



**TEXAS
FREIGHT
ADVISORY
COMMITTEE**



Texas
Department
of Transportation

Freight Advisory Committee

January 7, 2015, 8:30 a.m.

TxDOT Greer Building, Austin, Texas

Attendees

Committee Member	Organization	Attendance
Judge Ed Emmett, Chair	Harris County	Present
Judge Carlos H. Cascos, Vice-Chair	Cameron County	Not Present
French F. Thompson, III	BNSF	Present
Keith A. Patridge	McAllen Economic Development Corp	Not Present
Steve Stewart	Gulf Winds International, Inc.	Designee Present (Gabriel Allen)
Kevin McIntosh	Kansas City Southern (KCSR)	Not Present
Brenda Mainwaring	Union Pacific Railroad	Present
Joseph Adams	Self Employed	Not Present
Mike Graham, Sr.	HEB	Not Present
Michael Dyll	Texas International Freight	Present
K. Alan Russell	The Tecma Group of Companies	Present
Jack Todd	Texas Association of Manufacturers	Designee Present (Madison Squenzia)
John LaRue	Texas Ports Association, Port of Corpus Christi	Present
Judge Clay Lewis Jenkins	Dallas County	Not Present
Carlton Schwab	Texas Economic Development Council	Not Present
Kenneth Dierschke	Texas Farm Bureau	Designee Present (Glen Jones)
Steve Boecking	Alliance Texas	Not Present
John Esparza	Texas Trucking Association	Present
Todd Frease, Sr.	McLane Global Logistics	Present
Ron Beeson	East Harris County Manufacturers Association	Present
Roger Guenther	Port of Houston Authority	Present
Senator Sylvia R. Garcia	Texas State Senator: District 6	Present

TxDOT & Texas A&M Transportation Institute (TTI)

Marc Williams, PE	Director of Planning, TxDOT
Caroline Mays, AICP	Interim Freight Systems Branch Manager, TxDOT
Peggy Thurin	TPP Division, TxDOT
Sondra Johnson	Planning and Programming, TxDOT
Kale Driemeier	Planning and Programming, TxDOT
Trent Thomas	State Legislative Affairs, TxDOT
Jay Bond	State Legislative Affairs, TxDOT
Jorge Garces	International Relations, TxDOT
Eduardo Hagert	International Relations, TxDOT
Roger Schiller	Maritime Program Coordinator, TxDOT
Sarah Bagwell	Maritime Division, TxDOT
Joy Carter	Rail Division, TxDOT

CDM Smith Consultant Team

Vince Mantero, AICP	CDM Smith
Butch Babineaux	CDM Smith
Glennis Nelson	CDM Smith
Janna Rosenthal	CDM Smith
Kim Sachtleben	Atkins
Marie Lewis Adams	Nancy Ledbetter & Associates, Inc.

Other Attendees

Richard Zientek, Harris County Judge's Office
Gabriel Allen, Gulf Wind International
Michael S. Bomba, University of North Texas
Terry Briggs, BLET
Lori Cole, Atkins
Sergio Contreras, City of Pharr
Derek Darnell, Office of Senator Garcia
Clark Greer, Coca Cola
Georgi Ann Jasenovic, FHWA
Tommy Lavario, Dannenbaum Engineering
Bruce Mann, Port of Houston Authority
Trinea Moreno, TxDMV-MCD
Sherry Pifer, SH 130
Mike Pacheco, Texas Farm Bureau
Paul Townsend, Office of Senator Garcia

Meeting Action Items

Texas Freight Mobility Plan

- Update Chapters 1-10 in response to TxFAC comments
- Finalize draft Chapters 11 and 12 for TxFAC review

1. Welcome & Introductions

Judge Emmett welcomed the group and introductions followed. Judge Emmett recapped how the project team got to this point; he met one-on-one with consultants and TxDOT staff to go through the chapters and wordsmith the language before the revised document was presented to the group. He thought the team produced a good product. Today, the committee would be reviewing the chapters to determine what further edits should be made before the report is finalized.

Marc Williams noted the last chapters of the Freight Plan remain a work in progress, and that the project team would discuss it further. He thanked Judge Emmett and other committee members who provided input on the plan, particularly representatives from ports and railroads.

2. Chapters 1 and 2

Vince Mantero also thanked committee members for their comments and input. He hoped the group would see an improved product during the day's meeting. Some sections of the plan have been shortened, and some have changed considerably since first drafts were distributed.

Mr. Mantero discussed the report outline. The committee met to discuss the plan in October, and the team received many additional comments since that meeting. Several chapters were revised substantially. Chapter 1 (Introduction) did not see many revisions, but sections were added on rural and urban freight. When possible, the team updated numbers to reflect the latest data or projections.

Michael Dyll said on page 1-3, in the last line of the first paragraph, that 43 percent of the state's economy being related to freight seemed high to him. If the U.S. economy is 70 percent consumer-based, that means the remaining portion is split between energy, agriculture, etc.

Mr. Mantero said he would check with the project team economist. He noted the 43 percent included both direct and indirect economic impacts, and maybe that increased the percentage value.

Ron Beeson suggested changing the term "represented" to "impacted" in the last line of the first paragraph on page 1-3.

Mr. Mantero continued with Chapter 2 (Strategic Goals), which also did not see many changes. The chapter was shortened, and the team slightly adjusted the objectives. The chapter's volume was reduced to about 8 pages.

3. Chapters 3 and 4

Vince Mantero continued with Chapter 3 (Economic Context), which discusses the importance of freight to the state's economy. The team received many comments on this chapter. Data was updated to reflect 2014 figures where possible; sections were reworded or simplified; and some of the supply chain examples were changed.

Michael Dyll noted the last line of the opening paragraph of section 3.1 (page 3-2) states the freight transportation economic impact totals nearly \$1.5 trillion, which is the same as the total

economy. In previous chapters the report said freight accounted for 43 percent of the economy. Something is not matching up.

Marc Williams said the report needs to be clear on where that derivation comes from. The report presents the math on the 43 percent number, but needs to note that it is based on direct and indirect impacts as well as employee earnings data. It can be easy for people to pick at this information.

Mr. Dyll suggested citing sources in this section, or adding a hyperlink to source material.

Senator Garcia agreed with adding sources where possible. It is important for readers to know where the numbers come from, and the year.

Mr. Mantero noted it is also important to note when data has been forecasted.

Brenda Mainwaring said she was glad the chapter is now shorter. On page 3-15, second bullet, she asked about the statement "railroads provide a valuable service to sidings".

Mr. Mantero said the team will remove the reference to sidings.

Roger Guenther asked whether the graphic on page 3-21 excludes movement by truck.

Vince Mantero moved on to Chapter 4 (Policies, Strategies and Institutions) which was not substantially changed. The overall chapter was condensed, but the team added a section on federal funding, acknowledged private sector investment, and expanded sections on state funding and Rural Rail Transportation Districts.

Brenda Mainwaring noted on page 4-17, under the first bullet point referring to the amount of money spent by railroads in 2013 and 2014, the language needs to be clear that the \$4.1 billion refers to systemwide (not statewide) spending.

Mr. Mantero asked if it would be helpful to include historical data on port and railroad investment, perhaps over the past five years.

French Thompson said the railroads would need to see if they have that type of data.

Ms. Mainwaring asked whether the audience would want to see data on rail investment over a previous five-year period.

Marc Williams said near the end of the report, the team talks about anticipated project needs by mode. There are many highway projects, but a smaller amount for rail, and those are projects in which the state could have some involvement. He asked the railroads how the team might quantify funding levels in terms of public/private investment in rail. How could that information be represented in the report in Chapters 11 and 12? It is something to think about.

Judge Emmett mentioned on page 4-17, third bullet, the sentence written as "KCS is expected to fund cash capital" should be phrased in the same way as the BNSF and UP sections.

Senator Garcia said on page 4-9, staff noted the Laredo RMA is actually the Webb County - Laredo RMA. There is also the Sulfur River RMA in Paris.

4. Chapters 5, 6 and 7

Vince Mantero stated the team revised Chapter 5 (State Freight Transportation Assets) substantially. The chapter is now organized by mode, and they added a section on military installations. They updated mapping for the Gulf Intracoastal Waterway (GIWW) and removed the discussion of at-grade rail crossings.

Brenda Mainwaring said on page 5-20, along with the military strategic highway network, there is also a strategic rail network used for the military.

French Thompson added the rail network is called STRACNET, and there is a map for it.

Roger Guenther noted on page 5-15, the last paragraph states current revenue streams for Texas ports are insufficient. That can be debated, but the language may contradict Chapter 9 (section 9.2.3, page 9-7) which says private investment maintains ports adequately.

Judge Emmett continued to review page 5-15, which states the Port of Houston can potentially accommodate the largest ships. Any port could “potentially” accommodate the largest ships.

Mr. Guenther agreed, and noted the Port of Houston cannot accommodate today’s largest ships.

Mr. Mantero said the team would probably delete that sentence.

Ron Beeson said the point of the section is that vessel sizes are increasing due to the Panama Canal expansion, and ports will have to be proactive to accommodate larger ships.

Michael Dyll commented on the section on ports, noting the discussion starts with a description of geography and topography, then moves to economic considerations. He asked whether the economic discussion could be moved up to the beginning, in the same way that the report ranks airports in terms of economic heft.

Caroline Mays clarified that Mr. Dyll was suggesting the section begin with the biggest or highest-ranking ports, and he said yes.

John Larue referred to page 5-14, saying the Port of Beaumont was recently authorized to have a depth of 50 feet. The report needs to indicate that it was “authorized” rather than “proposed,” since “proposed” is too direct a term. Likewise, the Port of Corpus Christi was “authorized” to have a depth of 52 feet.

Marc Williams noted Richard Zientek wished to make reference to the urban traffic management centers (e.g. Transtar) as examples of important assets in the appropriate chapter (Chapter 8).

Mr. Mantero turned to Chapter 6 (Conditions and Performance) which also changed substantially. Discussions of conditions and performance were combined by mode, and the safety section was revised. The team also removed information about level of service and rail bottlenecks.

John Larue asked the team to check the depth of the Aransas Pass Channel (page 6-13). He did not think it was 36 feet deep.

Senator Garcia noted a sentence on Page 6-21 appears in both the first and second paragraphs.

John Esparza inquired about a section on page 6-3 regarding highways and pavement conditions. When the report discusses Texas highways in terms of lane miles, is it just referring to state-maintained miles or all miles? Marc Williams replied it referred to state-maintained miles. Mr. Esparza asked if there was a need to differentiate between state-maintained and other miles.

Mr. Williams said the report can include a reference to how many lane-miles are not maintained by the state; Caroline Mays said she thought that data was in the report somewhere.

Senator Garcia agreed with Mr. Esparza's suggestion. She said there was some confusion about Proposition 1, such as whether it applied only to state-maintained roads or to all roads. For the average person, it would be helpful to see how much is state-maintained and other.

Judge Emmett noted the exhibits on page 6-14 show I-69 serving Corpus Christi and Houston. To be consistent, I-69 should be shown for Victoria as well. In exhibit 6-11, Victoria currently has two Class 1 railroads. Nearly all ports have some rail car storage, so that column can be removed. How are terminal railroads defined? What is the difference between short line and terminal?

Vince Mantero said the level of information in the report is also an important consideration, so if committee members have thoughts on that topic he encouraged them to let the team know.

Judge Emmett said Victoria also has the capability to handle unit trains at port. Ports and railroads need to get together and make sure all the information is accurate, or if it is even necessary.

French Thompson and John Larue recommended combining terminal and short line, removing rail car storage, and better defining unit trains (e.g. anything over 60 cars).

Mr. Thompson stated Exhibit 6-11 is nice to have if the report addresses the gaps in a following section, such as recommendations later on in the document or within a port report. Are the gaps a negative, and if so, what are the recommendations to fix them? Otherwise, the information is not very helpful.

Judge Emmett noted on page 6-17, is it still appropriate to say oil and gas are booming? Perhaps it should say that they "have been" booming.

Marc Williams suggested phrasing it as "dramatically increased," and Mr. Mantero suggested "30-year high."

Judge Emmett said in 2013 oil and gas were at 30-year highs, but he was not sure about 2015. Also, page 6-17 discusses the Barnett and Eagle Ford Shales, but it needs to include the Permian Basin as well.

Vince Mantero said Chapter 7 (Freight Forecast) saw the most substantial rework. The chapter was simplified and condensed, and data was updated. The team also added more information on pipelines and changed the structure of how pipelines were discussed. For example, there is no discussion of pipelines on page 7-3; they have more tonnage than can reasonably be shown in the charts. The pipeline discussion begins on page 7-24.

Judge Emmett stated the most pleasing change to Chapter 7 has to do with showing growth by actual numbers instead of percentages.

Mr. Williams said updating the data to reflect 2014 numbers was not an easy change. The team went back and forth on the pipeline discussion and learned more about pipelines than they ever imagined. They wanted to make sure the information in the report was consistent with the way it is conveyed nationally and in other states, which is why pipelines are discussed in a separate section from other modes.

Judge Emmett was surprised at the large amounts of intrastate water freight movement (page 7-22). He said the numbers were probably right, but they speak volumes about the GIWW's importance. He deferred to the ports to confirm the values.

John Larue said the ports were now seeing a lot of crude movement via Jones Act vessels, such as shuttles that run from Texas ports to offshore oil platforms in Louisiana. He clarified that this was interstate movement, though, and that all intrastate movement occurs by barge.

Judge Emmett said on page 7-23, the exhibit has the right phrasing but the first sentence on the page needs "freight" between "air" and "movements."

Vince Mantero noted the team is sensitive to industry perspectives in terms of data forecasting, and wants to make sure this chapter is accurate.

Roger Guenther asked how the team arrived at the port growth numbers for Galveston County, etc. on page 7-22.

Mr. Mantero said he would follow up with technical staff, but he believed the team took Transearch data and associated ports to counties. Perhaps discussing the data by county leads to some awkward language.

Judge Emmett followed up by stating the three largest ports in Texas are Houston, Corpus Christi, and Beaumont, and wondered how Galveston ended up as part of the discussion. He was not sure the sentence discussing Galveston growth added any information of value; he thought the growth potential for Corpus Christi was higher than for Galveston.

Marc Williams explained that this narrative is similar to the concerns over population growth, and the usage of percentage vs. actual growth. Perhaps the report should just focus on magnitude, and add Nueces and San Patricio counties. If that constitutes 80 percent of port activity, so be it.

Judge Emmett asked the team to confer with the ports and ensure that the 55 percent growth projection for Galveston County is accurate.

Mr. Williams said the data came from Transearch. The large percentage growth figure could be explained if the volumes were low to begin with.

Alan Russell said the report's discussion on land ports with Mexico was very well done.

5. Chapters 8 and 9

Vince Mantero noted Chapter 8 (Trends, Issues and Needs) had been condensed considerably. The team revised the trend categories, removed information about freight impacts on communities, and eliminated redundancies.

Senator Garcia asked why the gross state product was shown in bold on Page 8-2, section 8.1.1. It just draws attention to a number from 2013. She asked whether the team could provide 2014 data.

Mr. Mantero said the 2013 number was the most recent available, but he would check on the possibility of forecasting the data.

Roger Guenther inquired whether the expanded Panama Canal opening date referenced on page 8-5 should now read 2016 instead of 2015.

Judge Emmett noted on page 8-8, the Gulf Coast is not a true region; Houston is linked more with Dallas/Fort Worth than with New Orleans. Unfortunately the Gulf Coast was written into a federal publication, so it has to be included.

He also asked whether, on page 8-11, “autonomous” freight vehicles was the correct term. The team replied that it was. He suggested changing “alternate” transportation fuels to “alternative” on page 8-2, and the team agreed.

Vince Mantero stated Chapter 9 (Strengths and Weaknesses) was shortened from 23 to 12 pages. The title was changed from “problems” to “weaknesses,” and the team modified the organization based committee suggestions.

French Thompson discussed the “rail weaknesses” section on page 9-6, particularly the third bullet referring to outdated infrastructure and at-grade crossings. He suggested alternative language, such as “underinvestment, particularly on short line railroads, could cause efficiency problems.” It is hard to find infrastructure installed by Class 1 railroads that is outdated or inefficient; crossings are mainly the responsibility of the road authority.

Judge Emmett suggested the bullet say that heavily-used crossings create safety concerns. He asked about the overall point of that bullet.

Mr. Mantero said the goal is reduction of at-grade crossings in order to improve safety and mobility.

Marc Williams concurred that heavily-used crossings are part of the concern; they create mobility and safety issues, and should be noted in that section of the report. He also said Mr. Thompson brought up a relevant point about short line railroad infrastructure.

Mr. Thompson said he agreed with adding language on heavily-used crossings creating mobility and safety concerns.

Judge Emmett inquired about the meaning of the fourth bullet under “rail weaknesses” on page 9-6.

Mr. Mantero said excess capacity is actually a strength, so the bullet point could be deleted.

Brenda Mainwaring noted the second bullet point under “pipeline strengths” (page 9-8, regarding private sector investment) could be added to the rail strengths section on page 9-6.

Michael Dyll asked whether the railroads own and operate major rail terminals; Ms. Mainwaring replied in the affirmative. Mr. Dyll said as a freight forwarder, he regularly encounters issues with congestion and capacity at rail terminals. Perhaps including capacity as a weakness is a polite way to say that railroads need to add capacity.

French Thompson asked whether Mr. Dyll was referring to congestion on the truck side of the terminals.

Mr. Dyll said he deals with congestion throughout the truck/rail interface, and suggested that capacity and congestion are indeed opportunities for improvement.

Todd Frease seconded Mr. Dyll's point.

Marc Williams proposed rephrasing the bullet to read "congestion and hours of operation at terminals present issues."

Ms. Mainwaring stated the railroads do not disagree that congestion and capacity are concerns. The bullet (page 9-6, "rail weaknesses." fourth bullet) is missing a word; capacity is an opportunity *for* improvement.

French Thompson recommended wording the bullet to say that multimodal terminal congestion is a weakness.

Judge Emmett agreed and recommended against referring to hours of operation, as the ports encounter the same issues.

John Esparza discussed the bullet regarding high crash rates in urban areas on page 9-6. He noted fatal crash statistics are higher in rural areas; it can be misleading to suggest that urban area rates are higher.

Vince Mantero explained that while there are more fatalities in rural areas, there are more overall crashes in urban areas. He said the team will clarify this distinction in the report.

Judge Emmett added that urban collisions cause more problems in terms of congestion that affects the flow of freight.

Caroline Mays said she found the statistics that addressed Mr. Esparza's question on state-maintained lane miles in Chapter 5, page 5-2.

Judge Emmett asked whether on page 9-12, section 9.4.3, "remediated" was the right term to use to discuss congestion and bottlenecks.

Brenda Mainwaring wondered about the meaning of "improve connectivity between west and east railroads" in the last bullet on page 9-9.

Mr. Mantero said the team had heard about this issue during the Listening Sessions held across the state.

Mr. Thompson asked Mr. Mantero to clarify that the Listening Session participants said western parts of state needed better connectivity to the east.

Judge Emmett suggested the bullet read "improve rail connectivity between east and west Texas" and not between east and west railroads.

Senator Garcia asked about the third bullet at the top of page 9-8, which says that TxDOT currently does not conduct aviation planning. She said this sounded as though TxDOT wants to get into the aviation business, and recommended using the term "air freight" instead of "aviation."

6. Chapter 10

Marc Williams stated Chapters 10, 11 and 12 are newer sections that are still being refined, particularly in the area of highway project recommendations. The team had discussions about wanting more project-specific detail and they are in the process of addressing that issue. Using new data sets that did not even exist a year ago, the project team found that there are considerable inconsistencies across the state in the way that TxDOT districts, MPOs, etc. have addressed transportation projects and needs. Some are more aggressive, some less so; some have focused on local projects, and some are more proactive on interstates. As the team assessed statewide freight needs, some regions have responded to gaps more actively than others. The report needs to make up for that inconsistency in approach. This plan will help to address these gaps, but there is more work to be done.

Judge Emmett provided his translation of what Mr. Williams just discussed. When the team first looked at projects “in the pipeline” across the state, there were many projects in certain areas, and few projects in other areas. If projects were not already part of approved plans, they were not included in the Freight Plan; however, to address statewide freight needs, the plan must include projects that address those needs, whether or not they are approved by an MPO at this point. That leads to a question on timing: when can this plan be submitted to the Transportation Commission?

Marc Williams said the team plans to review the recommendations with local and regional authorities, and it is hard to put specific timeframe on it until they start receiving feedback from these groups. It would be premature to go to the Commission at this point, and he could not say for sure when the plan would be ready.

Senator Garcia asked, in light of this, what are the next steps for the TxFAC?

Mr. Williams asked the committee to consider publishing Chapters 1-10 on the project website, along with an interim executive summary. Some of the MPOs had asked to see the plan. After the final chapters are complete, the team would reconvene the committee to provide feedback, and then go forward with the final product. This process would probably take a couple of months.

Senator Garcia asked if TxDOT anticipated taking public comment on the plan, and if so, if another full TxFAC meeting would be required to review the comments and potential changes.

Mr. Williams noted a public comment period is required as part of federal regulations; however, an additional meeting would not likely be required to go through the comments. The team would condense them and then report back to the committee on any changes they suggest.

Judge Emmett asked the committee to think about whether they should release Chapters 1-10 in advance of the full plan.

Vince Mantero provided an overview Chapter 10 (Decision-Making Process) which begins with an overview of stakeholder engagement and moves to prioritization of strategies, policies and projects. Kim Sachtleben discussed the highway portion of Chapter 10, in terms of needs identification and how existing planned projects were applied to those needs.

John Esparza thanked the team for working with the oversize/overweight freight community. It would be ideal to see every bridge raised to 18 feet, but it is not realistic. In areas where 18 feet will not work, freight needs a bypass option, which would also minimize bridge strikes.

Ms. Sachtleben said those discussions will be part of the team's coordination with MPOs and local authorities.

Judge Emmett said on page 10-15, the title is "asset management", but the content is all about bridges. Is the plan required to use that term? Caroline Mays replied yes, it is the official term.

The Judge then suggested the report needs to better explain what "asset management" refers to; it should be at the front of the discussion instead of buried in the second paragraph. Also, the statewide maps look good, but at the large scale, the urban areas just look like yellow blobs. He recommended adding insets for the urban areas to show details more clearly.

Mr. Mantero moved on to other modes, including needs identification for rail, maritime, and border/ports-of-entry.

Judge Emmett asked whether border crossing projects were called out in a separate section in the report. Mr. Mantero said they were not, and Judge Emmett recommended that a distinct category be created. Border crossings have been identified as a major target area by the TxFAC.

Senator Garcia discussed pictures shown in the chapter; she said the photographs on pages 10-3 and 10-6, for example, do not reflect the diversity of Texas. They include no women or minorities.

Ron Beeson inquired whether isolation of commercial vehicles into certain lanes, or the I-69 bypass discussion, were included within the asset management section.

Caroline Mays said in terms of the highway portion, these were not included as assets per se. In Chapter 11, however, the plan includes specific programs, policies, and projects that address those needs.

Mr. Beeson noted when there is a section title about identifying highway freight network needs, and it only discusses maintenance, that is a different message than including capacity improvements, additional corridors, etc. It needs include expansion as well as maintenance.

Judge Emmett suggested under the needs section (starting on page 10-14), mobility and connectivity should be discussed before asset management. Those sections should be flipped.

7. Chapter 11

Vince Mantero discussed Chapter 11 (Freight Improvement Strategy) which will lay out the Freight Plan recommendations for policies, programs, and projects. The team added some new elements to the chapter and combined sections 11A and 11B. The first 25 pages review policies and programs.

Gabriel Allen (representative for Steve Stewart) asked whether the 8th bullet on page 11-19 (regarding an oversize/overweight vehicle plan) related to current permitted loads or corridors. The section reads like the report is recommending a statewide oversize/overweight corridor; the

language is too broad. He suggested the team consider rewording the bullet to match the tone of the rest of the report.

Vince Mantero noted the team intentionally wrote the oversize/overweight language to be general and vague, in order to imply the subject is worthy of attention but no definitive recommendations are proposed.

Brenda Mainwaring asked whether the “framework” graphic in the presentation would be used in the final report, and Mr. Mantero said no.

Mr. Mantero said the discussion on projects starts on page 11-26 and includes breakdowns by mode.

Marc Williams added in terms of projects and costs in Chapter 11, the report needs to clarify that the dollar figures reflect public investment only. The team is looking for TxFAC guidance on how to quantify private contributions.

Kim Sachtleben said the highway project identification process is still under development; the numbers represent projects in the current pipeline, so they could change based on the ongoing discussion of unmet needs.

French Thompson noticed on page 11-46, third paragraph, the freight plan includes \$1.7 billion for rail grade separation projects. Why is this not included in the \$900 million figure for rail projects shown on page 11-27?

Caroline Mays noted those grade separation projects were actually driven by the highway side, and therefore are not technically rail projects.

Marc Williams suggested calling these projects out as a separate piece of the pie charts.

Kim Sachtleben reviewed the breakdown of highway projects, how they were identified and categorized, and some of the unmet needs the team discovered during the planning process.

Marc Williams reiterated that this section of the report goes through the unmet needs and inconsistencies he discussed earlier.

Judge Emmett asked whether for Exhibit 11-13 (page 11-38) the team could determine how many projects the “miles” columns constitute.

Ms. Sachtleben said the team might be able to determine how many corridors or roadways, but probably not how many projects. She reiterated that the list does not include projects outside of the existing highway network that are in the planning stages, such as 36A. Those are covered under “strategic projects” on the next page.

Judge Emmett argued that those projects are also unmet needs, and should be included in Exhibit 11-13.

Senator Garcia inquired how the team determines what constitutes a “project.” She felt the table (Exhibit 11-13) was confusing.

Caroline Mays recapped the process for determining the unmet needs. First, consultants identified all needs in the state and then identified currently planned projects. They overlaid the planned projects onto the needs, and found gaps. That is what is being represented in Exhibit 11-13.

Senator Garcia asked if the team could provide an example.

Marc Williams said I-10 between San Antonio and Houston was identified as a need. The TxDOT districts have projects identified along that corridor to widen it. The team has enough information to say how much the work might cost for the San Antonio and Houston districts, but not the Yoakum district. That would be an unmet need; those are the types of inconsistencies we found.

Kim Sachtleben moved on to discuss strategic projects, which include planned projects throughout the state that may be outside of the existing highway network.

Judge Emmett said on page 11-39, the text states that I-69 is a proposed highway extending from Texas to Michigan. The highway runs within Texas, so it should say from Mexico to Michigan.

Kim Sachtleben encouraged committee members to help the team identify strategic projects. Marc Williams said they are also looking to MPOs for this.

On page 11-39 under the I-69 section, Judge Emmett suggested adding “estimated” before the I-69 construction cost in the last sentence of the second paragraph.

Ms. Sachtleben provided an overview of overall highway estimated costs. The team is still working on compiling cost information among the various types of highway projects.

Judge Emmett recommended the report combine the discussions of SH 146 and the I-69 bypass. Roger Guenther agreed it would be hard to separate the two.

Vince Mantero reminded the committee that the report currently only includes highway projects in the pipeline; the key is to identify those unmet needs outside of the planned projects. He moved on to discuss other modes.

Judge Emmett clarified that Exhibits 11-15 and 11-16 include “X”s in place of dollar amounts because the worst thing the team could do is release a document with incorrect dollar figures. People are very sensitive to information stating how much money is going to which places.

Senator Garcia asked how Exhibit 11-15 (page 11-43) will be reconciled with the table on unmet needs.

Kim Sachtleben said the team will work out a way to estimate costs for those unmet needs.

Judge Emmett stated he had trouble with the term “unmet needs;” it is not quite accurate. He suggested “unfunded projects,” but Caroline Mays noted projects had not yet been identified to meet those needs.

Marc Williams said the team will review the unmet needs section. It may be removed, because the focus should be on the recommendations. The point in discussing it during this meeting was to show the disparity between different areas of the state; but within the report, the exhibit on unmet needs may not be necessary.

Ms. Mays reiterated the unmet needs exercise was based on overlaying planned projects onto freight needs, and realizing the existing projects did not cover all the needs. She did not want that point to get lost.

Judge Emmett stated he still felt the language needed to be rephrased, because what the team is talking about are freight projects that are not covered by existing projects.

Senator Garcia added she did not see any complete lists of all needs or all projects.

French Thompson summarized the discussion and concurred that the terminology was causing confusion. He suggested “gaps” instead of “unmet needs.”

Judge Emmett disagreed, because these “gaps” would not consider projects like the I-69 bypass which are needed but not included in the list. Another example is 36A. The committee has identified those needs, but where are they included in the plan?

Marc Williams concurred there are needs outside of the existing highway system that need to be reconciled in the plan. Currently those are included in the “strategic projects” section. This discussion will help the team think about how we will communicate and restructure that discussion.

Mr. Thompson asked if it would be worthwhile to go back to the MPOs and ask what gaps they have identified in their existing projects lists. Then there are also potentially new projects that the MPOs have not yet considered.

Mr. Williams said the team is in the process of going through that right now.

Caroline Mays considered calling the gaps “un-programmed freight project needs,” for projects that exist but are not programmed into a Transportation Improvement Program.

Marc Williams stated the team would take all the comments into account and work on how best to present the unmet needs information.

Ron Beeson asked whether the totals for Exhibit 11-15 and 11-16 will be the same; the team members replied yes. Judge Emmett indicated some projects are not programmed, but are included as strategic freight projects. He asked if the total \$6.3 billion included the I-69 bypass and other strategic needs.

Marc Williams said yes; all freight needs will be included in Exhibit 11-15, even needs that have no current projects identified.

Mr. Mantero continued his overview of projects planned for other modes.

Brenda Mainwaring acknowledged that rail projects have been a moving target for the Freight Plan. Railroads want to be part of the process, but want to make sure that the items that end up on the plan’s list really addresses public needs and that the total dollar amount does not frighten people. As soon as a dollar amount gets printed next to a project it becomes a talking point, but railroads also do need to list good projects. Perhaps the projects could be listed in categories to make them easier to understand. She asked the team for guidance on how to improve the process.

Senator Garcia agreed with the idea of creating categories for rail projects.

French Thompson suggested categories could include grade separations (rail-centered), capacity expansion, and border crossings. He said it was difficult for railroads to pin down and identify specific projects.

Mr. Williams noted the need to make sure rail projects shown in the plan appendix are illustrative, i.e. an identified subset of projects. The total list of projects would probably be impossible to get, or for railroads to share.

Ms. Mainwaring clarified that railroads do not want public funds to be spent on something illustrative; they want to be a viable part of the process but also do not want to overcommit.

Mr. Thompson said ideally, the plan would have categories and projects “such as...” Railroads would prefer for the state to invest in a grade separation fund, and then allow the railroads, rail districts and other entities to determine which projects rise to the top of that list.

Brenda Mainwaring noted grade separations are different than other rail projects because they really are a public expenditure; the biggest issue is how to show capacity planning and other major projects. Listing the total investment (over a billion dollars) may scare some people across the street. Railroads want TxDOT to help them spend money to improve rail and rail's position in the transportation network.

Judge Emmett said it was important to reiterate that railroads are spending however much money, privately. The plan should focus on needs that have been identified as public-private partnerships. If it turns out to be a billion dollars, that is okay.

Ms. Mainwaring clarified that Judge Emmett was suggesting the railroads get projects on the list, but make it clear the railroads may want to back away from those projects at some point.

Judge Emmett stated the TxFAC is a TxDOT committee, so the plan should clearly delineate the projects that are public-private partnerships as opposed to purely private projects.

Judge Emmett then moved on to ports. Among the port project recommendations, e.g. the 23 projects listed in Houston, are those supposed to be public or private?

Roger Guenther echoed that he had the same question. The projects listed are from the Port of Houston's capital projects list.

John Larue said the Port of Corpus Christi's projects constitute a mix of public and private.

Judge Emmett stated the report needs to sort out public-related projects with public funding as opposed to private projects, for all modes.

Marc Williams posited that particularly with port projects, it may be worthwhile to list not only the total cost but the breakdown between public and private cost. This also may work for a subset of highway-related projects. The plan needs to show where potential funding responsibility may lie.

Roger Guenther noted the sources for port projects need to be identified as well. For example, some road projects may come from MPOs; the ports would not fund those projects.

Judge Emmett reminded the team to never use \$0 as an estimated cost. He suggests using “TBD” or something similar.

Vince Mantero concluded his discussion on other modes. For air freight, he noted the team focused on access to airports rather than actual capital projects for the airports.

Judge Emmett said the projects currently noted with \$0 will constitute a large part of the report. The ports, etc. are spending a considerable amount of money inside the gate, but unless the state steps up with its part, the private spending will not provide improvement for the freight

network as a whole. That is a key message. The team needs to identify cost numbers for all projects.

8. Working Lunch

During lunch, Marc Williams delivered a presentation on Proposition 1. He discussed the legislation's passage and some of its stipulations, such as that the funding cannot be used for toll roads. A Proposition 1 Stakeholder Working Group was convened which established strategic guidance for funding distribution. In addition to Proposition 1 funding, TxDOT received approximately \$400 million from vehicle registration fees for priority energy sector and safety projects.

The Working Group, Legislative Budget Board and Governor's Office worked quickly to approve TxDOT funding distribution plans. Traffic and congestion factors account for over 50 percent of the distribution formula. The largest urban areas are projected to receive a majority of the funding, while heavy energy-sector areas such as Midland/Odessa will also receive substantial amounts. TxDOT will continue to coordinate with local Districts and MPOs, and the Transportation Commission will consider updates to the Unified Transportation Plan with Proposition 1-funded projects in February.

John Esparza praised the decision-making process for distributing the Proposition 1 funds. For example, the money distributed to energy sector areas includes rural districts, so the rural dollars also had energy sector components.

French Thompson stated TxDOT received \$1.7 billion from Proposition 1 and also \$400 million from unallocated dollars in the Highway Trust Fund. Is there any possibility TxDOT can tap into that unallocated funding in future, or was it a one-time occurrence?

Mr. Williams said it was a one-time occurrence.

Mr. Thompson asked if there is an end date to the Proposition 1 funding, or whether it is based on availability in the "rainy day" fund.

Judge Emmett noted with the current price of oil, there is a possibility there could be no money in the fund next year.

Trent Thomas delivered a presentation entitled "State of the State." The 2014 election saw many political changes at the state level, including the governor and lieutenant governor's offices. Over half of state senators and representatives have been elected since 2010. The makeup of the Transportation Commission will also change within the next few years. TxDOT is tracking several upcoming legislative proposals that would help fund rail, GIWW, port, discount truck toll, and safety projects. The forthcoming legislative session holds many freight-related proposals of interest.

9. Chapter 12

Vince Mantero provided a brief overview of Chapter 12 (Implementation Plan) which is still under development. The chapter will provide timelines and prioritization for the

recommendations identified in Chapter 11. Projects will be categorized into short, medium, and long-term timeframes.

Judge Emmett suggested the group move on to the Executive Summary and next steps.

10. Executive Summary

Marc Williams provided an overview of the report's executive summary. This would be the first time the committee would see it, so there may not be substantive comments to provide at this stage. This document is important because it will be the part of the document that most people will see. In addition to the draft distributed at the meeting, there will be a couple of additional pages added at the end that will discuss the recommendations.

Judge Emmett acknowledged most readers will go directly to page 13, the recommendations. It will be important, where there are existing planned projects, to separate private and public-sector funding. He questioned whether "waterways" was the right term to use in the summary, and the team agreed on "ports and waterways."

He noted the unmet needs and strategic needs discussions need to be consistent with how those topics are addressed within the report. People will look at the total bill, and how the state will get there. He also suggested the airplane graphic does not need a full page.

French Thompson asked the team to change "intermodal" to "multimodal" on page 7, under Connectivity.

Caroline Mays requested that the committee think about the messages the Executive Summary should communicate, and provide comments.

Judge Emmett noted a typo on page 6, where US 59 was incorrectly identified as US 50. He also suggested US 59 should now be labeled I-69.

Senator Garcia said the report needs to be clear on what the numbers represent in the bottom line on page 16. No matter what terms are used (unmet needs, un-programmed, etc.), the table might need one or two additional columns that represent how the projects will occur and how much they will cost in the short, medium and long-term timeframes.

Marc Williams discussed next steps. He recapped that the team and committee have gone through Chapters 1-10, the team is working on Chapters 11-12, and they have a draft of the Executive Summary. He again asked the committee to consider making Chapters 1-9 or 1-10 available to the public and other agencies for review on the project website. This would not be part of the final public involvement process regarding review of the final report, but it might be a good idea to get some information out there. The team hopes to have Chapters 11-12 finalized and sent out in February. TxDOT will convene one more committee meeting to finalize Chapters 11-12 in late February or March. The report will be available online for a thirty-day public comment period and then will be finalized. If the team makes substantive changes based on public comments, we may schedule a conference call with the committee to discuss.

Judge Emmett asked when Chapters 11-12 would be ready for review. The committee members would need at least a week to review before the meeting.

Mr. Williams stated the team was not ready to give a time frame.

Judge Emmett recognized the meeting to review Chapters 11-12 would likely take place in March. Also, he recommended against posting Chapters 1-10 in advance of the full document. It could be confusing and problematic; they might as well wait for the report to be complete.

Ron Beeson asked whether the team would be missing any national deadlines by not posting the preliminary chapters in the short term.

Mr. Williams said no, just that certain MPOs had expressed interest in reviewing the content.

Judge Emmett suggested showing the document to the interested MPOs, but not making it publicly available on the website.

Caroline Mays noted a one-page document in the committee packets from TxDOT's Traffic Operations Division. TxDOT is applying for a USDOT grant focusing on freight issues, specifically regarding autonomous connected vehicles. She wanted to let the committee know TxDOT may be coming back to them with more information and to ask for partnerships.

Vince Mantero closed the meeting by encouraging the committee to send in any additional comments on Chapters 1-10 as soon as possible, so those chapters can be finalized.

Meeting adjourned at 1:45 p.m.