

**Minnesota Freight Advisory Committee (MFAC) Meeting
June 11, 2010 – Ramada MOA, Bloomington, MN**

Meeting Summary

I. The Past and Future of Minnesota’s Distinguishing Industries

Kyle Uphoff – Regional Analysis & Outreach, Manager, Minnesota Department of Employment & Economic Development (DEED)

DEED provides expert analysis of the state’s labor market, industries and economy. Mr. Uphoff presented information for the following discussion items.

1. Employment projection over the past 10 years and how it has been impacted by legislation, technology and other factors
2. Location quotient comparing Minnesota Industries with the rest of the country
3. Projections to return to pre-recession economy by the 2014-2015 period
4. Shared industry trends and projection on freight intensive sectors such as Trucking and warehousing

Link to Mr. Uphoff’s PPT presentation: <http://www.dot.state.mn.us/ofrw/PDF/PresUPHOFF061110.pdf>

II. Personal Rapid Transit (PRT) - Present and Future

Mukhtar Thakur – Director, Office of Personal Rapid Transit, Mn/DOT

Personal Rapid Transit is a public transportation concept that may offer on-demand, non-stop transportation using small independent vehicles on a network of specially built guideways. Also known as Automated Transit Network, Group Rapid Transit or PodCars, PRT vehicles typically carry four to six passengers, be computer-controlled, and operate on, or are suspended below, an elevated guideway. Because the vehicles would be lightweight, the necessary infrastructure may cost less to build, require less space and consume less energy than conventional transit systems.

Mn/DOT issued a Request for Interest in February 2010 for local government agencies, companies, universities and other organizations interested in demonstrating the viability and benefits of personal rapid transit in Minnesota. Twenty-one responses were received from cities, technology providers, consultants and a citizens group. Next step is to hold a workshop in July-August 2010 to communicate responses received and discuss the formation of a Personal Rapid Transit Alliance (PRTA) group. Currently there are no PRT networks in operation; however, there are a few demonstration projects and planned systems, including London Heathrow Airport, United Kingdom.

Link to Mr. Thakur’s PPT Presentation:

<http://www.dot.state.mn.us/ofrw/PDF/PresMukhtarPRT20100611.pdf>

III. Minnesota Highway Cost Allocation - Truck Permit Fee Research Project

Dr. Diwakar Gupta, Professor – Mechanical Engineering, University of Minnesota

Minnesota Department of Transportation (Mn/DOT) and other state DOTs periodically carry out studies to assess how highway construction and maintenance (HCM) costs (actually expenditures) ought to be attributed to various vehicle classifications. In parallel, each vehicle-class' contribution to revenues from fuel and excise taxes, and permit fees are calculated. Although, the latter are determined by the state legislature, the cost-to-revenue ratio helps inform MnDOT if changes to policy could be justified.

A variety of methods have been developed to apportion HCM costs to different user classes. The purpose of this study is to evaluate pros and cons of different HCA methods and to identify/develop a methodology that is best suited for conditions in Minnesota. In addition, the project will perform an evaluation of the costs to the road system and MnDOT of permitting more than 80000-lb gross vehicle weight trucks on MN roads and the benefits of such permits to its users.

This project has two phases. Phase I will examine current cost allocation, effectiveness of tax instruments used, models for determining how much different vehicle types contribute to HCM costs, and how much of current revenues are generated by different vehicle classes. Phase II will consider both alternative mechanisms for cost allocation that are better aligned with true costs and mechanisms to determine users' willingness to pay (e.g. via Permit Auctions).

The results to date of the study along with recommendations for proceeding to the second phase were presented.

Link to Dr. Gupta's PPT Presentation:

<http://www.dot.state.mn.us/ofrw/PDF/PresGuptaHCA20100611.pdf>