



FEDERAL HIGHWAY
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U.S. GAO Finds Gaps in Port Security Program

A recently published report by the Government Accountability Office (GAO) has found that the U.S. Department of Homeland Security (DHS) program to strengthen port security has gaps that terrorists could exploit to smuggle weapons of mass destruction in cargo containers, congressional investigators have found.

The April 2008 report released by GAO this past month, assesses the Customs-Trade Partnership Against Terrorism (C-TPAT), a federal program established after the Sept. 11, 2001, attacks to deter a potential terrorist strike via cargo passing through 326 of the nation's airports, seaports and designated land borders. Under the program, roughly 8,000 importers, port authorities and air, sea and land carriers are granted benefits such as reduced scrutiny of their cargo. In exchange, the companies submit a security plan that must meet U.S. Customs and Border Protection's minimum standards and allow officials to verify their measures are being followed.

A previously published GAO report found in 2005 that many of the companies were receiving the reduced cargo scrutiny without the required full vetting by U.S. Customs, a division of DHS. The agency has since made some improvements, but the new report found that Customs officials still couldn't provide guarantees that companies were in compliance. Among the problems found in this report include:



- A company is generally certified as safer based on its self-reported security information that Customs employees use to determine if minimum government criteria are met. But due partly to limited resources, the agency does not typically test the member company's supply-chain security practices and thus is "challenged to know that members' security measures are reliable, accurate and effective."
- Customs employees are not required to utilize third-party or other audits of a company's security measures as an alternative to the agency's direct testing, even if such audits exist.
- Companies can get certified for reduced U.S. Customs inspections before they fully implement any additional security improvements requested by the federal government. Under the program, Customs also does not require its employees to systematically follow up to make sure the requested improvements were made and that security practices remained consistent with the minimum criteria.

For additional information, please see the GAO report at: <http://www.gao.gov/new.items/d08240.pdf>

Infrastructure key to long-run U.S. growth according to panel

NEW YORK, May 22 (Reuters) - Washington's efforts to prop up a flagging economy with tax breaks for consumers may provide a short-term boost, but job-creating infrastructure investment is central to growth in the long run, a panel of experts said on Thursday.

Speaking at the New School University, the group of economists and investors agreed that while these longer horizon projects are less palatable politically, capital injections into things like public transport, bridges and schools must be part and parcel of a sustainable growth strategy because they create employment.

Their comments come in a month when the Treasury has distributed more than \$150 billion in tax rebates to millions of Americans, in the hopes that they will continue spending and help prevent a deeper economic slowdown.

"The recovery plan may be wrong in very basic ways," said Teresa Ghilarducci, professor of economic policy analysis at the New School.

That's because the odd \$600 check in the mail is unlikely to create very many jobs, which economists say is a foundation for stable consumption.

"Economists think way too much about GDP and way too little about people," said Lawrence Mishel, president of the Economic Policy Institute in Washington.

The panel proposed the creation of a U.S. version of the European Bank for Reconstruction and Development, a government entity that could oversee infrastructure investment and lead partnerships between the private and public sectors.

The economy has been reeling from the worst housing downturn since the Great Depression, which has been accompanied by a crippling financial crisis that has dried up bank lending.

Participants at the New School meeting were supportive of efforts to take quick steps to prevent further pain, but argued that these must be accompa-

nied by an overarching plan to make growth less prone to boom-bust cycles.

"Infrastructure spending could prove a major source of growth for the U.S. economy," said Heidi Crebo-Rediker, co-director of the Global Strategic Finance Initiative.

She envisioned a big role for sovereign wealth funds, large pools of government capital from places like Middle East and China that have emerged as major players in international financial markets during the last few years.

Crebo-Rediker added that the market for covered bonds, used widely in Europe but largely absent in the United States, could provide a good source of funding for infrastructure projects. (Editing by Leslie Adler).

For additional information, please see the following web-link for article: <http://www.reuters.com/article/companyNewsAndPR/idUSN2220436520080522>

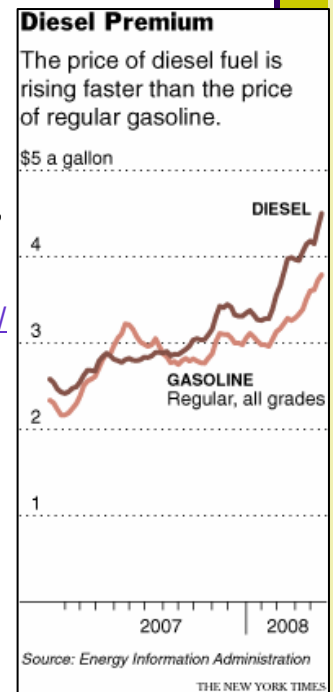
Fuel prices continue to take their toll; used U.S. trucks exported

A recent article in the *New York Times* looks at the impact of fuel prices on long-haul truckers. The *Times* cites a report by America's Commercial Transportation Research group that says 45,000 tractors, or more than 3 percent of the nation's tractor fleet, have departed from U.S. highways since early last year.

That surpasses the last great shakeout, in the early 1980s, when deregulation – along with a recession, high interest rates and the second Arab oil embargo – took out 33,000 tractors.

It also cites a Commerce Department report that says nearly 24,000 used, over-the-road tractors have been exported to other countries in the last year. The weakness of the dollar is one reason more trucks are going abroad. According to the article, many of the trucks end up in Russia, a strong outlet for the used heavy

duty trucks. Thousands of long-haul truckers have sold their used rigs because the soaring price of diesel has stripped the profit from hauling. For additional information, please see the following website: <http://www.nytimes.com/2008/05/27/business/27ship.html>



Diesel spikes 22.6 cents to nationwide average of \$4.723

Record-high fuel prices continue to punish truckers already struggling to pay for their fuel as diesel jumps another 22.6 cents this past week. This puts the national average at \$4.723, the U.S. Energy Information Administration reported on Monday, May 27. The price for a gallon of diesel has gone up more than \$1.906 from the same time period last year. All nine regions are reporting increases of more than 20 cents a gallon, with the California region reporting the highest regional increase of 29 cents to put the cost for a gallon of diesel above the \$5 mark – at \$5.027.

The West Coast region is reporting an increase of 27.4 cents to put the average price for a gallon of diesel at \$4.894, while fuel has gone up 23.4 cents in the Lower Atlantic region to put the price at \$4.719 a gallon. The New England

and East Coast regions both are reporting increases of 23.3 cents a gallon – costing on average \$4.843 in the New England region and \$4.791 in the East Coast region. Two regions, the Central Atlantic and the Gulf Coast, are both reporting increases of 23.1 cents a gallon for diesel to put the average at \$4.916 in the Central Atlantic and at \$4.676 in the Gulf Coast region.

The price for a gallon of diesel has gone up 21.3 cents in the Rocky Mountain region to put the average at \$4.659, while the Midwest is reporting the lowest increase of all the regions – 20.8 cents – to put the average price at \$4.677. For additional information, please see: http://www.landlinemag.com/todays_news/Daily/2008/May08/052608/052708-01.htm

Fed Grant Ending ATA's Highway Watch Program

The Department of Homeland Security has awarded a \$15.5 million trucking security grant to an Alexandria, Va., firm, effectively ending American Trucking Associations' four-year-long Highway Watch program.

The 2008 fiscal year grant was awarded to HMS Company from a field of 11 competitors, according to the Transportation Security Administration, which is part of DHS. It was the first year it was up for competitive bidding.

ATA said in a statement that it was "disappointed" that it was not selected to continue the program and that it was proud of its past accomplishments. It is unclear how long Highway Watch will continue to operate, but a research component of

program evaluation and assessment will continue through the 2008 calendar year, ATA said. "We have expanded the number of individuals trained under the program from 10,000 to over 830,000 and fielded over 10,000 incident calls," ATA said.

"The program has been a valuable source of reporting and intelligence regarding incidents and potential threats to the nation's highway and motor carrier sector. We believe the Highway Watch program has contributed to America's safety and security." For additional information, please see: <http://www.ttnews.com/articles/basetemplate.aspx?storyid=19831>

UPS Places Large Order for Alternative-Fuel Trucks

UPS Inc. recently announced a major increase in its investment in alternative-fuel vehicles, saying it has ordered 200 diesel-electric hybrid delivery vans and 300 vans powered by compressed natural gas. "All 500 of the trucks we ordered have the same size and shape of our usual [medium-duty] delivery vans," says UPS spokeswoman Elizabeth Raspberry. "The 300 CNG trucks will all be delivered and put into service this year in the United States, while the electric hybrids will arrive in early 2009 and be deployed then."

The 200 hybrid trucks are expected to save 176,000 gallons of fuel annually, or 880 gallons a vehicle, and reduce carbon dioxide emissions by 1,786 metric tons each year, UPS said. Those numbers represent a 40% improvement in fuel efficiency and a 90% reduction in emissions, compared with convention vehicles. "That is the equivalent of removing almost 100 conventional UPS trucks from the road for a year," the company said. UPS, which is based in Atlanta, currently operates more than 800 vehicles that run on natural gas in the United States and 50 electric-hybrids, Raspberry said. Eaton Corp. will manufacture the hybrid-

electric powertrain, while Freightliner Custom Chassis Corp., part of Daimler Trucks North America, will provide the chassis for both the hybrid and CNG trucks, UPS said. A hybrid-electric vehicle offers the most benefit in stop-and-go applications, including package delivery, because hybrids employ regenerative braking. They capture excess energy from the stopping process, store it and then use it for propulsion the next time the vehicle starts.

In a press release, Freightliner said that the hybrid electric trucks may be eligible for a tax credit of up to \$4,500 a vehicle, while the CNG may qualify for tax credits of up to \$25,000 a vehicle. UPS, which ranks No. 1 on the Transport Topics 100 list of the largest U.S. and Canadian for-hire carriers, said it operates alternative fuel vehicles in North America, Brazil, France, Germany and the United Kingdom. The vehicles have traveled nearly 144 million miles since 2000, UPS said. For additional information, please see the following web-link: <http://www.ttnews.com/articles/petemplate.aspx?storyid=19804>

Texas Border Coalition Members Meet During Global Border Security Conference Held in Austin, TX (May 21-22, 2008)

AUSTIN, Texas - With security technology highlighted at the Global Border Security Conference & Expo as its backdrop, members of the Texas Border Coalition met on May 21-22nd at the Austin Convention Center to discuss issues that could directly affect the Texas-Mexico border region and build on strategies to recommend technological alternatives to erecting a physical border fence, which coalition members say will cede privately owned land to Mexico and disrupt economic development in the region.

Eagle Pass Mayor Chad Foster, chairman of the Texas Border Coalition spoke at the conference and gave a presentation entitled "Fence vs. Virtual Fence - DHS & Stakeholders Working Together."

The Texas Border Coalition, an alliance of border mayors, county judges and community leaders, contends that a "virtual fence" proposes the least adverse affect on socioeconomic and environmental conditions in Texas regions bordering Mexico.

In response to growing demand for border defense and security technology from federal and state governments, the 2008 Global Border Security Conference, organized and managed by E.J. Krause & Associates, has expanded its exposition to include two dedicated technology pavilions.

The Unmanned Aerial Vehicle (UAV) Pavilion will focus on air-to-ground surveillance capabilities and unmanned aircraft. The Pavilion will showcase technologies from around the globe enabling more efficient, wide-area and all-terrain reconnaissance. The Advanced Biometrics Pavilion will present next-generation technologies for port and border security access control applications and integrated identification systems.

Said Michael Rosenberg, vice president of homeland security, for E.J. Krause: "Our goal is to bring together government and industry leaders to consider security services, technology products and policy strategies that can help better protect sovereign borders. This is a unique opportunity for government officials in homeland security and law enforcement to view firsthand what solutions are available to them. We are proud to be hosting the second annual Global Border Security Conference in Austin, Texas and anticipate that the conference will help define the next phase of investment in border surveillance and security."

In May 2007, hundreds of technology leaders and border security decision makers from the United States, Canada, Europe and Mexico gathered in San Antonio for the inaugural Global Border Security Conference and Expo.

For additional information on this conference, please see the following website: http://www.examiner.com/p-164612~Texas_Border_Coalition_Members_to_Meet_During_Global_Border_Security_Conference_on_Border_Alternatives_at_Technology_Expo.html



Photos of Unmanned Aerial Vehicles (UAV)
Source: Association for Unmanned Vehicle Systems International (AUVSI)



Norfolk Southern RR boots up 'sustainability' Web site

[Norfolk Southern Corp.](#) wants to chart its "going green" efforts on the World Wide Web. Yesterday, the Class I announced it launched a Web site at: www.nscorp.com/footprints to share and gather information on the railroad's sustainability projects. Also accessible on NS' home page under a "learn more about NS and the environment" application, the site outlines the Class I's sustainability initiatives, such as developing public-private partnerships to improve the nation's rail network while supporting the economy, minimizing

use of natural resources, and reducing, reusing and finding alternatives for commonly used railroad materials. The website also features NS' "Green Machine" carbon footprint analyzer unveiled last month.

The Green Machine calculates how shippers can reduce emissions if rail becomes a larger component of their supply chains. In addition, the site includes a "Your Ideas" area through which visitors can submit sustainability ideas to the

Class I. "An important part of sustainability on the railroad involves employee, customer and supplier input," said F. Blair Wimbush, NS' vice president of real estate and corporate sustainability officer, in a prepared statement. For additional information, please see the following web-link:

www.nscorp.com/footprints

IdleAire Company Files Chapter 11; Stations to Remain Open

IdleAire Technologies Corp., a designer of anti-idling systems for long-haul trucks at truck stops, has filed for Chapter 11 bankruptcy, but its facilities will remain open to truckers, the company said Friday.

The Knoxville, Tenn.-based said it secured a \$25 million debtor-in-possession credit facility to provide funding for the company as it works through the Chapter 11 reorganization process, which it said "will allow the company the opportunity to restructure its debt and emerge under new ownership on a more financially solid foundation."

IdleAire has 131 locations in 34 states. Last year, nearly 200,000 individual long-haul drivers made 1.5 million visits to IdleAire sites,

conserving over 15 million gallons of fuel and eliminating over 360 million pounds of diesel emissions, mostly carbon dioxide, the company said.

"A Chapter 11 filing is an unfortunate action," the company said in a statement, but said it was "necessary to restructure our debt and recapitalize the company to continue to serve professional long-haul drivers and trucking fleets across the country. We expect operations will continue as we go through this process and we expect to end up financially stronger than ever."

Founded in 2000, IdleAire was largely funded by private equity placements with about \$114

million from investors, Bloomberg reported. Its equity, although not publicly traded, is held by more than 3,000 shareholders.

As of the end of last year, IdleAire had collected \$25.1 million of the \$55.6 million awarded in government grants issued by agencies seeking to encourage greenhouse gas reduction and fuel-saving technologies, Bloomberg reported.

For additional information, please see the following web-link: <http://www.ttnews.com/articles/basetemplate.aspx?storyid=19777>

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Famous Quote of the Day:

"The best things in life
aren't things."

--**Art Buchwald**,
American humorist

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Information provided is a compilation from other news and on-line media sources, any information relayed is based upon the accuracy of the information provided by other news gathering organizations and does not necessarily reflect the views or positions of the Federal Highway Administration or the State of Texas Border Partnership Working Group.

Next FHWA HQ's Talking Freight Web Seminar (June 18th)

The Federal Highway Administration's (FHWA) Office of Freight Management and Operations and the Office of Planning host the "Talking Freight" seminars.

The web seminars are part of a broader Freight Professional Development Program aimed at providing technical assistance, training, tools, and information to help the freight and planning workforce meet the transportation challenges of tomorrow.

The web seminars are held on a monthly basis throughout the year and are open at no cost to all interested parties in both the public and private sectors.

The next FHWA HQ's Talking Freight Seminar will be held on June 18th will cover the topic of :

Above and Beyond– New AASHTO Publication Available On-Line

Transportation agencies are increasingly going above and beyond to connect and enhance both communities and the environment to make things better than before, not because it is required, but because it is the right thing to do.

The successful practices described in this report describe a few of the many ways transportation agencies are advancing toward sustainable transportation. These initiatives are helping transportation agencies bridge the gap and contribute to the environmental, social, and economic well-being of their communities.

Available as a FREE download from <http://environment.transportation.org/>. The first print copy is free, additional copies are \$15 each. Item Code: DT-AAB-1

“Freight Planning - Impacts on Air Quality and Greenhouse Gas Emissions.” Hear from MPOs and State DOTs that have begun to factor air quality/GHG concerns into their freight transportation planning process. For additional information, including how to register for this webinar event, please see the following FHWA web-site:

http://www.nhi.fhwa.dot.gov/resources/webconference/web_conf_learner_reg.aspx?webConfID=13917

For additional information on freight-related courses and training opportunities as part of the FHWA Freight Professional Development Program, please see the following web-link at: <http://www.ops.fhwa.dot.gov/freight/fpd/training.asp>

The Best of Public Safety and Emergency Transportation Operations CD Available

The Federal Highway Administration has recently released a CD-ROM compilation of more than 40 resource documents that address public access to emergency services, enhanced information sharing, evacuation management and operations, transportation operations during biohazard situations, preparedness and response, and planned special events. For additional information, please see: http://www.trb.org/news/blurb_detail.asp?id=9080



