

Further Development Potential Memphis/West Tennessee Smart Freight Corridor User Fee Facility

Statutory Authority:

The Transportation Modernization Act of 2023 ([Public Chapter 159](#)) provided the Tennessee Department of Transportation (TDOT) with the authority to establish user fee facilities on new facilities opened on or after July 1, 2023, and on existing facilities where one or more new vehicle lanes are added to the facility on or after July 1, 2023.

Before the further development of a user fee facility project, and prior to such a project's inclusion in the department's transportation improvement plan, otherwise known as TDOT's 10-Year Plan, the Transportation Modernization Board must approve the project for further development. See Tennessee Code Annotated 54-3-102.

Background:

In FY26, TDOT received one-time state funds to support a Smart Freight Corridor in West Tennessee. After review the approaches of peer states, and considering available funding for this initiative, TDOT is seeking innovative proposals defining a systems solution approach to develop and implement a connected and automated (CAV) freight corridor in the Memphis and West Tennessee region (known as the Memphis/West Tennessee Smart Freight Corridor), operating in support of a larger cooperative automated transportation landscape at no cost to TDOT beyond an approximate \$5 million of one-time state funding investment. This is intended to advance the use of technology in freight mobility in Tennessee through private investment, supporting Tennessee's first smart freight corridor initiative.

Following approval from the board, TDOT intends to advertise a procurement to identify a successful proposer for pre-development activities who will work with TDOT to envision, design, evaluate, iterate, test and implement the Memphis/West Tennessee Smart Freight Corridor. The initial scope of work will focus on planning, concept development, and preliminary design, however, the project may proceed to final design, construction, implementation, operation, and maintenance in the future.

TDOT is explicitly requesting that the successful proposer explore potential funding models, including user-fee revenues, to support the implementation of the project. If the project proceeds to implementation, this project could be a user fee facility, therefore, TDOT is requesting board approval to continue developing the Memphis/West Tennessee Smart Freight Corridor.

Question Before the Board:

Is the department authorized to continue developing the Memphis/West Tennessee Smart Freight Corridor project with the inclusion of the project for preliminary engineering in the department's 10-Year Plan?