

Transportation Update

MAY, 2012

— Compiled by Illinois Farm Bureau®



Interstate/Intrastate policy revision by FMCSA

The Illinois-specific interpretation eases federal regulation

After over a year of concerted effort by Illinois Farm Bureau (IFB®), the Federal Motor Carrier Safety Administration (FMCSA) has announced a new policy specifically for Illinois agriculture that will change whether market deliveries are considered to be interstate or intrastate.

The policy ruling was delivered by FMCSA to state regulators in a May 3 memorandum.

In the past, enforcement officials had assumed that virtually all shipments of farm commodities by farmers from farm to market were a part of interstate commerce, but carved out exceptions for a limited few as intrastate.

The new policy clarification by FMCSA general-

ly reverses that approach. It assumes that virtually all farm-to-market shipments of commodities by farmers (within Illinois) are intrastate, but carves out exceptions for some as interstate.

End result: more farm-to market deliveries by Illinois farmers will be considered to be intrastate.

The policy change is predicated on the fact that a farmer's "fixed and persistent intent" when delivering that commodity cannot always be assumed to be that the product is destined for out-of-state shipment. That assumption changes when delivering to a facility

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The USDOT's elimination of 46 regulations on traffic signs will allow local governments to replace signs when they are worn out rather than requiring them to be replaced by a specific date.

Long-range state transportation plan under revision by IDOT

Opportunities for input include public open-house meetings

The Illinois Department of Transportation (IDOT) is updating the Long-Range State Transportation Plan and will be conducting six public open houses to seek input to ensure that transportation policies reflect the needs of Illinois citizens and transportation users. The plan is required by both federal and state regulations and is to be completed by Dec. 31, 2012.

The plan will encompass all modes of transportation and will provide a framework for the department to address current and future needs.

As required by state law, a comprehensive statewide multi-modal freight mobility plan will be developed as part of the plan.

IDOT has scheduled public open houses to obtain public input on the Long-Range State Transportation Plan update.

Illinois' premier role as a transportation hub for all modes will provide unique opportuni-

(See Plan on page 4)

Domestic coal rail shipments are down

Railroads' earnings aren't

Source: Progressive Railroading

U.S. railroads have flourished of late despite a significant drop in domestic coal shipments, according to the Paragon Report, a market research firm that analyzes investing opportunities in the rail industry. Standard & Poor's "Supercomposite Railroads Index" has climbed 29 percent since September 2011, outperforming the S&P 500 Index's 21 percent gain, Paragon Report officials said in a prepared statement.

A recent resurgence in U.S. auto sales has provided a boost to rail traffic. Shipments of vehicles and auto parts recently reached the highest weekly total in nearly four years, Paragon Report officials said, citing Association of American Railroads data from March's last week.



Combined, the North American Class I's reported a "healthy" 28.5 percent earnings gain in the first quarter compared with the same 2011 period, according to a BMO Capital Markets report, Paragon Report officials said.

"All the railroads exceeded consensus estimates by a healthy margin largely due to greater-than-expected productivity gains, robust pricing and a less-than-feared decline in coal revenues," the cited BMO Capital Markets report states.



USDOT revises PTC implementation regulations

Could ease costs for anhydrous ammonia shipments

Source: Progressive Railroading

The [U.S. Department of Transportation \(USDOT\)](#) announced changes to regulations governing positive train control (PTC) installation aimed at providing railroads additional flexibility and reducing their implementation costs.

The revisions stipulate that railroads no longer will be required to conduct risk analyses to obtain [Federal Railroad Administration \(FRA\)](#) approval to not install PTC on certain lines. In addition, railroads won't need to complete other costly risk mitigation measures on an estimated 10,000 miles of track that will not be used to transport passengers or poison inhalation hazard (PIH) commodities after December 2015 (such as anhydrous ammonia.)

Railroads impacted by the federal mandate are expected to save about \$335 million over the first five years and up to \$775 million over the next 20 years

by implementing safety measures other than PTC, where appropriate, USDOT officials said in a prepared statement.

"Earlier this year, President Obama called for a government review of regulations to identify those that needed to be changed or removed because they were deemed unnecessary, out of date, excessively burdensome or overly costly.

The Rail Safety Improvement Act of 2008 mandates that dozens of U.S. freight and intercity or commuter railroads install PTC systems by 2015's end on lines used to transport PIH materials and passengers. A few federal surface transportation bills proposed earlier this year included provisions to extend the PTC deadline by two or five years.



US rail traffic: intermodal up, carloads down

Long-term trend reflected in year-to-year figures

Source: Progressive Railroading

During the week ending May 12, U.S. railroads originated 279,063 carloads, down 5.2 percent, and 238,980 containers and trailers, up 3.1 percent compared with volumes from the same week last year, according to the [Association of American Railroads \(AAR\)](#).

Only 10 of 20 carload commodity

groups posted gains led by petroleum products (49 percent), motor vehicles and equipment (35.7 percent), and lumber and wood products (20.3 percent). Coal volume plunged 16.2 percent, non-metallic minerals volume fell 15.4 percent and grain volume tumbled 11.4 percent. Weekly carload volume dipped 5.2 percent both in the East and West.

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CVSA Roadcheck 2012

Tens of thousands of truck inspections — June 5-7

Source: CVSA

Roadcheck is the largest targeted enforcement program on commercial vehicles in the world. Approximately 14 trucks or buses will be inspected, on average, every minute from Canada to Mexico during a 72-hour period June 5-7.

Each year, approximately 10,000 CVSA-certified local, state, provincial and federal inspectors at 1,500 locations across North America perform the truck and bus inspections.

The Commercial Vehicle Safety Alliance (CVSA) sponsors **Roadcheck** with participation by the Federal Motor Carrier Safety Administration, Pipeline and Hazardous Materials Safety Administration, Canadian Council of Motor Transport Administrators, Transport Canada, and the Secretariat of Communications and Transportation (Mexico).

Roadcheck is one of a series of activities that occur year round whereby

CVSA-certified inspectors conduct compliance, enforcement and educational initiatives targeted at various elements of motor carrier, vehicle, driver and cargo safety and security.

Since its inception in 1988, the roadside inspections conducted during **Roadcheck** have numbered over 1 Million, resulting in more than 220 lives saved and 4,045 injuries avoided.



For information on meeting Motor Carrier Safety Regulations, find regulatory information for farmers on the Illinois Farm Bureau website at: <http://www.ilfb.org/policy-and-issues/current-issues/transportation-and-infrastructure.aspx>

Level I safety inspection information is available from the CVSA at: http://www.cvsa.org/programs/documents/roadcheck2010/roadcheck_brochure.pdf

IDOT Commits \$72 Million to Construction of I-74 Mississippi River Bridge at Quad Cities

Total project cost estimated at more than \$1.3 Billion

Illinois Transportation Secretary Ann L. Schneider announced that the Illinois Department of Transportation (IDOT) will adjust its multi-year transportation program to include a \$72-million commitment to constructing a new Interstate 74 bridge across the Mississippi River in Quad Cities. Governor Pat Quinn directed IDOT to include a significant construction commitment in the agency's current multi-year funding program for the new I-74 bridge.

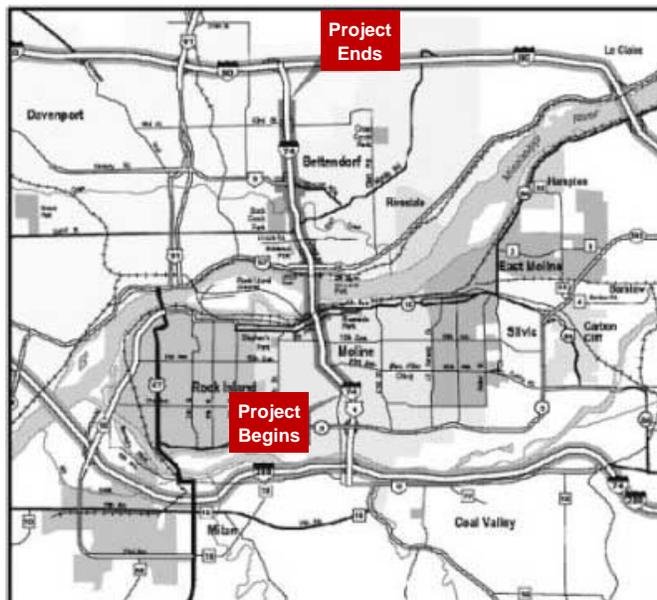
The governor noted that "this project is a partnership to strengthen the I-74 corridor, and we will continue to work with Iowa and the federal government to secure the necessary resources and get the job done."

The Illinois commitment comes on the heels of an action by the State of Missouri to remove \$63 million from its commitment to the project due to Illinois' prior failure to set aside money in its six-year transportation plan.

The \$72-million construction commitment includes \$22 million in Fiscal Year 2017, and an additional \$50 million in Fiscal Year 2018. IDOT also has committed more than \$34 million to date for engineering, design and land acquisi-

(See **Bridge** on page 6)

Bridge: The improvements comprise additional capacity on I-74; an improved Mississippi River crossing; enhancements to the existing six service interchanges; upgrades to the connecting arterial roadway system; & improved opportunities for transit, bike/pedestrian and intermodal connections.



BTS releases freight Transportation Services Index (TSI)

Freight Shipments Fell 0.8% in March from February

The amount of freight carried by the for-hire transportation industry fell 0.8 percent in March from February, declining after a one-month increase, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS) Freight Transportation Services Index (TSI) released today. The March level was 16.0 percent above the April 2009 low during the recession.

BTS, a part of the Research and Innovative Technology Administration, reported that the level of freight shipments measured by the Freight TSI, 109.4, declined from December 2011's mark of 113.7 which was the all-time high since 1990 when BTS' TSI records began. See historical [TSI data](#).

The Freight TSI measures the month-to-month changes in freight shipments by mode of transportation in ton-miles, which are then combined into one index. The index measures the output of the for-hire freight transportation industry and consists of data from for-hire trucking, rail, inland waterways, pipelines and air freight.

Trend: Freight shipments in March 2012 (109.4) were at the fourth highest level since the early recession month of July 2008 despite the 3.8 percent decline from December 2011 (113.7 on the index), which was the highest level in the 22-year history of the series. After dipping to a recent low in April 2009 (94.3) during the recession, freight shipments increased in 23 of the

last 35 months, rising 16.0 percent during that period. For additional historical data, go to <http://www.bts.gov/xml/tsi/src/index.xml>.

Index highs and lows: Freight shipments in March 2012 (109.4) rose 16.0 percent

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Plan

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ties for leveraging key transportation investments that will support economic growth and improve quality of life.

IDOT is expanding its multi-modal approach bringing biking/pedestrian, transit, waterways and freight related issues to the forefront. This proposed plan will place emphasis on sustainability measures and procedures, human capital needs and the development of performance measures.

The public is invited and encouraged to attend the public open houses. At the open houses, the public will be able to view exhibit boards and talk one-on-one with representatives from the Illinois State Transportation Plan update team.

If you are not able to attend, visit www.IllinoisTransportationPlan.org to communicate and share information about the plan update process and product. The website offers residents, visitors and businesses that use the transportation system an opportunity to comment on the plan through a comment page on the website. The comment period ends June 27, 2012.



IDOT Public Open House Meetings

Re: Long-Range Transportation Plan

Tuesday, May 22, 2012

4-7 p.m.
Rockford Public Library
215 N. Wyman St.
Rockford, Ill 61101

Thursday, May 24, 2012

4-7 p.m.
Centre Station – Metro Room
1200 River Drive
Moline, Ill 61265

Wednesday, June 6, 2012

4-7 p.m.
President Abraham Lincoln Hotel
701 E. Adams St.
Springfield, Ill 62701

Wednesday, May 23, 2012

4-7 p.m.
Illinois Department of Transportation
Training Room
401 Main
Peoria, Ill 61602

Tuesday, June 5, 2012

4-7 p.m.
Carterville Community Center
Fred G. Harrison Annex
120 N. Greenbriar
Carterville, Ill 62918

Wednesday, June 13, 2012

4-7 p.m.
Chicago Metropolitan Agency for Planning (CMAP)
233 S. Wacker Drive #800
Chicago, Ill 60606-6466
To pre-register for building access, please contact Ingrid Witherspoon at (312) 454-0400.

Policy

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that clearly ships a large majority of what it receives to out-of-state destinations. In those cases, it is judged that the farmer should reasonably assume that the commodity he/she delivers will be destined as a part of interstate commerce.

There are three specific facility types where farm-to-market shipments will continue to be considered a part of interstate commerce:

- 1) river grain terminals;
- 2) intermodal shipping facilities; and,
- 3) unit train loading facilities.

The interstate/intrastate status of shipments to other major facilities will be considered on a case-by-case basis.

In this case, the “intermodal facilities” referred to are generally those that load and ship containers.

Illinois Farm Bureau is still working with federal and state agencies to define and identify unit train facilities.

Any farm-to-market delivery that crosses the state boundary is considered interstate. As in the past, deliveries to an in-state processor are still considered intrastate.

The primary benefit for Illinois farmers who now find themselves classed as intrastate carriers will be relief from the USDOT number and the Unified Carrier Registration (UCR.) The advent of the UCR in 2007 had precipitated enforcement of both of those registrations, followed by the New Entrant Audit and later, the CSA 2010 program (Compliance, Safety Accountability.)

Not all farmers will be able to take advantage of the relaxed interpretation. While many farmers haul to what now will be considered an intrastate location, they might still haul a few loads—or even one—to a facility con-

sidered to be interstate. Just one such interstate delivery is all it takes to classify the carrier as “interstate.”

Farmers who had been classed as interstate but now find they are considered to be intrastate have differing sets of options based on their status with the USDOT number and the New Entrant Audit.

Farmer A: For those who have successfully completed the audit, they have three options.

- 1) They can do nothing and continue on with their interstate designation;
- 2) They can choose to inactivate their USDOT number (*it can be reactivated later*); or,
- 3) they can change their status to “intrastate” and keep the USDOT number (*it can be changed back to interstate later.*)

Any farm-to-market delivery that crosses the state boundary is still considered interstate.

Farmer B: Some farmers have the USDOT number but have yet to undergo the audit. To avoid the audit, they must take action on one of two choices:

- 1) They can inactivate their USDOT number (*it can be reactivated later*); or,
- 2) They can change their status to “intrastate”. (*they can re-register as interstate later.*)

In either case, a New Entrant Audit will not be conducted. If they ever

re-register as an interstate carrier, then they would again be subject to the New Entrant Audit.

If they do nothing, they will continue to be considered an interstate carrier and will eventually undergo a New Entrant Audit.

Farmer C: For those who have the USDOT number but failed the audit, they have two options:

- 1) Take the steps necessary to improve their safety practices so that they can pass the audit (*once that's achieved, they'd have the three options available to Farmer A*); or,
- 2) Inactivate their USDOT number. Inactivation of the number would stop the audit process, freezing it at its current stage. In the future, if ever they wanted to reactivate their USDOT number, they would first have to provide evidence that they've taken corrective action to pass the audit. They (the carrier) would be prohibited from operating in interstate commerce prior to fixing audit findings and getting any out-of-service order lifted.

Don't act too soon. It's tempting to react quickly to get out from under the USDOT number requirement. But remember, just one delivery to an interstate shipper will trigger the interstate status; and most agricultural interstate shippers have yet to be formally identified by the FMCSA.

As soon as possible, that list and detailed instructions regarding the steps listed above will be made available on the IFB website. Instructions are being vetted with state and federal enforcement officials.

Watch *FarmWeek* and the [IFB website](#) for additional information.



USDOT proposes rule to prevent rollover crashes

Regulation could prevent over half of rollovers for buses and big trucks

The U.S. Department of Transportation's National Highway Traffic Safety Administration (NHTSA) has proposed a new standard to require electronic stability control (ESC) systems on large trucks, and buses for the first time ever.

Agency research shows the technology could prevent up to 56 percent of rollover crashes each year—the deadliest among all crash types—and another 14 percent of loss-of-control crashes.

ESC systems have been found to be the most effective tool for reducing the propensity for heavy vehicles to rollover or lose control.

With sensors that monitor vehicle movement and steering, ESC can help mitigate rollover incidents by using automatic computer-controlled braking, and also aid the driver in addressing severe understeer or oversteer conditions that can lead to loss of control.

NHTSA estimates that a standard requiring ESC on the nation's large trucks and large buses would prevent up to 2,329 crashes, eliminate an estimated 649 to 858 injuries, and prevent between 49 and 60 fatalities a year.

While many truck tractors and large buses can currently be ordered with this

technology, the proposed standard would require ESC systems as standard equipment on these types of vehicles. As proposed, the rule would take effect between two and four years after the standard is finalized, depending on the type of vehicle.

The agency's Notice of Proposed Rule-making is being published in the Federal Register and members of the public will have the opportunity to comment on

the proposal for 90 days. NHTSA will also hold a public hearing on the proposed safety standard to solicit further public comment—the date and location of that hearing will be published in the coming weeks.

[View the proposed new safety standard for large trucks and buses](#)



Intermodal

(Continued from page 2)

For the week ending May 12, Canadian railroads reported 79,063 carloads, up 3.4 percent, and 52,456 containers and trailers, up 7.2 percent year over year. Mexican railroads' carloads rose 6.2 percent to 14,510 units & intermodal volume jumped 16.2 percent to 9,666 units.

Through 2012's first 19 weeks, 13 reporting U.S., Canadian and Mexican railroads originated 7,072,343 carloads, down 1.8 percent, and 5,473,828 containers and trailers, up 4.2 percent compared to last year.



Bridge

(Continued from page 3)

tion for the new structure, which is under way. The total cost of the core I-74 bridge across the river is estimated at more than \$700 million. The entire bridge reconstruction project, including all approach routes and connectors, is estimated at more than \$1.3 billion.



"We have identified additional resources to invest in the I-74 bridge, and we look forward to continuing discussions with the U.S. Department of Transportation on the need for a significant federal commitment to the bridge's completion," Illinois Transportation Secretary Schneider said.

"Typically, a major bridge structure like this requires as much as two-thirds of its funding from federal sources. Illinois wants to make certain that our entire congressional delegation and federal policymakers understand the need for this bridge replacement, along with our state's commitment to completing this structure in a timely fashion."



TSI

(Continued from page 4)

from the recent low in April 2009 during the recession (94.3). In April 2009, freight shipments were at their lowest level since June 1997 (92.3). The March 2012 level is down 3.8 percent from the historic freight shipment peak reached in December 2011 (113.7).

Long-term trend: Freight shipments are down 1.2 percent in the five years from

pre-recession of March 2007 and up 10.9 percent in the 10 years from March 2002 despite declines in recent years.

See [Freight TSI Press Release](#) for summary tables and additional data. See [Transportation Services Index](#) for historic data and methodology.

