



MINNESOTA FREIGHT ADVISORY COMMITTEE

MEETING MINUTES

December 7, 2018

12:00 – 2:00 P.M.

Attendees:

MFAC Members Present:

Lydia Bjorge, *BNSF Railway*; Ron Chicka, *Greater Minnesota Metropolitan Planning Organizations*; Jason Craig, *C.H. Robinson*; Meg Duncan, *Koch Logistics* Steve Elmer, *Metropolitan Council*; Mariah Ethington, *Transportation Club of Minneapolis & St Paul*; Ed Fairbanks, *ACTT*; Bill Goins, *FedEx*; John Hausladen, *Minnesota Trucking Association*; Jon Huseby, *MnDOT*; Michael Loney, *Medtronic*; James McCarthy, *FHWA*; Dan Murray, *ATRI*; Jon Olsen, *Minnesota State Patrol*; Philip Qualy, *UTU-SMART-TD*; Kathryn Sarnecki, *St. Paul Port Authority*; George Schember, *Cargill*; Eric Sieve, *CSCMP*; Shannon Stassen, *Coalition of Greater MN Cities*; Mark Wegner, *Minnesota Regional Railroads Association*; Neal Young, *Minnesota Department of Employment and Economic Development*

Members' Alternates Present:

Lorraine Little, *Enbridge Energy Company, Inc*; Sam Parker, *Region 9 RDC*; Peter Zedler, *Schwan's*

Guests & Speakers Present:

Mike Barnes, *MnDOT*; Peter Dahlberg, *MnDOT*; Tony Fischer, *Metropolitan Council*; Francis Loetterle, *MnDOT*; Laurie Ryan, *MnDOT*; Charlie Zelle, *MnDOT*

Staff Present:

Andrew Andrusko, *MnDOT*; Gina Baas, *Center for Transportation Studies (CTS), University of Minnesota*; Nicole George, *MnDOT*; Claire Johnson, *CTS*; Michael McCarthy, *CTS*.

Welcome and Call to Order

Vice-chairman Jason Craig welcomed members, staff, and guests.

Craig then led introductions around the room.

Remarks from MnDOT Commissioner Charlie Zelle

MFAC presented Commissioner Zelle with a plaque thanking him for his service. Zelle shared a couple words, saying MFAC is helpful for members, but it also has a greater impact. MFAC is about shared purpose and vision, and focus on intermodal is incredibly important. Collaboration and partnership is a key to Minnesota's success.

MFAC Member Updates

- Craig brought up some federal updates for trucking - 10 hour sleeper break for truck drivers, could be split into two 5 hour periods, increase allowable numbers of hours per day if drivers take advantage of 100 mile radius to be exempted from paper logs. The federal government was taking comments, but they are now closed. Implementation may be next year in the spring/summer.
 - John Hasuladen – split sleeper berth, FSA was going to do pilot study, decided not to do pilot. Instead advanced comment period.
 - Jon Olsen – One of the benefits of the split is reduction on the load on the system during rush hour.
- Gina Baas brought up AV Strategic Visioning Workshop that CTS convened during the summer – CTS has produced summary report and she offered copies to the members.
- Bill Goins – hot topic is funding sources (gas tax etc.). Do members have any ideas on more dedicated long-term solution – Jason will discuss this in his presentation.
- Goins – trade changes are not just about affect transportation industry, but economy more broadly.
- Eric Sieve asked about recent GM news – potential impacts?
 - Jim McCarthy – change to transmission engines plants, long term changes to electric vehicles mean different needs (not plants)

Member Discussion: Election Results Implications for 2019 State and Federal Legislative Agendas – Jason Craig

Craig gave an introduction for this discussion topic, saying there will be a push for infrastructure at the federal level in 2019. On the state level, Governor Walz has a focus on infrastructure. He opened up the discussion, calling for opinions from a freight perspective, on what the pros and cons are for our portion of infrastructure. The goal of this discussion was to provide public officials insight into business impacts and views on commonly discussed methods of funding infrastructure.

Craig called out infrastructure funding by naming different sources of funding:

- Diesel Tax
 - Pros:
 - Transparent, user-driven, simple, compliant, consistent, low cost to administer
 - Craig – the US has become a net exporter of oil, so we can control the price to an extent
 - Cons:
 - Renewable fuels, state level ~ differing taxes between states, general public doesn't understand, politically hard to increase, not a true measure of usage
 - Olsen – mentioned the impact of untaxed diesel fuel. The MN State Patrol oversees this use
- Vehicle Miles Traveled Fee
 - Pros:

- Equitable across vehicles, truly accurate usage, sustainable, captures electric vehicles, easy to budget
 - Andrew Andrusko – Are electrical providers going to hold a monopoly? Vehicle miles traveled would help avoid this
- Cons
 - Risk of evasion, more complicated, how would you track state level, gateway taxing mechanism
 - McCarthy – hard to regionalize, easier at federal level
 - Hausladen - Local units and jurisdiction could layer their own fees on
 - George Schember – Not all freight charges surcharges. This approach is not market oriented (has positives and negatives)
 - Goins – Is a gas tax sustainable when the direction is electric vehicles, alternative fuels etc?
 - Andrusko – yes gas and diesel taxes will erode (from MnDOT perspective)
 - Olsen – AV and car ownership reduction, who would be responsible for paying fee
 - McCarthy – FHWA is doing a pilot study with mobility providers (Uber, Lyft), technology is in cars to enable this taxation
 - Hausladen – urban rural disparity, those in rural areas travel more distance
 - Lydia Bjorge – Could cause more goods to move to rail service
 - Schember – You might care less about fuel efficiency
 - Goins – brought up idea of blended gas tax and vehicle miles traveled tax
 - Steve Elmer – adjust in terms of vehicle efficiency, but higher administration cost
- General Sales tax
 - Pros:
 - Everybody pays, dedicated funding source, everything you buy has a freight component, clothing/groceries, Canada has it
 - Neal Young mentioned national effort of streamlined sales tax
 - Negatives
 - Competing against education/healthcare, natural resources/arts, lack of compliance, fluctuates with the economy
 - Olsen – lack of compliance
 - Hausladen - Layering of tax without exempting business transactions
 - Goins asked if there are states that use General Sales Tax for infrastructure?
 - Florida funds their transportation with sales tax
 - Schember - Disconnection between use of asset and tax
 - Young – dedicated portion of sales tax
- Others
 - Meg Duncan – brought up tolling
 - McCarthy - easier to implement than user based VMT – licensed based tolling
 - Schember mentioned the potential to evade
 - Goins asked if there are benchmarks we could run this off of?
 - Negative – political opposition, since MN has not had tolls in a long time
 - Huseby – urban vs rural must be taken into consideration
 - Hausladen – competition between roads that are tolled vs non-tolled, private roads
- Craig brought up e-commerce fee
 - Goins – Chairman of FedEx is major proponent of investment in infrastructure. We need change and support for infrastructure; this will be a hot topic for 2019.

- Electric vehicle charge
 - Hausladen – you could meter electricity (used for charging electric vehicles) and direct it to highway fund, but will we capture that revenue and direct it that way.
 - Andrusko – some municipalities have tried to pass utility based fees for transportation funding (unsuccessful in MN)
- Goins – creativity in these discussion are important
- Mark Wegner – if we could say what the result would be from taking these actions (choosing these options for infrastructure funding), we could go a long way

Freeway System Interchange Study -Tony Fischer, Metropolitan Council

Tony Fischer, Co-Project Manager of the Freeway System Interchange Study gave a presentation on the recently completed study. He gave an opening example of 494/35W, which has a north to west directional ramp. Corridors of Commerce awarded \$70 million to begin in 2021. This also includes directional ramp and "bridge braids."

Background on the study included considering the system studies context, as well as system interchanges (that connect two freeways).The study included congestion and crash concentrations, recent major investment and numerous identified needs. The locations have been evaluated independently.

There are 56 study interchanges in the Twin Cities. The purpose of these studies is to: reduce delay and crashes, systematically discover and prioritize opportunities across region, make the right size investments, and to consider the needs of freight and transit. The outcome is a prioritized list of projects that can improve the region's freeways at these targeted locations to continue supporting and improving economic vitality and quality of life in our region.

Fischer also covered problem assessment and screening in the study. For data collection and evaluation, they collected appropriate data to quantify problems considering: delay, safety, reliability, heavy commercial vehicles. They also considered weighting of criteria. Interchanges were selected for solution development

The next steps are to identify issues, develop solutions, and prioritize. As part of these steps, the team will: collect data to analyze interchange problems, come up with methods for developing design solutions, develop design solutions and suggest implementation priority, and then document the results by end of 2019.

Q&A

- Why was travel time delay not captured?
 - They did not use it because they need to disentangle the problem from the usage.
- Schember – do they use the study on sites they seek to improve and then look to see if improvements work?
 - Yes, and there are examples already in MN.
- Fischer asked the group to consider their thoughts on the following for future discussions:
 - What are your concerns about freeways and connections?
 - How are freight concerns different from general users of highways through system interchange areas?
 - Are there specific designs in system interchanges that are problematic for freight such as loop ramps?

- Any specific locations that need to be prioritized?

The meeting adjourned at 2:00pm.