CONTENTS

1.0 INTRODUCTION ..................................................................................................................................... 1
1.1 Purpose ............................................................................................................................................ 1
1.2 Background ....................................................................................................................................... 1

2.0 INSTITUTIONS, ROLES AND RESPONSIBILITIES ............................................................................. 5
2.1 INTRODUCTION .............................................................................................................................. 5
2.2 Federal government ................................................................................................................................
   U.S. Department of Transportation (USDOT) .................................................................................. 5
   U.S. Department of Agriculture ........................................................................................................ 8
   U.S. Department of Commerce ........................................................................................................ 8
   U.S. Environmental Protection Agency (EPA) ................................................................................. 9
   U.S. Department of Homeland Security ........................................................................................... 9
   Army Corps of Engineers (USACE) ................................................................................................. 9
   General Services Administration (GSA) .......................................................................................... 10
2.3 New York State Agencies and Authorities ...................................................................................... 10
   Department of Transportation (NYSDOT) ..................................................................................... 10
   Department of Environmental Conservation (DEC) ........................................................................ 12
   Empire State Development (ESD) and Regional Economic Development Councils (REDC) ...... 12
   New York State Police (NYSP) ....................................................................................................... 13
   Department of Taxation and Finance ............................................................................................. 13
   New York State Thruway Authority (NYSTA) ............................................................................... 13
   New York State Canal Corporation ............................................................................................... 14
2.4 Metropolitan Planning Organizations ................................................................. 14
2.5 Local Governments .................................................................................................. 16
2.6 Public Freight Facility Operating Agencies ......................................................... 17
2.7 Multi-State and Bi-National Organizations ......................................................... 18
2.8 Private Sector Owners and Operators ................................................................. 23
  Railroads ...................................................................................................................... 23
  Trucking ....................................................................................................................... 25
  Pipelines and Terminals ............................................................................................. 25
  Maritime Ports ........................................................................................................... 25

3.0 FUNDING TRANSPORTATION IN NEW YORK STATE ............................................. 27

4.0 CHALLENGES AND OPPORTUNITIES ................................................................. 29
  4.1 Summary ................................................................................................................ 29
  4.2 Challenges .............................................................................................................. 29
  4.3 Opportunities ........................................................................................................ 31

List of Figures

FIGURE 1: LOCATIONS OF MPOS IN NEW YORK STATE, 2016 ................................................................. 15
FIGURE 2: INTERCONNECTEDNESS OF INSTITUTIONAL ROLES AND FREIGHT OPERATIONS .................. 30

List of Tables

TABLE 1: INSTITUTIONAL RESPONSIBILITIES ........................................................................ 3
TABLE 2: OVERVIEW OF NYS FREIGHT TRANSPORTATION FUNDING SOURCES AND USERS ........... 27
1.0 Introduction

1.1 PURPOSE
The businesses that ship, receive, and move freight make their business decisions in an environment that is influenced not only by market economies, but also by law and regulation as well as public and private investments in capital and operating improvements. Understanding the interactions of freight movement governance structures and institutions with these influences is important for developing a plan that will deliver useable results.

1.2 BACKGROUND
A complex set of institutions, policies, and regulations govern freight movement in New York State, whether urban goods movement or export to global markets. A range of public agencies, from the Federal government to local planning boards, play a role. In addition, many private businesses own and operate elements of the freight system, making significant decisions about investment and efficiency.

In many cases, law prescribes an institution’s role. For example, under Article 1, Section 8 of the Constitution of the U.S., the federal government has the authority “to regulate Commerce with foreign Nations, and among the several states, and with the Indian Tribes.” Known as the Commerce Clause, this empowers the federal government to regulate interstate commerce but limits its role in commerce that moves entirely within a state.

Authorizing legislation passed by Congress embodies Federal policy. The Fixing America’s Surface Transportation (FAST) Act, passed in December 2015, authorizes funding for the programs of Federal Highway Administration (FHWA) and the Federal Transit Administration through federal fiscal year 2020. Authorizing legislation establishes a spending ceiling for each of the programs. The FAST Act made some significant changes related to freight, including providing dedicated highway funding for freight for the first time. The law also established a new freight-related grant program, and modified freight policy and planning provisions. These changes modified titles 23 and 49 of the US Code, where the vast majority of freight provisions reside. There are similar authorizations for each of the USDOT modal administrations discussed below.

Statutory policy is often interpreted in regulation (rules), codified in the Code of Federal Regulations. Rules cannot change the law, but can clarify actions the implementing agency must take. Similarly, when Congress appropriates funds for authorized programs, it cannot exceed the spending cap authorized in the legislation, although it may budget less than that cap.

The State of New York operates in much the same fashion. Article 5, § 2 and 3 of the State Constitution gives the Legislature the power to create departments and assign
functions to them, including the Department of Transportation. The Legislature then periodically passes laws that shape transportation policy, create or modify funding programs, or approve a capital program of projects. The State laws are included in the State’s Transportation Law.

Table 1 displays the roles and responsibilities of each organization and indicates if it makes policy, promulgates and enforces regulations, provides funding for projects and actions, program and construct capital projects, and/or operates facilities. For the purposes of this Table 1, the following definitions of the headings apply:

Policy: Governmental agencies that develop statements that underlie a proposed course of action; these are often codified by legislatures in statute or ordinance

Regulatory/Enforcement: Governmental agencies that write interpretation of policy and law into specific rules or regulations with which other must comply; and agencies that enforce compliance

Funding: Governmental agencies that conduct or oversee programs that provide project funding to public and private recipients

Capital Investment: Public or private entities that invest in the construction of transportation infrastructure

Operations: Public or private entities that operate transportation infrastructure
Table 1: Institutional Responsibilities

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2.0 Institutions, Roles and Responsibilities

2.1 INTRODUCTION

As illustrated in Table 1, a large number of public institutions and private entities must work together to help New York achieve its ultimate goal of a safe and efficient multimodal freight transportation system that supports a robust state economy. Operating under a variety of governance structures and budgetary authorities, the public entities focus first on their legal responsibilities for the matters under their jurisdiction, while the private organizations focus first on their responsibilities to shareholders. The following sections present a summary of each organization.

2.2 FEDERAL GOVERNMENT

U.S. DEPARTMENT OF TRANSPORTATION (USDOT)

The U.S. Department of Transportation (USDOT) and several of its modal agencies are significantly involved in freight transportation. Some agencies have a policy and regulatory role, while others provide funding for capital projects. Legislation is interpreted through rulemaking and codified in the US Code, Titles 23 and 49. Agencies may then issue guidance to their field offices to advise states and other grant recipients. These roles are explained in greater detail below.

With the passage of the Fixing America’s Surface Transportation (FAST) Act in December 2015, there is greater focus on freight movement and the key role it plays in the nation’s economy. The act outlines a National Multimodal Freight Policy and creates a National Multimodal Freight Network, of which a National Highway Freight Network (NHFN) is a key component. The FAST Act also created two new funding programs (the National Highway Freight Program and the Nationally Significant Freight and Highway Projects Program), the first programs dedicated solely to freight projects. Taken together, these elements of the FAST Act place USDOT and FHWA as key organizations.

Office of the Secretary, Undersecretary for Policy

This office is responsible for

- National Freight Strategic Plan, which must be adopted within two years of passage (December 2017).
- Designation of an Interim and Final National Multimodal Freight Network and NHFN; the initial designation within 180 days, and the final designation within one year of passage (December 2016).
**Federal Highway Administration (FHWA)**

FHWA plays several important roles. The agency is involved in meeting USDOT’s responsibility for these FAST Act products and programs:

- Providing guidance on the development of State Freight Plans, and the establishment of State Freight Advisory Committees.
- Administration of the National Highway Freight Program, apportioned to states on a formula basis.
- Participation in the Nationally Significant Freight and Highway Projects Program, a discretionary grant program administered through the Office of the Secretary.
- Administration of programs including the National Highway Performance Program, Highway Safety Improvement Program, and Surface Transportation Block Grant Program that are apportioned to states. These programs provide significant funding for the NYSDOT capital program.
- Regulation of truck size and weight on the Interstate Highway System and the National Network of Highways. The latter in most cases includes National Highway System roads. FHWA recently delivered to Congress the Comprehensive Truck Size and Weight Limits Study as required by MAP-21.

**Federal Motor Carrier Safety Administration (FMCSA)**

The Motor Carrier Safety Act of 1999 established the FMCSA as a separate administration within the U.S. Department of Transportation on January 1, 2000. FMCSA is responsible for safety oversight of the nation’s trucking sector. Their activities include ensuring safety in motor carrier operations through enforcement of safety regulations; identifying and targeting high-risk carriers and commercial motor vehicle drivers for enforcement actions; improving safety information systems and commercial motor vehicle technologies; strengthening commercial motor vehicle equipment and operating standards; and increasing safety awareness. They collaborate with state transportation and law enforcement agencies to carry out their inspection and enforcement mission.

**National Highway Traffic Safety Administration (NHTSA)**

The Highway Safety Act of 1970 established the National Highway Traffic Safety Administration (NHTSA) as the successor to the National Highway Safety Bureau to carry out federal traffic and motor vehicle safety programs. NHTSA also carries out consumer programs established by the Motor Vehicle Information and Cost Savings Act of 1972. NHTSA is responsible for reducing deaths, injuries and economic losses resulting from motor vehicle crashes. This is accomplished by setting and enforcing safety performance standards for motor vehicles and motor vehicle equipment, and through grants to state and local governments to enable them to conduct effective local highway safety programs. In addition, NHTSA investigates safety defects in motor vehicles, sets and enforces fuel economy standards, helps states and local communities reduce the threat of drunk drivers, promotes the use of safety belts, child safety seats...
and air bags, investigates odometer fraud, establishes and enforces vehicle anti-theft regulations and provides consumer information on motor vehicle safety topics. NHTSA also conducts research related to intelligent transportation systems (ITS) and autonomous vehicles in the areas of human factors, system performance requirements, electronic control system safety, benefits assessment, objective testing and validation.

**Federal Railroad Administration (FRA)**

The FRA is primarily responsible for the safety of railroad infrastructure and operations. This includes oversight of track, signaling, locomotives, and equipment; railroad operating practices; and hazardous materials movements. The agency employs inspectors, who determine compliance and are involved in enforcement. They participate in railroad incident investigation. The agency also develops rail safety policy.

**Federal Aviation Administration (FAA)**

The FAA is responsible for regulating civil aviation in the United States. The oversight includes air traffic control, certification of personnel and aircraft, and the construction and operation of airports. Safety is an important focus, and underlies the airworthiness certification of all aircraft, and issuance of directives. Not only are flight crews certified, but mechanics and support staff as well.

The FAA also collects a Passenger Facility Charge (PFC) fee on all commercial airline tickets. PFC revenue and the Airport Improvement Program fund necessary airport capital program improvement projects.

The agency assists airports in complying with environmental regulations and standards, with particular attention to noise and air emissions.

Finally, the FAA collects and serves as a repository for a great deal of data on both passenger and freight operations.

**Maritime Administration (MARAD)**

MARAD’s programs promote the use of waterborne transportation, its seamless integration with other segments of the transportation system, and the viability of the U.S. merchant marine. Unlike other USDOT modal agencies, MARAD does not play a role in policy development and regulation. In its strategic plan, the agency recognizes the complexity and inherently intermodal nature of marine transport. MARAD works in many areas involving ships and shipping, shipbuilding, port operations, vessel operations, national security, environment, and safety. In its role as an industry partner, MARAD seeks to:

- Focus more effort and attention on the development of a seamless transportation system serving the Nation’s gateways, waterways, and ports
- Oversee the Agency’s current U.S. industry support and workforce development activities
• Effectively manage maritime assets in support of the Department of Defense, prepare for maritime emergencies, and implement best practices in the disposition of obsolete ships in the National Defense Reserve Fleet

• Address growing regulatory and compliance challenges facing the maritime community in areas affecting environment, security, and safety

MARAD also oversees the U.S. Marine Highway Program, which comprises a system over 29,000 nautical miles of navigable waterways including rivers, bays, channels, the Great Lakes, the Saint Lawrence Seaway System, coastal, and open-ocean routes. The Marine Highway Program works to further incorporate these waterways into the greater U.S. transportation system.

_Pipeline and Hazardous Materials Administration (PHMSA)_

PHMSA oversees the transportation of hazardous materials. There is a focus on pipeline safety, following the recognition that much of the nation’s energy supply moves in pipelines. They are also responsible for development of policy and regulations governing the shipment of all hazardous materials by any mode. PHMSA establishes national policy, sets and enforces standards, educates, and conducts research to prevent incidents. While the public often associates the term “hazardous materials” with exotic chemicals, much of the volume is petroleum products. There are also bulk shipments of simple chemicals like chlorine to municipal water treatment plants, which are both necessary to public health and a hazard if transported incorrectly.

_U.S. DEPARTMENT OF AGRICULTURE_

Among its broad responsibilities for the prosperity of American agriculture, USDA’s mission includes “fostering economic opportunity and innovation that will continue to help American agriculture grow and thrive in a global economy. Through research, data and analysis, trade agreements, grants and programs that add value to products, USDA works to expand and maintain both foreign and domestic markets for American farmers, ranchers and agribusinesses.”¹ The agency plays a significant regulatory role in both the import and export of agricultural commodities. Exports are regulated to make sure that the producer meets the requirements of the importing nation. Imports are regulated to protect the public health and environment. USDA also provides guidance related to the safe transport of food commodities.

_U.S. DEPARTMENT OF COMMERCE_

An important part of the Department of Commerce’s mission is to support the growth of trade and development of American businesses. The agency develops and implements a range of policies and rules to support export and import trade. The Economic Development Administration (EDA) partners with local and regional economic development agencies, providing grant funding to support business growth. This

¹ http://www.usda.gov/wps/portal/usda/usdahome?navid=marketing-trade
includes financial grant assistance for infrastructure that is required to support new industry or facilitate business growth. Some of these grants may be used to improve site access for trucks or rail that enhances logistics.

**U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)**

The Environmental Protection Agency plays a significant regulatory role that affects various aspects of the freight industry. It promulgates standards for heavy trucks, locomotives, and marine vessels to comply with emissions standards for criteria pollutants under the Clean Air Act, and in the case of marine vessels the International Convention for Prevention of Pollution from Ships for the North American Emission Control Area. EPA is also the oversight agency for compliance with the National Environmental Policy Act (NEPA). NEPA requires that federal agencies complete an analysis of the environmental impacts of any project or action that includes federal funding or permitting. Thus, many highway, port, airport, and other transportation improvement projects must have an Environmental Assessment or an Environmental Impact Statement completed and a Record of Decision issued prior to project implementation. This can impact both the timeline and ultimate design of the project.

**U.S. DEPARTMENT OF HOMELAND SECURITY**

*Customs and Border Protection (CBP)*

CBP describes its mission as “To safeguard America’s borders thereby protecting the public from dangerous people and materials while enhancing the Nation’s global economic competitiveness by enabling legitimate trade and travel.” As the agency responsible for enforcing U.S. import laws, CPB is a major player in relation to freight moving through all of New York State’s land, air and sea ports of entry. The agency enforces U.S. trade laws to combat fraud and detect importation of illegal and counterfeit goods. Doing so provides a more level playing field for American businesses, making them more competitive in a challenging global environment.

CBP has developed the Automated Commercial Environment (ACE) to facilitate electronic filing of all necessary information for import shipments for not only its own use, but for other Federal agencies with an interest in the imported commodity, like the Food and Drug Administration and Department of Agriculture.

**ARMY CORPS OF ENGINEERS (USACE)**

The Civil Works mission of the Army Corps of Engineers includes oversight of the nation’s water resources including navigation. This includes both inland waterways and coastal ports. They maintain lock and dam systems on the inland waterways, including the Mississippi and Missouri Rivers. They are also responsible for maintaining channel depth at seaports, and have been an active participant in developing a strategic response and plan for accommodating post-Panamax vessels at East Coast ports. Much of the planning for capital projects is done through the Corps’ Institute for Water Resources Navigation and Civil Works Decision Support Center.
GENERAL SERVICES ADMINISTRATION (GSA)

The GSA develops and maintains processes, procedures and performs program oversight to ensure that land ports of entry (LPOE) are developed and maintained to the operational and security standards needed for CBP to carry out its mission. GSA is responsible for the programmatic and project specific functions related to the design and construction of new and rehabilitated LPOE facilities. GSA negotiates the lease for all LPOEs located at non-federal government owned locations, such as those at the Peace Bridge and Lewiston–Queenston Bridge between New York State and Ontario, Canada.

2.3 NEW YORK STATE AGENCIES AND AUTHORITIES

New York State government agencies, primarily NYSDOT, play important roles in freight movement. There are also many quasi-public authorities in New York State that own and operate transportation facilities. These organizations have their own governing boards that establish policy for their facilities. They are funded in part from toll or fee revenue, but also may receive federal and/or state funds. They also have authority to issue bonds without voter approval.

DEPARTMENT OF TRANSPORTATION (NYSDOT)

NYSDOT is a multimodal transportation agency responsible for

- “Coordinating and developing comprehensive transportation policy for the State; coordinating and assisting in the development and operation of transportation facilities and services for highways, railroads, mass transit systems, ports, waterways and aviation facilities; and, formulating and keeping current a long-range, comprehensive statewide master plan for the balanced development of public and private commuter and general transportation facilities.

- Freight-related activities include – “Administering a public safety program for railroads and motor carriers engaged in intrastate commerce; directing state regulation of such carriers in matters of rates and service; and, providing oversight in matters relative to the safe operation of bus lines, commuter railroads and subway systems that are publicly subsidized through the Public Transportation Safety Board.”

A key function with respect to freight transportation is the construction, operation, and maintenance of the State highway system. This includes managing the physical assets that comprise the system to maintain a state of good repair; operating transportation management centers (TMC) that monitor system operations, provide real-time traveler information, control traffic signals; and perform a range of maintenance activities including critical winter maintenance.

The State highway system is 16,570 centerline miles of the 114,807 centerline miles in the State. Of these, NYSDOT maintains 15,111 (the NYS Thruway and other state

2 https://www.dot.ny.gov/about-nysdot/responsibilities-and-functions
Of the NYSDOT mileage, 14,559 are Federal aid eligible, and 6,008 are on the National Highway System, including 1,164 Interstate System miles. Just over one-third of the NYSDOT-maintained road mileage is considered urban, but these roads account for almost 45% by lane-mile\(^3\). NYSDOT owns in excess of 7,500 bridges.

NYSDOT is the state’s key freight movement governance institution. Its key governance roles include:

- **Policy Development and Implementation.** NYSDOT works with the Governor and Legislature to develop state transportation policies, including priorities for capital investment. It developed “Strategies for a New Age: New York State’s Transportation Master Plan for 2030” (2006), and the New York State Rail Plan (2009). In addition, it is involved in aviation system planning and the support of public transportation programs.

- **Programming.** FHWA programs fund a significant element of the NYSDOT highway capital program. The DOT has primary authority to select projects on the National Highway System that are funded by the National Highway Performance Program. The same is true for the National Highway Freight Program, and for nonmetropolitan Highway Safety Improvement Program. All of these can support improvements on the Primary Freight Network.

The State Dedicated Highway and Bridge Trust Fund (SDF) provides funding to be used on any State highway, and can also be used to pay the non-federal share of FHWA funded projects. NYSDOT has full authority to select project for the SDF program. NYSDOT also provides funding for rail improvements through the Passenger and Freight Rail Assistance Program. The Aviation Capital Grant Program funds airport improvements; NYSDOT also matches FAA capital improvement funds.

The Consolidated Local Streets and Highway Improvement Program (CHIPS) provides formula funds to local governments for road improvement projects.

- **Asset Management.** Managing the physical infrastructure of the State highway system is a key responsibility of NYSDOT. In addition to programming capital projects for the rehabilitation of pavements, bridges, culverts, and other assets, they also perform continuous maintenance.

- **Truck Size and Weight.** NYSDOT is responsible for establishing size and weight limits for roadways not covered by Federal policy. The agency also plays an enforcement role through the issuance of permits for oversize or overweight trucks operating on state highways.

\(^3\) All data from “2014 Highway Mileage Report for New York State”, NYSDOT Data Services Bureau
• **Truck Safety.** NYSDOT cooperates with the Motor Carrier Safety Unit of the New York State Police in the performance of truck safety inspections.

• **Highway Operations.** NYSDOT is directly responsible for the operation of Traffic Management Centers across the state, and the deployment and maintenance of related ITS equipment. It also performs winter maintenance on the State Highway system.

**DEPARTMENT OF ENVIRONMENTAL CONSERVATION (DEC)**

The New York State Department of Environmental Conservation (DEC) regulates the transport of a variety of waste materials, including hazardous and non-hazardous commercial and industrial waste, waste oil, regulated medical waste, sewage, and low-level radioactive waste. The agency also has field services that respond to spills and assists with remediation.

DEC also plays a role in air quality through the federally-mandated State Implementation Plan (SIP), which includes a Motor Vehicle Emissions budget that guides non-attainment areas in achieving attainment status. They oversee implementation of the State Environmental Quality Review Act (SEQRA), which is similar to NEPA but extends to actions and projects that do not have a federal element. DEC issues permits for a variety of actions that impact transportation systems, including water quality and stormwater management.

**EMPIRE STATE DEVELOPMENT (ESD) AND REGIONAL ECONOMIC DEVELOPMENT COUNCILS (REDC)**

New York State houses its economic development activities in two places. Empire State Development (ESD) emerged out of earlier efforts to become the central location of economic development policy and finance. This includes marketing the state to prospective businesses, working to retain existing businesses, providing technical assistance to large and small business and assisting in the identification of financing through loans, loan guarantees, and grants to businesses and local development organizations. A seven-member Board of Directors governs ESD. The Governor appoints Board members with the consent of the State Senate. The President/CEO and the Superintendent of the NYS Department of Financial Services serve as *ex officio* Board members.

In 2011, the Governor created Regional Economic Development Councils (REDC) to support a more community-based approach to economic development. There are 10 regional REDCs across the state, each with a Board comprised of local elected officials, business people and other local leaders. Each REDC prepared a strategic plan, and has updated it annually. Within that framework, the REDCs are tasked with developing an annual program of projects that are submitted to the Governor’s office for a competitive award of funds. Once a total funding level is established, the Consolidated Funding
Application (CFA) process is used to seek funding for individual projects from various state funding sources. The REDCs track progress through an annual reporting process.

NEW YORK STATE POLICE (NYSP)

The New York State Police is the primary enforcement agency in the state, addressing highway and truck issues, but also criminal activities involving all other freight movement activities. NYSP has specially trained members of the Commercial Vehicle Enforcement Unit. They perform roadside truck inspections in partnership with NYSDOT motor carrier inspectors, placing unsafe trucks out of service and reviewing drivers’ logs. They also enforce laws on transport of hazardous materials.

DEPARTMENT OF TAXATION AND FINANCE

The Department of Taxation and Finance has an indirect impact on freight businesses in New York State. The agency collects a Highway Use Tax, sometimes called a ton-mile tax. It applies to trucks with gross vehicle weight exceeding 18,000 pounds, and is computed based on the weight and number of miles travelled in the state. New York State also imposes a fuel use tax on carriers who operate qualified motor vehicles on state public highways, including the toll-paid portion of the New York State Thruway. The fuel use tax ensures that fuel purchased outside New York State and used to operate qualified motor vehicles on the state’s public highways is subject to the same taxes (excise tax, sales tax, and petroleum business tax) as fuel purchased inside New York State.

NEW YORK STATE THRUWAY AUTHORITY (NYSTA)

The Thruway is a single linear toll facility extending from the Pennsylvania state line south of Buffalo to Albany and the Massachusetts state line as Interstate 90 and south to New York City as Interstate 87. It is responsible for the maintenance of 563 centerline miles and 2,452 lane-miles. NYSTA maintains over 800 bridges, including not only those that carry the Thruway, but also those that carry roads over the Thruway. The most significant is the Tappan Zee Bridge over the Hudson River, now being replaced as the “New New York Bridge.” Other significant bridges are at Grand Island in the Buffalo-Niagara region, and Castleton-on-Hudson on the Berkshire section.

NYSTA generates revenue primarily through tolls. A small amount of revenue is generated by concessions and land leases. NYSTA is authorized to sell bonds to finance its capital program, with debt service payments creating a significant annual expense. For some large capital projects like the New NY Bridge, Federal aid comprises a portion of the project budget.

A five-member Board of Directors, appointed by the Governor with the advice and consent of the State Senate, governs the NYSTA. The Board is responsible for setting policy regarding finance and operation. This includes the toll and fee schedule, permitted

4 New York State Thruway Authority, 2015 Audited Financial Statements
and prohibited uses, permitted truck size, leasing of Travel Plazas, and safe operation of vehicles.

**NEW YORK STATE CANAL CORPORATION**

The Canal Corporation is responsible for the operation of New York’s inland waterways that connect the Hudson River with Lakes Ontario, Erie and Champlain, and some of the Finger Lakes. The entire system comprises 524 miles, of which 329 are the Erie Canal. There are 60 locks that permit traversing the system.

The agency has been housed within NYSDOT and more recently in NYSTA. The 2016-17 New York State Budget Act transferred the Canal Corporation and its operations to the New York Power Authority to relieve financial pressure on the Thruway. The Governor appoints the Trustees of the Power Authority with the advice and consent of the State Senate. The Board will be responsible for fiduciary and operational policies of the Canal system, including setting fees for commercial traffic.

**2.4 METROPOLITAN PLANNING ORGANIZATIONS**

Metropolitan Planning Organizations (MPO) were created in Federal law in 1973 as the mechanism for carrying out the prescribed transportation planning process in urbanized areas with population greater than 50,000. The content of the planning process has changed through a number of Federal surface transportation authorizations, including ISTEA (1991), SAFETEA-LU (2005), MAP-21 (2012) and the FAST Act (2015).

As shown in Figure 1 and the list following, New York State contains 14 MPOs. The first MPOs were created in the 1960s, with more added after each decennial Census. The Watertown Jefferson County Transportation Council is the most recent to have been designated following the 2010 U.S. Census.
Figure 1: Locations of MPOs in New York State, 2016

- Adirondack/Glens Falls Transportation Council
- Binghamton Metropolitan Transportation Study
- Capital District Transportation Committee (Albany)
- Elmira Chemung Transportation Council
- Greater Buffalo-Niagara Regional Transportation Council
- Genesee Transportation Council (Rochester)
- Herkimer-Oneida Counties Transportation Study (Utica)
- Ithaca-Tompkins County Transportation Council
- New York Metropolitan Transportation Council
- Orange County Transportation Council
- Poughkeepsie-Dutchess County Transportation Council
- Syracuse Metropolitan Transportation Council
- Ulster County Transportation Council
- Watertown-Jefferson County Transportation Council
In each case, a Policy Committee, comprising local elected officials and transit officials, along with representatives of NYSDOT and sometimes other state agencies and regional organizations, governs the MPO. FHWA and FTA are designated as advisory members. The Policy Committee is responsible for adopting key planning documents, including the long range transportation plan (LRTP) and the Transportation Improvement Program (TIP). It is through the LRTP that the MPO establishes policies, goals, and objectives for the regional transportation system, including freight and goods movement. There are limits on the policy direction of the LRTP, in that it must conform to federal law. The TIP is a programming document that must include all projects funded by FHWA and FTA, as well as other regionally significant projects. Taken together, MPOs play a significant role in both policy and programming.

2.5 LOCAL GOVERNMENTS

Local government plays two important roles in the context of freight movement. The first is that about 85% of road mileage in the state is under local jurisdiction. This includes the vast majority of “first and last mile” connections between freight generators and the National Highway System. In order to control truck traffic on their streets, local governments may designate and enforce truck routes and truck prohibitions. Doing so can provide a rational basis for addressing impact of truck traffic on neighborhoods by limiting all but local deliveries to the most appropriate arterial streets. Lack of enforcement can reduce compliance. Truck route designation can also be used as the basis for street design and maintenance criteria, so that these streets and roads have appropriate geometry and traffic control for safe truck operation.

The other role of local government results from its control of land use. In this context, New York is a “home rule” state; cities, villages, and towns have full control of land use decisions within their borders. Through zoning and site plan approval laws, municipalities can control the siting of freight facilities from manufacturers, to warehouse/distribution centers, to intermodal terminals. When they make these decisions without consideration of community impact or regional context, conflicts can arise.

Because of its relatively significant size and impact on freight transportation, it is important to note some of the special institutions and functions unique to New York City and its region:

- **New York City Department of Transportation (NYCDOT).** NYCDOT is addressed separately because of both the density and importance of New York City’s transportation network. The City operates about 6,000 miles of streets and 789 bridges and tunnels, including the iconic Brooklyn Bridge, the Manhattan Bridge, Ed Koch Queensboro Bridge, and the Williamsburg Bridge. Most of these carry more than 100,000 vehicles per day.

  NYCDOT recognizes that trucks create adverse impacts on infrastructure and neighborhoods, but that safe and efficient truck movement and delivery is
essential for the City’s economic competitiveness. One of their primary tools is the NYC Truck Route Network, which comprises nearly 1,000 miles of designated streets. After a pilot program of off-hour delivery, NYC delieverEASE was established as a voluntary program to limit deliveries to 7:00pm – 6:00am. Finally, the City restricts the use of 53’ trailers to a limited number of facilities that provide for interstate travel, and recently for access to JFK airport.

- **Metropolitan Transportation Authority (MTA).** While the MTA is the primary provider of public passenger transportation in the New York City metropolitan region, the agency also operates a number of key water crossings through its Bridges and Tunnels Division. These include:
  - Brooklyn-Battery tunnel
  - Bronx-Whitestone bridge
  - Henry Hudson bridge (trucks are prohibited)
  - Queens-Midtown tunnel
  - Robert Kennedy Tri-Borough bridge
  - Throgs Neck bridge
  - Verrazano Narrows bridge

  Together, these facilities are critical for local, regional, and interstate truck movement, with average daily traffic volume exceeding 800,000.

A 21-member Board of Directors governs the MTA.

### 2.6 PUBLIC FREIGHT FACILITY OPERATING AGENCIES

Across New York State, local government agencies or authorities own and operate freight facilities, especially airports and seaports. In each case, the responsibility is limited to the specific facility or set of facilities. Examples include:

- **New York City Economic Development Corporation.** The New York City Economic Development Corporation (NYCEDC) was formed in 2012 as a result of the merger of New York City Economic Development Corporation into New York City Economic Growth Corporation. NYCEDC’s “PortNYC” initiative supports developing the City’s passenger and freight transportation terminals to sustain the region’s economic growth. Key freight-related PortNYC facilities include:
  - New York Container Terminal (containers)
  - South Brooklyn Marine Terminal (ro-ro and project cargos)
  - Lafarge Pier/New York Sand and Stone
  - Red Hook Container Terminal (containers, break-bulk, and ro-ro)
- **Port of Albany.** The Albany Port District Commission is governed by a five-member Board of Commissioners. All members are appointed by the Governor; four on the recommendation of the Mayor of Albany, the fifth on the recommendation of the Mayor of Rensselaer. The Commission has oversight of port finances and operations.

- **Albany International Airport.** The Albany County Airport Authority is a component of Albany County government, which retains fiduciary responsibility. It is governed by a seven-member Board, four of whom are appointed by the County Executive and three by the Majority Leader of the County Legislature. The Board oversees airport operations, contracts, and leases; and makes recommendations to the County Legislature for policy actions.

- **Buffalo-Niagara International Airport.** This airport is operated by the Niagara Frontier Transportation Authority, which also operates public transportation in Erie and Niagara Counties. There is an 11-member Board of Commissioners. Ten are nominated by the Governor, and one by the New York State Senate. The Authority Board has an Aviation Committee to provide policy oversight, while the agency has an Aviation Business Group that is responsible for managing airport operations.

- **Greater Rochester International Airport.** Monroe County owns and operates Rochester’s airport. Thus, all decisions on policy and finance are made by the Monroe County Executive and County Legislature. This includes the appointment of the Airport Manager, who is responsible for operation of the airport.

- **Port of Oswego.** The Port of Oswego Authority has a seven-member Board of Directors that oversees port policies, operations, and finance.

- **Syracuse Hancock International Airport.** This facility is also governed by a local authority. The 11-member Board includes appointments by the Mayor of Syracuse, Onondaga County Executive, and local Towns and School Boards.

These examples illustrate a commonality of governance of publicly owned ports and airports in New York State. While some had been operated directly by local government, most have transitioned to an authority form of governance with varying levels of decision-making authority.

### 2.7 MULTI-STATE AND BI-NATIONAL ORGANIZATIONS

**PORT AUTHORITY OF NEW YORK AND NEW JERSEY (PANYNJ)**

This bi-state agency owns many of the marine terminals in New York and New Jersey that together constitute the third busiest port in the U.S. by total tonnage. The PANYNJ also owns and operates New York State’s two largest airports, JFK and LaGuardia, in New York City, Newark Airport in Northern New Jersey and operates Stewart International Airport in Newburgh. In addition, the agency owns and operates critical Hudson River vehicle crossings that connect the States of New York and New Jersey,
including the George Washington Bridge, Outerbridge, Goethals’s Bridge, Bayonne Bridge and the Lincoln and Holland Tunnels.

The PANYNJ was established in 1921, requiring an act of Congress to authorize creation of an Interstate compact. The Authority is governed by a 12-member Board of Commissioners. The Governors of New York and New Jersey each appoint six members, subject to the consent of their respective State Senates. The Board of Commissioners is responsible for establishing policy and exercising control over fiduciary and operational matters.

PANYNJ has several subsidiary corporations, most of which are related to the agency’s real estate holdings. Two subsidiaries provide transportation service. The New York New Jersey Railroad Corporation operates trans-Hudson car float service. The Port Authority Trans-Hudson Corporation operates commuter rail service between Manhattan and New Jersey.

INTERNATIONAL BORDER CROSSING AUTHORITIES AND ORGANIZATIONS

Several organizations operate bridges and ports at the international border between New York State and Canada. These connections are important to international trade. For example, the Peace Bridge and LQB ranks 3rd for number of trucks among all border crossings in the U.S.

- **Buffalo and Fort Erie Public Bridge Authority.** The Buffalo and Fort Erie Public Bridge Authority is an international compact entity created pursuant to a compact entered into by the State of New York, with the consent of the United States Congress, and by the Government of Canada. The Authority is responsible for the management and operation of the Peace Bridge connecting Buffalo, NY and Fort Erie, Ontario. The Authority is managed by a 10-member Board of Directors, with five members from each nation. The U.S. members consist of two appointees made by the Governor, the NYSDOT Commissioner, the NYS Attorney General and the Niagara Frontier Transportation Authority executive director. The five Canadian members are appointed by the federal Minister of Transport. A general manager is appointed to see day to day operations of the facility.

  The Authority’s source of revenue is bridge tolls. The Authority also derives significant revenues in the form of rental and fee income from two border enforcement agencies, the United States and Canadian duty-free shops, and commercial brokers operating on the property owned by the Authority and from leases of communication conduits spanning the Peace Bridge.

- **Niagara Falls Bridge Commission (NFBC).** A Joint Resolution of Congress in 1938 authorized the Niagara Falls Bridge Commission in the U.S. The Extra Provincial Corporations Act of the Province of Ontario, Canada licenses the NFBC in Canada. The NFBC owns and operates the Rainbow, Whirlpool Rapids and Lewiston - Queenston Bridges connecting western New York and southeast
Ontario. The NFBC is managed by an eight-member Board of Directors, with four members each appointed by the Governor of New York and the Premier of Ontario. An executive director oversees the bridge staffs and the day to day operations.

The NFBC builds and maintains all facilities for Customs and Immigration functions on both sides of the international border. The NFBC is financed mainly through tolls and private-sector tenant leases to the U.S. and Canadian duty-free shops. NFBC is federally chartered to conduct international commercial financial transactions and issue federal (U.S.) tax-exempt bonds.

- **Ogdensburg Bridge and Port Authority (OBPA).** The OBPA is a New York State public benefit corporation with a seven-member Board of Directors appointed by the Governor of New York. An executive director oversees the daily operations of the OBPA staffs and assets. OBPA manages the Ogdensburg-Prescott International Bridge that connects Ogdensburg, NY and Prescott, Ontario. In addition, the OBPA manages the Port of Ogdensburg, the Ogdensburg International Airport, and the New York & Ogdensburg Railway. In addition, the Authority operates a light industrial and a heavy industrial business park in the Ogdensburg region that host a variety of U.S. and Canadian businesses.

  The OBPA generates revenue from several sources. The primary revenue sources are tolls from the Ogdensburg-Prescott International Bridge, rental and fee income from two border enforcement agencies and rental incomes from the other assets. Port and warehouse fees and aviation fuel sales are among the other sources of revenue.

- **Seaway International Bridge Corporation Limited.** The Seaway International Bridge Corporation Limited operates and manages the international toll bridge system linking Cornwall, Ontario, the Akwesasne Reservation and Massena, New York. The SIBC is a joint venture between The Federal Bridge Corporation (a Canadian Crown corporation) and the Saint Lawrence Seaway Development Corporation, an agency of the U.S. Department of Transportation. The Federal Bridge Corporation is headquartered in Ottawa and reports to the Canadian Parliament through the federal Minister of Transport. An executive director oversees the daily operations of the bridge.

  The SIBC is financially self-sufficient through the collection of tolls on the bridge.

- **Thousand Islands Bridge Authority (TIBA).** The Thousand Islands Bridge is a joint venture between The Federal Bridge Corporation and the Thousand Islands Bridge Authority. The Federal Bridge Corporation owns and assumes capital improvement responsibility for the Canadian bridges in the system. The Thousand Islands Bridge Authority assumes responsibility for the American
assets and under the binational agreement manages and operates the bridge system.

The Thousand Islands Bridge is a New York State public benefit corporation with a seven-member Board of Directors. The Board of Directors is appointed by the Jefferson County, NY Board of Legislators and comprises seven members. The TIBA Board is composed of four U.S. citizens and three Canadian citizens. The TIBA Board of Directors serves without compensation, but in the interest of the Authority and public and community service. The Federal Bridge Corporation reports to the Canadian Parliament through the federal Minister of Transport.

The TIBA executive director acts as the chief executive officer of the Authority and is responsible for the day to day operations. The TIBA is financially self-sufficient through the collection of tolls on the bridges.

**COLLABORATIVE FREIGHT-SUPPORTIVE ORGANIZATIONS**

New York State also participates in various collaborative organizations that have involvement in freight movement: Canada-United States Transportation Border Working Group (TBWG), Eastern Border Transportation Coalition (EBTC), the I-95 Corridor Coalition, TRANSCOM, and the Niagara International Transportation Technology Coalition (NITTEC). The latter three agencies work in the arena of traffic operations.

- **Canada – U.S. Transportation Border Working Group (TBWG).** The group was formed in October 2000 via a memorandum of cooperation between Transport Canada and the U.S. Department of Transportation (USDOT) that recognized the importance of coordinating closely on transportation initiatives along the Canada – U.S. border.

  The goal of TBWG is to improve the transportation operations at border crossings while not compromising the safety and security at the border. It is TBWG’s objective to provide safe, secure, efficient and environmentally responsible movement of goods and people while maximizing the safety and security of both nations’ citizens by addressing infrastructure, technological, operational, safety, security and environmental issues at and near border crossings through the coordination of planning, policy and infrastructure strategies.

  TBWG provides an opportunity to enhance collaboration on matters of mutual interest that include:

  - Addressing solutions for resolving current and future North American transportation issues;
  - The need to develop common border and corridor strategies and for better coordination between Canada and the U.S.;
  - Coordinating federal cross-border planning and infrastructure investment programs, policy review and implementation, and research support;
• Improving information technology and date sharing;
• Supporting state and provincial efforts for cross-border planning and infrastructure investment; and
• Fostering communication, information sharing and the exchange of best practices.

The core membership of TBWG includes the federal transportation agencies from both nations and the Canada Border Services Agency (CBSA) and U.S. Customs and Border Protection (CBP), the two border law enforcement agencies along the border. Those four agencies also form the core of the TBWG Steering Committee. Global Affairs Canada and the U.S. State Department are also participants, along with various other federal agencies. The border states and provinces participate in plenary sessions and on the working groups that facilitate TBWG activities.

• **Eastern Border Transportation Coalition (EBTC).** The Eastern Border Transportation Coalition is a non-profit membership organization established in 1994 to improve the movement of people and goods at the border crossings between the United States and Canada. EBTC members are the transportation agencies of the U.S. States of Michigan, New York, Vermont and Maine and the Canadian Provinces of Ontario, Quebec, New Brunswick, and Nova Scotia. The MPOs representing Buffalo/Niagara Falls (GBNRTC), and Detroit (SEMCOG) are honorary members, as is the Regional Municipality of Niagara.

The Eastern Border Transportation Coalition, through its member activities, assists in the development of a seamless, multi-modal transportation network which is secure, safe, efficient and environmentally sustainable. EBTC provides a proactive forum within which each state, provincial and federal transportation and border service agency, and like-minded public and private organizations, can work together to overcome barriers and impediments to a shared vision.

EBTC provides a unique and valuable forum for the exchange of information and data on projects, legislation, policies and initiatives at the federal and state/provincial level that will affect cross-border trade, traffic and security. EBTC is a forum where passenger and commercial vehicle mobility and safety issues, rail, bridge and tunnel operations, and goods movement needs can be discussed and reviewed. The push to get the federal governments to accept Enhanced Drivers Licenses as an acceptable form of ID at the border is an example of an issue that was successfully championed by the EBTC.

Membership in EBTC ensures that Washington and Ottawa and the FHWA and Transport Canada are aware of and educated about the concerns and positions of the states and provinces regarding cross-border freight needs, national and international trade corridors, infrastructure coordination and funding, data collection and more. EBTC works with other border advocacy groups such as the
Border Transportation Alliance, the counterpart on the Mexican border, and the Pacific Northwest Economic Region on common issues related to the border funding, operations and planning.

- **TRANSCOM** is a coalition of 16 transportation and enforcement agencies in the New York City metropolitan area. Its mission is to improve the mobility and safety of the traveling public by supporting its member agencies through interagency communication and the enhanced utilization of their existing traffic and transportation management systems. The organization acts as a clearinghouse for traffic data and information. It also communicates to neighboring states, through the I-95 Corridor Coalition, when there are incidents of sufficient magnitude to warrant distant traveler information posting.

- Niagara International Transportation Technology Coalition (NITTEC) fulfills a similar mission in the Buffalo-Niagara region. Members include NYSDOT, NYSTA, Ontario Ministry of Transportation, and numerous local government and law enforcement agencies. The focus is bi-national; an important part of its mission is management of regional and cross-border traffic, including commercial vehicle operations. Using a $5 million federal grant as seed, NITTEC operates a revolving loan fund. Member agencies may apply for money for projects that will improve traffic operations.

### 2.8 PRIVATE SECTOR OWNERS AND OPERATORS

Private businesses own and operate much of the freight infrastructure in New York State and nationally. This includes railroads, trucking companies, pipelines, and terminals, and some maritime ports. In each case, whether a multinational corporation or an owner-operator of a single truck, decisions are made based on proven business principles of maximizing return on investment and managing risk.

#### RAILROADS

As detailed in Freight Transportation Plan, numerous railroads operate in New York State. These include CSX, Norfolk Southern, and Canadian Pacific, which are classified as Class 1 railroads. Canadian National has a very small presence at the Rouse’s Point and Buffalo border crossings. In addition, there are several regional and shortline railroads. Together, these railroads account for about 2,000 miles of Class 1 track, over 300 miles of Class 2 (regional) track, and nearly 1,200 miles of Class 3 (local/shortline) track throughout New York State.

While ownership of track infrastructure may appear straightforward, railroads frequently enter into a variety of complex agreements to use each other’s track and equipment.

Because shippers’ distribution patterns are rarely congruent with any one rail carrier, railroads have developed two traditional methods of extending their reach over others’ lines.
The first is the joint rate and route. Two railroads, by agreement, establish one rate from an origin on the first to a destination on the second. One of the railroads sends the one bill, the shipper returns one check, and the billing railroad pays the other its share, or "division," of the revenue. Each railroad remains individually responsible for providing locomotive and crews for movement over its lines and for loss and damage to the freight while in its possession.

The second method is trackage rights. Here one railroad (the "tenant" line), by agreement, secures the right to operate its trains, typically with its crews, over the track of a second railroad (the "owner"). The trackage used by both railroads is called a "joint facility." In contrast with joint routes and rates, under a trackage-rights agreement, the tenant railroad is solely responsible to the shipper for providing transportation service over the joint facility and for loss and damage to the freight.

The owner is compensated through the tenant's payment of a fixed annual sum for the right to use the joint facility plus a variable fee - based on the proportion of the tenant's traffic relative to the total traffic over the joint facility - to compensate it for track maintenance, train dispatching, and other such expenses. For accounting simplicity, the majority of recent trackage-rights agreements state the tenant line's charge in terms of cents per car-mile or ton-mile.

Trackage rights can be "full service," meaning that the tenant has the right to serve shippers on the joint facility directly, or "overhead" or "bridge" (the terms are synonymous), meaning that the tenant cannot carry freight to and from the owner's customers. The vast majority, however, permit the tenant to move only bridge traffic.

To avoid these pitfalls, railroads increasingly have turned to haulage arrangements, which separate a railroad's marketing and operating functions.

The railroad receiving haulage rights gets control of marketing. It negotiates the rate or contract with the customer over the entire route. It also supplies the cars and is on the hook for loss and damage. The railroad granting the haulage rights, meanwhile, retains direct control over operations. It provides the track, train crews, dispatching services, and sometimes the locomotives. In return, the host railroad gets a cents-per-unit payment for each car moved, but it isn't privy to the haulage road's deals with the shippers.\(^5\)

Passenger service in New York operates primarily on track owned by freight railroads. This can create conflicts in terms of safety and schedules. Federal law gives preference to passenger trains, meaning freight dispatchers often have to delay freight trains. However, in early 2016, the Surface Transportation Board interpreted the definition of "preference" as being not absolute, suggesting a more nuanced global approach. This is a significant policy consideration, since on-time performance is important not only for passenger service, but also for scheduled freight service.

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Railroads construct and own a variety of intermodal facilities, including those that move shipping containers between train and trucks, and breakbulk facilities that accommodate off-loading of bulk commodities.

**TRUCKING**

Trucking companies vary in both size and structure. Private fleets are owned by a company, for example a large retailer or wholesale distributor, to provide transport for that company alone. There are carriers that contract with shippers to meet their transport needs; agreements may be on anything from a long-term to a per-trip basis. Owner-operators may own a single or small number of trucks and also contract either with shippers or trucking or logistics companies.

Just as the Staggers Act deregulated the railroad industry in 1980, the Motor Carrier Act of 1980 did the same for the trucking industry. For the first time in decades, carriers were free to negotiate rates and service with their customers without restrictions imposed by the Federal government. The intent was to make the industry more competitive. However, as noted above, the trucking industry continues to operate in a regulated environment, related primarily to public safety. There are rules governing licensing of drivers, hours of service, vehicle features, size and weight, and emissions, among others. Trucking companies must take into account all of these factors, as well as the market for their services, in developing their business plans.

**PIPELINES AND TERMINALS**

A vast network of pipelines that move various energy products from source to distribution terminals serves much of the nation’s energy needs. Commodities include liquid fuels like gasoline and diesel; and compressed gases like natural gas and propane. In addition to long distance transmission lines, there are also networks of collection lines in gas fields in western New York. All of this infrastructure is privately owned.

The Federal Energy Regulatory Commission (FERC) has a limited role with respect to pipelines. It serves as a review and permitting agency for interstate natural gas pipelines, and for liquefied natural gas (LNG) terminals. PHMSA, reviewed earlier in this chapter, has a more significant role in oversight of the movement of these commodities both in the pipeline and through tank farm storage sites and distribution terminals.

A small number of companies own and operate the major transmission pipeline infrastructure. Theirs is a very market-driven business, dependent on the demand for and price of energy commodities. The planning and permitting required for new pipeline construction is a lengthy process, and construction is capital intensive.

**MARITIME PORTS**

As discussed previously, while most ports are publicly owned and operated by authorities, the Port of Coeymans, on the Hudson River south of Albany; and the Port of
Buffalo on Lake Erie, are privately owned and operated. As such, port operations and finance are managed as a business in terms of return on investment and risk management.
3.0 FUNDING TRANSPORTATION IN NEW YORK STATE

An important aspect of the institutional picture of freight in New York State is sources of funding to construct, maintain, and operate the entire system and each of its component elements; and how those funds get programmed by the various public and private owners and operators. Table 2 displays the broad array of fund sources that can be accessed, to varying degrees, by the owners and operators.

Table 2: Overview of NYS Freight Transportation Funding Sources and Users

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<tr>
<td>OTHER</td>
<td></td>
</tr>
<tr>
<td>LOCAL GOVT FUNDS</td>
<td>✓</td>
</tr>
<tr>
<td>TOLLS/FEE/FARE</td>
<td>✓</td>
</tr>
<tr>
<td>PRIVATE CAPITAL</td>
<td>✓</td>
</tr>
<tr>
<td>PUBLIC PRIVATE PARTNERSHIP (Potential)</td>
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</tr>
</tbody>
</table>
In general, FHWA programs require a match, usually 20%, from the project sponsor. Note that some of the federal funds are discretionary grants. The TIGER and FASTLANE programs are both intended to fund large projects and are very competitive. For example, the first round of FASTLANE grant solicitations received 212 applications with a total value of $9.8 billion; however, there is only $800 million available. Projects with partnerships that support larger non-federal funding shares tend to be favored.

Local governments, which, as noted above, own much of the state’s road mileage, including most of the “last mile” connections, have very limited revenue to support transportation improvements. While they receive CHIPS funds by formula and can apply for certain FHWA funds, competition is considerable. Beyond these grant sources, they must rely on their own budgetary resources from property and sales taxes.

Authorities generate much of their own revenue through tolls paid by users and fees charged for use of facilities. Similarly, private owners including railroads, rely on their business revenue to fund their capital improvement programs.

Public-private partnerships, known as P3s, have been used in some cases to bring private sector capital to public infrastructure projects. This is helpful to supplement tightly constrained government funding, but it is very limited in application. Investment companies must be able to demonstrate to their investors that there will be an acceptable return on investment, preferably at low risk. That means the project must have a dependable revenue stream, typically tolls or user fees.

Financing must be considered separately from funding. Agencies are often faced with the need to develop financing packages that may include a number of fund sources. They may rely on debt financing, selling bonds. The Federal government has programs including TIFIA and GARVEE bonds that provide lower interest rates and loan guarantees.
4.0 CHALLENGES AND OPPORTUNITIES

4.1 SUMMARY

As has been demonstrated by the review of all of the organizations that play a role, the freight industry in New York State operates in a very complex environment of public institutions and private businesses. Every freight movement, whether a local delivery from a warehouse to a retail store, or a global export to a distant customer, is governed by a host of institutions, laws and regulations, and private business decisions.

An important goal is to reduce transport cost, thereby making New York State businesses more competitive. However, a consequence of this complexity is that typically there are no simple solutions to increasing the efficiency and reliability of freight movement. It is often the case that making progress on one objective will result in a negative movement on another. For example, safety advocates have always supported reduced hours of service for truck drivers and other modal operators. Shippers and receivers argued that this reduces productivity and increases costs. Policy-making on these and similar issues can be a difficult balancing act in a complex and dynamic environment.

4.2 CHALLENGES

The complexity of the institutional landscape that governs the freight industry in New York State creates challenges in planning and operating system elements. The public entities that are involved must be responsive to their own governance leadership, whether it is Congress, the Governor and State Legislature, authority Board of Directors, or City Council. Similarly, private entities are ultimately responsible to their owners, who may be shareholders, through a Board of Directors. Each governing body views freight transportation through the lens of its unique responsibility, and the tools it has available. Figure 2 shows the organizational functions that were listed in

There is a growing export market for sale of soybeans to Europe. A farmer in the Finger Lakes who chooses to enter that market will load the commodity into a shipping container. He will have to deal with USDA, CBP, and perhaps a third party logistics (3PL) company to arrange transport by truck on local roads and the NYS Thruway to Syracuse, then rail to a terminal at PANYNJ, and transfer to a ship. A customs broker may also be hired to facilitate the move to the actual customer.

Advances in the technology of connected and autonomous vehicles has made truck platooning feasible. This may have a significant positive impact on productivity. But there are also policy concerns. What role should the Federal government play in terms of safety and interstate commerce? Should state governments have a role in deciding what roads will be open to platooning, and in which lane platoons may operate? What business decisions may trucking companies make in choosing to operate in this mode?
As each government agency works to support its mission, private sector operators, including trucking companies and rail operators, are subject to numerous regulations, often from different agencies of federal and state governments. For example, the Federal Highway Administration (FHWA) is responsible for the Commercial Vehicle Size and Weight program that oversees state enforcement of heavy truck and bus size and weight standards while the Federal Motor Carrier Safety Administration (FMCSA) was established as a separate administration within the US Department of Transportation whose primary mission is to reduce crashes, injuries and fatalities involving large trucks. An organization with enforcement responsibility such as FMCSA or the Federal Rail Administration (FRA) has a focus on safety while trying to balance efficiency for the industry. The labor force is affected by rules governing licensing, training and certification; crew size in some modes; hours of service; and occupational safety and health concerns. These may affect recruitment and retention as well as productivity. There is a need to balance efficiency, safety and security needs.

Conflicts may arise in terms of impacts on land use when permitted uses are allowed in close proximity to one another. There are many examples of residential development abutting freight generators or facilities. This may arise because an economic development agency has one set of objectives and the local government with land use control makes a poor land use decision. Another example is the routing of trains carrying
hazardous materials like Bakken crude oil on tracks adjacent to densely-populated urban neighborhoods.

Trucking companies that haul oversize or overweight loads may find they need permits from more than one agency. Depending on highway ownership for their planned route, the greatest efficiency and return on investment will be realized when diverse organizations share similar goals and objectives. The primary challenge to organizations is from a perspective of “how can I fulfill legislative mandates or owner desires?” to “how can my organization contribute to the collective goal of supporting New York State’s economy by maximizing the efficiency and safety of freight movement?”

A companion challenge is the availability of resources that are adequate to meet freight needs. Government agencies at all levels are continually faced with constrained resources, including human resources: inadequate staff capacity to carry out the organization’s work. The same can be true for private businesses, which may not have enough funds available to complete all identified capital projects or maintenance work or may not be able to find sufficient labor. Either situation will create challenges in contributing to the achievement of state goals.

Finally, public agencies operate in a political environment where transportation needs in general and freight movement as a component of those needs must compete with other governmental priorities. The focus on freight at the federal level and in the FAST Act is helpful, but the underlying need to adequately fund transportation needs still needs to be addressed.

4.3 OPPORTUNITIES

Possibly the best opportunity for improved institutional response is to create a collaborative model where key organizations can work toward common goals to improve the freight movement environment in New York State. The FAST Act includes language that encourages states to create a State Freight Advisory Committee, which should consist of a representative cross-section of public and private freight stakeholders. The prescribed role of a State Freight Advisory Committee is to:

- advise the State on freight-related priorities, issues, projects, and funding needs;
- serve as a forum for discussion for State transportation decisions affecting freight mobility;
- communicate and coordinate regional priorities with other organizations;
- promote the sharing of information between the private and public sectors on freight issues; and
- participate in the development of the freight plan of the State.

A New York State Freight Advisory Committee should be established to continue to advance freight discussions following the completion of the NYS Freight Transportation Plan. It should include representatives of key public and private sector organizations. Its
mission should include the identification of institutional and governance barriers that hinder the ability of the freight industry to best serve New York’s economy; and with staff support to devise solutions to those barriers.

New York should also look beyond its borders when identifying opportunities to improve freight movement. Freight movement serves both national and global markets to the benefit of New York’s businesses. It is valuable to coordinate with neighboring states and Canadian provinces on policy, enforcement, and capital improvement projects. There are already some models in place. NITTEC focuses on traffic operations, the I-95 Corridor Coalition brings in a broader east coast perspective. The Canada-U.S. Transportation Border Working Group involves FHWA and Transport Canada with a focus on border efficiencies. The Eastern Border Transportation Coalition serves as a forum for information sharing between a number of states and provinces. The Coalition of Northeastern Governors (CONEG) “encourages intergovernmental cooperation on issues affecting the economic, social and environmental well-being of the Northeast. In the region, CONEG is a forum for states to exchange information and undertake cooperative action on issues of mutual interest. In Washington, CONEG offers a regional voice for the member governors to articulate their shared concerns, and an efficient means to monitor and understand evolving federal issues”\textsuperscript{6}. The organization does have a transportation program; New York may propose adding a specific freight focus.

The fact that New York State is involved in many collaborative organizations provides important opportunities for reducing policy conflicts.

Another direction that will be important to pursue is regulatory harmonization. As indicated in the Challenges section, agencies across federal and state government have created regulatory schemes to implement specific statutes or address specific objectives. Identifying conflicting rules can be a first step in harmonization.

Truck size and weight is a longstanding issue that has been raised by private sector stakeholders. It has been studied extensively by USDOT. Larger trailers and multiple trailers combined in long combination vehicles (LCV) increase productivity of a single driver. This is weighed by regulatory agencies against safety concerns and impact of road and bridge infrastructure. The challenge to state and local governments and their transportation programs is to balance the economic importance of freight mobility with its impacts to the highway infrastructure and overall sustainability. Specifically, size and weight issues are directly connected to infrastructure design, engineering, construction, operation and maintenance and create a level playing field for industry competition. Controlling and effectively managing commercial vehicle size and weight operations provide optimized infrastructure life cycle costs while supporting economically critical goods movement. Permissible trailer size has been increased over the years from 40’ to 48’ to 53’. But the larger trailers are not permitted on all roads. For example, New York City allows 53’ trailers only on a small number of roads. The same is true of long

\textsuperscript{6} From Coalition of Northeastern Governors website, \url{www.coneg.org}.  
combination vehicles, made up of two or more trailers. Federal law allows trucks with 2 28.5’ trailers on the National Network. States can make their own rules; the New York State Thruway permits trucks with tandem trailers up to 48’ in length. This requires NYSTA to provide tandem assembly areas at many interchanges for the breakdown and assembly of tandems, since they are not legal anywhere else. There are also federally mandated limits imposed on truck weights. All of this presents a challenge to trucking companies and shippers to decide whether they will operate a single or multiple configurations. Palletized cargo is customized to maximize the cubic space of specific trailer sizes. Light weight goods may fill a trailer before meeting weight limits, while bulk commodities may reach weight limits before the trailer is filled. Harmonization of truck size and weight regulations is an important opportunity.

Rules governing oversize and/or overweight (OS/OW) vehicle operations also vary considerably. Bringing these rules into alignment through harmonization can increase compliance by making it easier for trucking companies to meet requirements and satisfy objectives, such as increasing the reliability of travel and reducing transport costs. Multiple agency objectives are also met as more companies run compliant. However, the rules themselves may be burdensome or otherwise fail to meet stakeholder objectives — even if harmonized. Additional challenges relating to the realities of infrastructure characteristics (e.g. low bridge clearances along a route) and non-infrastructure operational requirements (e.g. escort requirements) can make harmonizing these rules challenging—and costly.

In some cases, there can be opportunities to improve efficiency to customers by integrating multiple agency permitting processes. Unlike harmonization, integration does not require changing agency rules to meet pre-established standards but instead focuses on coordinating permitting activities among many permitting entities to make it easier for the freight industry to obtain required permits. Contemporary information and communications technology, including web-based systems and automation, can help facilitate permit integration. Permit integration, like regulatory harmonization, makes it easier for industry to comply with OS/OW rules and receive safe, efficient routes. Greater compliance, in turn, leads to safety, asset management, and system efficiency improvements.

For example, NYSDOT is creating the Highway Oversize/Overweight Credentialing System (HOOCS), the purpose of which is to create an integrated online permitting system that enables “one-stop shopping” for required OS/OW permits. Trucking companies applying for a permit associated with a route crossing many permitting jurisdictions will be able to access a single website to create an approved route for the haul. With HOOCS, companies will be able to submit a single application containing all data (e.g. vehicle dimensions, vehicle weight, and origin/destination) needed to obtain permits from each participating agency along the route, including NYSDOT, and HOOCS coordinates the permit application reviews required and specified by each involved permitting jurisdiction. Once these jurisdictions approve the requested route, HOOCS allows the trucking company to submit a single payment for the entire route and,
ultimately, run compliant for the entire move, regardless of how many jurisdictions are involved.

This Plan will investigate and recommend other opportunities for regulatory harmonization, enhanced inter-agency cooperation, and collaborative setting of common goals and objectives.