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SPECIAL POINTS OF INTEREST

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**BIPARTISAN SUPPORT FOR LONG-TERM TRANSPORTATION BILL AND HIGHWAY TRUST FUND SOLUTION**

In the [August, 2014 issue](#) of THE SOURCE, we printed the full text of an open letter to Congress from current and former DOT secretaries representing both political parties, in which they appealed to Congress to pass the short-term measure on the floor at that time to authorize funding for the nearly insolvent Highway Trust Fund through May of 2015, and to consider a longer term solution to address the needs of the nation's infrastructure rather than continuing the practice of "kicking the can down the road". The short-term measure was passed, but as we approach the end-date of this latest stop-gap fix, the question of how we invest in transportation and commit to the American economy is certain to resurface and lead to endless debate and power-brokering.

But this time may be different. On February 11, 2015, a bipartisan letter authored by Rep. Reid Ribble (R-WI), Rep. Tom Reed (R-NY), Rep. Dan Lipinski (D-Ill), and Rep. Bill Pascrell, Jr. (D-NJ), and signed by nearly 300 members of the House of Representatives, was addressed to House Speaker John Boehner (R-OH) and Minority Leader Nancy Pelosi (D-CA), urging Congress to enact a multi-year transportation bill that would meet the country's economic and infrastructure needs. The letter reads as follows:

"Dear Speaker Boehner and Minority Leader Pelosi:

"Republicans and Democrats in the House of Representatives have consistently recognized the importance of a well-functioning and efficient transportation network in the United States. We know that our country needs robust transportation infrastructure to compete in the global economy and that without such a network, the United States will be less able to realize future economic growth.

"Very simply, we support transportation and infrastructure investment because our economy needs a national system to safely move people and deliver goods from place to place. Our constituents in the manufacturing, construction, agriculture, energy, and distribution sectors rely heavily on our network of roads and bridges to move the products that make us competitive around the globe.

"We were pleased that Congress was able to enact the Moving Ahead for Progress in the 21st Century Act (MAP-21) in 2012, but we are more troubled by the significant uncertainty that has plagued federal highway and transit policy in recent years. In the last decade, there have been nine short-term extensions of highway and transit programs. This kind of

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## BIPARTISAN SUPPORT FOR TRANSPORTATION SOLUTION

uncertainty impedes economic growth and makes it difficult for our country to fulfill its competitive potential.

“The current extension of the Highway Trust Fund is slated to expire on May 31, 2015. This is not a long way off. We are united in our conviction that now is the time to end the cycle of short-term extensions that kick the can down the road by doing the work needed to pass a multi-year surface transportation reauthorizing bill. To make this happen, we support efforts to develop a long-term sustainable revenue source for our nation’s transportation network as soon as possible. Otherwise, we will not be able to enact a transportation bill that truly meets our country’s economic and infrastructure needs.

“We respectfully urge you to move a responsibly paid-for multi-year surface transportation bill that will support much needed economic growth throughout our nation. We stand ready to work with you on this endeavor in the coming months.”

Response to the letter from transportation industry groups has been cautiously optimistic. Steve Sandherr, co-chair of the Transportation Construction Coalition (a consortium comprised of builders’ unions and associations, professional engineering organizations, materials manufacturers organizations, and surety bond organizations) and CEO of the Associated General Contractors of America, said “At a time when Congress can’t seem to agree on much, the fact so many members of Congress back passage of a highway and transit bill shows how important this measure is for Democrats and Republicans alike. While getting the details, particularly the finances, of any such legislation right will not be easy, the fact is there is a broad consensus within the Congress that this measure must be a top priority. Over the coming weeks we will work aggressively to urge the Congressional leadership to push for swift action, and passage of a new, fully-funded, long-term surface transportation bill.”

If you would like to see the full letter and signatures, [click on this link](#).

SOURCE: Congressional letter dated February 11, 2015; ARTBA article—2/24/15.

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## FHWA’S TRAFFIC INCIDENT MANAGEMENT TRAINING GAINS MOMENTUM

Traffic incidents, including crashes, disabled vehicles and debris on the road, create unsafe driving conditions, put motorists’ and responders’ lives at risk, and account for approximately 25% of all traffic delays. For each minute that a free-way travel lane is blocked during peak use, an estimated 4 minutes of delay result after the incident is cleared. This translates to about 4.2 billion hours per year in delays, and more than 2.8 billion gallons of gasoline burned every year while vehicles are stuck in incident-related traffic.

In 2012 the Federal Highway Administration (FHWA) launched a national, multi-disciplinary traffic incident management (TIM) process and training program, aimed at promoting an understanding for first responders of the requirements for safe, quick clearance at traffic incident scenes; prompt, reliable and open communications; and motorist and responder safeguards. TIM efforts include training in best practices for detecting, verifying and responding to incidents; clearing the incident scene; and restoring traffic flow. Based on the nature of the scene, first responders may include law enforcement,

fire, transportation, emergency medical services, public safety, towing and recovery, public works, and HAZMAT disciplines.

First responders learn how the placement of response vehicles can either aid or impede another discipline’s efforts and can impact how quickly traffic flow can be restored. They also learn about human behavior in highway safety to help prevent additional injuries or delays that may result from secondary crashes occurring near the initial incident site.

A recent update from the FHWA has revealed that the nation’s cadre of emergency responders trained through this program is growing. Alaska, for example, is well on its way to meet its goal of training 10% of the state’s responders, and in Nebraska, nearly 2200 first responders have completed the training in traffic incident best practices.



SOURCE: FHWA 2012 EDC Initiative; FHWA update—2/20/15.

## ALL QUIET ON THE WESTERN FRONT

After nine months of negotiations, increasingly rancorous rhetoric and finger-pointing, and costly delays and disruptions, it seems that the West Coast port dispute is finally at an end. In a joint statement issued on February 20, the Pacific Maritime Association and the International Longshore and Warehouse Union announced a tentative agreement on a new five-year contract covering workers at all 29 West Coast ports. The deal was reached with assistance from U.S. Secretary of Labor Tom Perez and Federal Mediation and Conciliation Service Deputy Director Scot Beckenbaugh. Invocation of the Taft Hartley Act was, thankfully, avoided.

“After more than nine months of negotiations, we are pleased to have reached an agreement that is good for workers and the industry,” said PMA President James McKenna and ILWU President Bob McEllrath in the joint statement. “We are also pleased that our ports can now resume full operations.”

The details of the contract have not been made public, as both organizations go through the ratification process. In the case of the ILWU, the process will begin in March. Delegates will meet in caucus for one week and determine whether to recommend the proposed contract to the general membership. If recommended, the full text will be submitted to the rank and file, meetings will be held at individual ports, and a vote by secret ballot will be taken. The process could take several weeks to several months, but work will continue as normal at all ports while this process takes place.

Noticeably absent from the brief announcement was any acknowledgement of or regrets for the economic damage and significant inconvenience inflicted upon shippers and retailers, not to mention the ripple effect on port truckers and on manufacturers who experienced operational slowdowns because of their reliance on parts from Asia.

Also missing was any projection as to when the ports will clear the backlog of cargo ships waiting at anchor and be ready to operate at 100% capacity again. Phillip Sanfield, spokesperson for the Port of Los Angeles, said 35 cargo ships were anchored and waiting outside the Ports of Los Angeles and Long Beach on Monday morning, February 23.

“Yes, the backlog of ships will exist for a while,” he told *Land Line Magazine*. “We expect it will take about two to three months to catch up.” That’s months. Not days, not weeks—months.

The West Coast ports have historically been the destination of

choice for shipping from Asia because they have more marine terminal and infrastructure capacity to efficiently move cargo to market than any other ports can offer. When the logistics chain is working properly, the ports of Los Angeles—Long Beach offer the fastest time to market and most frequent and direct intermodal service to inland distribution hubs such as Chicago, Columbus, Atlanta, Kansas City, and Dallas.

All of these destinations, however, can also be served from East and Gulf Coast ports, and with the scheduled completion of the Panama Canal expansion project in early 2016, the erosion of trust and confidence in the reliability of West Coast ports may lead many shippers to permanently divert their cargo to other ports. In a recent survey conducted by the *Journal of Commerce*, 65% of shippers surveyed said they plan to ship less cargo through West Coast ports this year and in 2016 after suffering congestion delays, with 38.8% citing U.S. East Coast ports, 16.1% through U.S. Gulf Coast ports, and the rest primarily through western Canadian ports.

Many retailers who had not felt the effects of the West Coast delays in 2014 are beginning to in early 2015 as inventory levels are pinched by late deliveries. Spring shippers are also being advised to prepare for higher trucking rates and tightening of capacity as a result of surge in demand.

On a separate but related note, Rep. Janice Hahn (D-CA) called on the House Budget Committee to increase funding for U.S. ports, as the Harbor Maintenance Trust Fund is slated for a shortfall in funding in the fiscal 2016 budget. This will seriously compromise the ability of U.S. ports to prepare for the larger vessels that will be able to traverse the Panama Canal.

Hahn also urged the Federal Maritime Commission to investigate the questionable storage charges imposed by the PMA during the contract negotiations for containers on the docks that were unable to be loaded or unloaded due to labor shortages caused by the curtailing of night, weekend and holiday hiring of dockworkers. It should also be noted that the PMA has alleged that the ILWU held back vital skilled labor during the contract negotiations impasse.

So, the good news is that an outright general strike at the West Coast ports has been averted. The bad news is that we get to do this all over again in five years.

*SOURCE: PMA/ILWU Joint Statement—2/20/15; Journal of Commerce continuing coverage.*

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Established in 1990, OUTSOURCE, Inc. offers a complete range of freight management services and supply chain solutions to help you improve control and increase profitability.

OUTSOURCE specializes in worldwide logistics and transport, offering your organization an optimized transportation management solution. Our customer-driven approach to doing business allows us the flexibility to select services and solutions that best serve our clients' individual needs, and our extensive collective experience in distribution, warehousing, retailing and transportation logistics provides us with the expertise to make it happen.

Air, sea, rail and truck—we can handle all of your domestic and international shipping logistics and transport needs, freeing you to do what you do best.....grow your business.



## TRIVIA

1. Who was the last president of the Soviet Union?
2. What inventor averaged one patent for every three weeks of his life?
3. Who is the all-time leading NCAA Division 1 scorer—Jerry Lucas, Kareem Abdul-Jabbar, Wilt Chamberlain, or Pete Maravich?
4. What was the first NCAA Men's Basketball championship team to finish the season undefeated—Santa Clara, UCLA, Oregon, or San Francisco?

*[Click here for answers to Trivia questions.](#)*