Comments of the Transportation Departments of Idaho, Montana, North Dakota, South Dakota, and Wyoming to the

Office of the Secretary, United States Department of Transportation in

Docket No. DOT-OST-2024-0047

Request for Information on Goals, Criteria, Thresholds, and Measurable Data Sources for Designating the National Multimodal Freight Network

June 7, 2024

The transportation departments of Idaho, Montana, North Dakota, South Dakota and Wyoming ("we" or "our") respectfully submit these comments in response to the Request for Information published by the United States Department of Transportation ("USDOT") in the above-referenced docket. 89 <u>Fed. Reg.</u> 25913 (April 12, 2024) (hereinafter "RFI"). In the RFI USDOT seeks information to assist it in designating a National Multimodal Freight Network ("NMFN").

Executive Summary

We view this RFI and USDOT's new effort to designate a NMFN against the backdrop of USDOT's 2016 release of an Interim NMFN (see 81 Fed. Reg. 36381, June 6, 2016) that had woefully limited highway mileage of roughly 51,000 centerline miles. That Interim NMFN lacked connectivity to serve goods movement and people, inequitably providing little service in rural States and tribal areas. We are pleased that the 2016 Interim NMFN was never adopted.

Yet today's USDOT could be on a path to a similarly inadequate and inequitable proposal, as the RFI indicates that USDOT is at least considering for the highway component of a NMFN the National Highway Freight Network ("NHFN") and its 60,110 centerline miles, a similarly limited and inadequate network.¹ As discussed below, to provide a connected system to move freight, and equitably extend to rural America service on a NMFN and the related economic promise, USDOT must include in the NMFN a far, far more extensive highway component.

Accordingly, we strongly recommend that the highway component of the NMFN include at least the full National Highway System ("NHS") and its 221,172 centerline miles, plus some opportunity for State-by-State additions. This is highly appropriate, as the NHS is an established system, strongly supported by Congress, with NHS routes eligible for highway freight discretionary funds under 23 USC 117 and broadly eligible for funding under most Federal highway formula programs. See, e.g., the National Highway Performance Program (NHPP) and the Surface Transportation Block Grant Program (STP).

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¹ See discussion RFI at 25915. The NHFN mileage includes rural and urban connectors.

<u>Discussion and Additional Points -- The Importance of Highway Movement of Freight Requires a Highway Component of the NMFN that is Far, Far More Extensive than the NHFN or the Highway Component of the 2016 Interim NMFN</u>

In the balance of these comments, we begin by elaborating on our key point -- that the NMFN must include a strong highway component, namely the NHS (and potentially additional mileage). We are not against any inclusion in the NMFN of facilities or mileage of other modes. But the highway mode, which carries the most freight by volume and value, must be well represented in terms of mileage, as we suggest, in any reasonable concept of a multimodal freight network.

More specifically, USDOT's Bureau of Transportation Statistics ("BTS") has on its website a summary of "Weight and Value of Freight Shipments by Domestic Mode." That summary shows (for 2017) 11.5 billion tons of freight moved by truck out of a total of 17.8 billion tons, or 64.6%. As 0.496 billion tons were moved by "multiple modes" and 0.209 billion tons had no assigned mode, the truck share was likely even higher than that 64.6%. As to freight value, \$12.4 trillion of \$17.5 trillion in freight value was moved by truck, nearly 71%. And again, with some value not specifically assigned by mode, the truck share likely was slightly higher.

The U.S. system of public roads totals 4.2 million centerline miles. The 221,172 miles of the NHS constitutes 5.3% of the total.² That is a very focused subset, yet extensive enough to provide connectivity and a system that serves freight throughout the nation.

In contrast, a highway component of 50-60,000 miles has been widely viewed as inadequate. In 2016, AASHTO wrote in docket comments that:

The 51,000-mile highway component of the 2016 Interim NMFN was "insufficient, inadequate and poorly connected;"

"The draft NMFN does not include many important freight corridors/routes that should be part of such a national system;" and

"Not only do highways carry more freight than the other modes, they provide much of the connectivity, resilience and flexibility for the overall NMFN, not just for its highway component."

Our principal concern in this docket is that USDOT not propose a limited highway component of the NMFN. Instead, the final NMFN must include significantly greater highway mileage than was included in the Interim NMFN in 2016 or in today's NHFN. And a well vetted option is available – the NHS – which could be adjusted in individual States based on State requests.

There is no legal barrier to this approach. USDOT correctly believes it has authority to include a highway component longer than the NHFN³ and has not suggested that the law sets a limit on the mileage of the highway component of the NMFN.

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² <u>See Highway Statistics 2021, Table HM-18.</u>

³ See RFI at 25915.

In contrast to the limited mileage of the NHFN, the NHS has approximately 221,000 centerline miles, and has been designated to "serve interstate and interregional travel and **commerce.**" 23 USC 103(b)(1) (emphasis supplied). When the NHS was first designated in 1995, it had about 25% less mileage but still carried an estimated 70% of the nation's truck freight traffic. That is clearly a freight network and provides a superior aid to State planners to consider, along with other factors, for preservation and potential investments, as highway facilities are important for both passenger and freight travel. Plus, today's NHS has been well-vetted as a connected system serving major freight and passenger routes (and still represents only roughly 5% of U.S. public road mileage).

For a highway component of the NMFN that serves the public interest in a connected transportation system, USDOT should provide that the highway component of the NMFN within each State is the NHS, or at least as much of the NHS in the State as the State chooses to include, and could include additional routes at State request. Such extent for the highway component of the NMFN is clearly available for designation under a number of the 12 statutory factors⁴ that are, properly, flexible, such as –

- 5. "access to major areas for manufacturing, agriculture, or natural resources;"
- 6. "access to energy exploration, development, installation, and production areas" which includes not only fossil fuel energy, but biofuel production and wind and solar power development, with the facilities for such energy development and production activities being located almost exclusively in rural areas;
- 7. "intersections" of highways "that promote connectivity;" and
- 10. "facilities and transportation corridors identified by a multi-State coalition, a State, a State freight advisory committee, or an MPO, using national or local data, as having critical freight importance to the region," a factor that properly gives deference to facilities identified by the State as important (especially as State-identified facilities and routes have strong support in the State, as is consistently the case for our 5 departments).

Moreover, it is noteworthy that USDOT's 2016 Interim NMFN captured an extremely high percentage of freight moving by the modes other than highway that are part of the NMFN.

For example, the 2016 Interim NMFN included over 104,000 rail miles representing roughly 75 percent of all rail miles (including 100% of Class I owned rail miles) and an unspecified but likely very high percentage of all freight rail traffic (perhaps 90 percent or more), even though the above noted BTS data shows rail as 9-10% of freight by volume and roughly 4% by value.

However, to correct the discrepancy in extent of coverage by mode, we do not suggest that the final NMFN include fewer rail miles or ports or airports or waterways than did the 2016 Interim NMFN. USDOT should be open to adding to those components and should add to them upon requests from the States.

⁴ Set forth in 49 USC 70103(b)(2) and repeated by USDOT in the RFI at 25914-15.

The principal change that is required, however, is for USDOT to include in the final NMFN a very substantial increase in highway mileage compared to the 2016 Interim NMFN or the NHFN.

This change is clearly warranted. Unlike the proposals regarding the extent of the systems included in the draft NMFN for other modes, the draft NMFN's highway component does not even approach 90 percent of freight traffic moved on highways; nor does it represent a significant portion of the highway network. Highways should, however, receive comparable treatment – or at least much less disparate treatment. Not only do highways carry much more freight, they provide much of the connectivity, resilience and flexibility for other modes and their less extensive overall networks. Highways connect ports and railroads, for example, to wider collection and distribution systems.

Consider the following. USDOT's Freight Facts and Figures 2009, table 3-5, reported that 49 percent of truck VMT is on the Interstate System and an additional 26 percent of truck VMT is on other NHS miles.

USDOT has also noted that 64-70 percent of freight is moved by truck (depending on whether tonnage or value is considered). Assuming truck freight today continues to be carried on the Interstate System and NHS in proportions similar to as noted in that 2009 report, then non-Interstate NHS freight traffic represents .26 x .64 or 16-17 percent of the nation's freight, in itself a much higher share of the freight than the share for each of the rail, air, and water modes. Yet those non-Interstate NHS miles are almost entirely excluded from the 2016 Interim NMFN and from the NHFN, in strong contrast to the very substantial inclusion in the 2016 Interim NMFN of the other modes' overall systems.

Moreover, increased mileage is needed to ensure a connected system, particularly west of the Mississippi River. With vast distances between highways in the west that are on the NHFN, the highway component of the NMFN must include far, far more mileage than does the NHFN (even with connector routes) to provide anything resembling adequate highway and multimodal connectivity in the NMFN.

For example, on the 2016 Interim NMFN and on the NHFN, between where I-29 meets the Canadian border in eastern North Dakota and where I-5 meets the Canadian border in western Washington -- a distance of roughly 1,500 miles -- there is only one North-South transnational route, I-15.

In addition, East-West it is over 550 miles between Interstate 29 in South Dakota and Interstate 25 in Wyoming. Further, North-South it is approximately 240 miles between Interstate 90 in South Dakota and Interstate 94 in North Dakota.

The gaps between routes on the 2016 Interim NMFN (and also between routes on the NHFN) in our States is so vast that there are large States located east of the Mississippi River that can fit in the gaps between highway miles on the NHFN or the 2016 Interim NMFN in rural western States.

Clearly, more highway system mileage must be included in the NMFN for the NMFN to be able to provide access to the various facilities identified in statute as being of concern, such as areas for agriculture and natural resources, manufacturing, energy exploration and development, and others. Additional mileage is also essential to achieving other freight policy goals set forth in 49 U.S.C. 70101(b), particularly system resiliency and improving the movement of goods between population centers across rural areas or between rural areas and population centers.

Distances between alternative highway freight routes, multimodal freight routes, and STRAHNET routes should be considered as criteria in finalizing the NMFN. Reasonable distances between routes are needed for the purposes of resiliency, sustainability of strong supply chains, national and regional security, and equity for rural America, including tribal communities, associated with connectivity and access.

And, as explained at page 3, *supra*, factors such as access to agricultural and energy production areas are flexible enough – and more than important enough – to warrant inclusion of many, many additional miles (NHS plus) in the highway component of the NMFN, compared to the NHFN. Further, American agriculture and American energy not only help meet important basic economic needs, but also help limit the country's trade deficit.

Given the high proportion of the nation's freight carried by truck on highways, the more inclusive approach to mileage and facilities of other modes on the draft NMFN, and the considerable number of policies that would be advanced by greatly increasing highway mileage on the NMFN compared to the 2016 Interim NMFN, it is clear that USDOT must greatly increase the highway miles on the NMFN compared to the 2016 Interim NMFN.

In short, highway mileage on the NHFN and the 2016 Interim NMFN is seriously inadequate and does not provide for a connected and resilient NMFN. For at least the above reasons, in finalizing the highway component of the NMFN, USDOT <u>must</u> include the NHS (or grant requests by States to add their respective NHS highway mileage) and, as appropriate, allow a State to add some mileage to the highway component of the NMFN in addition to the State's NHS mileage.

Responses to Specific Questions

We turn now to our responses to specific questions posed by USDOT in the RFI.

1. Which of [several listed purposes] is most important to ensuring the NMFN provides a foundation for the U.S. to compete in the global economy and why?

Of the listed options, a designated NMFN could assist State and local governments in considering how they might direct investments towards overall improved freight system performance. We add, however, that we do not see this as likely to provide benefit beyond what is already available to State and local governments by considering NHS routes, which are intended to assist freight movement as well as personal mobility.

We see the prioritization of Federal investments, a listed option, as a solely Congressional

prerogative, not something for USDOT to attempt to address in a back door manner through a system designation. We consider it important that the designated NMFN in NO WAY be used prioritize Federal investment decisions. We support maximizing distribution of funds by formula distribution to States with States having flexibility in making specific project investments.

2. How do you plan to use the National Multimodal Freight Network once it is designated?

If the highway component is a limited mileage system, as proposed by USDOT in the 2016 Interim NMFN, or as set forth in the NHFN, it will be of little if any use. The NHS, however, would be available as an appropriately larger focus for planning so that transportation investments can support freight movement, personal mobility and the economy through a more connected system of highways and other modes. If the system is of limited mileage, its ability to serve the needs of disadvantaged communities, such as rural and tribal communities, would be extremely limited. By contrast, the NHS includes virtually all highways important for freight while also serving personal mobility for many.

3. (A) How should USDOT prioritize the twelve factors⁵ in designating route miles and facilities on the NMFN? (B) Which factors are most important to ensuring the network provides a foundation for the U.S. to compete in the global economy? (C) Which factors are most important to ensuring the NMFN serves regional and State goals?

General remarks regarding Question 3. Responses to question 3 may depend upon how USDOT construes and applies terms used in the twelve factors. For example, all other things being equal, a transportation network that provides important support to exports should be more valuable than one facilitating imports. Imports have less impact on creating jobs and economic multipliers in the United States.

For access to energy, USDOT must not forget access to agricultural areas that support biofuel development, or rural areas for location of wind turbines, which are extremely controversial in more densely populated areas.

⁵ Factors as set forth in the RFI at 25914-15.

^{1.} Origins and destinations of freight movement within, to, and from the United States;

^{2.} Volume, value, tonnage, and the strategic importance of freight;

^{3.} Access to border crossings, airports, seaports, and pipelines;

^{4.} Economic factors, including balance of trade;

^{5.} Access to major areas for manufacturing, agriculture, or natural resources;

^{6.} Access to energy exploration, development, installation, and production areas;

^{7.} Intermodal links and intersections that promote connectivity;

^{8.} Freight choke points and other impediments contributing to significant measurable congestion, delay in freight movement, or inefficient modal connections;

^{9.} Impacts on all freight transportation modes and modes that share significant freight infrastructure;

^{10.} Facilities and transportation corridors identified by a multi-State coalition, a State, a State freight advisory committee, or an MPO, using national or local data, as having critical freight importance to the region;

^{11.} Major distribution centers, inland intermodal facilities, and first- and last mile facilities; and

^{12.} The significance of goods movement, including consideration of global and domestic supply chains.

"Intersections that promote connectivity" must include highway intersections between roads on the NMFN and roads that are not on the NMFN, so that the NMFN can reach, directly or through road connections, the farms, grain elevators, wind turbines and oil and gas wells where agriculture, energy, and other natural resources are located. Facilities and transportation corridors identified by a State as having critical freight importance to a region must be construed as including all NHS routes, as they were already supported by States and others to be included on the NHS – and not require a State to resubmit them. Such NHS routes can also be lengthy, promoting connectivity across rural areas between major metropolitan areas.

<u>Specific Replies, Question 3</u>. Responses below refer to the twelve factors listed in the RFI at 25914-15 and set forth in n. 5, *supra*.

- (A) How should USDOT prioritize the twelve factors in designating route miles and facilities on the NMFN? (10), (7), (5), (6), (4), (12) (especially as applicable to exports), (11), (8) (especially as applicable to exports), (3), (1), (9) and (2).
- (B) Which factors are most important to ensuring the network provides a foundation for the U.S. to compete in the global economy? (10), (7), (5), (6), (4), and (12) (especially as applicable to exports).
- (C) Which factors are most important to ensuring the NMFN serves regional and State goals? (10), (7), (5), and (6).
- 4. Among the various statutory factors, volume, value, and tonnage are among some of the most quantifiable and readily comparable across modes and routes/corridors within modes. What thresholds should USDOT consider for volume, value, and tonnage for designating the NMFN?

There should not be a uniform threshold for volume and related concepts. Any thresholds that would apply in low population density States (e.g., 50 or fewer persons per square mile of land area) should be much lower than thresholds applied elsewhere. This would respect the vital need for a NMFN to provide to the nation the system connectivity, resiliency and redundancy benefits provided by NHS routes in rural States. We note that roads that are critically important during planting season, and harvest season, may have low annual volumes but are, indeed, very important during very important times of the year for agriculture.

We do not offer a view on thresholds for rail, pipelines or ports. However, we note that USDOT's 2016 Interim NMFN included a high percentage of ports, virtually all Class I rail mileage, and significant pipeline mileage, but only 1.2 percent of highway public road mileage. AASHTO objected to this underrepresentation of highways as part of the freight system. USDOT must include in the highway component of the NMFN the NHS system, perhaps except to the extent, if any, that a State asks for an NHS segment within that State to be excluded.

We also note that short line railroads can be of importance even if their volumes trail those of the Class I railroads. We suggest that USDOT agree to accept at least one short line rail route nominated by a State into the NMFN within that State, beyond rail mileage within the State already placed on the NMFN. These "short lines" may not be short in length, but can provide important service, including during harvest and planting seasons.

Further, volume and tonnage are quantifiable but that does not mean that such points of reference

are of high strategic importance in supporting the purposes of the NMFN and freight movement throughout the country. There are other important issues to be considered in the designation process, including promoting a connected national freight network that supports the national economy. To do that requires an extensive network that reaches grain elevators, warehouses, factories, biodiesel facilities, energy facilities, whether fossil fuel or alternative, such as wind, solar or biofuel, and other facilities that support and grow the national economy. The network must also include long stretches of NHS highways (including Interstate System routes) that help connect major cities hundreds or even over a thousand miles from each other. Those routes provide essential connections and also important redundancy in the highway network to ensure freight (and people) can traverse these distances. Absolute volume and tonnage thresholds also grossly understate the value of roads that have modest volumes except in harvest or planting seasons. Adequate transportation, including on roads, such as but not limited to designated NHS routes, during harvest and planting seasons are of strategic economic importance, for domestic food consumption, and also to facilitate agricultural exports and reduce the Nation's trade deficit.

As to the specific highway truck volume thresholds floated by USDOT in the RFI on page 25915, we reject them as absolutes. However, if USDOT would insist on making use of them (and we believe it should not), we suggest that the NHS be the NMFN highway component in rural States, such as those with population of 50 or fewer persons per square mile of land area. The volume thresholds could be applied only in more densely populated States.

5. Which of the 12 factors are most important for identifying network components that are critical to our economy but that may not stand out on a volume or value basis?

For the list of twelve factors see note 5, *supra*.

The following are most important: 5, 6, 7, and 10.

The following are of some importance: 4 and 11.

6. In the RFI, USDOT identified potential data sources for each of the 12 factors that were noted in the previous question. Please review the RFI for these data sources and advise whether there are other data sources or approaches USDOT should consider in applying these factors to the NMFN designation? Are there any concerns with using a particular data source listed [in the RFI] for the associated factor?

The currently designated NHS is in effect a data source as it reflects consideration of factors such as volumes of freight and passenger traffic, highway and multimodal connectivity, and broad support from States and others. The current NHS map in each State should be given dispositive weight in the NMFN designation process, subject to adjustment requests, if any, made by a State.

In addition, States have developed data for their freight plans, rail plans, asset management plans, and other plans and USDOT should consider them, the NHS, and any other State route designation requests in applying the twelve statutory factors.

USDOT must also constructively construe the statutory factors in order to achieve a successful highway component of the NMFN that is correctly far more expansive than the highway component in the 2016 Interim NMFN, with its paucity of highway mileage. A successful

NMFN will be an integrated system with the NHS as the highway component and aligned with plans and information the States have developed. Such an approach will have USDOT and States proverbially pulling the oars together for designation and use of a highway and multimodal transportation system, the NMFN, that will help the U.S. compete in the global economy.

7. In addition to the statutory factors listed, how should USDOT take into account the following factors in designating the NMFN: safety; climate and sustainability; equity; national defense; consistency with other Federally designated networks; and transformation (including emerging technologies and innovation)?

The currently designated NHS is in effect a data source, point of reference, and factor as it reflects consideration of factors such as volumes of freight and passenger traffic, and highway and multimodal connectivity. Also, the STRAHNET needs more attention in the NMFN designation process. We have also explained above that an extensive highway NMFN, such as the length of the NHS, is needed to effectively connect rural and tribal communities to the transportation system, an equity consideration.

As to the various environmental factors listed in this question, that this network is a multimodal network enables USDOT to, through designation, provide, as appropriate, some encouragement for use of non-highway modes. Inclusion of all STRAHNET highways and other modal facilities in the NMFN would be appropriate for defense considerations, to the extent that they are not already included in the NHS.

8. What other considerations should USDOT take into account in designating the NMFN?

As noted, USDOT should give far, far greater weight to highways in the NMFN than was given in the 2016 Interim NMFN. Highways are the land surface mode used to the greatest extent in moving freight. Yet, in 2016, USDOT designated only 51,000 of 4.2 million centerline miles of public highways for the NMFN while all or nearly all Class I rail mileage and most rail mileage was included. In this process, USDOT must allow a State to include as the highway component of the NMFN within its borders the full extent of the NHS within the State and even allow a State to request and add additional highway mileage.

To the extent that rural freight generators, such as grain elevators, regional warehouses, agricultural processing centers, energy production facilities of all kinds, and more are not located on an NMFN highway, a more extensive highway component of the NMFN, namely the NHS, is needed to help ensure that the NMFN is connected to the roads where those facilities are located, facilitating freight transportation and economic growth.

Accordingly, USDOT must designate, or authorize States to designate and add to the NMFN not only the NHS routes within their respective boundaries, but also short connector routes from NMFN routes to key rural freight facilities, including manufacturing centers, grain elevators, regional warehouses, agricultural processing centers, energy production facilities of all kinds, and more.

The NMFN designation also must give weight to the broad intent of the ROUTES Initiative included in section 25010 of the BIL The text of the section focuses on assisting rural and tribal

entities in applications for discretionary grants. However, if the highway component of the NMFN is small, it would be an unhelpful negative signal for investment in rural and tribal areas. Instead, as noted earlier, the highway component of the NMFN should be comprised of the 221,172-mile NHS system (plus some additions requested by States), for it to be a reasonably comprehensive road system with links to collector roads where many economically important facilities are sited.

The designation of the NMFN provides an opportunity to help improve the economy and quality of life in rural and tribal areas by, over time, facilitating the movement of agricultural, energy, other natural resources, and rural manufacturing output, to national and world markets. This will facilitate the equitable outcome of better connectivity (and a better economy) for rural and tribal areas and the entire country.

Conclusion

For at least all the reasons set forth in these comments, the transportation departments of Idaho, Montana, North Dakota, South Dakota, and Wyoming strongly recommend that the highway component of the NMFN include at least the full National Highway System (NHS) and its 221,172 centerline miles, plus some opportunity for State-by-State additions. This is highly appropriate, as the NHS is an established system, strongly supported by Congress, with NHS routes eligible for highway freight discretionary funds under 23 USC 117 and broadly eligible for funding under most Federal highway formula programs (e.g., NHPP and STP).

Only with such a highway component of the NMFN will the NMFN provide a sufficiently connected system to move freight, and equitably extend to rural and tribal communities the promise of transportation access and its related economic benefits.

Lastly, we strongly urge that USDOT propose such a system in its next notice in this matter. Now is the time for USDOT to serve the public interest by proposing and adopting a right-sized highway component of the NMFN that includes all NHS mileage and an opportunity for further additions.

We thank USDOT for its consideration and urge that the final NMFN designated in this docket be in accord with these comments.
