

MINNESOTA FREIGHT ADVISORY COMMITTEE

STRATEGIC PLANNING Ad Hoc Working Group

MEETING MINUTES

April 30, 2015, 10:00 a.m. to 12:00 p.m.

Center for Transportation Studies
University of Minnesota
511 Washington Avenue SE, Minneapolis, MN

Attendees:

Bruce Abbe
Gina Baas
Ron Dvorak
Bill Gardner

Hannah Grune
Jon Huseby
Connie Kozlak
Leo Penne

Laurie Ryan
Chip Smith
John Tompkins
Neal Young

Welcome and Introductions

Gina Baas welcomed the group and led introductions.

Status of Statewide Freight Plan

John Tompkins provided a brief update on MnDOT's work with the development of a Statewide Freight Plan. Tompkins noted that the plan is well underway and is meeting targeted deadlines. MnDOT has received good private sector involvement in the development process. Currently, MnDOT is conducting data analyses of economics, populations, demographics, and commodity flows in Minnesota to inform the plan. The results of data sourcing will lead to an implementation plan and a freight action plan. These should come together by September 30th. A final plan will be implemented by December 2015.

District Engineer MFAC Interviews

To inform both the development of the Statewide Freight Plan and the MFAC Strategic Planning, Donna Koren has interviewed all eight of MnDOT's district engineers to get their feedback on how MFAC can meet their needs and improve upon the current dialogue.

Koren noted that, in general, the district engineers recognize the value of MFAC as a space for dialogue and a way to better understand MnDOT's position on various freight issues, and they see a lot of opportunity for

greater engagement. While the district engineers have some at least some familiarity with freight shippers in their region, they would like MFAC to “fill the information gaps” in their understanding of freight needs.

Based on the engineer’s interviews, Koren recommended finding more ways to involve the districts with MFAC and broadening MnDOT’s involvement beyond just the Office of Freight and Commercial Vehicles, as freight has impacts across the department. She also suggested being very clear on MFAC’s purposes and objectives.

The engineers identified a number of issues they would like to learn more about, including industry trend information, MnDOT processes, modal shifts, just-in-time, and other freight and MnDOT-related activities. The district engineers are particularly interested in knowing more about the economic impacts and impacts on the general public of freight activities. The overall message was that the districts want to be more engaged and have deeper, more substantive conversations with MFAC, and they want the information to be flowing both ways. Please see the attached handout for more detailed information on Koren’s interviews.

Ron Dvorak asked if Koren felt the district engineers looked at MFAC as largely a resource. Koren definitely had this impression from the interviews, and noted that the district engineers would specifically like input on both MnDOT’s general operating principles and emerging trends in the industry and in transportation markets in general.

Bill Gardner noted that the interview responses called for more outreach in general beyond MFAC, and felt that there are other activities that might complement MFAC to meet the district engineers’ needs.

The group felt that ensuring member representation from each Minnesota district on the freight advisory committee should be a high priority moving forward.

Summary of Interviews with States on the Freight Advisory Structures and Discussion of Proposed Recommendations for Minnesota

Leo Penne updated the group on the activities that have taken place since the first Ad Hoc Working Group meeting. Using the discussion from the first meeting, Penne developed a set of interview questions to take to four different state’s freight advisory committees. Penne and Hannah Grune interviewed DOT staff who work with FACs in Iowa, Kansas, Missouri, and Oregon to learn more about their committee structures, activities, and goals. The four states range from Oregon at one extreme, whose FAC has been operating since 1998 to Missouri at the other, which is in the process of forming its FAC.

In addition to these interviews and the initial Ad Hoc Working Group meeting, Penne also drew upon conversations with MnDOT and CTS staff to develop initial broad recommendations for MFAC. Penne noted that he also had a conversation with Bill Goins, who could not attend the April 30th meeting, which will inform the more developed recommendations later on.

Before going through the initial recommendations, Penne noted that a strong narrative should be developed to explain why changes are being made to MFAC to provide a holistic vision of the strategic planning. Additionally, Penne explained that he does not feel significant changes need to be made to the current MFAC Mission and Objectives Statement; rather, changes should be made to carry out the Statement in a comprehensive, organize,

and energetic fashion. Penne suggested that a reexamination and definition of MFAC's activities would provide a strong mechanism for carrying out the mission and objectives of the group.

Smith noted that part of the narrative around the restructuring of the group is to gain committed engagement from members who feel like their input and attendance is valued, rather than a more casual membership engagement. Kozlak noted that membership could require attendance at a certain number of meetings or activities to maintain a high level of engagement.

Penne walked through the initial list of proposed recommendations with the group (*attached*). He noted that Bill Goins has also recommended that MFAC have more specific activities related to the legislature, such as weighing in on and developing opinions on specific freight issues that the legislature may be interested in. Goins also suggested holding a quarterly conference call or in-person meeting between MFAC and MnDOT leadership.

Discussion followed Penne's presentation of the proposed recommendations. The group agreed that identifying specific issues for an upcoming year's meeting would be valuable and would help further MFAC's mission and goals. MFAC could even develop a "rolling" strategic plan to identify these goals and activities on an annual basis. Abbe cautioned that any activities need to maintain their broader focus and purpose to fit into MFAC's mission and goals.

Gardner asked the group if they felt MFAC should be making recommendations and/or specifically endorsing things. Smith felt that the group should not be taking official positions, and should instead be a conduit for input from the broader freight industry.

The group also discussed who the Minnesota Freight *Advisory* Committee should be advising. Dvorak felt that the FAC ultimately served MnDOT, and should be act in an advisory capacity and resource for issues related to freight transportation in the state. He recommended a more clear definition of who MFAC is advising be incorporated into the Mission and Goals Statement.

Finally, Kozlak noted that she felt the initial recommendations were a good outline for what the group should be, but noted that there needs to be a commitment from MnDOT to allocate resources to MFAC.

Timeline and Next Steps:

Baas noted that the third meeting of the Working Group is tentatively scheduled for 1:00-3:00 p.m. on Tuesday, June 2nd. She also noted that, ultimately, the goal is to share the results of this process with the broader group at the June 19th MFAC meeting.

Closing Comments:

Bill Gardner thanked the group for their valuable discussion and work and adjourned the meeting.

Minnesota Freight Advisory Committee strategic planning work group Results from interviews with MnDOT's District Engineers April 30, 2015

Context

MFAC's strategic planning work group sought input from MnDOT's District Engineers regarding their understanding of freight transportation needs in their region, their familiarity with MFAC, and their thoughts on mechanisms to facilitate greater department understanding of shippers,' carriers,' and related industries' transportation needs and priorities.

Phone interviews were completed with MnDOT's eight District Engineers and/or members of their management team in the latter part of April, to address these topics as well as gather input on the related Manufacturers' Perspectives project. (The interview guide is attached at the bottom of this document.)

Key findings

Districts' familiarity with freight issues

All of the DEs said that they have at least some familiarity with freight shippers in their region, because

- The District has reached out to freight haulers to varying degrees, through visits, participation on regional transportation committees, construction conferences, public meetings related to construction projects, or larger MnDOT outreach projects and freight studies;
- The larger and more vocal shippers have reached out to MnDOT, such as when the system affects their business, (e.g., rough pavement for fragile freight) and/or the region (e.g., when the volume of natural resource freight being shipped increased substantially in northern Minnesota, infrastructure changes were needed so that freight and the general public could travel safely together).

However, DEs recognize that there may be significant gaps in their District's or MnDOT's understanding of freight needs, as a number of DEs said that they hear about issues, facility expansions, and other aspects of businesses' operations related to transportation, through happenstance. Several District Engineers said that what concerns them most regarding freight in their District is that, "I don't know what I don't know."

Several DEs said that they don't always know emerging changes in the market(s), for example:

- **Just-in-Time** In northwest Minnesota, some manufacturers are moving from JIT to maintaining a two-three day supply of input materials, as a response to inevitable weather constraints.
- **Agriculture** Some agriculture is transitioning from trucks to semis to adjust to the persistent driver shortage. Other countries' bans on GMO crops dictates how non-

GMO commodities are shipped – trucks drive these products instead of sending them by rail or barge.

- **Energy** Changes in the energy sector had significant impacts that are still cascading through the transportation system, with railroads essentially becoming mobile pipelines.

Other “gap” areas mentioned include:

- **Specific infrastructure needs** Knowing how pavement condition affects business’ decisions related to routing e.g., for fragile products, and the other considerations that determine whether particular businesses deviate from their otherwise-preferred routes
- **Peak periods** Knowing which plants have a significant number of staff, or large volumes of inputs or products, arriving or leaving in shifts, and whether the infrastructure supports those staff and truck transitions safely
- **Given hours-of-service restrictions**, evaluating the importance of MnDOT’s Safe Rest Areas for drivers. How have freight haulers been adjusting and changing their operations to accommodate the restrictions, and how are MnDOT’s policies and practices aligning with these changes?
- **Modal shifts** Understanding how the effect of bottlenecks in one mode (rail) ultimately affects the other modes. For example, one DE described that when rail became unavailable for several weeks, 500 new truckloads of limestone were moving through his District every day, which affects highway safety and durability, and should inform project design in the long run.
- **Impacts on the general public** Better understanding how freight movement affects and changes the choices of other roadway users. One DE provided the example of ambulances not wanting to use a particular route heavily used by timber haulers during winter, because of safety concerns. When the District learned about this, they upgraded the road to 10 tons, consistent with the adjacent District, and added shoulders to better accommodate the freight, providing a safer environment for all vehicles.
- **Economic impacts** Better understanding the economic impacts of road closures (for weather events) to various industry segments. Several DEs pointed out that specific sectors, such as food processing, run 24/7. When roads are closed, that’s time that can’t be recovered. As one DE put it, “What is the economic impact on individual producers along given routes, and how should that inform our investment decisions regarding infrastructure and snow-and-ice operations?”

Familiarity with MFAC

All of the DEs had heard of MFAC, but many did not know a lot about the purpose; and they indicated that they had little interaction with the committee and their work products.

Feedback on MFAC’s purpose and direction

- **Guide investment priorities** Given that MnDOT is focused on system preservation and not expansion, have a process to gather input on freight priorities for preservation investments, as well as input regarding priorities for filling the “gaps.”
- **Involve the Districts** Information or results from statewide MFAC meetings that would inform Districts’ work (planning, operations, communications, etc.) need to be regularly disseminated to the Districts, in a way that DEs perceive has not been done. One DE said, “It would bother me if there was feedback about my District wasn’t getting back to me.”
- **Discuss new methods** MnDOT could provide information on newer infrastructure and traffic management tools, e.g., roundabouts, to answer questions such as why and where they are needed, how they are designed, and also to hear from MFAC members about concerns or considerations particular to freight.
- **Gather participants’ feedback on MnDOT processes**, such as construction planning and communication, permitting, weight restrictions, etc., to learn about specific problems experienced by users that the department may be able to address through process or policy improvement. And, as one DE noted, MFAC members themselves may often have the expertise to suggest practical responses to these concerns that MnDOT could consider, such as logistical improvements regarding road closures for construction.

A general theme articulated by DEs was that a successful re-purposing of MFAC would result in changes in District planning, programming, and operations, informed by MFAC member input.

- **Provide industry trend information** MFAC members should be asked to provide information on industry trends, particularly anticipated disruptions, and how freight haulers think that will affect transportation.
- **Evaluate transportation’s/MnDOT’s economic impact** Understand how MFAC members evaluate MnDOT’s program from an economic vitality/development perspective. Part of MFAC’s purpose is to represent and articulate the relationship between transportation and economic vitality, externally, and also to help MnDOT staff (beyond OFCVO) better understand this connection in real terms, so that the department can articulate this story as well.
- **Focus on both the big picture and specific issues** The statewide MFAC should focus on the high-level, big picture questions and dialogue that will inform MnDOT’s long-term planning and investments (with regional groups providing input on region- and industry-specific issues).

Feedback on regional FACs

Several DEs cautioned that development of regional MFACs, and the re-purposing of the current statewide committee must be largely informed by MFAC members themselves – what benefit do they derive from their participation, how can that be enhanced; and what do they want to contribute so that the system better serves all Minnesotans?

Structure and process

- One DE suggested that instead of developing regional committees, perhaps **organize around major commodities and products**, to fully understand this segment:
 - How they use the system,
 - What they need from it,
 - How they move throughout the state (routes and modes),
 - Where they find bottlenecks, etc.

For example, one DE pointed out that LTL freight is likely more sensitive to road quality.

- Another DE suggested that the **structure can be analogous to TZD**, in having local participants with local knowledge of issues and priorities, with a statewide roll-up.
- Another model suggested is that MFAC meetings continue their statewide focus but be held regionally through **video conference at MnDOT HQs** in the eight Districts, to strengthen connections between the Districts and their respective constituents.
- Regional committees also could be **organized by corridor**, such as heavy users of 94 and 10; or, by mode, and then scheduled around the state at various modal centers (e.g., ports).
- Another option suggested is to have MFAC-sponsored **task forces around complex issues** that could best be addressed by a smaller group of MFAC and DOT staff (from across department program areas and offices) working together.
- Consider how statewide and/or regional committees complement the **Freight Symposium**.
- **Regional differences** DEs pointed out the distinctions between moving freight through Greater Minnesota and through the Metro area, and the challenges inherent in both – and that this could be another way to focus conversations.
- Regional and statewide committees should **roll up** so that recommendations are unified and address state needs as a whole.

Content

- The purpose, and benefits, to volunteer participants has to be very clear. DEs suggested **focusing each meeting on a timely industry-specific issue**, such as:
 - Transportation issues, such as congestion, auto-driving vehicles;
 - A policy, such as weight restrictions and industry adjustments to them across states; or
 - Revisiting aspects of system planning. For example, one DE suggested that MFAC could review the IRC system, in light of how their markets have shifted since the IRC was developed. This could include subsequent changes in the county road system, and participants could discuss how MnDOT can adjust its system to accommodate these changes.
- Others suggested discussing **construction/maintenance plans in the STIP timeframe**, to gather input on potential adjustments, discuss impacts and mitigations, etc.

- DEs acknowledged the value in itself of providing a space to **build relationships and two-way communication** between MnDOT staff and this system user group. One DE said that, in general, “the right conversations need to happen to initiate a problem-solving activity.” MFAC can provide opportunity for these conversations to take place.

For example, several DEs raised the issue of weight limits, of concern to shippers statewide. One DE thought that perhaps the department does not have a full understanding of freight shippers’ needs for higher weight limits, and that in understanding the particulars of those needs better, MnDOT and MFAC could develop potential solutions, such as spot improvements on key roadway segments. That is, MFAC provides a way for MnDOT to go beyond saying, “No.” Another DE referenced a study that OFCVO did several years ago on 96K-lb. trucks. The DE suggested, given the higher legal limits in surrounding states, the chronic driver shortage, and MnDOT’s aim to support Minnesota’s economic competitiveness, that perhaps the department/MFAC could review this issue again.

MnDOT Freight development (MFAC and MP project)

District Engineer interview guide

MFAC

1. How would you assess your District’s and relevant MnDOT offices’ understanding of freight shippers’ needs in your District? What is working well, and how did that come to be? What would you like to know more about?
2. In general, to what extent do you think MnDOT needs to understand, incorporate freight shippers’ system needs in our planning processes and operational decisions? How well do you think that is happening? How do you know? What are some areas for improvement?
3. How familiar are you with the Minnesota Freight Advisory Committee? Have you been to any meetings? What do you think are the benefits/potential benefits of having a freight advisory committee?
4. MFAC is largely TC-Metro-based. What are some ways to involve Greater Minnesota freight shippers in MnDOT’s planning processes, decision-making?
5. What do you think the benefits would be of having regionally-based MFAC committees, to accommodate regional differences? To what extent do regional differences, that could be reflected by locally-based freight shippers, make a difference now in District/Department decision-making?

6. What specific kinds of regular or scheduled input from shippers and carriers would be helpful to you/your District, through an advisory committee or other mechanism? What topics do you think would be of mutual interest in an MFAC-type forum?

Manufacturers' Perspectives project

1. How do you think the MP project has helped/will be helpful/could be helpful to your District and to the department?
2. So far, due to resource constraints, the MP project is being implemented District-by-District. Is that alright? In what ways could the project benefit your District before a full project is undertaken? That is, are there smaller-scale ways that the project can be helpful?
3. Based on what you know about the project, what other types of information do you think we should be gathering, other activities we should be engaging in?

What else, regarding regional freight needs, should staff for either of these efforts take into consideration?

For more information

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Note Concerning Recommendations

The recommendations that follow are based on:

1. The original charge to the Ad Hoc Working Group.
2. The material on state freight advisory committees provided to the Ad Hoc Working Group prior to its February 26 meeting.
3. The discussion at the February 26 meeting.
4. Conversations with individuals knowledgeable concerning state FACs on a regional or national basis.
5. Discussions with MnDOT and CTS staff.
6. Interviews with state DOT staff in four states concerning their states' FACs
7. Professional experience and knowledge.

The recommendations are presented in the order and under the headings of the questionnaire used for the interviews (reviewed by the Ad Hoc Working Group prior to the interviews).

Initial Recommendations for the Minnesota Freight Advisory Committee

Mission and Purpose

No major changes recommended in current Mission and Purpose statement (*attached*). The recommendations below are intended to enable the existing mission and purpose to be implemented more fully and actively.

Activities

Recommend that the Minnesota Freight Advisory Committee carry out the activities below on a regular basis:

- Monitoring and reporting on the implementation of the Statewide Freight Plan, including the development of recommendations for any revisions and updates to the Plan
- Creating an annual report for the Commissioner that includes a “state of freight,” an overview of trends and important issues, and reports on the activities of the Freight Advisory Committee from the past year
- Reviewing the Minnesota Department of Transportation work plan and provide freight impact comments.
- Preparing white papers on specific topics or issues as thought to be necessary and useful.

Structure

Would recommend having little formality, and suggest creating a one-page document that declares the statement and purpose of the group and outlines the organizational structure.

Membership

With respect to membership the following is recommended:

- Limit members to no more than 30 to be representative of private sector shippers, and carriers; industry associations, academia; and economic development agencies.
- State agency participants, MnDOT and others, will be Ex Officio Members.
- Others, in or related to the freight sector beyond the limited set above may be Associate Members and receive information and communications and participation in meetings.

Leadership

- There should be a Chair and Vice-Chair with terms of two or three years (renewable) with the Vice-Chair succeeding the Chair.
- An “Executive Committee” should be formed to include the Chair, Vice-Chair and three to five additional members to serve as the leadership and communications group for MFAC.

Meetings

The following is recommended with respect to meetings:

- MFAC should continue the practice of holding quarterly meetings. Two of the meetings should be held in the Twin Cities and two elsewhere in the state.
- One or, if possible, two of these meetings should incorporate a freight site visit. A meeting schedule should be developed for the year showing dates and locations of the year’s meetings,

as well as identifying themes or particular activities and functions to be conducted at each meeting.

Communication

- Strengthen the website to keep it updated with information about upcoming meetings, agendas, minutes, and other relevant, up-to-date information for both MFAC members and external interested parties.
- Use the web-site as central location for information about other freight-significant organizations, activities and events
- Incorporate Freight Plan into the web site and provide information concerning the implementation of the Freight Action Plan.

Sub-state

- Incorporate sub-state interests into MFAC by having representation from each District as either members or “ex officio”/”associate” members.
- Rotate quarterly meetings among Districts.
- Include District reports as regular item on agendas of quarterly meetings.

Relationships

- Become a hub of information (see above under website) on organizations in the state that are significant for freight. This could be through a list of organizations on the website or another, more in-depth activity. The committee should function as a “one-stop-shop” for identifying other organizations that deal with freight and what they are doing. (scale to available resources)
- Expand and strengthen the connection between MnDOT and MFAC by creating a MnDOT-MFAC liaison team to include the Office of Freight and Commercial Vehicles as well as staff from other MnDOT units, such as planning and operations.
- To the extent possible, demonstrate MnDOT executive commitment to MFAC through participation from the Commissioner and other high level MnDOT executives.

Federal Law and Guidance:

MFAC will conform to federal law and guidance.

State Law

MFAC does not need to be incorporated in Minnesota state law.

Resources

Increase resources available for the support of MFAC consistent with decisions made about expanded activities and responsibilities such meeting and site visits around states, expanded web site, MFAC Annual Report, and freight issue white papers.

Success Factors

The MFAC Executive Committee in consultation with MnDOT should identify three to five performance measures that allow for continual evaluation of engagement from members and outputs of the committee. MFAC should maintain “a high level of customer satisfaction” reflected by the willingness of industry to serve and participate.

Minnesota Freight Advisory Committee Mission and Objectives Statement

The Minnesota Freight Advisory Committee (MFAC) provides a forum for the exchange of ideas and addressing of issues between MnDOT and the private sector to develop and promote a safe, reliable, and efficient freight transportation system. MFAC is designed to be a partnership between government and business to exchange ideas, recommend policy and actions that promote safety, productivity and sustainable freight transportation systems in Minnesota.

Minnesota's freight planning activities, including the establishment of the Freight Advisory Committee, are driven by MnDOT's desire to better understand freight flows within the State and their relationship to economic competitiveness.

The Committee was established in 1998 specifically to:

- Ensure freight transportation needs are taken into account in the planning, research, investment and operation of Minnesota's transportation system.
- Establish guidelines to measure and manage the state's freight transportation needs.
- Provide input and direction to MnDOT on freight transportation policies, needs, and issues.
- Give support and input to program and research areas for MnDOT and Center for Transportation Studies (CTS) follow-up.
- Represent the needs of freight transportation to the public, elected officials, and other public agencies and organizations.

The Committee consists of representatives from private sector shippers, receivers and carriers; industry associations; academia; and economic development agencies. **Participation is open to any persons or entities from these freight stakeholder groups.**