FHWA Provides $1.39 Billion for Emergency-Relief Road and Bridge Repairs

On December 21, 2021, the U.S. Department of Transportation’s Federal Highway Administration (FHWA) announced it would disburse $1.39 billion in emergency relief (ER) funds to 42 States, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. The funding covers repair of roads and bridges damaged by storms, floods, wildfires, and other disasters. FHWA’s ER program also provides funding reimbursement for reconstructing, restoring, and repairing of Federal-aid and federally owned transportation facilities damaged by natural or other disasters. Several important grain-producing States received funding for reconstructing or replacing damaged highways and bridges from storms and flooding. Kentucky received $72.5 million; Nebraska, $40.0 million; Iowa, $26.9 million; Ohio, $25.9 million; North Dakota, $22.6; Oklahoma, $20.3 million; South Dakota, $10.2 million; and Kansas, $6.8 million. The full list of recipients can be found here.

FMC Provides New Guidance on Its Complaint Process

On December 28, 2021, the Federal Maritime Commission (FMC) issued three policy statements offering guidance to shippers and others on filing private-party complaints. The policies address exporters’ longstanding grievances that the process is lengthy and costly and may not prevent ocean carrier retaliation. The first new policy statement reemphasizes that shipper associations and trade associations can file complaints. The second clarifies FMC’s approach to timing, procedures, eligibility, and entitlement surrounding attorney fees. The third statement explains FMC will interpret anti-retaliation laws broadly to address new shipping practices and new forms of retaliation. The broad interpretation also bolsters the intent of the U.S. Congress of maximizing safe conditions to encourage shippers to air their grievances to FMC.
Fuel Tax Changes Take Effect January 1 in Key Grain-Producing States

Of the dozen or so states in which fuel tax changes took effect January 1, 2022, Michigan and Nebraska implemented the most significant changes for grain transportation. Michigan’s State fuel taxes are linked to inflation and the consumer price index, allowing tax collections to increase with inflation. Additional adjustments will occur each January. The first adjustment is estimated to raise fuel rates by about 1 cent/gallon. Also starting January 1, Nebraska’s current 27.7 cents/gallon gas and diesel tax decreased by 2.9 cents to 24.8 cents/gallon. Nebraska’s change is due to a law linking the State’s fuel tax rates to the price of fuel. Another recalculation for Nebraska was scheduled for July 1, 2022.

USACE Work Plan Includes Funding for Mississippi River Lock and Dam 25

On January 19, the U.S. Army Corps of Engineers (USACE) announced its $22.81 billion plan to implement civil works studies, projects, and programs. The plan uses funding from the Infrastructure Investment and Jobs Act and the 2022 Disaster Relief Supplemental Appropriations Act. One newly funded $732 million project is to complete the design and construction of a 1,200-foot by 110-foot lock chamber for Mississippi River Lock and Dam 25 (near Winfield, MO). Adjacent to the existing 600-foot by 110-foot lock chamber, the new chamber will enable a typical 15-barge tow—transporting over 800,000 bushels of grain—to transit the lock in a single pass. The new single-pass process (30-45 minutes) will vastly improve the current double-pass process (2+ hours), which requires breaking each barge tow into two sections. This project is one of the seven authorized lock construction projects under USACE’s Navigation and Ecosystem Sustainability Program (NESP). Lock and Dam 25 handles nearly all grain shipped on the Mississippi River from Illinois, Iowa, Minnesota, Missouri, and Wisconsin to export facilities near the Gulf of Mexico (on average, valued at over $3.6 billion annually over the past 3 years).

FHWA Launches Largest Bridge Investment Program Since 1956

On January 14, the U.S. Department of Transportation’s Federal Highway Administration (FHWA), launched its Bridge Formula Program (BFP)—the single largest program dedicated to bridge investment since the Interstate Highway System was established in 1956. BFP will provide $26.5 billion to States, the District of Columbia and Puerto Rico over 5 years (including $5.3 billion in fiscal year 2022). The program aims to replace, rehabilitate, preserve, protect, and construct the Nation’s bridges. Annually, each State will receive no less than $45 million—15 percent of which will be set aside for “off-system bridges.” Off-system bridges (i.e., not part of the highway system) are owned by a county, city, town, or other local agency. As authorized under the Bipartisan Infrastructure Law, BFP would allow States to use 100-percent Federal funding to repair or rehabilitate off-system bridges. FHWA encourages States to prioritize projects that would replace bridges classified in “poor” condition and rehabilitate or repair bridges classified in “fair” condition. States are also encouraged to use the funding to address highway-bridge challenges that “impede the mobility of goods (e.g., freight).”

USDA Helps Expand Port of Oakland’s Capacity for Agricultural Exporters

On January 31, 2022, the USDA Secretary announced USDA’s partnership with the Port of Oakland to set up a 25-acre “pop-up” container yard near the port. The new container yard has given agricultural exporters easier access to empty containers (both refrigerated and dry containers). Port congestion and record demand for import container service had complicated access to empty containers. Besides helping set up the additional space, USDA helps agricultural exporters cover—at $125 per container—
the extra logistical costs of using the new yard. Enhancing the marketing of U.S. agricultural products, the new yard has facilitated several logistical improvements, including better access to available equipment; fewer unpredictable congestion surcharges for trucks; and quicker pickup of empty containers (because the main terminal is bypassed).

**Inland Waterways Users Board Reactivated After Long Wait**

On February 3, the U.S. Army Corps of Engineers (USACE) announced it is officially reinstating the Inland Waterways Users Board (IWUB) with its full complement of 11 members. IWUB is an advisory board that monitors the Inland Waterways Trust Fund and advises USACE and Congress on the Fund’s investment priorities. Along with other Federal advisory committees, IWUB operations were suspended in early 2021 as a result of the Department of Defense’s (DOD) review of all DOD Federal advisory committees. The USACE Director of Civil Works (CW) serves as IWUB Executive Director. The USACE Assistant Secretary of the Army (CW) serves as an Inter-Agency Observer, along with representatives of the Maritime Administration, the National Oceanic and Atmospheric Administration, and Department of Agriculture. The composition of IWUB’s membership reflects a balanced representation of each of the inland waterways system’s six main geographic regions. A list of IWUB representatives (and their organizations) serving for IWUB’s current term—January 31, 2022 to January 30, 2024—can be found here.

**FMCSA Amends Guidance on CDL Standards**

On February 3, the Federal Motor Carrier Safety Administration (FMCSA) amended its regulatory guidance to clarify that FMCSA’s current statutory authorities and regulations do not prohibit third-party testers from administering the commercial driver’s license (CDL) knowledge tests for all classes and endorsements. State drivers licensing agencies can accept knowledge tests administered by third-party testers in accordance with existing knowledge test standards and requirements set forth in 49 CFR part 383, subparts G and H.

**USDA Releases Updated Report on the Role of U.S. Waterways in Agriculture**

On February 9, USDA released an updated *A Reliable Waterway System Is Important to Agriculture* report, previously published in October 2018. The latest report summarizes statistics on U.S. grain and agricultural products, including bulk and containerized cargos, transiting the U.S. waterway navigation system. In 2019, agricultural exports were responsible for 26 percent of U.S. farm income—driving rural economic activity and supporting more than 1 million American jobs on and off the farm. The report describes marine transportation’s projected contribution to agricultural exports and imports in fiscal year 2022. It also provides statistical data showing the key role of U.S. waterways in moving many commodities, including grain, forestry and fishery products, and critical farm inputs (such as fertilizer, feed, and fuel). The report includes information related to harbor channels, waterway drafts, closures, and Federal budget issues.
California Leases Out Its Properties To Store 20,000+ Containers

In February, in accordance with the California Governor’s Executive Order N-19-21, Chunker (an online warehouse marketplace) signed leases on six California State properties to provide storage for at least 20,000 shipping containers. The new storage sites are expected to help alleviate congestion at California ports. Three facilities are located near the Ports of Los Angeles and Long Beach, and two sites are near the Port of Oakland. Chunker will coordinate among California ports, shipping/trucking companies, and cargo owners to move containers to the new sites. The Ports of Los Angeles and Long Beach are the leading gateway ports for U.S. containerized grain exports.

USDA Research Compares U.S. and Ukrainian Logistics in Exporting Corn

In February, USDA’s Agricultural Marketing Service summarized research conducted in cooperation with North Dakota State University. The research report is titled Logistical Competition for Corn Shipments From the United States and Ukraine to Targeted International Markets. The researchers examine and compare the relative advantages and disadvantages of the United States and Ukraine in major corn-export markets. Both countries had advantages in major markets. From 2015 to 2019, the United States had a logistical cost advantage over Ukraine in serving China and South Korea (from the U.S. Gulf) and Japan (from the Pacific Northwest). However, for most of the 2015-19 study period, Ukraine was the dominant supplier of corn to China. The study’s authors suggest Ukraine’s dominance probably reflects China’s goal of diversification, its willingness to pay a premium for non-U.S.-origin corn, and its desire for less transparent trading mechanisms. Ukraine had a cost advantage over the United States in serving the European Union (EU) and Indonesia. However, that advantage mostly derived from the EU’s extra 25-percent tariff applied to corn imports from the United States, as well as from the EU’s restrictions against genetically engineered corn imports.

BTS Resumes Collecting Data on Vehicle Inventory and Use

On February 23, the U.S. Department of Transportation’s Bureau of Transportation Statistics (BTS) announced it would conduct a 2021 Vehicle Inventory and Use Survey (VIUS), marking the first VIUS data collection in 20 years. Conducted in partnership with the Federal Highway Administration, U.S. Department of Energy, and U.S. Census Bureau, VIUS once served as the primary data source on the physical and operational characteristics of the U.S. truck population. For the 2021 survey, 150,000 vehicle owners nationwide were randomly selected to provide information on their 2021 vehicle use through an online portal. Focusing on heavy trucks and truck tractors, the survey will collect information on vehicles’ physical characteristics, installed safety technologies, maintenance performed, and uses. Expected to be available in 2023, the collected data will be used to guide infrastructure investments, evaluate truck safety, estimate fuel efficiency and emissions, and understand the products and commodities carried on U.S. roadways. The online survey portal will be open through October 2022. More information and instructions for participants, can be found here.

USDA and DOT Release Supply Chain Studies

On February 24, the 1-year anniversary of President Biden’s executive order on “America’s Supply Chains,” USDA, the Department of Transportation, and other Federal agencies released supply-chain assessments across multiple sectors. USDA’s report outlines the risks and resilience of U.S. agri-food
supply chains. It also identifies potential solutions to address vulnerabilities, including actions at the Federal level that can be taken to address transportation bottlenecks, across all modes.

**STB Publishes Updated Rail Rate Study**

On February 24, the Surface Transportation Board (STB) posted an updated Rail Rate Index Study, showing real (adjusted for inflation) and nominal rail rates (measured as revenue per ton-mile) from 1985 to 2020. With the addition of 2020 data, the February 24 release updates the version released in December 2021. From 2019 to 2020, real rail rates fell moderately (about 2 to 3 percentage points) for grain, intermodal, and food and kindred products. On a percentage basis, rates decreased most for coal and non-grain farm products. Real rates remained relatively flat for chemicals and lumber and wood products. The publication follows STB’s release of the 2020 waybill data. An interactive version of the public waybill, along with visuals based on the data, can also be found on USDA’s AgTransport Open Data Platform.

**USDA Partners With NWSA To Enhance Agricultural Exports**

On March 18, USDA announced a partnership with the Northwest Seaport Alliance (NWSA) to enhance access to a 49-acre “pop-up” site at NWSA in Seattle. To reduce operational hurdles and costs, the site will start accepting both dry and refrigerated agricultural containers for temporary storage. From their new positions on the pop-up site, the containers can be more quickly loaded on ships at the export terminals. USDA’s Farm Service Agency (FSA) will make payments to agricultural companies and cooperatives that use the NWSA pop-up site for containers filled with American-grown agricultural commodities. FSA payments of $200 per dry container and $400 per refrigerated container will help cover additional logistical costs—including drayage and storage—of using the site. Encompassing the marine cargo operations of the Ports of Seattle and Tacoma, WA, NWSA is the second-largest container gateway for containerized agricultural exports from the United States.

**White House Announces Huge Release From Strategic Oil Reserves**

In response to low oil supplies and high prices as a result of the war in Ukraine, on March 31, the President announced the largest release of oil reserves in U.S. history: an average 1 million additional barrels per day will enter the market for the next 6 months. This record release is intended to bridge the supply shortfall until the end of the year when domestic production is expected to increase. To help spur domestic production, the Administration is urging companies to produce more oil. Companies producing from their leased acres and existing wells will not face higher fees. However, companies that continue to sit on nonproducing acres will have to choose whether to start producing or pay a fee for each idled well and unused acre. The U.S. Department of Energy will use the revenue generated by the release of oil reserves to restock the Strategic Petroleum Reserve for future years.
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