



**TEXAS
FREIGHT
ADVISORY
COMMITTEE**



Freight Advisory Committee
February 20, 2014, 8:30 a.m.
Texas Motor Speedway, Fort Worth, Texas

Attendees

Committee Member	Organization	Attendance
Judge Ed Emmett, Chair	Harris County	Present
Judge Carlos H. Cascos, Vice-Chair	Cameron County	Present
French F. Thompson, III	BNSF	Present
Rigoberto Villarreal	City of McAllen	Designee Present (Ramon Navarro IV)
Steve Stewart	Gulf Wind International, Inc.	Present
Kevin McIntosh	Kansas City Southern (KCSR)	Present
Joseph Adams	Union Pacific	Present
Mike Graham, Sr.	HEB	Present
Michael Dyll	Texas International Freight	Present
K. Alan Russell	The Tecma Group of Companies	Present
Jack Todd	Texas Association of Manufacturers	Not Present
John LaRue	Texas Ports Association, Port of Corpus Christi	Designee Present (John Roby)
Judge Clay Lewis Jenkins	Dallas County	Designee Present (Lauren Trimble)
Amir Mirabi	Governor's Office of Economic Development	Not Present
Carlton Schwab	Texas Economic Development Council	Not Present
Kenneth Dierschke	Texas Farm Bureau	Present
Steve Boecking	Alliance Texas	Present
John Esparza	Texas Trucking Association	Not Present
Todd Frease, Sr.	McLane Global Logistics	Present
Ronnie Volkening	Texas Retail Association	Not Present
Miguel Perez	Border Trade Alliance	Designee Present (Pete Supulveda)
Ron Beeson	East Harris County Manufacturers Association	Present
John Hill	Gulf and West Coast for Hapag Lloyd	Not Present
Senator Sylvia R. Garcia	Texas State Senator: District 6	Present

TxDOT & Texas A&M Transportation Institute (TTI)

Commissioner Victor Vandergriff	Texas Transportation Commission
Marc Williams, PE	Director of Planning, TxDOT
Caroline Mays, AICP	Interim Freight Systems Branch Manager, TxDOT
Laura Perez	Planner, TxDOT
Sondra Johnson	Planning and Programming, TxDOT
Erik Steavens	Rail Division Director, TxDOT
Sarah Bagwell	Maritime Division, TxDOT
Brian Barth	Fort Worth District, TxDOT
Jay Bond	State Legislative Affairs, TxDOT
Loyl Bussell	Fort Worth District, TxDOT
Kevin W. Dickey	Waco District, TxDOT
Natalie Galindo	Fort Worth District, TxDOT
Eduardo Hagert	Federal Affairs Division, International Relations Office, TxDOT
Dan Harmon	Maritime Division, TxDOT
Gus Khankarli	Fort Worth District, TxDOT
Bill Orr	Design Division, TxDOT
Michael Peters	Fort Worth District, TxDOT
Jolanda Prozzi	Texas A&M Transportation Institute
Karl Puckett	Paris District, TxDOT
Allan Rutter	Texas A&M Transportation Institute
Darius Samuels	Paris District, TxDOT

Other Speakers

John Brookby	Assistant Vice President, Commercial Development Planning, Marketing & Leasing, DFW Airport
Mark Witte	Manager, Industrial Development & Leasing, DFW Airport
Kim Sachtleben, P.E.	Transportation Project Manager, Atkins
Dean Wise	Vice President, Network Strategy, BNSF Railway
Russell Laughlin	Senior Vice President, Hillwood Properties, Alliance Texas

CDM Smith Consultant Team

Vince Mantero, AICP	CDM Smith
Janna Rosenthal	CDM Smith
Mark Berndt	Olsson Associates
Craig Secrest	HighStreet Consulting
Marie Lewis Adams	Nancy Ledbetter & Associates, Inc.

Other Attendees

Richard Zientek, Judge Ed Emmett Office
Guillermo Aguilar, Pharr Bridge Consultant
Michael Bomba, University of North Texas
Dr. Terry L. Clower, University of North Texas
Frank Conde, North American Strategy for Competitiveness, Inc.
Rachel Connell, North American Strategy for Competitiveness, Inc.
Derek Darnell, Special Assistant, Senator Sylvia Garcia – District 6

J. Joel Garza, Harlingen-San Benito MPO
Juan G. Guerra, International Bridge, City of Pharr

Aaron Hegeman, Public Private Partnerships, BNSF
Georgi Jasenovc, FHWA
Becky Karasko, NCTCOG
Tiffany Melvin, North American Strategy for Competitiveness, Inc.
Martin Molloy, HALFF Associates, Inc.
Rosa Navejar, The Rios Group, Inc.
Sherry Pifer, SH 130 Concession Company, LLC
Hans-Michael Ruthe, Houston-Galveston Area Council
Shundrekia Stewart, Public Private Partnerships, BNSF
Rick Wilson, Port Business Development, BNSF
Matt Woodruff, Kirby Corporation

Meeting Action Items

Guiding Principles/Framework

- TxDOT will adjust the first bullet item to state that the TxFAC membership will consist of 24 members with full standing, and additional ex officio members as determined by TxDOT and the chair.

Goals and Objectives/Performance Measures

- The project team will provide more detail on how rail incidents will be categorized.

Texas Freight Mobility Plan – Texas Freight Network and Needs/Preliminary Strategies/ Recommendations

- The project team will separate Intermodal and Rural Connectivity into two topic areas, effectively creating 10 rather than 9 areas.
- The project team will change the wording of “ensure direct rail access to ports” to “promote direct rail access to ports”.
- User fees will be combined into one category under the Funding/Financing topic area.

Other

- Mark Witte will get back to the committee on how many trucks come in and out of DFW and where they go.
- Erik Steavens will get back to the committee on the number of Rural Rail Transportation Districts (RRTDs) with active rail lines, and how many RRTDs are part of the Rails to Trails program.

1. Welcome & Introductions

Judge Emmett welcomed meeting participants and asked each member to introduce themselves. Caroline Mays and Marc Williams thanked the committee members for their attendance; Ms. Mays also thanked TxDOT staff for their help in organizing the meeting. The Judge acknowledged that Russell Zapalac was ill and would not be addressing the group today; also that Commissioner Vandergriff would not be able to join the meeting until the afternoon. He then introduced State Senator Sylvia Garcia.

State Senator Sylvia Garcia introduced herself and thanked the committee for all their hard work. She discussed the importance of freight to the economy, mentioning that she has had experience with freight issues during her time as a County Commissioner and serving as a Customs inspector. She looks forward to being part of the committee as an ex officio member.

Judge Emmett noted that there are a couple of changes to the TxFAC membership; the Port of Houston will choose a new representative as Colonel Waterworth is no longer the Executive Director (most likely Roger Guenther, the new Executive Director), and that Union Pacific may want new representation as Joseph Adams has retired. He noted that Mr. Adams is a valuable member of the committee and will hopefully continue his involvement.

2. Primary Freight Network – Committee Framework 2014 Goals and Action Items

Marc Williams began by stating that during the meeting in Laredo, the group was briefed by USDOT on the National Primary Freight Network, and that TxDOT along with Metropolitan Planning Organizations submitted comments on that network. As noticed by TxDOT and the committee, the network proposed by FHWA and USDOT was somewhat disjointed; it did not connect east to west or from Mexico to Canada, it did not include Laredo, and it did not meet the needs of Texas or the U.S. He noted that USDOT/FHWA recognize these deficiencies; in terms of the national network itself serving as a guide to direct funding decisions or anything other than an illustrative example of a freight network in the U.S., it is incomplete. The national network was constrained statutorily in terms of mileage and other factors. The federal agencies informed TxDOT that the national network will not have the significance of what will be developed at the state level, by TxDOT and this committee. The Texas freight network will be the principal network because it is being developed in collaboration with a freight advisory committee that is outlined in MAP-21. There will be some advantages to TxDOT from a federal funding standpoint for projects that are on the Texas freight network. Mr. Williams said that TxDOT will share the letter that was sent to USDOT.

Caroline Mays drew the committee's attention to the materials in the meeting packets, one of which was a two-page document on guiding principles. She noted that the guiding principles were presented last year at the committee meeting in Austin, and that the committee would be asked to take action to approve them during the meeting.

Judge Emmett noted that the committee is authorized for 24 committee members, and there are currently 24, which could be an issue. He asked whether any committee members have been absent for three consecutive meetings, to which he received an affirmative response from Caroline Mays. He mentioned that the committee bylaws state absence for three consecutive meetings without "good cause" can be reason to consider a position vacant. He reminded the TxFAC that any new members must be appointed by TxDOT in consultation with the committee chair.

Steve Stewart asked whether if a member was absent, it was acceptable to have a representative attend in his/her place, to which he received an affirmative response from Caroline Mays.

Judge Emmett noted there was nothing on the list of guiding principles that was new, or that the committee had not previously seen.

Mr. Williams mentioned that FHWA asked the TxFAC to approve the list of guiding principles.

Georgi Jasenovec of FHWA suggested that provisions for new committee membership should be included in the framework/guiding principles.

Ms. Mays replied that the process for selecting new committee members, in which TxDOT appoints the members with the chair's approval, is included within the guiding principles.

Ms. Jasenovic noted that if the group is in consensus, this process is sufficient.

Ms. Mays said that the committee was originally appointed by the Texas Transportation Commission (TTC), not by consensus from the committee members; but the TTC allowed TxDOT and the chair to make subsequent appointments.

The Judge raised the question of ex officio members, as a way to allow for new members while keeping others involved.

Caroline Mays noted there are currently two ex officio members on the committee, Senator Garcia and Representative Navarro.

Marc Williams suggested that the guiding principles be revised to stipulate that TxFAC membership will consist of 24 members with full standing, and additional ex officio members as determined by TxDOT and the chair.

The Judge replied that this would be almost unlimited, but would most likely work as the ex officio members would be people who expressed a strong interest in the committee.

A motion to approve the addition of ex officio membership to the guiding principles was approved with no dissenting votes.

The Judge also noted a typo under "Committee Roles and Responsibilities".

Joseph Adams asked whether the framework/guiding principles should empower the chair and vice-chair to present the TxFAC's views to legislative bodies.

The Judge noted that the committee already has the power to present to the legislature should they request a presentation.

A motion to approve the framework and guiding principles as amended was approved with no dissenting votes.

Caroline Mays echoed FHWA's request that TxDOT show committee actions for every year. Last year the group identified needs, and now they are looking at recommendations – how the needs will be solved. This will lead to developing Freight Plan recommendations. She discussed the proposed TxFAC structure for the coming year, which includes four committee meetings, developing Freight Plan recommendations, and developing and adopting the Texas Freight Mobility Plan itself.

Judge Emmett noted that there are a multitude of items under each bullet point, but they pretty well cover what is needed.

A motion to approve the committee structure for the next year was approved with no dissenting votes.

3. Texas Freight Mobility Plan – Report Outline Discussion

Marc Williams stated the next three presentations are starting to get into the “meat” of what the report recommendations will look like. It’s still early in the process, but the project team spent the last year looking into the state’s freight transportation needs and will be testing the key themes of the report. The committee’s feedback is needed to move the process forward.

Vince Mantero delivered a presentation on the outline of the Texas Freight Mobility Plan report. Many states are developing freight plans. Mr. Mantero stated that projects in the Texas Freight Mobility Plan would be eligible for higher matching funds under MAP-21. USDOT provided guidance on what elements need to be included in the freight plans. The document can be organized in any structure as long as it covers the basics, although USDOT also provided a suggested structure. The Texas Freight Mobility Plan is proposed to include several elements, which Mr. Mantero discussed individually. The executive summary will be a very important element that many decision-makers will look to, so the team will make sure it works as a stand-alone document.

Ten chapters are proposed. The introduction will lay out the plan’s purpose and goals, and Chapter 2 will discuss the extensive stakeholder engagement process. Chapter 3 will cover the current freight system in Texas, and Chapter 4 will assess its conditions and performance. Chapter 5 is very important as it will discuss the freight system’s needs in a number of areas. Chapter 6 will lay out the economic context of freight; Chapter 7 will discuss the policies, strategies and institutions related to freight; and Chapter 8 will cover the decision-making process that the state will undertake. Chapter 9 will present the plan’s strategies and recommendations, and Chapter 10 will discuss implementation. Mr. Mantero asked the group whether the outline covers all of the key elements that should be included, and if not, which parts are missing.

Judge Emmett stated that each of the committee members represent individual interests. They should pipe up and let the team know what is missing. For example, is enough about agriculture included, or movement of groceries?

Mike Graham noted that the report outline looks comprehensive, but what’s important is the detail. The committee wants to make sure it covers all interests.

Kevin McIntosh praised the proposed outline. He noted that the economic impact/job creation piece is crucial. For rail in particular, every time a yard is expanded or new network infrastructure is added that improves freight movement, is there a job creation component? Those topics should be in the report.

Mr. Mantero said yes, job creation is included as are overall impacts of freight improvements.

Alan Russell also said the team did a good job on the outline. He mentioned that in terms of coordination with other states, Texas borders three Mexican states, with an enormous amount of freight and commerce crossing over. The team should make sure to coordinate with them.

Kenneth Dierschke asked whether pipelines would be covered in as much detail as rail and other modes.

Mr. Mantero replied that pipelines are not proposed to be covered in great detail in the report; there are many security restrictions, homeland security, etc. He said the project team has some information, but will work with the industry and make sure the team understands the connectors in particular.

French Thompson asked the team to make sure that they are consistent with intermodal/multimodal terminology, and noted that the report should address imports as well as exports.

Mr. Graham asked whether the team is monitoring trends in retail such as e-commerce and the effect that has on infrastructure.

Mr. Mantero said yes, technology and e-commerce is going to be a critical component in future freight movement. The only thing we know about the future, he noted, is that we will not be able to predict it fully, but we need to be prepared for it. It would be helpful to have conversations with retailers such as HEB.

Mr. Graham also asked whether in terms of policy, the report would address lifting current freight restrictions that inhibit efficiency.

Mr. Mantero replied that the consultant team has not so far been asked to restrict its recommendations to anything in particular, so all options are on the table, including efficiency questions. He asked the committee to let the team know any ideas on how efficiency could be improved.

Mr. Thompson also requested the team to pay attention to land use planning. One thing Alliance has done well is create a master plan for development, he noted, but sometimes there are mixed land uses in other areas that are not necessarily compatible.

Joseph Adams asked how deeply the report would get into funding challenges, such as highway user fees, toll receipts, bonding, etc.

Mr. Mantero replied that as far as funding is concerned, anything is on the table.

Mr. Williams added that TxDOT is not likely to prescribe funding for plan recommendations, but will highlight needs and lay out options. In terms of economic impact/job creation/policies, he requested that committee members provide examples and case studies to illustrate real-world impacts. Giving an example makes things much clearer, rather than talking generally. TxDOT has many examples statewide, but needs the committee's help to add to the list. He asked the committee to "be a little self-serving" and let the team know some of their case studies.

Steve Boecking asked whether alternative fuels are included in the report, as well as funding issues such as gas taxes that do not get collected by TxDOT.

Mr. Mantero said there was a place for these issues in the report.

Caroline Mays stated that alternative fuels will be included in the Chapter 5 "Energy and Environment" component of the report.

Judge Emmett noted as a caveat that when the Freight Plan comes out, the project team and committee should be aware of potential opposition. Much like the Trans-Texas Corridor, sometimes perception grabs hold and can become reality. Some people, he cautioned, view any master planning as some kind of UN "Agenda 21" effort; they get upset and we may get push-

back. They also take issue with the term “sustainability”. The team just needs to learn lessons from the past and incorporate them into the report.

4. Texas Freight Mobility Plan – Goals and Objectives/Performance Measures

Craig Secrest delivered a presentation about Freight Plan goals and objectives. These, along with the performance measures discussed during the last meeting, will form a framework for decision-making. The project team has identified six goal areas based on input received; these goal areas also line up with federal objectives under MAP-21 as well as the Texas Transportation Plan that is currently under development. The team needs the committee's feedback to make sure they are covering the right elements as the project moves forward. Mr. Secrest proposed to address each goal area individually, so committee members could comment on each one. The first is goal area Mr. Secrest discussed was safety.

Safety

Mr. Secrest stated the objectives of this goal area are to increase resiliency and reduce accidents/injuries within the freight network. The team proposes to measure truck-related accidents, rail accidents and at-grade rail-crossing safety.

French Thompson asked whether rail accidents meant derailments, or whether rail accidents and at-grade rail crossing safety was redundant.

Mr. Secrest replied that the initial thought was the team would be looking at actual rail incidents; presumably the at-grade accidents would be included within the other highway-related crashes measure.

Judge Emmett asked the team to avoid showing anything that identifies a particular company, good or bad; for example, a picture of a railcar that identifies BNSF.

Kevin McIntosh noted that rail safety subsets are tracked individually; one of which is total rail accidents, but there is another that deals specifically with at-grade rail crossing safety. Railroad companies track multiple categories and have all of that data available.

Mr. Secrest noted that there will be more detail available on individual measures in future. All of the measures relate to the ability of TxDOT to have an impact on them. It is important to remember that if the goals and objectives are used to prioritize investments, it can influence how TxDOT approves them. The measures need to reflect the role of TxDOT to influence investment.

Mr. McIntosh said that was a good point. He added that the data could be used to identify locations with high accident rates, and perhaps create public/private partnerships with TxDOT to improve the infrastructure at those locations.

French Thompson noted short line/state owned rail is something the team could also review from a safety standpoint. He cautioned the team to be careful going down this path.

Joseph Adams asked whether the project team is looking at safety on the waterways, such as spills and barge accidents.

Mr. Secrest said the team had not looked at that yet, and that it is probably a missing piece.

Todd Frease mentioned that the report should address the causes of accidents, as well as the accidents themselves.

Mr. Secrest said this will be included in the strategies and actions the report recommends to improve safety.

Steve Boecking asked whether the report would cover disaster recovery/emergency evacuation.

Mr. Secrest said yes; “resiliency” is the code for disaster/emergency response. The challenge with that area is you can set up some objectives and strategies to improve it, but measuring security/diplomacy is difficult.

Judge Emmett added that the public is concerned about not only accidents but accidents that cause spills and property damage. They don’t like chemicals coming close to neighborhoods. The report needs to address that aspect as well.

Ramon Navarro stated that the report needs to be multimodal – the safety concerns for all modes need to be included, not just highway.

Asset Management

Mr. Secrest stated that the objectives of this goal area are to achieve and maintain state of good repair for all modes, improve bridge ratings, and improve pavement conditions. The team proposes to measure state of good repair across the Strategic Freight Network.

John Roby asked whether the “Strategic Freight Network” was a new term; he had not heard it before.

Mr. Secrest said he believed the official term is now the Texas Preliminary Freight Network.

Caroline Mays said the terms “Strategic Freight Network”, “Texas Freight Network” and “Primary/Secondary Freight Networks” are interchangeable.

Judge Cascos stated his concerns regarding freight traffic through country roads/city streets which were not built to handle large vehicles/heavy loads. How will the team talk to communities about traffic on local roads? Will TxDOT be assisting with funding infrastructure solutions?

Marc Williams noted the issue will be highlighted in the report in general terms. TxDOT has been emphasizing this for several years.

Judge Cascos added that he was not asking for a solution, but believed the report should mention this so as not to exclude rural areas or local municipalities.

Caroline Mays stated that TxDOT is working with the MPOs on last-mile concerns. The MPOs know the local jurisdictions, and TxDOT is relying on them to bring that information to the table. It will be included in the report.

Joseph Adams noted the same thought about funding infrastructure solutions applies to short line railroads that lack funding to upgrade, ensuring the safety of hazardous materials transportation. The Union Pacific line from Freeport to Angleton is an example.

Judge Emmett stated his concern about the tone of “state of good repair.” The term does not refer to developing new assets, but focuses on maintaining what is already in place. Also, the whole discussion seems to be overly focused on trucks. In order to maintain a state of good

repair on the highway/road network, it can be beneficial to shift freight to other modes like rail and water. Having a plan focused too much on trucks will not be a good outcome.

Mobility and Reliability

Mr. Secrest stated the objectives of this goal area are to reduce the amount of miles at unacceptable congestion levels, improve travel time reliability, use cost-effective methods to improve capacity, and partner with federal and Mexican officials on border crossing issues. The team proposes to measure hours of truck delay, the Truck Reliability Index, and reduction in freight bottlenecks.

French Thompson suggested including “border windows” or delays for trains getting across the border as performance measures. There are congestion issues at each border crossing.

Mr. Secrest said there is data to measure rail border crossing delay, which is good.

Joseph Adams asked whether “freight bottlenecks” included rail, to which Mr. Secrest answered in the affirmative.

Multimodal Connectivity

Mr. Secrest stated the objectives of this goal area are to increase efficiency by improving interactions between modes, improve first mile/last mile connectivity, improve rural/urban connectivity, and improve ports’ land-side capabilities. The team proposes to measure hours of truck delay, the Truck Reliability Index, and reduction in freight bottlenecks.

Judge Emmett noted that improving interactions between modes will delve into connectivity issues between ports and land-side freight. In Rotterdam, the containers go directly from the ships to the rail line without being put onto the ground; it makes a huge difference in efficiency, but requires substantial up-front investment. This could be beyond the scope of TxDOT and this project.

Stewardship and Customer Service

Mr. Secrest stated the objectives of this goal area are to identify public/private partnerships for funding, lead efforts to foster greater coordination between freight-related agencies, implement a performance-based prioritization process for freight investment, develop and maintain partnerships with the private sector and other stakeholders, increase freight expertise among the public sector and elected officials, and enhance workforce recruitment and retention.

Judge Emmett stated that the hardest part of this process is predicting the future. Thirty or forty years ago, railroads did not want to move containers, and now they do. Figuring out what the public will want is difficult.

Mr. Secrest added for next steps, the project team will use the committee’s feedback to refine the framework. He acknowledged the comments regarding making sure the measures are multimodal and not overly focused on highways. The framework will be used to help evaluate and prioritize freight investments.

5. Texas Freight Mobility Plan – Texas Freight Network and Needs/ Preliminary Strategies/Recommendations

Mark Berndt delivered a presentation discussing the Texas Preliminary Highway, Rail, and Waterways Freight Network, potential needs and strategies, as well as actions that will result from the Freight Plan. He noted that the planning process has included a substantial amount of stakeholder outreach including listening sessions, workshops and the TxFAC.

Recommendations began to emerge from these stakeholder discussions. The project team reviewed plans developed by other states and MPOs, and analyzed data. Mr. Berndt's presentation focused on the framework the team suggests be used to develop the recommendations. He invited the committee members to write down suggestions on a blank worksheet provided in the meeting packet. Mr. Berndt proposed to address each topic area individually, so committee members could comment on each one.

Preliminary Highway Freight Network

Mr. Berndt discussed the Preliminary Texas Highway Freight Network, which is made up of primary and secondary networks. It is largely based on the highway network, key connectors, and freight flows identified by models. The recommendations will be focused on these networks, so it's important the team identifies the correct corridors and links the right freight nodes. The goals of the Preliminary Freight Network are to focus investment where it is most needed, link modal networks and nodes, design/maintain the networks for current and future freight needs, and potentially designate sub-networks for special needs, such as oversize/overweight shipments or HazMat shipments.

Preliminary Rail and Waterways Freight Networks

Mr. Berndt also discussed the Preliminary Texas Rail and Waterways Freight Networks.

Mr. Berndt asked the committee whether the process to identify the networks is sufficient.

Ramon Navarro asked what data the project team has gathered, what they are lacking, and how the committee can help.

Mr. Berndt stated that the team largely has the data they need to identify the networks; there are no significant gaps.

Caroline Mays stated that the team could use more data on the port side, particularly understanding exports/imports and cargo origins/destinations.

Mr. Berndt noted the team is creating profiles for each port in Texas using a variety of data sources, but the data does not give specific origins or destinations. Transearch data has helped identify freight flows, and the team can draw some conclusions based on knowledge of the types of cargo certain ports handle. There needs to be some faith in approximations.

French Thompson suggested the team go to the ports directly to ask for data. Transearch data provides a good look across modes, but the ports could provide a better understanding.

Mr. Berndt replied that a lot of information is captured in the Army Corps of Engineers data set, but cargo origins are often not recorded.

John Roby echoed that the ports would be happy to talk with the project team about data. Other data sources such as Customs and PIERS (Port Import/Export Reporting Service) are more precise. He invited the team to contact him to help refine the data.

In regards to potential overweight corridors, Steve Boecking asked whether TxDOT was considering taking a whole highway system and rebuilding it to accommodate heavy weight.

Caroline Mays said TxDOT would not be looking to rebuild highways to handle overweight shipments, but would consider designating certain corridors for such purposes, and connecting networks to maximize efficiency.

Mr. Boecking added that overweight corridors may be a good idea for short hauls, but perhaps not for longer hauls; the rail system is much more efficient for heavy cargo.

Mr. Berndt noted MAP-21 asks that the state plans identify corridors that can handle heavy haul shipments for energy, agriculture, timber, etc.

Judge Emmett stated that much of this is going to be a guessing game; whatever the committee decides is going to have to be dynamic because things will change by 2040. However, the infrastructure that TxDOT designates as the freight network can help shape the future as well.

Mr. Berndt added that freight forecasting is driven by future employment growth, and areas that are currently performing well in certain economic sectors are likely to attract more employment in those sectors.

System Capacity

The first recommendation topic area Mr. Berndt discussed was system capacity. He provided an overview of key issues, and presented proposed recommendations within the categories of programs, projects, and policy/institutional. The recommendations are intended to address issues such as highways bottlenecks, alternative routes to allow for redundant capacity, dedicated/special use lanes for trucks, and rail capacity constraints.

Judge Emmett asked whether the arrows on Slide 13 meant anything; Mark Berndt said no.

Mike Graham mentioned that a couple of states have used truck-only lanes, and there are studies/data the team could review.

Mr. Berndt noted that there are very few actual truck-only lanes; the New Jersey Turnpike has truck-preferred lanes, and some ports have truck-only lanes within their property. A project for I-10 capacity enhancements looked at truck-only lanes, and an I-70 truck-only lanes study was done a few years ago. State Departments of Transportation look at truck-only lanes primarily from a safety perspective, in addition to capacity. The freight industry looks at truck-only lanes from a productivity enhancement perspective. There are many issues with truck-only lanes, and very little in terms of actual implementation.

Mr. Graham referred to the truck size and weight studies underway in MAP-21, and the recommendation that the committee hold and wait until those are complete. He asked whether there was any value in the committee recommending in support of revising/lifting truck size and weight restrictions, rather than staying on the sidelines.

Joseph Adams noted that there are a number of issues with changing truck size and weight restrictions, including safety, user fees, and bridge/pavement damage.

Mr. Berndt stated USDOT is unlikely to make any recommendations to lift truck size and weight restrictions. There was an effort in Congress to raise the truck weight limit on six axles to 96,000 or 97,000 lbs., but the language was pulled. There are ways to mitigate pavement damage by tire weight, but bridges are another issue – more weight means more bend, which causes damage.

Michael Dyll asked if the team should look at the value of freight rather than tonnage or volume; in doing so they might be able to find smaller routes that could handle high-value freight, and get a good return on investment.

Mr. Berndt said the project team has freight value data from Transearch, as well as value per pound, based on larger group averages. The team can present value figures, but should be cautious because they are based on nationwide averages. If there is a desire to dig deeper into that, the team can look at Texas-specific information.

French Thompson stated that the committee needs to be more objective as far as the MAP-21 study. Is it equitable freight movement if trucking runs on already-subsidized highway systems? If trucks are allowed to be heavier, will they be paying to improve the roads? He expressed concern about putting down lifting truck size and weight restrictions as a policy recommendation. If a corridor is designated as high-value, does that raise safety concerns? Rail often carries low-value, high-volume loads such as coal and agriculture, but these are highly valuable to society.

Marc Williams noted that special permits are required for heavy loads that cover adequate cost for pavement damage. Consistently where heavy-weight trucks have been allowed, the trucking industry has paid for permits to offset the cost.

Kevin McIntosh echoed that lifting truck size and weight restrictions is a big issue for railroads, and in some states is a serious point of contention. In some areas, the truck size and weight issue is limited to certain commodities, such as livestock; he asked whether that was the case here, or the recommendations would be all-encompassing.

Mr. Berndt acknowledged that there are limits at the state level as to what can be done. Changes on restrictions have to go through state legislatures, and can only apply to state roads that are off of the Interstate system.

Judge Emmett clarified that railroads in general are opposed to increasing truck size and weight limitations. He added that the team has not mentioned locational decisions; perhaps the report should discuss where ports will locate their facilities. Some ports have located facilities right next to congested roadways. He inquired whether there should be special truck weight allowances for intermodal moves; for example, if it makes sense for an overweight container to be moved in one piece from port to rail, that could be a benefit for railroads.

Mr. Berndt noted that states may now consider international containers as non-divisible loads. Many states now issue permits for this purpose. This could benefit railroads by moving goods directly from ports to rail.

Joseph Adams added that there is always tension between passenger and freight rail. Passenger rail gets priority when dispatched, and the team needs to understand the implications for freight rail.

System Operations

Mr. Berndt next discussed system operations. The recommendations in this section are intended to address issues such as the need for real-time information; heavy weight freight corridors; clearly-defined bypass routes; and an understanding of costs due to delays and bottlenecks on freight network operations.

Steve Boecking asked whether TxDOT is involved or aware of the USDOT project FRATIS (Freight Advanced Traveler Information Systems). He said the program is allowing truck drivers to be more efficient in planning routes.

Caroline Mays noted there is FRATIS program going on in the Dallas/Fort Worth area. She requested Tiffany Melvin of NASCO to say a few words about the FRATIS program.

Tiffany Melvin of NASCO said the FRATIS program at DFW is focused on optimization, using wait times, turn times, historical data, and real-time conditions. The program optimizes trucking routes throughout the day. The Los Angeles/Long Beach and south Florida programs apply to ports, getting advanced information on trucks heading to the yards. There are many pilots being tested; perhaps there will be a Texas corridor FRATIS along I-35.

John Roby mentioned he has not heard discussion about moving freight short distances on barges via the Intracoastal Waterway instead of on trucks. On every freight movement map there is a thick line on I-10 between Houston and Beaumont – there is a large number of trucks on that road. The issue is worth talking about; it will get trucks off of the road, allow for cleaner air, and it will be safer. It has been approached by an economic standpoint, and it is not profitable for barges without subsidy.

Judge Emmett noted the committee has talked about the Intracoastal Waterway a good deal; many people still believe it to be underutilized. The issue is that cargo still needs to be loaded onto trucks to be delivered. Perhaps heavy items can be put on barges to keep them off of the roads.

Safety/Security

Mr. Berndt next discussed safety and security. Safety is a major focus area for TxDOT. The recommendations in this section are intended to address issues such as lack of truck parking, numerous at-grade crossings, poor roadway design, and lack of public education.

Joseph Adams inquired whether TxDOT should look at targeted enforcement by police to address at-grade crossing issues or excessive speed on urban interstates.

French Thompson mentioned that on rail networks, there are interconnected crossings with traffic signals and rail gates. Across the system, the signal timing is often incorrect or is the connection is not working. There needs to be a system wide review and program to fix this problem.

Mr. Berndt noted that some states are more active in engaging local law enforcement than others, and perhaps TxDOT should consider a campaign to work with local agencies.

Intermodal and Rural Connectivity

Mr. Berndt next discussed intermodal and rural connectivity. The recommendations in this section are intended to address issues such as efficiency between modes, lack of regional corridors connecting rural and urban areas, need for better port-rail connections, adequate and

available access facilities, connections with neighboring state/Mexico infrastructure, access besides truck in south and west Texas, and rural isolation.

Judge Emmett stated that the project team should separate intermodal and rural connectivity, as they do not really go together.

Mr. Berndt confirmed that separating these would create 10 focus areas instead of 9.

French Thompson suggested the team change the wording of “ensure direct rail access to ports” to “promote direct rail access to ports” – “ensure” is too strong a statement.

The Judge noted there is a question of when freight movement occurs. Are there instances when trucks are prohibited from highways during certain times of day, such as rush hour in urban areas, or during early morning when many accidents occur?

Mr. Berndt replied that truck traffic tends to peak during midday; most truckers avoid rush hour. Some areas have restricted trucks during rush hour, such as Atlanta, but it was seen as prohibition of interstate commerce. Trucks are often encouraged to use bypass routes. Some of it comes down to staging areas/availability; if shippers want things during certain times of day and there are no staging areas available, truckers can be forced to travel during rush hours.

Mike Graham added that truckers prefer to drive overnight; they do not like driving in traffic. Restrictions on travel by time of day is a slippery slope. The industry will avoid rush hours by default.

Judge Emmett also asked whether truck drivers are still paid by the mile. This has always raised safety concerns, as profitability is based on pushing further and faster. Drivers stuck in rush hour are not making much money. It seems a little backwards, but it is beyond the scope of this study.

Caroline Mays said that Atlanta did not restrict trucks by time of day; it restricted truck traffic on I-75 and I-85 through the heart of town, and required trucks to take the I-285 loop instead. Law enforcement was highly involved.

Mr. Berndt added that New York has done research on what it takes to get shippers to take off-peak or night delivery. Shippers were concerned about having staff there at night; in some cases they worked to get lock boxes, etc. so deliveries could be completed at night. It can work, but it requires initial investment.

NAFTA and Border/Ports of Entry

Mr. Berndt next discussed NAFTA and border/ports of entry. The recommendations in this section are intended to address issues such as the significant amount of direct exchange and pass-through freight, Mexico’s increasing role in the global economy, and border crossing congestion/inefficiencies. The question is what TxDOT’s role should be in addressing these border crossing issues.

French Thompson suggested the team include rail border crossings, for consistency’s sake, such as land use planning to increase capacity. This would allow trains to queue and take advantage of the border crossing windows.

Alan Russell noted that the inspections issue is one of his passions. TxDOT, at the eight crossing ports, owns inspection facilities where trucks cannot enter without being inspected for safety. After they pass these points, however there can be multiple subsequent stops that

create congestion. Technology can allow existing facilities to be used more efficiently. Does a truck need to be inspected every time it crosses, if it crosses every day or multiple times a day? Is once a week enough? TxDOT should set a standard for how often a truck needs to be inspected, and employ technology to track the trucks. Also, TxDOT is currently working to turn facilities over to local municipalities to reduce redundant inspections.

Mr. Berndt added that technology in this area has come a long way; there are cameras that can read VIN numbers and license plates, and cell phone apps. Transponders are likely yesterday's technology.

Kevin McIntosh echoed that not having to stop repeatedly is important for railroads as well.

Judge Cascos suggested that someone high up in DPS should be part of the TxFAC. Trucks get inspected daily, repeatedly; there must be a mechanism to declare that once a truck is inspected at a border crossing, it is done. This is more about DPS than TxDOT. Truckers often drive on the Mexican side and cross on the Pharr bridge to reduce the likelihood of getting pulled over.

Marc Williams agreed truck inspections are DPS's responsibility and not TxDOT's, but TxDOT recognizes that it is an issue. TxDOT has reached out to DPS to include them in the technical working group, as well as invited DPS to help frame recommendations for more consistent, less redundant inspections.

Mr. McIntosh added that the team should include Customs/Border Patrol and Mexican officials in that discussion.

Mike Graham suggested looking at the hours and days of operation for all the bodies that support the transactions, including Customs.

Energy/Environmental

Mr. Berndt next discussed energy and environmental considerations. The recommendations in this section are intended to address issues such as the time-consuming permitting process; the expense/lack of infrastructure for alternative fuels; and that certain energy sources (e.g., fracking, wind) can have specific transportation needs.

Judge Emmett posited that the expense of alternative fuels and lack of infrastructure will probably not be an issue in 20 or 30 years.

Regarding the adoption of alternative fuels such as CNG and LNG, Judge Emmett noted that it is already underway for many freight carriers.

Steve Boecking added that private industry is taking on the switch to alternative fuels, but states are also taking action/incentivizing the process, such as helping pay for truck conversion.

Mike Graham noted alternative fuel use is growing because the return on investment is there even without incentives. The CNG/LNG infrastructure for long haul freight is not yet in place, but it will come.

Judge Emmett said when computers first became popular, they were sold by mom and pop stores and then progressed to larger companies. As soon as one of the major fuel distributors starts putting CNG/LNG in their stations there will be a tipping point.

Steve Boecking asked whether there is a fuel tax issue with CNG/LNG.

Marc Williams noted that the tax issue with CNG/LNG is that there are no taxes – at least none that go into the road fund.

Mr. Boecking said it was his understanding that the Railroad Commission controls that, and they do not have to pay for the roads. He asked whether there was any possibility of changing or addressing the issue.

Senator Sylvia Garcia noted that the State needs to look into the tax issue. It's not in the legislature yet, although they know that they need to look at funding transportation.

Judge Emmett echoed that the legislature is considering multiple different options for funding. The Railroad Commission cannot make decisions on taxing CNG/LNG but the legislature can.

Jay Bond, TxDOT, stated that CNG is taxed insofar as the vehicle operator must buy a sticker from the Controller's office, but that it is not taxed like gas. Regarding conversions, the Texas Commission on Environmental Quality has a program called TERP (Texas Emissions Reduction Program), which is focused on nonattainment areas, but is funded by a surcharge on the sale of diesel engines. This pays for the retrofit or replacement of diesel equipment and has the potential to address some of the issues.

Education/Public Awareness

Mr. Berndt next discussed education and public awareness. The recommendations in this section are intended to address issues such as the fact that effective freight planning is dependent upon public awareness of key freight issues, lack of public understanding on economic/quality of life benefits of freight, and truck driver shortages.

Institutional/Industry/Interagency Cooperation

Mr. Berndt next discussed institutional, industry, and interagency cooperation. The recommendations in this section are intended to address issues such as the importance of interagency cooperation in meeting plan goals, communication between agencies and departments, collaboration to accommodate varying planning horizons, and public-private partnerships.

Funding/Financing

Mr. Berndt next discussed funding/financing. The recommendations in this section are intended to address issues such as the need to identify alternative and innovative funding sources for freight projects, the need to focus on high-priority corridors, the evaluation of freight projects within the project selection/prioritization process, consensus around the fairness of user-pay systems, and the need to balance existing funding needs.

Joseph Adams asked whether the project team could combine the various types of user fees into one category, including VMT-based.

Mr. Berndt cautioned that VMT-based fees can be controversial; it may feel like big brother because it usually requires a GPS device.

Mr. Adams noted that some states have traditional ton-mile taxes where they review VMT on an annual basis rather than requiring a GPS device to track driver mileage.

Mr. Berndt said that the project team could combine the fees into one category.

John Roby noted that of all the Gulf States, Texas is the only one that does not provide direct funding for its ports. The state has a port access fund that has never been capitalized.

Mr. Berndt said the committee would be revisiting these categories and recommendations in future meetings.

Judge Emmett said that the framework represents a great start to the process.

6. Working Lunch & Special Guest Speakers

John Brookby and Mark Witte delivered presentations on DFW airport freight operations, land use planning, and foreign trade zones. They featured DFW's advanced capabilities to handle freight transfers, and the importance of master planning to increase efficiency. DFW's multi-tiered strategy has attracted many large businesses to its properties, who seek to take advantage of close proximity to cargo operations.

Judge Emmett asked whether within foreign trade zones, payments are required in lieu of taxes. He mentioned that Harris County sometimes requires payments in lieu of taxes.

Mark Witte said he did not believe DFW collects payment in lieu of taxes.

Joseph Adams asked about the management/political structure of DFW.

Mr. Witte replied that DFW is owned jointly by Dallas and Fort Worth, and they have about equal representation on the board that manages DFW affairs. DFW a separate municipal authority – it stands alone and operates independently.

Judge Emmett also asked how DFW is funded.

Mr. Witte said that DFW is self-funded by fees – over 60 percent comes from non-aviation revenues like parking, rent, concessions etc. The remainder is made up of aviation fees.

French Thompson asked if DFW has any infrastructure challenges to growth, other than the connector to the north which was mentioned.

Mr. Witte said at this point, DFW is pretty well satisfied with its infrastructure. TxDOT has a plan for SH 183 on the south side, but outside of rush hour, even SH 183 flows pretty well. DART (Dallas Area Rapid Transit) is going to start trial runs of Orange Line service next month so they can be operational on the third week of December – FTA rules say it needs to be operational for six months before going into service.

Judge Emmett asked how many trucks come in and out of DFW on a daily basis and where they go. He acknowledged DFW is a major freight generator.

Mr. Witte said he would get back to the group on how many trucks come in and out of DFW and where they go – he mentioned that some trucks come through the property that do not interact with air cargo.

Steve Stewart noted he assumes future distribution centers are targeted to air freight, but wonders if they could be truck-based as well.

He said that distribution centers on the property are often truck-based; they have Simmons mattress, which is all ground transportation.

After lunch, Judge Emmett introduced Commissioner Vandergriff, who arrived in the afternoon.

Commissioner Vandergriff introduced himself, noting that he had advocated in the past that a piece of TxDOT become the Department of Motor Vehicles, and he subsequently became chair. The department mandated that no decision would take place without an advisory committee involved. Agencies need groups like the TxFAC to provide solid advice in order to make good decisions.

7. I-45 Freight Corridor Study

Kim Sachtleben delivered a presentation regarding the I-45 Freight Corridor Study. She noted that the I-45 Freight Plan will have largely the same framework as the statewide plan. Ms. Sachtleben is the liaison between the statewide plan and the I-45 project. She noted that I-45 is all contained within the state of Texas from Dallas to Galveston, and handles very high freight traffic loads. There are several initiatives currently underway on the corridor to improve operations. The I-45 team will coordinate with the statewide team on data, stakeholders and recommendations.

Judge Emmett mentioned that if Judge Jenkins had been in attendance, he would have comments on this topic area. He recommended that the I-45 team work closely with Judge Jenkins' office.

8. Rural Rail Districts

Erik Steavens delivered a presentation on Rural Rail Transportation Districts (RRTDs). He covered the background of how they came into being, their purpose and functions, and their powers and duties. RRTDs powers include: acquire, construct, sell, lease, and operate rail facilities and rolling stock; eminent domain; and issue bonds. The duties of an RRTD include meeting at least once a month to conduct district business; adopting an annual operating budget with public notice; and they may not abandon a rail line for which state funds have been loaned or granted.

He noted where the districts existed and went through several case studies. He discussed elements of successful RRTDs, including an active and engaged board, financial means, ownership/control of the right-of-way, a strong business plan and good operational practices. He suggested RRTDs could have a strong role to play in Texas transportation, and within the freight network.

Judge Emmett said he did not think the general public is much aware of these RRTDs and their potential. He asked how many RRTDs have active rail lines.

Erik Steavens said that he knew of six RRTDs with active rail lines, but he would check and get back to the group.

The Judge also noted that there was no provision in the law for disbanding RRTDs, even if they haven't met in years, which could be a problem. He asked if any RRTDs are part of the Rails-to-Trails program. If they are part of the legislation, he noted, the rail lines are still eligible to be put back into service. It can be hard to explain to people that they are still technically active rail lines. If there are other places in Texas that may be put back into service, the TxFAC and the project team needs to know.

He asked if one of the districts has the rights to take over a line, and the district goes out of service, what would happen to the line.

Mr. Steavens replied in case of a district going out of service, the line would go back to the adjacent property owners.

The Judge also inquired whether the statute allows a district to create toll roads instead of rail lines.

Mr. Steavens noted that nothing he has read highlights the use of toll facilities; if rail lines are abandoned, RRTDs can be used for transportation purposes, which may be where the idea of toll roads is coming from.

Judge Emmett noted that as the rail companies were rationalizing service, many agricultural communities wanted to preserve the abandoned rail lines. He acknowledged RRTDs could be great assets for the freight rail network.

Joseph Adams said in this day and age, the freight network is here to stay – there will be no further abandonment of rail lines.

Judge Emmett agreed, but noted the rural rail corridors could be used for expansion.

Mr. Steavens said many areas that are looking at rail spurs or other economic development opportunities are working with RRTDs.

9. BNSF Railway

Dean Wise of BNSF delivered a presentation on new approaches to public collaboration. He prefaced his presentation by acknowledging that BNSF has many growth opportunities, but the impacts that come with rail expansion require working with communities to be good neighbors. He provided an overview of the BNSF network and cargo breakdown, as well as its capital plans. A majority of capital goes towards maintenance, not expansion. He also discussed BNSF's safety procedures. Within Texas, BNSF has an extensive network but also runs on Union Pacific lines. He highlighted the importance of working with public agencies in order to accommodate future growth, such as working with rail advisory boards, multimodal corridor planning, and long range project coordination.

Joseph Adams said BNSF made a great move on the tank cars, and asked how quickly they would arrive.

Mr. Wise said that the tank car backlog is long and often changing; he does not have a clear estimate of when the cars will arrive.

Judge Emmett noted that in past, many rail cars have not been owned by railroads. He asked how many are still owned by private individuals due to the tax breaks they used to receive. He also asked what BNSF plans to do about graffiti.

Mr. Wise said the amount of private rail car ownership is much less than it used to be; many owners lost money in the 1980s. Still, tank cars, most coal cars, and TTX are not owned by the Class I railroads. The tax breaks went away in 1982; box cars lost their value at that point. He acknowledged that graffiti is an issue.

10. Alliance Texas

Russell Laughlin delivered a presentation on the Alliance, Texas area. He noted that at first, Alliance was an airport-driven global port. As time went on, however, freight and goods movement grew in importance. Alliance is a 17,000-acre master-planned community anchored off of goods distribution. Alliance Airport is a Class 3 airport with strong highway connectivity located in the middle of the continental U.S. Alliance is situated within 2 days reach of 150 million people in terms of drayage.

A considerable amount of public-private partnership went into SH 170/114 improvements, which connect the area to DFW. At this point, Alliance is 30-35 percent built out. Everything Alliance does has to be a public-private partnership, and has to return more back to the community than is given. Alliance spans 2 counties, 4 cities, and 2 school districts. Alliance management understands the importance of long-range master planning to enable functional, efficient goods movement. If Alliance was a city, it would be the fifth fastest-growing in the nation. This kind of growth requires planning, heavy freight corridors, rail and funding for highway transportation. Mr. Laughlin noted the tremendous economic and job-creating impact of Alliance, and he expects considerable continued growth in future.

Judge Emmett noted that the topic was a fitting thing to end on; Alliance is among the biggest in this field, but there are many more freight generators all over the state.

11. Open Discussion

Judge Emmett commented that the TxFAC has been one of most active in terms of participation, and that their work is appreciated. He also noted that this committee had been one of the best he has participated in. This meeting was a chance to start getting into real-life parts of the Freight Plan. He encouraged the group to, right after this meeting, write out thoughts/questions and send them to TxDOT promptly. There are many things that need to be addressed within the Freight Plan.

Caroline Mays stated that the next TxFAC meeting will be in Lufkin on May 8. The Freight Leadership Summit is in Houston on April 3. She invited the TxFAC members to be speakers, lead sessions, or be Summit sponsors. She noted that the Summit is an opportunity to reach the rest of the freight community, and hear from stakeholders that the group does not usually hear from, like parcel carriers, DPS, etc. The goal of the summit is to broaden outreach.

Meeting adjourned at 3:15 p.m.