



## Legislation

October 16, 2009

**Energy & Water Passes** – The FY2010 Energy and Water Appropriations bill is being sent to the President for his signature after passing the Senate yesterday by an 80-17 vote; it cleared the House on October 1<sup>st</sup> by a 308-114 vote. The bill provides \$33.5 billion in FY2010. Of that amount, the Army Corps of Engineers receives \$5.4 billion, \$43 million above FY2009. \$2.4 billion of the Corps funding will go towards Operations and Maintenance; \$2 billion will go towards Construction; and \$160 million for Investigations. Mississippi River and Tributaries receives \$340 million. The bill also includes \$6.276 million for pre-construction engineering and design (PED) for the Navigation & Ecosystem Sustainability Program (NESP). NESP includes the locks and dams on the Upper Mississippi River system.

To view how members of Congress voted, go to: <http://clerk.house.gov/evs/2009/roll752.xml> and [http://www.senate.gov/legislative/LIS/roll\\_call\\_lists/roll\\_call\\_vote\\_cfm.cfm?congress=111&session=1&vote=00322](http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=111&session=1&vote=00322). The complete text of the Energy and Water Conference Report can be found at: [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_reports&docid=f:hr278.111.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:hr278.111.pdf); a summary of the report can be found at: [http://appropriations.house.gov/pdf/EW\\_FY10\\_conference-09.30.2009.pdf](http://appropriations.house.gov/pdf/EW_FY10_conference-09.30.2009.pdf).

**Administration Continues Support for Long-Term Extension** – Secretary of Transportation Ray LaHood reiterated the administration’s longstanding position for an eighteen month extension to the surface transportation bill during an interview yesterday with Minnesota Public Radio. Secretary LaHood cited the funding problem as the major obstacle to quick passage saying, “When the bill expired at the end of September, there was no way were going to find \$500 billion to do the kind of bill that the president wants, that Ray LaHood wants, that Jim Oberstar wants, that the vast majority of Congress wants.”

Congress reauthorizes a surface transportation plan every six years. The current version of the surface transportation plan – the “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users” (SAFETEA-LU) – was scheduled to expire, but Congress included a one month extension to SAFETEA-LU in the continuing resolution on September 30<sup>th</sup>, 2009. House Transportation and Infrastructure Chairman Jim Oberstar (D-MN) continues to push short-term extensions saying the need to upgrade our transportation infrastructure cannot be put off for eighteen months, and that a long-term extension will put off indefinitely action on the reauthorization bill reported out of his committee earlier this summer.

**Freight Fright** - The *National Journal* has published an overview of the U.S. transportation system titled “The Coming Freight Fright” that spells out the challenges facing our aging infrastructure:

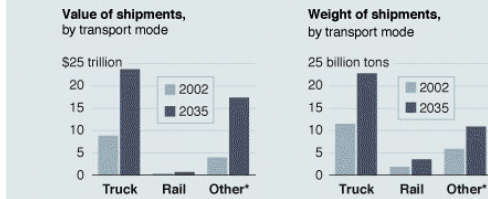
*But the network for moving goods that serves (the U.S.) operates on a transcontinental railroad system laid down in the late 19th century and an interstate highway system built in the second half of the 20th century. Without efficient freight transportation, commerce cannot thrive, the economy cannot grow, and businesses cannot compete in the global marketplace.*

The expected growth in freight traffic by rail and truck was enumerated in both word and graph. Note that “Other” in the graph below includes water, and that the DOT does not project “Other” tonnage to grow as much as truck tonnage:

*The primary surface transportation modes for shipping freight -- rails and roads -- anticipate huge traffic increases in next few decades. The Association of American Railroads predicts that freight rail movement will grow 88 percent by 2035, and the American Trucking Associations estimates that the trucking industry will haul 31 percent more tonnage in 2020 than it does today, an increase that would require 26 percent more trucks on the road driving 27 percent more miles than they do now.*

### Two Ways To Measure Freight

Trucks are expected to remain the dominant mode of freight transport, both in terms of value and weight of total shipments. Railroads transport much less in terms of value, but their importance rises slightly when shipments are measured by weight.



\*Includes air, water, and pipelines.  
 SOURCES: Transportation Department, Federal Highway Administration

The article notes that this projected explosion in freight traffic has caused an unusual consensus to form among transportation trade groups, the business community, and environmentalists over the need to address the problem; and also, that stakeholders recognize the need to find ways to pay for the solution. Railroads are promoting a 25 percent infrastructure investment tax credit for rail capital improvements, while the trucking industry supports a new Freight Corridors Initiative funded through increased diesel taxes.

The article in full can be found at: [http://www.nationaljournal.com/njmagazine/id\\_20090926\\_1260.php](http://www.nationaljournal.com/njmagazine/id_20090926_1260.php) (however, subscription required)

**Rail Applications Swamp Available Stimulus Funds** – The Federal Railroad Administration announced that the initial 278 pre-applications for the \$8 billion in stimulus funds available for high-speed passenger and freight rail systems totaled more than \$102 billion. Even after initial reviews pared the numbers down, over 250 applications totaling \$57 billion were still competing for funding. Although the first awards were to take place this month, the large number of applications has delayed the initial announcements. However, FRA Administrator Joseph Szabo stated that the agency “will be announcing all awards this winter.”

Freight rail lines could receive significant funds to upgrade infrastructure since passenger trains use freight-owned rail corridors.

### Surface Transportation Board

The Surface Transportation Board (STB) announced on October 7<sup>th</sup> that the board will begin hearing public oral arguments in major cases. STB chairman Daniel Elliott noted that giving parties to the proceedings and board members the ability to directly interact would “demystify the process” and “help us make better decisions.”

Only counsel for the parties appearing before the board will be allowed to participate, and the oral argument format at the STB is intended to resemble proceedings in federal appellate courts. The first major case to use oral arguments is scheduled for October 27<sup>th</sup> in a reciprocal switching dispute between Entergy Arkansas, Inc. and Union Pacific Railroad Company and Missouri & Northern Arkansas Railroad Company, Inc.

The notice for the hearing can be viewed at:

[http://www.stb.dot.gov/\\_85256593004F576F.nsf/0/90F7D4182B0C63B585257648006938A5?OpenDocument](http://www.stb.dot.gov/_85256593004F576F.nsf/0/90F7D4182B0C63B585257648006938A5?OpenDocument)



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