



## MINNESOTA FREIGHT ADVISORY COMMITTEE

### MEETING MINUTES

September 30, 2016  
9:30 a.m. to 12:00 p.m.

#### **Attendees:**

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

Ron Chicka, *Duluth-Superior MPO*; Tom Clark, *The Schwan Food Company*; Jason Craig, *CH Robinson*; Bill Goins, *FedEx*; Ryan Hanson, *Target*; John Hausladen, *Minnesota Trucking Association*; John Huseby, *MnDOT*; Shelley Latham, *Perkins STC*; Michael Loney, *Medtronic*; James McCarthy, *FHWA*; Dan Murray, *American Transportation Research Institute*; Lee Nelson, *Upper River Services*; Mike Norton, *Transportation Club of Minneapolis & St. Paul*; Jon Olsen, *Minnesota State Patrol*; Steve Peterson, *Met Council*; Phillip Qualy, *UTU-SMART-TD*; Neil Ralston, *Metropolitan Airports Commission*; Kathrine Sarnecki, *St. Paul Port Authority*; Troy Schroeder, *Northwest RDC*; Eric Sieve, *Council of Supply Chain Management*; Chip Smith, *Bay and Bay Transport*; Tracie Walter, *Bemidji Aviation*; Ron Wrase, *Ten K Solar*; Neal Young, *Minnesota Department of Employment and Economic Development*; Bob Zelenka, *Minnesota Grain and Feed Association*; Dean Zuleger, *Valley Cartage*;

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

John Apitz, *BNSF Railway*; Steve Elmer, *Met Council*; Maureen Jensen, *MnDOT*; Greg Lane, *Midwest Shippers Association*; Tina Ryberg, *Minnesota Regional Railroads Association*; Lauren Wallraff, *Medtronic*.

##### ***Guests Present:***

Chris Burroughs, *Transportation Intermediaries Association*; Peter Dahlberg, *MnDOT*; Margret Donahoe, *Minnesota Transportation Alliance*; Scott McBride, *MnDOT*; Dean Meyer, *Minnesota Transportation Alliance*; Lee Munnich, *Humphrey School of Public Affairs, University of Minnesota*; Karen Scheffing, *MnDOT*; David Tomporowski, *MnDOT*.

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

Gina Baas, *Center for Transportation Studies, University of Minnesota*; Laurie Ryan, *MnDOT*; John Tompkins, *MnDOT*.

### **Welcome and Call to Order**

Bill Goins opened the meeting and led a round of introductions. Goins also introduced the new MFAC members since last meeting. These members include: Steve Peterson from the Met Council who is replacing Steve Elmer; Troy Schroder from Northwest RDC representing the Minnesota Association of Regional Development Organizations (and replacing Kurt Wayne); Eric Sieve representing the Council of Supply Chain Management who is replacing Brad Emch; and Michael Loney from Medtronic, who has replaced Aaron Jorgenson.

### **MnDOT Updates**

Laurie Ryan shared a few updates with the group. The updates included:

- The updated member roster was provided in the packets and is also be available online.
- The Metro District Study that was introduced at the March 11, 2016 meeting is underway. The study team would appreciate additional input from MFAC members – beyond what was suggested at the June meeting. Ryan asked the group to stay tuned for more information – she would be contacting each in the very near future.
- Ryan noted that the MFAC weekly news bulletin is intended to be used for all members to share updates and information with each other. She urged all members to contribute information for the bulletin.
- Lastly, Gina Baas encouraged MFAC members to fill out the half sheet of paper provided in the packets, to express interest in assisting in the development of the annual report and a white paper on a topic to be determined. The main role of the members would be to guide the content and overall direction of the work.

### **Presentation: “Clusters, Supply Chains, and the Freight Economy”**

Lee Munnich is a Senior Fellow at the Humphrey School of Public Affairs who has done transportation related work with regards to economic competitiveness. He has been doing joint studies with MnDOT and CTS to better understand the relationship between transportation, economic development and the role of business clusters..

The Transportation Policy and Economic Competitiveness (TPEC) project’s purpose is to ensure Minnesota is at the forefront of transportation in support of economic competitiveness and to provide research and insight on industry clusters, finance, technology, and other key areas. There are three main focuses of TPEC: Financing; Industry Clusters showing the link between transportation and economic competitiveness; and Technology, where major changes are imminent, like automated vehicles, which will require changes in public policy.

Munnich shared an illustration that showed the industries in Minnesota and which industries are related to each other. It can be seen from these industries and links that Minnesota has a diversified economy which makes it more complicated to analyze. Using GIS mapping, regional and national freight economies can be visualized.

He also walked through two case studies with the group. The first one was a set of story maps which depicted the agricultural products and how the products were then distributed to the Northern corridor. Munnich then shared a case study on medical devices depicting the supply

chain for pacemakers made by Medtronic. The study helped them better understand how the freight network works, as well as some bottlenecks when distributing the devices throughout the country.

Finally, Munnich shared new collaboration efforts between TPEC and Quetica. (NOTE: MFAC members will recall that Quetica representatives presented at the June MFAC meeting and led members through an exercise on supply chain optimization.) The goal of the partnership is to enhance the understanding of transportation infrastructure constraints to supply chain performance in the Midwest and consideration of alternatives to achieve supply chain optimization. Looking at the concentration of modes in the state, trucking is the most used in the state by amount or value moved. Although truck usage in Minnesota is at about the national average, rail is more concentrated in the state compared to the national average, and water is much less concentrated than the national average.

Moving forward, a question to consider is how to protect and grow the industry clusters in Minnesota and what these industries need in terms of infrastructure. One issue that all industries face are bottlenecks. For example, trucks are on the roads during rush hour because the market demands that the customers want the products and goods at peak times of the day. This causes truck delays, and an increase in costs which ultimately is paid by the customer. Going forward, it is necessary to find ways to minimize these bottlenecks.

During the discussion following the presentation, Munnich was encouraged to examine potential unintended consequences to reducing goods movements by trucking, including employment losses among commercial drivers.

### **Emerging Topics in Freight: Bottlenecks**

#### **Presentation: “Metro Bottleneck Construction/Funding Outlook and Statewide Impacts”**

Scott McBride, District Engineer for MnDOT’s Metro District, gave an overview presentation of MnDOT’s 10-year plan for metro area roadways maintained and operated by MnDOT, along with future bottlenecks and road construction plans for the Twin Cities.

McBride explained that the 10-year plan provides a framework for MnDOT to identify statewide mobility investments. The first three years are part of the Statewide Transportation Improvement Program (STIP) and the final seven years are part of the Capital Highway Investment Plan (CHIP). These plans are informed at a high level by other plans such as the Met Council’s Thrive 2040, Minnesota GO 50-Year Vision, Transportation Policy Plan, and the Statewide Multimodal Transportation Plan.

McBride answered a member’s question on how a typical bonding bill from the legislature impacts these scheduled highway projects. **McBride commented that the transportation package that did not get passed this year would have conflicted with current plans, and could have displaced current projects with projects that were often underfunded.**

McBride walked through the breakdown of where metro investments would be spent over the next 10 years. The first three years, STIP is more focused on preservation, project support, and bike and pedestrian projects. The final seven years, CHIP focuses more on metro pavement preservation. These assumptions were based on no new funding and uses state forecasts based on the revenue assumptions.

A question was raised by John Hausladen about where truck parking fits into these plans, seeing as this has become a more relevant topic. MnDOT's Maureen Jensen answered by saying that MnDOT investments include rest areas and way stations. Truck parking projects will not be increasing the number of spaces, but will be invested in improving currently available parking.

McBride continued the presentation to give a brief overview of some of the bottlenecks that MnDOT will be creating (due to construction projects) in the next few years in order to reduce bottlenecks in the long run. There are many projects that will impact the highways through the Twin Cities which will cause major traffic impacts. Beyond the 10-year plan, there will need to be more focus on the "Bridge Bubble" since most bridges will need repairs at that point. Another challenge will be the large scale growth in the metro area and finding multimodal solutions to solve these problems.

A member asked about the controversy surrounding the funding of the Lake Street station and if this had any effect on the planning of the I-35W project. McBride replied that there were some impacts on the planning process, but the Orange Line, which would intersect with Lake Street, is funded. MnDOT and the Met Council are confident in the plans moving forward.

### **Presentation: Bottlenecks and Minnesota's Economic Competitiveness**

Dan Murray, Vice President at American Transportation Research Institute, introduced his presentation on identifying freight bottlenecks and freight performance measures in Minnesota by asking members to think about bottlenecks specific to their industry. He started by discussing the primary performance measures which include average travel speeds, reliability measures, delays at border crossings, truck parking, incidents and weather.

The average travel speeds' performance measure can be combined with some truck data to see the highway system and bottlenecks on the highways. For example, it appears that there is a lot of freight traveling through Chicago. One question raised was whether there is a way that Minnesota could help alleviate some of the congestion.

American Highway Users Alliance has been publishing an annual report on bottlenecks. ATRI has provided guidance on the report and contributed truck data and truck bottleneck information. Freight bottleneck analysis focuses specifically on key truck freight locations, of which half are congested. This data can be used to see where large bottlenecks exist and calculate the loss of productivity due to congestion. This information is also starting to be used by carriers to route trucks through the fastest cities.

Murray walked through how the cost of delays can be calculated. Data from all different sectors is collected and aggregated into the cost per mile and cost per hour of delay. Although the overall cost of congestion is going down, there are still large costs involved with delays.

Transitioning into Freight Performance Measures, recommended by state DOTs, they are meant as a way to monitor and address measures. Murray noted that these measures vary from industry to industry, depending on the issues each industry faces. Murray circled back to some of the primary measures, with the top two measures being average travel speed and reliability. He encouraged members to go beyond these simple measures and find deeper measures.

MnDOT's John Tompkins noted that MnDOT has already been developing categories of measures and directions they will be using in the Statewide Freight Plan. He said that MnDOT is looking at both reliability and travel time as measures, but have not adopted either yet. He noted that the members present all have different views on mobility in Minnesota, and it is important to incorporate all modes.

### **Exercise: Identifying Bottlenecks in Minnesota**

The group transitioned into an exercise where members were asked to identify bottlenecks, modes, and the underlying factors behind the bottleneck. Murray also asked the group to identify some ideal or practical measures that could be included in future freight performance measures. The intent of this exercise is to share information with Murray and Tompkins so these bottlenecks can be better monitored.

Tompkins and Murray encouraged members to share some of the industry bottlenecks with the group. Some areas identified included:

- Too few river crossings, coming from Chicago to the Twin Cities; trucks have to travel north of the Cities to cross from Wisconsin into Minnesota.
- The reliability and timing of shippers.
- The FAA is implementing new air space procedures which results in a decrease in peak capacity. The Airports Commissions are working in creative ways to maintain capacity during peak times.
- Bottlenecks on I-94 from the Twin Cities to St. Cloud, and the ability to get on and off I-94 near 101 and Rogers is becoming more challenging.
- The interchange between I-694 and 35W and 35E causes a bit of a delay.
- As an ongoing issue with the rails here in Minnesota, Class 1 railroads have invested money to resolve some of the issues for their mode. There are still bottlenecks in the East metro area. In Duluth there is a single uphill lane which is being double tracked with Canadian Pacific to address this issue.
- Hazmat mobility between states via trucks and railroads.

### **Other Business**

Goins asked the group if there were any other questions or thoughts about the topics that were discussed in the meeting today.

Jason Craig asked about the difference between the legislative process and the MnDOT 10-year plan. He wondered if there was a role for this committee to fill that gap and align the two groups. Goins responded that this would be a good role that this group could fill, but he did note that it is very difficult to address and discuss freight in the political climate of the legislature.

Chip Smith brought up an intermodal issue that there are only two Class 1 rail carriers in the state with access to the West Coast which requires more shipments to be routed through Chicago. He noted that shipments are moving on the roads because there is not a competitive option on the railroads. For example, to get from Minnesota to California there are no rail options. Smith suggested that perhaps an investment of multiple carriers together could solve this problem. This would also further reduce the number of trucks on the roads.

Goins brought the group back to John Hausladen's earlier comments on potential bottleneck issue with truck parking. He noted that this indeed is a bottleneck because drivers only have a certain amount of drive time and if the drivers do not stop now the question of where to stop down the road is uncertain. Hausladen did note that some local communities are better than others about allowing trucks to park for a short amount of time which can reduce some delays. These truck parking issues can create a large headache for drivers by adding delays and pushing the limits of driver capacities. Goins asked the group if this was something this group would want to have a role in addressing.

Goins asked the group how Minnesota stacks up against other cities and states with these issues. He wondered if this would need to be a priority for the group. Craig commented that these issues are analogous to traffic issues because Minnesota does have these problems, but it is nothing compared to the traffic problems out East, which are order of magnitudes larger.

### **Closing Remarks**

Goins thanked everyone for attending the meeting, including speakers and guests. He noted the next meeting of the MFAC would be held on December 2<sup>nd</sup>, in conjunction with the Freight and Logistics Symposium. He encouraged everyone .to attend.