



## MINNESOTA FREIGHT ADVISORY COMMITTEE

### MINUTES

Friday, June 7, 2019  
8:45 a.m. to Noon

AI Johnson Great Room  
McNamara Alumni Center  
University of Minnesota

#### Attendees:

##### ***MFAC Members Present:***

Bruce Abbe, *Midwest Shippers Association*; Lydia Bjorge, *BNSF Railway*; Ron Chicka, *Greater Minnesota Metropolitan Planning Organizations*; Jason Craig, *CH Robinson*; Deb DeLuca, *Duluth Seaway Port Authority*; Meg Duncan, *Koch Logistics*; Ron Dvorak, *Lake Superior Warehousing Co*; Steve Elmer, *Metropolitan Council*; Bill Gardner, *MnDOT*; Todd Gilbert, *Valley Cartage*; Bill Goins, *FedEx*; John Hausladen, *Minnesota Trucking Association*; Jon Huseby, *MnDOT*; Wayne Knewtson, *Knewston Soy Products LLP*; Michael Loney, *Medtronic*; Wendall Meyer, *FHWA*; Dan Murray, *ATRI*; Philip Qualy, *UTU-SMART-TD*; George Schember, *Cargill*; Troy Schroeder, *Minnesota Association of Regional Development Organizations*; Eric Sieve, *CSCMP*; Mark Wegner, *Minnesota Regional Railroads Association*

##### ***Members' Alternates Present:***

Travis Dietrich, *Bay & Bay Transportation*; Laurie Siever, *Saint Paul Port Authority*;

##### ***Guests & Speakers Present:***

Robert Clarksen, *MnDOT*; Ted Coulianos, *MnDOT*; Peter Dahlberg, *MnDOT*; Seth Glidewell, *ATRI*; Francis Loetterle, *MnDOT*; James McCarthy, *FHWA*; Erik Rudeen, *MnDOT*; Laurie Ryan, *MnDOT*; Erin Speltz, *ATRI*; Lance Staus, *BNSF*

##### ***Staff Present:***

Gina Baas, *Center for Transportation Studies (CTS), University of Minnesota*; Claire Johnson, *CTS*; Michael McCarthy, *CTS*

#### Welcome and Call to Order

Chairman Dvorak welcomed members, staff, and guests.

Dvorak then led introductions around the room.

### **MFAC Member Updates – Ron Dvorak, All**

- Dvorak – gave an update on the St Cloud outreach event. He said highlight was hearing updates on how drivers use technology to monitor things like construction delays. The information from MnDOT on projects was helpful in the context of an outreach event with private industry representatives.
- Bill Goins – outreach event was great. There was a lot of discussion about the future in St Cloud. What will roads and airports look like up there. This honed in on what is our Minnesota story, and how can we share this with our legislators.
- Bruce Abbe – touched on the outreach event too. He was impressed by the amount of businesses that are involved and interested in freight in that region. We need to think about how we can engage these constituents. He talked about the tour of Geringhoff, which is a German company that chose to locate in St Cloud. Their customers are over here in the Midwest.
- Dvorak – Geringhoff has not used a new model, many European companies are coming over to the states. This is an important lesson of the value of the reliability of the transportation system.
- Jason Craig – brought up trade policies. He said there are many issues being brought up, potentially no end in sight to these.
- Wendell Meyer – yesterday President signed disaster relief bill for Midwest, hopefully this can help, and part of this fund will go to Army Core of Engineers. A Notice of Funding Availability (NOFA) hit yesterday on advanced transportation management. This closes on July 19<sup>th</sup>.
- Jon Huseby – at the outreach event he was reminded of the value of getting input from businesses and companies in MnDOT’s decision-making process.
- Craig – for those interested in truck safety, there is hearing at the US House Transportation Committee on truck safety. He is testifying on behalf of freight brokers and will bring up MFAC at this hearing.
- John Hausladen – trucking is bumping into the Department of Public Safety often. When the system that licenses vehicles is not moving smoothly, it really impacts freight. He expressed a desire to have DPS come in and talk about their role in the vehicle licensing area.

### **Legislative Update – Erik Rudeen, Legislative Liaison, MnDOT**

Erik gave a legislative update on the 2019 session. He covered the MnDOT policy provisions. One big change was on airport zoning. This change requires airport zoning ordinances to be placed on zoning maps to increase visibility. It also increases flexibility by allowing airport-specific design of zoning regulations as alternative to standards contained in state rules. The other change was on truck size and weight (FAST Act conformity). There were some adjustments to automobile transporters & tow away trailers – to extend length limits. Congress made an exemption for logging vehicles on part of I-35 – it is a weight exemption. The state legislature exempted emergency vehicles on weight limits on Interstates.

One other major change that they were able to get through this year was on truck platooning. The final legislation on truck platooning will allow vehicles to follow lead vehicles more closely than 500 feet. It will authorize the operation of platoons on freeways and expressways on the trunk highway system. This is subject to plan approval by MnDOT. Additionally, plans must include information about length and configuration of the platoon, proposed route and times, and other details. Platoons may not

include more than three vehicles and must meet insurance requirements. They also will not allow platooned vehicles to go during rush hour. They will have to allow for safe merging and exiting of traffic.

Dan Murray made a comment that truck operators are not waiting in line to use the truck platooning technology. Rudeen responded that this is a forwarding looking legislation. Dvorak asked if other states have passed legislation on truck platooning and Rudeen responded that yes they have. Hausladen said that the reality is that only a handful of providers will utilize this technology. Only some will be submitting plans. Rudeen clarified that the technology provider will be creating the plan, not trucking company.

On automated vehicles, they were not successful in passing enabling legislation. Senate proposed very restrictive legislation, so nothing was passed. AV companies will have to decide what is allowable under current law. Governor Walz has issued an order to reinstate the Governor's Advisory Council on Connected and Automated Vehicles.

John Hausladen noted that these two items are a tale of two technologies. He commended MnDOT for working with the industry. Truck platooning started out very restrictive, but they were able to give input and come together and have strong agreement before it went forward. With automated vehicles, there are fears about the safety of the technology. He gave credit to MnDOT because this is the first time in the history of Minnesota that there has been vehicle technology legislation passed. Dan Murray added that there was a lack of technical expertise on council on automated vehicles. Without expertise, you will not get confidence in the technology.

There are growing needs in the transportation system. There is recognition by legislators that more funding will be needed in the future. As far as funding shortfalls, we also have an aging system, and there are many needs in maintenance. The existing system needs additional resources to maintain and modernize our roads and bridges. The funding gap is \$18 billion dollars. This funding gap is the result of aging infrastructure, increased costs for construction & maintenance, population and freight shipments are increasing, and there has been flat federal funding.

Wendall Meyer commented that on the FAST act there is only one year left, so something also has to happen at the federal level with regard to funding.

MnDOT's annual debt service costs cannot exceed 20% of annual state revenues. There is a gap for the funding on debt for existing trunk highway debt service.

Rudeen brought up the topic of the gas tax. Today, less than 12% of what you pay at the pump is state tax. More than 75% of the cost at the pump pays for the crude oil, refining and distributing. If they had been successful with gas tax, many infrastructure repairs and replacements would have been possible. With the funding that was enacted, there were no revenue increases. There was an increase in general fund transfer to highway user fund, enacted in 2017.

Hausladen commented that keeping the general fund transfer was a major win (despite no increase). Rudeen mentioned for other funding, that funding was granted to MnDOT for analyzing and updating information on extending the Northstar commuter line to St Cloud.

## Q&A

- Craig – were there proposals for diesels and asked if there could be a breakdown between gas and diesel on slides.
  - Rudeen said natural gas is taxed proportionally on gas rate. The gas tax would have increased costs for all fuels.
- Goins – there are key infrastructure challenges ahead. He brought up Shaye Mandle from Medical Alley and the connection with transportation. The focus on this legislative session was the gas tax, since it did not go through, what will be the story in this next session. Freight is the lifeblood of the economy, how do we figure out in MN how to keep things moving. We need a call to action for the next legislative session.
- Todd Gilbert – said he was disgusted by the current situation. Organizations like his are finding other ways to try and move freight. They cannot service the metro with one facility on one end, they need different quadrants now. He is in support of a tax increase because he needs to be able to move freight. They cannot service their customers with current infrastructure.
- Craig – there is an appetite in freight community for more investments. Legislators do not understand contributions that freight community makes. We need to think diesel versus gas. The reality is it is not just gas tax all the way, it needs to be split out.
- Gilbert – infrastructure is horrible. They spent \$8 million dollars on repair because of wear and tear. Employees are becoming unwilling to commute.
- Craig – asked if we can get breakdown of fuel tax by type of fuel.
  - Rudeen - yes he will get numbers out, and consider including it in the slide deck.
- Goins – he said he is proud of MFAC and its history. There is clearly a problem and there is a major gap in understanding how to move MN freight. What is the role of MFAC in helping to part of the solution.
- Abbe – asked how do we capture this energy and make an impact?
- Murray – Minnesota is not alone in this struggle, this is a federal problem with gas taxes.
- Gilbert – grateful that MnDOT has come and sat down with their organizations and listened to them. However, funding is not coming for the right moves, we have been putting on band-aids.
- Huseby – legislators want to hear feedback from businesses.
- Craig – asked MnDOT representatives at the meeting if it was true if there is a question of competition with nearby states on gas tax.
- Hausladen – said that we need the support of the shippers. He thinks one of the weaknesses of MFAC is low shipper participation. Transportation Club of Minneapolis and St Paul just disbanded. If shippers are in our MFAC meeting telling us about their experience, we can do better.
- Qualy – said he heard a political question; it gets into having one on one conversations in our small towns. Amongst railroad workers, there is a perception that outstate MN is a net exporter to cities for gas, though that is not true. If we can all try to meet with local mayors, chambers, this is what is going to turn around the revenue problem.
- Dvorak – suggested that for September meeting, we develop an approach to this issue as MFAC. We need to get out the proper messaging. Suggested putting this topic on the agenda for September.
- Gilbert – suggested getting a separate strategic group going on this issue, and not wait until September.
- Bill Gardner – said he would bring back this message to senior leadership. He encouraged everyone with an interest in different modes to be part of the discussion with MnDOT in

developing proposals.

- Craig – the vast majority of freight in Minnesota is moved by truck, not rail.
- **Gina Baas – CTS could help a small group convene on this issue and asked for interested members to identify themselves. Bill Goins, George Schember, Bruce Abbe, Jason Craig, Todd Gilbert, Phil Qualy and Ron Dvorak all volunteered. CTS will be following up with the volunteers to schedule a meeting.**

### **Positive Train Control**

Moderator: Peter Dahlberg, Rail Safety Inspection Supervisor, MnDOT

- Lydia Bjorge, Executive Director, Government Affairs, BNSF
- Mark Wegner, President, Twin Cities & Western Railroad
- Philip Qualy, MN State Legislative Director, UTU-SMART-TD

Lance Staus from BNSF gave an introduction. He is a locomotive engineer. We have PTC because we are humans and make mistakes. PTC works with satellites, GPS, onboard computers and wifi. The onboard computer knows how long the train is, how heavy the train is. Based off the speed of the train, it will prevent the train from speeding, entering a work zone, operating on a misaligned switch, and from going where it is not supposed to be going. The engineer conductor each have a screen in front of them, which shows their train, which track they are on, speed restrictions and anything else pertinent to the train. In the event that the crew does not slow down the train when they need to, PTC will stop the train. PTC does not run the train, the crew is still responsible for running the train.

George Schember asked about data on PTC, are there any surprises? Lance answered that no, they do monitor irregularities in data. Vast majority of their trains operate with PTC. Lydia added that 80% of their volume moves over PTC routes. They were 100% compliant before PTC, but they could not say that due to

Qualy then offered his comments. SMART-TD is very invested in being part of expanding safety for railroads. One of the main contributing factors was crew fatigue. In the 1960s there was automatic train control (ATC). There is a long history of PTC, it is not new or untested technology. Train crews are experiencing some challenges with PTC, including speed differentials between the locomotive speedometer and PTC speed control monitor. 25% of the nation's railroad will have PTC. SMART TD has started collecting their own PTC failure reports. Since March 30, 2019, over 300 PTC failures across the US have been reported (none in Minnesota). Whether a train has PTC or, not all of the ground and equipment tasks with machine behind the locomotives remain unchanged.

Mark Wegner gave update on what tracks operate PTC within his system. As a tenant railroad company, they do not need to include PTC in their own infrastructure. It took 4 years to take seven independent railroads to agree on common protocols. Once they got to that point, they were able to start utilizing PTC. Mentioned that in the case of PTC failure, the train stops – this is a big improvement. One company controls all onboard locomotive software and hardware on their trains. This has been challenging for them as a small company. Last piece is back office, engineer dials in with unique identification number and goes to back office provider chain and gives them approval to go. They are eager to get PTC installed and running, it has been very delayed due to these single service providers.

## Superstreets– James McCarthy, FHWA

McCarthy introduced the concept of superstreets as a new way to provide safety on high volume arterials. He showed several different examples of intersections that are considered superstreets. The median u-turn increases corridor capacity by 20-50%. The two-phase signal creates better progression, large green bands with very long cycles. The network delay decreases by 15-30%.

He explained signalized Reduced Conflict Intersections (RCIs). There are mainline traffic benefits to these, and potential side street benefits of 25-50% capacity. The reason they started creating RCIs was because of safety. They replaced conventional signalized intersections. RCIs have led to:

- 60% reduction in total crash frequencies
- 75% reduction in total injuries
- Reduction by type
  - 17% rear-end
  - 96% angle

They have started looking at where this could apply in the Twin Cities region. They have been looking at crossings in the south metro. Superstreets will be key for regional mobility.

### Q&A

- Goins – on next steps, can superstreets fit into the earlier story on funding?
  - McCarthy – money for this planning is moving slowly. There is a willingness from different agencies, but lack of funding (MnDOT does not have the funding).
  - Schember – asked if they have projected out how many lives would be saved in the MSP metro district?
    - McCarthy – they do have that calculation for outstate, seven lives a year.
  - Wegner – asked if they have a website?
    - McCarthy - they do and he will send it to CTS for distribution to MFAC members.
  - Qualy – asked what has been feedback from the public? What kind of educational outreach has their been?
    - McCarthy - all public feedback has been negative. For outreach they have done training with city leaders.

Meeting adjourned at 12:10pm.

### *Recap of MFAC Central Minnesota Freight Forum*

MFAC Members and guests attended the forum on the morning of Friday, May 31<sup>st</sup> at Rivers Edge Convention Center in St Cloud, Minnesota. The agenda included an update on major freight projects in the region by Claudia Dumont, the Project Manager for the I-94 Construction Projects in District 3. Following her presentation was a presentation by Andrew Andrusko, Statewide Freight Planner on the development of regional freight plans across Minnesota. These efforts would help prepare for the next state freight plan.

The group listened to a panel discussion on freight in the region, which was moderated by Patti Gartland of the Greater St Cloud Development Corporation. Panelists included Steve Bot, Theresa Cervantez, Brian Johnson and Joanna Jungels. Patti asked several prepared questions of the panelists, before opening it up to the audience.

Following the program, MFAC members were invited to stay for a short lunch before heading off for a

tour in the afternoon of Geringhoff Manufacturing. Members were able to tour their facility, where high-end agricultural harvest equipment is manufactured, and learn more about the production of this equipment as well the story of how the German firm initially decided to open its first North American plant in Minnesota.