

ON TIME Act

Currently more than 100 regional trade agreements are being negotiated around the world. Today, the United States has implemented FTAs with 14 countries.
www.tradeagreements.gov

By 2020, every major U.S. container port is projected to at least double the volume of cargo it was designed to handle. Select East Coast ports will triple in volume, and some West Coast ports will quadruple.

Thomas J. Donohue
President and CEO
U.S. Chamber of Commerce
August 10, 2007

When the performance of our ports, highways, and railways breaks down, it not only becomes a choke-point for our economy, it can literally choke the communities that are surrounding them as well.

U.S. Secretary of Transportation Mary Peters
February 27, 2007

The Our Nation's Trade Infrastructure, Mobility, and Efficiency Act (ON TIME Act) will provide a trade-based funding stream dedicated to high priority projects that will alleviate congestion in our nation's trade corridors.

The Goods Movement Challenge

- The U.S and global economies continue to experience tremendous growth – driven largely by increases in international trade.
- Increases in U.S. trade have and will continue to result in an exponentially greater rise in the amount of goods moved into and out of our nation's ports of entry.
- The growth in the amount of goods moving to and from our ports of entry increasingly concentrates transportation impacts in our nation's trade corridors.
- Our nation lacks a national goods movement policy.
- Current funding mechanisms are inadequate to address these specific challenges.

Proposed Solution

The ON TIME Act:

- Directs DOT to define National Trade Gateway Corridors;
- Establishes strict and meaningful project eligibility;
- Sets forth a .075 % fee (capped at \$500) on the value of freight moving in and out of our nation's ports of entry, all of which is dedicated to transportation projects in the Corridor in which it is collected;
- Empowers state transportation agencies to prioritize and select eligible projects;
- Requires a 80% Federal, 20% Non-Federal match; and
- Sunsets in 10 years.

ON TIME Act of 2007
Our Nation's Trade Infrastructure, Mobility and Efficiency Act

Overview

SECTION 1 – Short Title

States the bill should be referred to as the “Our Nation’s Trade Infrastructure, Mobility and Efficiency Act” or the “ON TIME Act.”

SECTION 2 – Establishment and Collection of National Trade Gateway Corridor Fee

Directs the Secretary of Homeland Security to establish a fee based on each article that enters the United States. Directs them to work with Customs and Border Patrol (CBP) to develop this fee based on the definition of “value” as defined by section 402 of the Tariff Act of 1930.

The ad valorem import fee shall be equal to .075% with a maximum of \$500, whichever is less.

Directs the Secretary of Homeland security to work with the Secretary of Commerce to create regulations that establish a fee on the value of articles exported out of the country. Value will be defined the same as in section 30.7(q) of title 15, Code of Federal Regulations.

The ad valorem export fee shall be equal to .075% with a maximum of \$500, whichever is less.

The proceeds from the fee will be deposited into the “National Trade Gateway Corridor Fund” and be used as described in Section 3.

The fee shall be terminated 10 years after it is enacted.

SECTION 3 – Apportionment of Funds

No more than 2% of the revenue generated by the fee will be set aside for administration of the fee. 2/3 of that 2% will go to DHS to collect the fee on the import side. 1/3 of that 2% will go to DHS and Department of Commerce to collect the fee on the export side.

Apportions collected funds to State departments of transportation at a level equal to the annual amount of fees generated by the ports and gateways in each State.

Each State shall apportion its annual allotment of fees to eligible projects within the boundaries of National Trade Gateway Corridor Fund.

Annual apportionments to eligible projects within the boundaries of a National Trade Gateway Corridor must total the amount of fees collected at the Corridor’s corresponding port or gateway.

If a corridor within the boundaries of one or more state the money will be distributed;

- 50% going to the total lane miles of Federal-Aid Highways

- 50% going to the total vehicle miles traveled on lanes on Federal-Aid Highways

SECTION 4 – Project Selection and Eligibility

Directs the Secretary to establish project selection guidelines which a State department of transportation shall follow in providing funds to eligible projects. The selection guidelines shall include, but not be limited to, a requirement that a State department of transportation:

- (1) consult with local governments, port authorities, regional planning organizations, as well as public and private freight stakeholders during the project selection process.
- (2) adhere to already established metropolitan and/or statewide planning processes.
- (3) develop a selection process that is transparent, in writing, and publicly available.
- (4) establish a process for rating proposed projects that clearly identifies the basis for rating projects in accordance with the purpose of this act.”

Establishes a 80% federal, 20% non-federal funding matching requirement.

SECTION 5 – Fund Allocation

The Secretary of Transportation shall allocate money to State transportation departments for eligible projects.

SECTION 6 – National Trade Gateway Corridor

Directs the Secretary, in consultation with the Secretary of Commerce, to designate National Trade Gateway Corridor for each port of entry.

The corridors cannot extend more than 300 miles from a port of entry.

The Secretary can determine that only a single corridor is necessary for multiple ports of entry.

The Secretary shall release its proposed National Trade Gateway Corridors no later than 180 days after the enactment of this law.

The Secretary will allow for 45 days of public comments by the public to receive comments regarding the boundaries of the corridors

The Secretary shall release its final National Trade Gateway Corridors no later than 360 days after the enactment of this law.

SECTION 7 – Regulations

Directs the Secretary to issue regulations to carry out the objectives of the Act no later than one year after enactment.

SECTION 8 – Authorizations of Appropriations

Authorizes funds to be appropriated.

SECTION 9 – Definitions

Defines “eligible project” as a project or activity eligible for assistance under chapter 1 of title 23, United States Code, or a publicly-owned intermodal freight transfer facilities, access to the facilities, and operational improvements for the facilities (including capital investment for intelligent transportation systems), except that projects located within the boundaries of port terminals shall only include the surface transportation infrastructure modifications necessary to facilitate direct intermodal interchange, transfer, and access into and out of the port.