify funding to implement these solutions.

### **Bill Summary**

H.R. 5624 authorizes a new tax equal to 1 percent of the amount paid for transportation of the goods, to be paid by the person to whom the property is delivered in the United States after the final segment of transportation in the United States, and shall be collected by the person furnishing the last segment of such transportation.

The new tax would generate approximately \$8 billion annually. Revenue generated from H.R. 5624 would fund two grant programs: (1) The Multimodal Freight Funding Formula Program for states, and (2) The National Freight Infrastructure Competitive Grant Program for state, regional, and local governments.

Long Beach would qualify to apply for funding through The National Freight Infrastructure Competitive Grant Program for state, regional, and local governments. This amount may provide approximately \$4 billion each year for infrastructure projects that improve the performance of key economic corridors and gateways, reduce congestion, improve transportation safety, and enhance the national freight network.

### **Analysis**

While the City generally supports improvements to goods movement infrastructure and seeks federal funding to support such projects, a new tax on transportation will increase the overall cost of goods. Earlier this year, Long Beach supported H.R. 5101. This bill was introduced by Congresswoman Hahn and co-sponsored by Congressman Lowenthal, along with 38 other co-sponsors. H.R. 5101 proposes to establish a National Freight Network Trust Fund and appropriate five percent of existing import duties to finance projects similar to those targeted by H.R. 5624. Whereas estimated revenues associated with H.R. 5624 are upwards of \$8 billion annually, the passage of H.R. 5101 is estimated to generate \$1.6 to \$2 billion annually.

### **Current Status**

H.R. 5624, the "Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act" was referred to the Subcommittee on Water Resources and Environment within the House Transportation and Infrastructure Ways and Means Committee on September 19, 2014. Congresswoman Hahn's bill, H.R. 5101, was referred to the Subcommittee on Highways and Transit on July 15, 2014. As the 113th Congressional session draws to a close, it appears both bills will not be moving forward. Attached for information is the full text of H.R. 5624.



113TH CONGRESS  
2D SESSION

# H. R. 5624

To amend title 49, United States Code, to establish a Multimodal Freight Funding Formula Program and a National Freight Infrastructure Competitive Grant Program to improve the efficiency and reliability of freight movement in the United States, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2014

Mr. LOWENTHAL 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

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## A BILL

To amend title 49, United States Code, to establish a Multimodal Freight Funding Formula Program and a National Freight Infrastructure Competitive Grant Program to improve the efficiency and reliability of freight movement in the United States, 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 “Economy in Motion:  
5 The National Multimodal and Sustainable Freight Infra-  
6 structure Act”.

1 **SEC. 2. FREIGHT FUNDING PROGRAMS.**

2 (a) IN GENERAL.—Subchapter I of chapter 55 of title  
3 49, United States Code, is amended by adding at the end  
4 the following:

5 **“§ 5506. Multimodal Freight Funding Formula Pro-**  
6 **gram**

7 “(a) IN GENERAL.—The Secretary shall establish a  
8 Multimodal Freight Funding Formula Program under  
9 which the Secretary shall distribute funds to States to im-  
10 prove the efficiency and reliability of freight movement in  
11 the United States.

12 “(b) FORMULA APPORTIONMENT.—On October 1 of  
13 each fiscal year, the Secretary shall apportion among eligi-  
14 ble States the amount made available to the Secretary for  
15 that fiscal year to carry out the Multimodal Freight Fund-  
16 ing Formula Program as follows:

17 “(1) 6.25 percent in the ratio that—

18 “(A) the number of ports in each State;  
19 bears to

20 “(B) the number of ports in all States.

21 “(2) 6.25 percent in the ratio that—

22 “(A) the number of rail track-miles used  
23 for the movement of freight in each State; bears  
24 to

25 “(B) the number of such rail track-miles in  
26 all States.

1 “(3) 6.25 percent in the ratio that—

2 “(A) the number of cargo-handling air-  
3 ports in each State; bears to

4 “(B) the number of such airports in all  
5 States.

6 “(4) 6.25 percent in the ratio that—

7 “(A) the number of Interstate system  
8 miles in each State; bears to

9 “(B) the number of Interstate system  
10 miles in all States.

11 “(5) 37.5 percent in the ratio that—

12 “(A) the tonnage of rail, waterborne, high-  
13 way, and airport freight moved in each State;  
14 bears to

15 “(B) the tonnage of such freight moved in  
16 all States.

17 “(6) 37.5 percent in the ratio that—

18 “(A) the value of rail, waterborne, highway  
19 and airport freight moved in each State; bears  
20 to

21 “(B) the value of such freight moved in all  
22 States.

23 “(c) TIER I ELIGIBILITY.—A State shall be eligible  
24 for an apportionment under subsection (b) if the State—

1           “(1) has an established a freight advisory com-  
2           mittee in accordance with section 1117 of MAP-21  
3           (Public Law 112-141);

4           “(2) developed any analyses or plans required  
5           for the completion of a State freight plan, as deter-  
6           mined by the Secretary and in consultation with the  
7           Administrator of the Environmental Protection  
8           Agency in the case of environment goals and strate-  
9           gies, in accordance with section 1118 of MAP-21  
10          (Public Law 112-141);

11          “(3) has an approved State freight plan;

12          “(4) has conducted a statewide analysis of  
13          freight needs and bottlenecks on all modes of trans-  
14          portation, including intermodal and last mile needs;

15          “(5) demonstrates use of the statewide analysis  
16          of freight needs in prioritizing projects in the State  
17          freight plan;

18          “(6) demonstrates that the State will use the  
19          funding that it is apportioned under this paragraph  
20          for the highest priority projects identified in the  
21          freight investment plan described under section 1118  
22          of MAP-21 (Public Law 112-141); and

23          “(7) demonstrates that the projects will use the  
24          strategies and contribute to the goals described in  
25          the State freight plan to decrease—



1           “(A) greenhouse gas emissions;

2           “(B) local air pollution, including ozone  
3           and ozone precursors, nitrogen oxides, sulfur di-  
4           oxide, particulate matter, carbon monoxide, and  
5           lead;

6           “(C) water runoff and other adverse water  
7           impacts; and

8           “(D) wildlife habitat loss.

9           “(d) TIER II ELIGIBILITY.—

10           “(1) WITHHOLDING.—The Secretary shall with-  
11           hold 60 percent of the amount required to be appor-  
12           tioned to a State under subsection (b) on October 1  
13           of a fiscal year if the State does not meet the re-  
14           quirements of paragraph (2) on that date.

15           “(2) TIER II REQUIREMENTS.—A State meets  
16           the requirements of this paragraph if the State—

17           “(A) has met the eligibility criteria of sub-  
18           section (c);

19           “(B) has conducted, in cooperation with at  
20           least 1 other State, a multistate analysis of  
21           freight needs and bottlenecks on all modes of  
22           transportation, including intermodal and last  
23           mile needs along a multistate freight corridor;  
24           and

1           “(C) has developed, in cooperation with at  
2           least one other State or a relevant entity in  
3           Canada or Mexico, a regional freight investment  
4           plan that focuses on the end-to-end investment  
5           needs of critical multistate freight corridors  
6           based on the multistate analysis of freight  
7           needs and bottlenecks on all modes of transpor-  
8           tation, including intermodal and last mile  
9           needs.

10           “(3) PERIOD OF AVAILABILITY OF WITHHELD  
11           FUNDS.—Any funds withheld from apportionment to  
12           a State under paragraph (1) shall remain available  
13           until the end of the fiscal year in which the funds  
14           are made available to the Secretary.

15           “(4) APPORTIONMENT OF FUNDS WITHHELD  
16           AFTER COMPLIANCE.—If, before the last day of the  
17           period for which funds withheld under paragraph (1)  
18           are to remain available for apportionment to a State  
19           under paragraph (3), the State meets the require-  
20           ments of paragraph (2), the Secretary shall, on the  
21           first day that the State meets the requirements, ap-  
22           portion to the State the funds withheld under para-  
23           graph (1) that remain available for apportionment to  
24           the State.

1           “(5) EFFECT OF NONCOMPLIANCE.—Notwith-  
2 standing the limitation of funding under section  
3 5507(k), if, at the end of the period for which funds  
4 withheld under paragraph (1) from apportionment  
5 are available for apportionment to a State under  
6 paragraph (3), the State does not meet the require-  
7 ments of paragraph (2), the funds shall be available  
8 to the Secretary for making grants under the Na-  
9 tional Freight Competitive Grant Program estab-  
10 lished under section 5507.

11           “(e) PERIOD OF AVAILABILITY.—Any funds appor-  
12 tioned to a State under subsection (c) and (d)(4) shall  
13 remain available for expenditure until the last day of the  
14 third fiscal year following the fiscal year in which the  
15 funds are so apportioned. Notwithstanding the limitation  
16 of funding under section 5507(k), funds not obligated at  
17 the end of that period shall be available to the Secretary  
18 for making grants under the National Freight Competitive  
19 Grant Program established under section 5507.

20           “(f) ELIGIBLE USES.—A State may use funds appor-  
21 tioned under this section only for—

22           “(1) the development of corridor freight plans  
23 or regional freight plans; or

24           “(2) one or more phases of capital projects,  
25 equipment, or operational improvements on roads,

1 rails, landside infrastructure on ports and airports,  
2 and intermodal connectors included in a State  
3 freight plan for projects that—

4 “(A) maintain or improve the efficiency  
5 and reliability of freight supply chains;

6 “(B) demonstrate public freight benefits;

7 “(C) improve modal components of a  
8 multimodal corridor that is critical to a State or  
9 region;

10 “(D) address freight needs to facilitate a  
11 regionally or nationally significant economic de-  
12 velopment issue;

13 “(E) in accordance with the State freight  
14 plan, decrease—

15 “(i) greenhouse gas emissions;

16 “(ii) local air pollution, including  
17 ozone and ozone precursors, nitrogen ox-  
18 ides, sulfur dioxide, particulate matter,  
19 carbon monoxide, and lead;

20 “(iii) water runoff and other adverse  
21 water impacts; and

22 “(iv) wildlife habitat loss;

23 “(F) are multimodal, multi-jurisdictional,  
24 or corridor-based and address freight needs;

1           “(G) relieve freight or non-freight access,  
2 congestion, or safety issues;

3           “(H) mitigate the adverse impact of  
4 freight movement on communities traversed by  
5 freight railroads, such as through grade separa-  
6 tions; or

7           “(I) address first and last mile connectors.

8           “(g) FEDERAL SHARE.—The Federal share of the  
9 cost of a project carried out by a State using funds appor-  
10 tioned under this section may not be more than 80 per-  
11 cent.

12          “(h) LIMITATION ON FUNDING.—The Secretary shall  
13 make available not more than \$4,000,000,000 per fiscal  
14 year from the Freight Trust Fund established under sec-  
15 tion 6 of the Economy in Motion: The National  
16 Multimodal and Sustainable Freight Infrastructure Act to  
17 carry out this section.

18          “(i) ADMINISTRATION AND OVERSIGHT COSTS.—The  
19 Secretary may retain up to one-half of 1 percent of the  
20 amounts available to carry out this section for each fiscal  
21 year for the cost of administration and oversight of  
22 projects funded under this section.

23          “(j) DATE AVAILABLE FOR OBLIGATION.—Amounts  
24 from the Freight Trust Fund made available to a State

1 under this section shall be available for obligation on Octo-  
2 ber 1 of the fiscal year for which they are apportioned.

3 “(k) DEFINITIONS.—

4 “(1) STATE.—In this section, the term ‘State’  
5 means each of the 50 States, the District of Colum-  
6 bia, and Puerto Rico.

7 “(2) STATE FREIGHT PLAN.—The term ‘State  
8 freight plan’ means the State freight plan described  
9 under section 1118 of MAP-21 (Public Law 112-  
10 141).

11 **“§ 5507. National Freight Infrastructure Competitive**  
12 **Grant Program**

13 “(a) ESTABLISHMENT.—The Secretary shall estab-  
14 lish a National Freight Infrastructure Competitive Grant  
15 Program under which the Secretary may make grants, on  
16 a competitive basis, to designated entities for eligible  
17 projects to improve the efficiency and reliability of freight  
18 movement in the United States.

19 “(b) PROJECT GOALS.—In carrying out the Program,  
20 the Secretary shall prioritize projects that—

21 “(1) improve the efficiency and reliability of  
22 freight transportation;

23 “(2) reduce the cost of freight transportation;

24 “(3) improve the safety of freight transpor-  
25 tation;

1           “(4) relieve bottlenecks in the freight transpor-  
2           tation system;

3           “(5) improve the state of good repair of the  
4           freight transportation system; and

5           “(6) use the environmental strategies to meet  
6           the goals described in the State freight plan and re-  
7           duce the adverse environmental and community im-  
8           pacts of freight transportation.

9           “(c) GRANT APPLICATIONS.—To be eligible to receive  
10          a grant under the Program a designated entity shall sub-  
11          mit to the Secretary an application at such time, in such  
12          form, and containing such information as the Secretary  
13          may require.

14          “(d) ELIGIBLE PROJECT.—A project is eligible for a  
15          grant under the Program only if the Secretary determines  
16          that the project—

17                 “(1) is a capital investment project for a trans-  
18                 portation infrastructure facility significantly used for  
19                 the movement of freight, including—

20                         “(A) a road, rail, air, or water facility;

21                         “(B) an intermodal facility such as a sea-  
22                         port or port on the inland waterway system, an  
23                         airport, or a highway and rail intermodal facil-  
24                         ity;

1           “(C) a facility related to an international  
2 border crossing; or

3           “(D) is for an operational improvement or  
4 equipment of a facility described in this para-  
5 graph;

6           “(2) will help to achieve the goals set out in  
7 subsection (b), except that in the case of any envi-  
8 ronmental strategies and goals, the Secretary shall  
9 make a determination in consultation with the Ad-  
10 ministrator of the Environmental Protection Agency;

11           “(3) has non-Federal source or sources of com-  
12 mitted financing, along with any Federal funds, suf-  
13 ficient to complete the project;

14           “(4) has independent utility;

15           “(5) is included in the State freight plan; and

16           “(6) includes the development of project plans  
17 and analysis.

18           “(e) GRANT CRITERIA.—The Secretary shall select  
19 eligible projects for funding based on the following cri-  
20 teria:

21           “(1) The extent to which the project is likely to  
22 advance the goals described in subsection (b).

23           “(2) The likely benefits of the project relative  
24 to its costs.



1           “(3) The extent to which the project dem-  
2           onstrates the use of innovative technology, strate-  
3           gies, and practices.

4           “(4) The extent to which the project dem-  
5           onstrates effective reductions (in accordance with  
6           the State freight plan) in—

7                   “(A) greenhouse gas emissions;

8                   “(B) local air pollution, including ozone  
9                   and ozone precursors, nitrogen oxides, sulfur di-  
10                  oxide, particulate matter, carbon monoxide, and  
11                  lead;

12                  “(C) water runoff and other adverse water  
13                  impacts; and

14                  “(D) wildlife habitat loss.

15           “(5) The likely effect of the project on increas-  
16           ing United States exports.

17           “(6) The consistency of the project with the na-  
18           tional freight strategic plan described under section  
19           5508.

20           “(7) The extent to which the project leverages  
21           Federal funds by matching State, local, tribal, or  
22           private funds to the Federal funding requested  
23           under the Program.

24           “(8) The extent to which funds for the project  
25           are not available from other Federal sources.

1       “(f) SPECIAL RULE.—A minimum of 5 percent of  
2 funds awarded under the Program for a fiscal year shall  
3 be provided to freight electrification demonstration  
4 projects, as defined by the Secretary of Transportation,  
5 in consultation with the Administrator of the Environ-  
6 mental Protection Agency.

7       “(g) RETROSPECTIVE ANALYSIS.—A grant agree-  
8 ment made under the Program shall require that the re-  
9 cipient collect data and report to the Secretary, at an ap-  
10 propriate time as determined by the Secretary, on—

11           “(1) the actual cost of constructing the project;

12           “(2) the time required to complete the project  
13 and put it into service;

14           “(3) the level of usage of the facility built or  
15 improved by the project;

16           “(4) the benefits of the project, measured in a  
17 way that is consistent with the benefits that were es-  
18 timated in the application for funding that was sub-  
19 mitted to the Secretary; and

20           “(5) any costs resulting from the project in ad-  
21 dition to the costs of constructing the project.

22       “(h) EPA REPORT.—A grant agreement made under  
23 the Program shall require that the recipient collect data  
24 and annually report to the Secretary and the Adminis-  
25 trator of Environmental Protection Agency on progress

1 made toward greenhouse gas emission reductions and local  
2 air pollution reductions in fulfillment of the State freight  
3 plan.

4 “(i) PERIOD OF AVAILABILITY.—In entering into  
5 agreements under this section, the Secretary shall ensure  
6 that any funds made available for a project that are not  
7 obligated or expended before the last day of the third fiscal  
8 year following the fiscal year in which the funds are made  
9 available are transferred back to the Secretary for making  
10 grants under the Program.

11 “(j) FEDERAL SHARE.—The Federal share of the  
12 cost of a project for which a grant is made under the Pro-  
13 gram, as estimated by the Secretary, shall be not more  
14 than 80 percent.

15 “(k) ADMINISTRATION AND OVERSIGHT COSTS.—  
16 The Secretary may retain up to one-half of 1 percent of  
17 the amounts made available to carry out this section for  
18 each fiscal year for the cost of administration and over-  
19 sight of projects funded under the Program.

20 “(l) CONTRACT AUTHORITY.—

21 “(1) DATE AVAILABLE FOR OBLIGATION.—  
22 Amounts from the Freight Trust Fund to carry out  
23 this Act shall be available for obligation on October  
24 1 of the fiscal year for which they are transferred  
25 to the Secretary.

1           “(2) GRANTS AS CONTRACTUAL OBLIGA-  
2           TIONS.—A grant made under the Program is a con-  
3           tractual obligation of the Government to pay the  
4           Federal share of the cost of the project,

5           “(m) DEFINITIONS.—In this section:

6           “(1) DESIGNATED ENTITY.—The term ‘des-  
7           ignated entity’ means—

8                   “(A) a State;

9                   “(B) a unit of local government;

10                   “(C) a metropolitan planning organization;

11                   “(D) a public transportation authority (in-  
12           cluding a port authority);

13                   “(E) a tribal government; or

14                   “(F) or a consortium of the entities de-  
15           scribed in this paragraph.

16           “(2) STATE.—The term ‘State’ has the mean-  
17           ing given such term in section 101(a) of title 23.

18           “(3) STATE FREIGHT PLAN.—The term ‘State  
19           freight plan’ means the State freight plan described  
20           under section 1118 of MAP-21 (Public Law 112-  
21           141).

22   **“§ 5508. National freight policy, network, plan, and**  
23                   **data**

24           “(a) IN GENERAL.—It is the policy of the United  
25           States to improve the condition and performance of the

1 national freight system to ensure that the national freight  
2 system provides the foundation for the United States to  
3 compete in the global economy and achieve each goal de-  
4 scribed in subsection (b).

5 “(b) GOALS.—The goals of the national freight policy  
6 are—

7 “(1) to increase the productivity and efficiency  
8 of the national freight system so as to enhance the  
9 economic competitiveness of the United States;

10 “(2) to improve the safety, security, and resil-  
11 ience of freight transportation; and

12 “(3) to improve quality of life by reducing,  
13 eliminating or reversing adverse environmental and  
14 community impacts of freight projects and goods  
15 movement in the United States.

16 “(c) NATIONAL FREIGHT SYSTEM DEFINED.—In  
17 this section, the term ‘national freight system’ means the  
18 publicly and privately owned transportation facilities that  
19 are used in transporting freight within the United States,  
20 including roads, railroads, ports, waterways, locks and  
21 dams, airports, airways, warehouses, distribution centers,  
22 and intermodal facilities.

23 “(d) MULTIMODAL NATIONAL FREIGHT NET-  
24 WORK.—

1           “(1) ESTABLISHMENT.—The Secretary shall es-  
2           tablish a multimodal national freight network in ac-  
3           cordance with this section to inform public and pri-  
4           vate planning, to prioritize for Federal investment,  
5           to aid the public and private sector in strategically  
6           directing resources, and to support Federal decision  
7           making to achieve the national freight policy goals  
8           set forth in subsection (b).

9           “(2) NETWORK COMPONENTS.—The national  
10          freight network shall consist of such connectors, cor-  
11          ridors, and facilities in all freight transportation  
12          modes as most critical to the current and future  
13          movement of freight within the national freight sys-  
14          tem.

15          “(3) INITIAL DESIGNATION OF THE NATIONAL  
16          FREIGHT NETWORK.—

17                 “(A) DESIGNATION.—The Secretary shall  
18                 designate a national freight network—

19                         “(i) using measurable data to assess  
20                         the significance of goods movement, includ-  
21                         ing consideration of points of origin, des-  
22                         tination, and linking components of the  
23                         United States global and domestic supply  
24                         chains;

1           “(ii) fostering network connectivity;

2           and

3           “(iii) reflecting input collected from  
4           stakeholders through a public process, in-  
5           cluding input from metropolitan planning  
6           organizations and States, to identify crit-  
7           ical freight facilities that are vital links in  
8           national or regionally significant goods  
9           movement and supply chains.

10           “(B) FACTORS FOR DESIGNATION.—In  
11           designating the national freight network, the  
12           Secretary may consider—

13           “(i) volume, tonnage, and value of  
14           freight;

15           “(ii) origins and destinations of  
16           freight movement in, to, and from the  
17           United States;

18           “(iii) land and maritime ports of  
19           entry;

20           “(iv) population centers;

21           “(v) economic factors or other inputs  
22           determined to be relevant by the Secretary;

23           “(vi) bottlenecks and other impedi-  
24           ments contributing to significant measur-

1           able congestion and delay in freight move-  
2           ment;

3           “(vii) facilities of future freight im-  
4           portance based on input from stakeholders  
5           and analysis of projections for future  
6           growth and changes to the freight system;  
7           and

8           “(viii) elements of the freight system  
9           identified and documented by a metropoli-  
10          tan planning organization and State using  
11          national or local data as having critical  
12          freight importance to the region.

13          “(4) REDESIGNATION OF THE NATIONAL  
14          FREIGHT NETWORK.—Not later than 5 years after  
15          the designation of the national freight network  
16          under paragraph (2) and every 5 years thereafter,  
17          using the designation factors described in paragraph  
18          (1), the Secretary shall redesignate the national  
19          freight network.

20          “(c) NATIONAL FREIGHT STRATEGIC PLAN.—

21          “(1) ESTABLISHMENT OF PLAN.—Not later  
22          than October 1, 2015, the Secretary shall, in con-  
23          sultation with the Secretary of Homeland Security,  
24          Secretary of Commerce, Assistant Secretary of the  
25          Army for Civil Works, the Administrator of the En-



1        vironmental Protection Agency, State departments  
2        of transportation, and other appropriate public and  
3        private transportation stakeholders, develop, main-  
4        tain, and post on the Department of Transportation  
5        public website a national freight strategic plan that  
6        includes—

7                “(A) an assessment of the condition and  
8                performance of the national freight system;

9                “(B) an identification of bottlenecks on the  
10               national freight system that create significant  
11               freight congestion problems, based on a quan-  
12               titative methodology developed by the Secretary,  
13               which shall, at a minimum, include—

14                        “(i) information from the Freight  
15                        Analysis Framework of the Federal High-  
16                        way Administration; and

17                        “(ii) to the maximum extent prac-  
18                        ticable, an estimate of the cost of address-  
19                        ing each bottleneck and any operational  
20                        improvements that could be implemented;

21                “(C) forecasts of freight volumes for 10-  
22                year and 20-year periods beginning in the year  
23                during which the plan is issued;

24                “(D) an identification of major trade gate-  
25                ways and national freight corridors that connect

1 major population centers, trade gateways, and  
2 other major freight generators for current and  
3 forecasted traffic and freight volumes, the iden-  
4 tification of which shall be revised, as appro-  
5 priate, in subsequent plans;

6 “(E) an assessment of statutory, regu-  
7 latory, technological, institutional, financial,  
8 and other barriers to improved freight transpor-  
9 tation performance (including opportunities for  
10 overcoming the barriers);

11 “(F) an identification of routes providing  
12 access to energy exploration, development, in-  
13 stallation, or production areas;

14 “(G) best practices for improving the per-  
15 formance of the national freight system;

16 “(H) best practices for addressing the im-  
17 pacts of freight movement on communities;

18 “(I) a process for addressing multistate  
19 projects and encouraging jurisdictions to col-  
20 laborate; and

21 “(J) strategies to improve freight  
22 connectivity between modes of transportation.

23 “(2) UPDATES TO NATIONAL FREIGHT STRA-  
24 TEGIC PLAN.—Not later than 5 years after the date  
25 of completion of the first national freight strategic

1 plan under paragraph (1), and every 5 years there-  
2 after, the Secretary shall update and repost on the  
3 Department of Transportation public website a re-  
4 vised national freight strategic plan.

5 “(f) FREIGHT TRANSPORTATION CONDITIONS AND  
6 PERFORMANCE REPORTS.—Not later than October 1,  
7 2015, and biennially thereafter, the Secretary shall pre-  
8 pare a report that contains a description of the conditions  
9 and performance of the national freight system in the  
10 United States.

11 “(g) TRANSPORTATION INVESTMENT DATA AND  
12 PLANNING TOOLS.—

13 “(1) IN GENERAL.—The Secretary shall develop  
14 new tools and improve existing tools to support an  
15 outcome-oriented, performance-based approach to  
16 evaluate proposed freight-related and other transpor-  
17 tation projects, including—

18 “(A) methodologies for systematic analysis  
19 of benefits and costs;

20 “(B) freight forecasting models;

21 “(C) tools for ensuring that the evaluation  
22 of freight-related and other transportation  
23 projects can consider safety, economic competi-  
24 tiveness, environmental sustainability, and sys-

1           tem condition in the project selection process;  
2           and

3                   “(D) other elements to assist in effective  
4           transportation planning.

5           “(2) FREIGHT DATA.—In support of these  
6           tools, and to support a broad range of evaluation  
7           methods and techniques to assist in making trans-  
8           portation investment decisions, the Secretary shall—

9                   “(A) direct the collection of appropriate  
10           transportation-related data, including data to  
11           measure the condition and performance of the  
12           national freight system; and

13                   “(B) consider any improvements to exist-  
14           ing freight data collection efforts that could re-  
15           duce identified freight data gaps and defi-  
16           ciencies and help improve forecasts of freight  
17           transportation demand.

18           “(3) CONSULTATION.—The Secretary shall con-  
19           sult with Federal, State, and other stakeholders to  
20           develop, improve, and implement the tools and col-  
21           lect the data identified pursuant to this subsection.

22           “(4) MULTIMODAL FREIGHT MEASURE.—The  
23           Secretary shall evaluate the analyses and plans re-  
24           quired under section 5506(c)(2) and consider devel-  
25           opment of a national performance measure to assess

1 the efficiency of the multimodal freight network in  
2 accordance with the national freight strategic plan.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) TABLE OF SECTIONS.—The table of sections  
5 for chapter 55 of title 49, United States Code, is  
6 amended by adding after the item related to section  
7 5505 the following:

“5506. Multimodal Freight Funding Formula Program.

“5507. National Freight Infrastructure Competitive Grant Program.

“5508. National freight policy, network, plan, and data.”.

8 (2) REPEAL.—Section 167 of title 23, United  
9 States Code, is repealed.

10 (3) CROSS-REFERENCE.—Section 505(a)(3) of  
11 title 23, United States Code, is amended by striking  
12 “149, and 167” and inserting “and 149, and section  
13 5405 of title 49”.

14 **SEC. 3. STATE FREIGHT ADVISORY COMMITTEE.**

15 Section 1117 of MAP–21 (Public Law 112–141) is  
16 amended to read as follows:

17 **“SEC. 1117. STATE FREIGHT ADVISORY COMMITTEES.**

18 “(a) IN GENERAL.—The Secretary shall encourage  
19 each State to establish and maintain a freight advisory  
20 committee consisting of a representative cross-section of  
21 public and private sector freight entities, including—

22 “(1) any modes of freight transportation active  
23 in the State, including airports, highways, ports, and  
24 rail;

1 “(2) shippers;

2 “(3) carriers;

3 “(4) freight-related associations;

4 “(5) the freight industry workforce;

5 “(6) the transportation department of the  
6 State;

7 “(7) metropolitan planning organizations;

8 “(8) local governments;

9 “(9) the environmental protection department  
10 of the State, if applicable; and

11 “(10) the air resources board of the State, if  
12 applicable.

13 “(b) QUALIFICATIONS.—Members of a committee es-  
14 tablished under subsection (a) shall be widely recognized  
15 to have qualifications sufficient to represent the interests  
16 of their specific stakeholder group, including—

17 “(1) a general business and financial experi-  
18 ence;

19 “(2) experience or qualifications in the areas  
20 freight transportation and logistics;

21 “(3) experience in transportation planning;

22 “(4) experience representing employees of the  
23 freight industry; or

24 “(5) experience representing a State, local gov-  
25 ernment, or metropolitan planning organization.

1       “(c) ROLES OF COMMITTEE.—The freight advisory  
2 committee shall—

3           “(1) advise the State on freight-related prior-  
4 ities, issues, projects, and funding needs;

5           “(2) serve as a forum for discussion for State  
6 transportation decisions affecting freight mobility;

7           “(3) communicate and coordinate regional pri-  
8 orities with other organizations;

9           “(4) promote the sharing of information be-  
10 tween the private and public sectors on freight  
11 issues;

12           “(5) participate in the development of the State  
13 freight plan under section 1118, including advising  
14 on the development of the freight investment plan;  
15 and

16           “(6) approve the State freight plan under sec-  
17 tion 1118, including the freight investment plan.”.

18 **SEC. 4. STATE FREIGHT PLANS.**

19       Section 1118 of MAP-21 (Public Law 112-141) is  
20 amended to read as follows:

21 **“SEC. 1118. STATE FREIGHT PLANS.**

22       “(a) IN GENERAL.—The Secretary shall encourage  
23 each State to develop a freight plan that provides a  
24 multimodal, comprehensive plan for the immediate and  
25 long-range planning activities and investments of the

1 State with respect to freight. The freight plan shall include  
2 a strategic, long-term component and a tactical, short-  
3 term component.

4 “(b) PLAN CONTENTS.—The freight plan described  
5 in subsection (a) shall consider all modes of freight trans-  
6 portation in the State and include, at a minimum—

7 “(1) an identification of significant freight sys-  
8 tem trends, needs, and issues with respect to a  
9 State;

10 “(2) a description of the freight policies, strate-  
11 gies, and performance measures that will guide the  
12 freight-related transportation investment decisions of  
13 the State;

14 “(3) a description of how the plan will improve  
15 the ability of the State to meet the national freight  
16 goals established under section 5508 of title 49,  
17 United States Code;

18 “(4) evidence of consideration of innovative  
19 technologies and operational strategies, including in-  
20 telligent transportation systems, that improve the  
21 safety and efficiency of freight movement;

22 “(5) in the case of routes on which travel of  
23 heavy vehicles (including mining, agricultural, en-  
24 ergy cargo or equipment, and timber vehicles) is pro-  
25 jected to substantially deteriorate the condition of



1 the roadways, a description of improvements that  
2 may be required to reduce or impede the deteriora-  
3 tion;

4 “(6) an inventory of facilities with freight mo-  
5 bility issues, such as truck bottlenecks, within the  
6 State, and a description of the strategies the State  
7 is employing to address those freight mobility issues;

8 “(7) strategies and goals to decrease—

9 “(A) greenhouse gas emissions;

10 “(B) local air pollution, including ozone  
11 and ozone precursors, nitrogen oxides, sulfur di-  
12 oxide, particulate matter, carbon monoxide, and  
13 lead;

14 “(C) water runoff and other adverse water  
15 impacts; and

16 “(D) wildlife habitat loss; and

17 “(8) a freight investment plan that includes a  
18 list of projects in order of priority and describes how  
19 multimodal freight investment funds under the  
20 Economy in Motion: The National Multimodal and  
21 Sustainable Freight Infrastructure Act would be in-  
22 vested and matched.

23 “(c) REQUIREMENT OF ANTICIPATED FULL FUND-  
24 ING.—The freight investment plan required under sub-  
25 section (b)(8) may only include a project, or an identified

1 phase of a project, if funding for completion of the project  
2 can reasonably be anticipated to be available for the  
3 project within the time period identified in the freight in-  
4 vestment plan.

5 “(d) RELATIONSHIP TO LONG-RANGE PLAN.—The  
6 freight plan described in subsection (a) may be developed  
7 separate from, or incorporated into, the long-range state-  
8 wide transportation plan required under section 135(f) of  
9 title 23, United States Code.

10 “(e) CERTIFICATION.—The Secretary shall approve a  
11 freight plan if such plan meets the requirements of this  
12 section and is consistent with the National freight stra-  
13 tegic plan described in section 5508 of title 49, United  
14 States Code. The Secretary, in consultation with the Ad-  
15 ministrator of the Environmental Protection Agency shall  
16 certify any environmental goal or strategy provisions of  
17 the plan.

18 “(f) FORECAST PERIOD.—The freight plan described  
19 in subsection (a) shall address a 10-year and 20-year fore-  
20 cast period.

21 “(g) UPDATES.—A State shall update the freight  
22 plan at least every 5 years.”.

1 **SEC. 5. FREIGHT TRUST FUND.**

2 (a) IN GENERAL.—Subchapter A of chapter 98 of the  
3 Internal Revenue Code of 1986 is amended by adding at  
4 the end the following new section:

5 **“SEC. 9512. FREIGHT TRUST FUND.**

6 “(a) CREATION OF TRUST FUND.—There is estab-  
7 lished in the Treasury of the United States a trust fund  
8 to be known as the ‘Freight Trust Fund’ (hereinafter in  
9 this section referred to as the ‘Fund’) consisting of such  
10 amounts as may be appropriated or credited to such Fund  
11 as provided in this section or section 9602(b).

12 “(b) TRANSFERS TO THE FUND.—There are hereby  
13 appropriated to the Fund amounts equivalent to taxes re-  
14 ceived in the Treasury under section 4286.

15 “(c) EXPENDITURES FROM FUND.—Amounts in the  
16 Fund shall be made available to the Secretary of Trans-  
17 portation on October 1 of each fiscal year without further  
18 appropriation for making expenditures to meet the obliga-  
19 tions of the United States to carry out sections 5506 and  
20 5507 of title 49, United States Code, not more than 1  
21 percent of which for any fiscal year may be used for ad-  
22 ministrative expenses.”.

23 (b) CLERICAL AMENDMENT.—The table of sections  
24 for subchapter A of chapter 98 of the Internal Revenue

1 Code of 1986 is amended by adding at the end the fol-  
 2 lowing new item:

“Sec. 9512. Freight Trust Fund.”.

3 **SEC. 6. FREIGHT MOBILITY INFRASTRUCTURE TAX.**

4 (a) IMPOSITION OF TAX.—Chapter 33 of the Internal  
 5 Revenue Code of 1986 is amended by adding after sub-  
 6 chapter C the following new subchapter:

7 **“Subchapter D—Transportation by Freight**  
 8 **and Highway**

“Sec. 4286. Imposition of tax.

9 **“SEC. 4286. IMPOSITION OF TAX.**

10 “(a) IN GENERAL.—There is hereby imposed upon  
 11 taxable ground transportation of property within the  
 12 United States a tax equal to 1 percent of the amount paid  
 13 for such transportation.

14 “(b) BY WHOM PAID.—

15 “(1) IN GENERAL.—Except as provided by  
 16 paragraph (2), the tax imposed by subsection (a)  
 17 shall be paid—

18 “(A) by the person making the payment  
 19 subject to tax, or

20 “(B) in the case of transportation by a re-  
 21 lated person, by the person for whom such  
 22 transportation is made.

23 “(2) PAYMENTS MADE OUTSIDE THE UNITED  
 24 STATES.—If a payment subject to tax under sub-

1 section (a) is made outside the United States and  
2 the person making such payment does not pay such  
3 tax, such tax—

4 “(A) shall be paid by the person to whom  
5 the property is delivered in the United States  
6 after the final segment of transportation in the  
7 United States, and

8 “(B) shall be collected by the person fur-  
9 nishing the last segment of such transportation.

10 “(3) DETERMINATIONS OF AMOUNTS PAID IN  
11 CERTAIN CASES.—For purposes of this section, rules  
12 similar to the rules of section 4271(c) shall apply.

13 “(c) TRANSPORTATION BY RELATED PERSONS.—In  
14 the case of transportation of property by the taxpayer or  
15 a person related to the taxpayer, the fair market value  
16 of such transportation shall be the amount which would  
17 be paid for transporting such property if such property  
18 were transported by an unrelated person, determined on  
19 an arms’ length basis.

20 “(d) DEFINITIONS.—For purposes of this sub-  
21 chapter—

22 “(1) TAXABLE GROUND TRANSPORTATION.—

23 “(A) IN GENERAL.—The term ‘taxable  
24 ground transportation’ means transportation of  
25 property by—

1 “(i) freight rail, or

2 “(ii) commercial motor vehicle (as de-  
3 fined in section 31101(1) of title 49,  
4 United States Code) for a distance of more  
5 than 50 miles.

6 “(B) PASSENGER BAGGAGE EXCLUDED.—  
7 For purposes of subparagraph (A), the term  
8 ‘property’ does not include baggage accom-  
9 panying a passenger traveling on an established  
10 line.

11 “(2) RELATED PERSON.—A person (hereinafter  
12 in this paragraph referred to as the ‘related person’)  
13 is related to any person if—

14 “(A) the related person bears a relation-  
15 ship to such person specified in section 267(b)  
16 or 707(b)(1), or

17 “(B) the related person and such person  
18 are engaged in trades or businesses under com-  
19 mon control (within the meaning of subsections  
20 (a) and (b) of section 52).

21 For purposes of the preceding sentence, in applying  
22 sections 267(b) and 707(b)(1), ‘10 percent’ shall be  
23 substituted for ‘50 percent’ each place it appears.

24 “(e) TRANSFER OF AMOUNTS EQUIVALENT TO TAX  
25 TO FREIGHT TRUST FUND.—There are hereby appro-

1 priated to the Freight Trust Fund amounts equivalent to  
2 the taxes received in the Treasury under subsection (a).

3       “(f) EXEMPTION FOR UNITED STATES AND POSSES-  
4 SIONS AND STATE AND LOCAL GOVERNMENTS.—The tax  
5 imposed by subsection (a) shall not apply to the transpor-  
6 tation of property purchased for the exclusive use of the  
7 United States, or any State or political subdivision there-  
8 of.”.

9       (b) CREDITS OR REFUNDS TO PERSONS WHO COL-  
10 LLECTED CERTAIN TAXES.—Section 6415 of such Code is  
11 amended by striking “or 4271” each place it appears and  
12 inserting “4271, or 4286”.

13       (c) REGULATIONS.—Not later than 180 days after  
14 the date of the enactment of this Act, the Secretary of  
15 the Treasury shall issue regulations to carry out the  
16 amendments made by this section.

17       (d) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to transportation beginning on or  
19 after the last day of the 180-day period beginning on the  
20 date of the issuance of regulations under subsection (e).

○

