



**TEXAS
FREIGHT
ADVISORY
COMMITTEE**



Texas
Department
of Transportation

Freight Advisory Committee

July 15, 2015, 8:30 a.m.

Congressman Solomon P. Ortiz International Center, 402 Harbor Drive, Corpus Christi, Texas 78401

Attendees

Committee Member	Organization	Attendance
Judge Ed Emmett, Chair	Harris County	Present
Secretary Carlos H. Cascos, Vice Chair	Texas Secretary of State	Not Present
French F. Thompson, III	BNSF	Present
Steve Stewart	Gulf Winds International, Inc.	Not Present
Kevin McIntosh	Kansas City Southern (KCSR)	Not Present
Brenda Mainwaring	Union Pacific Railroad	Present
Joseph Adams		Not Present
Juan-Carlos Ruck	HEB	Not Present
Michael Dyll	Texas International Freight	Present
K. Alan Russell	The Tecma Group of Companies	Not Present
Jack Todd	Texas Association of Manufacturers	Designee Present (Barrett Smith)
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	Present
Steve Boecking	Alliance Texas	Present
John Esparza	Texas Trucking Association	Designee Present (Les Findeisen)
Todd Frease, Sr.	McLane Global Logistics	Not Present
Ron Beeson	Lubrizol Corp.	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	Freight Systems Branch Manager, TxDOT
Peggy Thurin	TPP Division, TxDOT
Sondra Johnson	TxDOT
Kale Driemeier	TxDOT
Melissa Meyer	TxDOT

Chad Coburn	TxDOT
Cindy Mueller	TxDOT
Kent Marquardt	TxDOT
Eduardo Hagert	TxDOT
Lonnie Gregorcyk	TxDOT
Mike Schofield	TxDOT
Roger Schiller	TxDOT
Bill Orr	TxDOT
Sara Garza	TxDOT
Curtis Morgan	TTI

CDM Smith Consultant Team

Vince Mantero, AICP	CDM Smith
Sean Tenney	CDM Smith
Kim Sachtleben	Atkins
Marie Lewis Adams	Nancy Ledbetter & Associates, Inc.

Other Attendees

Richard Zientek, Harris County Judge's Office
 Andrew Canon, Hidalgo County MPO
 Beth Everage, CEA
 Brigida Gonzalez, Corpus Christi MPO
 Bruce Mann, Port of Houston Authority
 Clark Greer, Coca Cola
 Colleen McIntyre, City of Corpus Christi
 Derek Darnell, Office of Senator Garcia
 Gary Bushell, Consultant
 Georgi Ann Jasenovic, FHWA
 Gerald Schwebel, IBC
 Hans-Michael Ruthe, Houston-Galveston Area Council
 Jarl Pederson, Port of Corpus Christi Authority
 Jeff Pollack, Corpus Christi MPO
 Leah Pagan Olivarri, Olivarri & Associates
 Lillian Champion, Hidalgo County MPO
 Linda de la Fuente, Hidalgo County MPO
 Matt Woodruff, Kirby Corporation
 Michael Bomba, University of North Texas
 Nelda Olivo, Port of Corpus Christi Authority
 Paul Cristina, BNSF
 Paula Dowell, Cambridge Systematics
 Pete Saenz, Mayor, City of Laredo
 Raymond Chong, City of Corpus Christi
 Richard Bullock, Coastal Bend Council of Governments
 Richard Langer, Quetica
 Rosie Collin, Port of Corpus Christi Authority
 Scott Campbell, EHCMA
 Scott M. Harris, Lockwood, Andrews & Newman, Inc.
 Sergio Contreras, City of Pharr
 Sherry Pifer, SH 130
 Judge Tano Tijerina, Webb County
 Victor Guerra, Pathfinder Public Affairs
 Matilda Saenz, Office of Rep. Abel Guerra

Ruben Saenz, Nueces County Airport
Olivia Varela, Laredo Development Foundation
Glen Jones, Texas Farm Bureau
J. D. Kennedy, Office of Congressman Farenthold

Meeting Action Items

Texas Freight Mobility Plan

- Update Chapters 1-12 in response to TxFAC comments
- Update Executive Summary in response to TxFAC comments

1. Welcome & Introductions

Judge Ed Emmett welcomed the group and thanked the Port of Corpus Christi for its hospitality. Each TxFAC member introduced themselves, as well as Nueces County Judge Loyd Neal. Judge Emmett noted the group had already gone through Chapters 1-10 during the previous TxFAC meeting, so that section should go quickly; he also mentioned he met with the team regarding Chapters 11-12. The Executive Summary will form the majority of what most people and decision-makers will read, so it will be very important to discuss.

He introduced special guests Mayor Pete Saenz from Laredo, and Judge Tano Tijerina from Webb County. While vitally important for freight in Texas, this area of the state is not represented on TxFAC.

Mayor Saenz spoke about the importance of the City of Laredo, its relationship to Mexico, and its massive freight presence. Compared to its population size, Laredo does a larger amount of business than other Texas cities. Laredo is the #1 border port in the U.S. and the western hemisphere and handled over \$253 b worth of trade in 2013. Laredo handles over 50% of US/Mexico trade and over 6 million U.S. jobs depend on trade with Mexico. Its airport has implemented Mexican pre-clearance for flights, where if plane lands in Laredo it can travel anywhere else in Mexico with no further inspections. Laredo has a low rate of unemployment and is very safe – much safer than other U.S. cities. Laredo is currently 3rd in average annual growth among US cities.

Webb County Judge Tano Tijerina introduced himself and apologized that the region has been less proactive in past in terms of engagement in statewide freight efforts. He stated there would be more involvement in future and reiterated the importance of freight in the region and stressed the desire to have a Laredo representative on the Committee.

Colleen McIntyre, Corpus Christi City Council, introduced herself and apologized that Mayor Nelda Martinez was unable to attend. She stated that currently there is over \$33 b investments being made by private companies in Corpus Christi.

She also noted the importance of freight in Corpus Christi in terms of the city's proximity to Mexico and deep water port. She thanked the committee for coming to Corpus Christi.

2. Freight Plan Chapters 1-10

Vince Mantero began the discussion on the report by reviewing the overall process and the January 2015 TxFAC meeting/comments on Chapters 1-10. He briefly discussed the contents of each chapter.

Brenda Mainwaring said she had several minor comments that she would submit following the meeting. She noted the team had done a great job putting the plan together. On page 4-10 regarding industry associations, the Texas Rail Advocates are not an industry association. It should be replaced with the Texas Railroad Association. On page 5-20, the Strategic Military Rail Network should be included in addition to the Strategic Highway network.

Marc Williams mentioned that the Secretary Cascos noticing a typo on page 5-8, which states the Laredo border crossings handle “million” trucks – it should be two million. Judge Tijerina said the exact number was 3,870,931 trucks, so the report should really say nearly 4 million. Mr. Mantero noted the number in the report was only referring to northbound trucks, and said the report will clarify this.

3. Freight Plan Chapters 11-12

Vince Mantero provided an overview of Chapter 11, which discusses freight policies, programs, and projects. He provided a detailed overview of the way projects, particularly highway projects, were collected and organized within the plan.

French Thompson noted many of the rail projects referenced in the report are “TBD” in terms of cost values. Is that OK, or does TxDOT need dollar amounts?

Mr. Mantero stated the project team did not want to assume dollar amounts and speak for the railroads, but if rail companies could provide estimated costs that would be helpful.

Marc Williams suggested the rail companies provide a range of estimated costs.

On Page 11-17, in terms of the comprehensive rail program that TxDOT should facilitate, Mr. Thompson suggested some tweaks to the language to make it sound more collaborative. He said he would send recommended language to the team.

Judge Emmett advised that it might be a good time to discuss the plan appendices.

Marc Williams explained the project team had spent significant time over the past few months working with TxDOT districts, MPOs, and other agencies to refine and update the plan’s list of projects (primarily highway projects). This was a huge effort to manage a huge data set of projects. The team tried to make it as multimodal as possible, but it is still very highway-centric; highways are not more important, but a lot of the funding/appropriation is directed toward highways. While the TxFAC is involved at a higher level, project details become more important as districts and MPOs start reviewing their individual regions. The team held thorough discussions on how much detail should be included in the report versus the appendices. We erred on the side of brevity in the report, and put more detail into the appendices. After the TxFAC members have provided their reviews, we will share the project list and report as a whole with the districts and MPOs to review the details again. Significant collaboration is occurring throughout the state regarding the project details, because that information is very important at a local level.

Steve Boecking noted the project priority ranking shown in the appendices. On page B-6, two projects on I-35W north of Fort Worth shown as low priority, but they are currently under construction. How can this be reconciled?

Marc Williams said he would have to look at the details, but the projects on the list may refer to second or future phases of those projects, not those currently under construction.

Emmett stated it was important to remember that as soon as the plan starts listing specific projects, lots of concerns are raised, but the Freight Plan is focused on the process. When lines are drawn on a map, people can get very contentious. The TxFAC and the project team have established a process to make sure the emphasis goes where it is supposed to go – towards the big picture and away from the detail. When TxDOT first contacted the MPOs and districts, they received long lists of potential projects, but some important ones were not included (e.g. I-69 in the Houston area). So the team took a different approach, removing all the individual projects from the report and including them in an appendix – putting the process first and foremost and not focusing on individual projects.

Vince Mantero discussed Chapter 12, the Implementation Plan, which includes project prioritization, timeline, and cost. While the chapter itself provides an overview, most detail regarding individual projects is included in the plan appendices.

French Thompson inquired how rail projects were prioritized, in terms of low, medium or high priority. Does the team want the railroads' input on those priorities as well?

Mr. Mantero said yes, the team did not want to assume on the part of the railroads for that information. The team took the prioritization done by the railroads and other reports and didn't change those.

Judge Emmett asked what types of projects are considered port or waterway projects, such as whether they include "outside the gate" projects like roadways connecting to a port, or just "inside the gate" improvements.

Mr. Mantero said they include a combination of both, and the list of port projects includes the information available from various port plans or access studies.

Roger Guenther said a lot the information in the port section came from Houston Port Authority plans. He stressed that the Ports needed to scrub the project list to ensure that the projects are representative of needs.

Caroline Mays confirmed the list incorporates both types of projects, including some rail projects as well.

Judge Emmett then inquired whether there may be overlap between port and highway projects, such as port access projects that also might be included on the highway side.

Mr. Mantero acknowledged that there might be some duplication, and that the team will review the project list to make sure there was no duplication of projects.

Roger Guenther asked if the team needed greater detail from the ports on recently-completed projects or other information, and Mr. Mantero said yes, the more information the better.

Brenda Mainwaring stated the report may have some competitive concerns between different modal projects. She noted the rail section may have some placeholders for now, and asked if project prioritization will need to be established at a later date.

Judge Emmett replied that TxFAC member organizations would probably not ever have to deal with actual prioritization, in terms of individual projects – that is more in the hands of local decision-makers.

Senator Garcia noticed one of the Laredo projects is listed twice, under rail and also under border projects, but it is listed with a different level of prioritization in each category. That is a concern; we will need to be able to explain these discrepancies.

Vince Mantero stated there will be overlap in the border category, because it is not a separate mode of transportation. It just includes a listing of projects that are border-related, which may have different levels of priority among border projects. He agreed that the discrepancy issue should be addressed.

Ms. Mainwaring expressed concern that when the TxFAC approves the document, there may be a perception that all TxFAC members agree to all the projects included in the plan appendices. Should there be a disclaimer or other explanation that this is not necessarily the case?

Caroline Mays deferred to Marc Williams on overall direction, but stated the committee needs to achieve consensus on every component of the higher-level plan – not necessarily all the detail. If the committee does not agree on overall plan direction that is a problem, but if there is a section where the rail companies would like to add a disclaimer, that is certainly possible.

Judge Emmett clarified that Ms. Mainwaring was referring to the list of projects, not the overall plan strategy. Maybe the document should include a disclaimer that the projects are an illustrative list, and the committee is not in charge of approving actual projects. He also reminded the Committee that a lot of the projects are privately funded.

Mayor Saenz raised concerns about which entities set priority for the proposed projects. How were the low, medium and high-priority projects determined?

Mr. Mantero stated for border projects, the priorities came directly from Border Master Plans, in which the projects were already prioritized. Eduardo Hagert confirmed that the projects came from the Border Master Plans. TxDOT spearheaded the Border Master Plan process at the request of the U.S. Department of State, but the plans are prepared by many different agencies including MPOs, cities and counties. The project team did not want to change the priorities already laid out by border stakeholders.

Judge Emmett noted the current Laredo mayor and Webb County judge were recently elected, and were not part of the border master plan process. He suggested TxDOT and local officials get together and make sure current master plans make sense.

Caroline Mays reiterated that the Border Master Plans did include extensive outreach, and the project team did not want to superimpose any new priorities. That said, priorities do change and the team would be happy to revisit those recommendations.

Judge Emmett stated the prioritization seems to be a real sticking point; listing projects is one thing, but ranking them is another. The committee may choose to remove itself from that process.

Steve Boecking agreed the committee members are not the ones qualified to rank projects; that should be TxDOT's responsibility.

Judge Emmett posited that the team could strip ranking out of the plan; after all, priorities change. He asked Marc Williams if it was possible to remove the project prioritization.

Mr. Williams said if there is a glaring issue in the report, the committee should bring it up, but he encouraged committee members to stay out of the weeds. Most of the low/medium/high rankings have been determined in other planning documents. It is not the intent of the Freight Plan document to start dictating changes to local plans, but we should look at inconsistencies.

Mayor Saenz noted that along those lines, the distinction could be also made between ranking projects within communities as opposed to priorities between communities throughout the state.

Judge Emmett agreed with Mayor Saenz's statement. He noted Brenda Mainwaring started this conversation by suggesting a statement of a disclaimer on where the list of projects came from and that the TxFAC is not the one setting priorities. Also due to competitive consequences, all parties do not necessarily agree to all projects listed.

Mr. Williams said yes, a disclaimer could be included that states the priorities in the plan appendices do not necessarily reflect the priorities of the TxFAC or TxDOT. It can also note that the plan is a living document that will be regularly updated. If we see inconsistencies, we should try to resolve them. But we do need to distance the TxFAC from being the direct author of these projects and priorities.

Brenda Mainwaring clarified that she was not just referring to priorities, but also the projects themselves. There are projects included that Union Pacific is opposed to, and she would not want to give the impression that Union Pacific sanctioned those efforts.

Judge Emmett said he thought most people reviewing the plan would just look at their own region.

Michael Dyll stated the committee needs to see the plan as the main document and the appendices as the base material that went into developing the plan to facilitate, therefore, it's important to keep the project priorities.

French Thompson said he would draft some generalized language to address those issues. As a group, the TxFAC agrees that Chapters 1-12 provide a good overall direction for freight. The concern, however, is if the state does receive an influx of funding to put towards freight, where will the priority come from? They will look towards the plan.

Marc Williams noted he would discuss the 84th legislative session updates later in the meeting; House Bill 20 sets forth a requirement that TxDOT undertake a more performance-based, data-driven project selection process. It is more important now that there is a data-driven process for prioritizing money, so it is more rigorous and transparent. The Freight Plan will be one input in the broader process. This plan will be a marker for those projects that have freight significance.

Mayor Saenz said the important thing was to determine the ultimate purpose of the plan, such as economic development, etc., because that will dictate which projects are prioritized. Does TxDOT determine overall priority?

Mr. Williams replied priority is determined by a mix of state and local input. There exists a give and take between overall interests and local priorities because the state does not want to dictate what is important everywhere. There is no entity that controls the whole planning process; the project team will send out the entire plan to TxDOT districts, MPOs, and local agencies, and we expect to get comments back on projects and priorities. We are happy to work with local

agencies to re-clarify our role and re-visit priorities. He noted that the Freight Plan identifies a list of projects from a freight perspective and statewide. He added that the Freight Plan is part of a bigger strategy for TxDOT and will play an important part as input into future transportation project prioritization and decision making.

Senator Garcia asked how most projects in the plan were prioritized. Was it by MPOs?

Mr. Williams said if projects were already prioritized by MPOs or other agencies, TxDOT incorporated those priorities into the Freight Plan. If not, the team looked at how that project was discussed/included within regional plans, whether the project was part of the primary/secondary freight network, where the project was in the pipeline, etc. and prioritized accordingly.

Senator Garcia noted once the plan is finalized, the public will see it as our (TxFAC's) document; but the priorities are not our priorities, they are local priorities. The document needs to make this clear.

Judge Emmett explained that the Freight Plan was undertaken under direction from MAP-21; part of that process is identifying projects. But no matter what projects are listed in the plan, the local authorities will decide what gets implemented.

Mayor Saenz asked about prioritization between cities/regions; who decides how funding is allocated?

Judge Emmett replied that TxDOT parcels out money to regions statewide, and then projects are prioritized within those funding allocations.

French Thompson said perhaps the plan should state that projects will be prioritized locally, and that decisions will come down to those local authorities.

Marc Williams said he certainly empathized and understood the prioritization issue. If it was up to him, he might not spell it out, but the Freight Plan needs to outline a basic concept of what TxDOT and the TxFAC see as priorities. They can change, but the plan needs to show which projects we want to target. TxDOT can state that the plan is collaborative, but it cannot be construed as a collective endorsement of all projects; after all, individuals from different regions cannot comment on other regions' projects. Overall, however, FHWA under MAP-21 needs some form of prioritization in the document.

Caroline Mays agreed that removing prioritization from the document would be challenging. The team can add language to make it easier for each group to distance themselves from the actual projects.

Georgi Ann Jasenovic of FHWA clarified that just including a project in a statewide freight plan qualifies it for additional federal emphasis and funding. The exact prioritization in the document, while required under MAP-21, does not change its eligibility for federal funds.

One audience member suggested a three-tiered approach where the plan could call out high-level projects as key priorities, list smaller programmed projects as applicable at the MPO level, and then also include a list of needed but yet undefined projects.

Caroline Mays showed the TxFAC the exact language in MAP-21 federal regulations that requires prioritization of projects in a statewide freight plan.

Judge Emmett reiterated that MAP-21 dictates the development of the Freight Plan; however project prioritization is the responsibility of the MPOs, TxDOT and other entities and the TxFAC cannot change those priorities without consulting with the respect entities.

Senator Garcia stressed that we need to make it clear in the document that the project priorities are not the Committees.

Marc Williams acknowledged that the conversation was an important one to have, and TxDOT will work through it with the project team and FHWA. The team will continue to examine these issues with the TxFAC. He added that it's important to outline priorities, but acknowledged that they don't reflect the Committees endorsements.

Vince Mantero discussed next steps for the Freight Plan. The document will likely be released to the public in August, and hopefully approved by the Texas Transportation Commission in September.

Marc Williams added that the draft Freight Plan and Executive Summary will be revised based on Committee comments then it will be shared with TxDOT Administration and Commission. After that, the Plan will be released for public comment and then back to the Committee for final discussion and recommendation to the Commission for approval.

4. Freight Plan Executive Summary

Judge Emmett began this discussion by noting most people will read the Executive Summary and the project list for their local area. It is important that the TxFAC review the Executive Summary almost page by page, because it is crucial.

Beginning the document review, Judge Emmett noted the Executive Summary had referred to a "road map" for an integrated multimodal network, which has since been changed to "blueprint".

Page 1

On Page 1, 5th line, the mention of a "transportation system that efficiently connects its skilled labor force" is not good phrasing. The transportation system is connecting local, regional, national, and global markets. Also, in the last sentence, there should be a comma after "current federal transportation legislation" and another after "(MAP-21)".

Page 2

Judge Emmett moved on to Page 2, second column, and stated local deep-water ports do not just serve neighboring landlocked states. The word "neighboring" should be removed because they serve the entire nation. For the pie chart showing total freight employment impacts by mode, the data includes direct and indirect impacts. Is everyone OK with that? In a way, every job in Texas is connected to freight. All this information has to be defensible.

French Thompson noted every one rail job generates four or five jobs. The value seems low on the chart, but it is probably because of the overall size of the pie.

Senator Garcia said she read the title of the pie chart as referencing just freight employment, not all employment. It might be helpful to rephrase the title to "Total Employment Impacts by Freight Mode".

Page 3

John LaRue stated Page 3 should mention pipelines, not just trucks, under Energy Development and Production. All modes should be included. The International Trade with Mexico section seems to reference tonnage of freight on highways, but not ports or rail.

Page 4

Mr. LaRue also noted on Page 4 under “We Grow” that there are more current statistics for cotton than 2013; 2014 was a higher production year.

Marc Williams suggested the team could also cite forecasts for 2015.

Judge Emmett said the semicolons on Page 4 do not work well. Also in the last sentence of “We Distribute”, “as well” appears twice.

Mr. Patridge noted that this section need to discuss not just exports, but also imports since there is a growing produce import sector from Mexico crossing the border through the Valley.

Mr. LaRue said regarding the mention of I-35 under “We Distribute”, it should include Laredo to Dallas, not just San Antonio to Waco.

Judge Emmett asked if “outpacing” was one word or two.

Pages 5/6

Judge Emmett said on top of Page 5 in the red box, Texas freight did not directly move anything. Another phrasing would be better; perhaps it should say freight network or system. Also, the last sentence of the first paragraph can be removed, regarding information being found later on in the Freight Plan.

John LaRue noticed the red box on Page 5 does not include a port statistic, while it does include truck and rail.

Clark Greer suggested safety be moved higher under freight transportation challenges, since safety should ultimately be the highest priority.

Judge Emmett said he did not think safety should be the overall highest priority; if it was, everything would shut down. Safety is an important factor but not the leading factor.

Vince Mantero noted there was no particular rank or order intended among the challenges listed.

John LaRue said the page needed a bullet point related to ports and the Gulf Intracoastal Waterway (GIWW); not having one implies there are no congestion issues. The discussion needs to be more multimodal. In the second sentence of the first paragraph, take out “highway and rail” because it needs to cover all modes.

Judge Emmett felt that starting the bullet points with “Need to” makes them sound like a fact rather than a challenge.

Keith Patridge asked whether anything about information/technology should be included in the “challenges” section, such as self-driving trucks, etc. and need to integrate technology and operations

Marc Williams suggested changing the “Highway Operations” section to just “Operations”. The section should say “freight network” instead of “highway freight network”, and technology can be folded into one of the bullets under operations.

Barrett Smith said on the third bullet under Highway and Rail Freight Capacity, seventy-three percent is spelled out the first time, but numbers are used after that.

Brenda Mainwaring recommended rewording the first bullet under Border Crossings to include the word “reduce”. The bullet point is not stated well; it should be an action statement.

Judge Emmett said he did not know what the first bullet meant on Page 6 under Funding. It should be rephrased to state the necessity of investing in freight network improvement.

Ms. Mainwaring suggested the team include a bullet on private investment under Funding, such as leveraging public-private partnerships (PPPs), etc.

Marc Williams mentioned there seems to be sensitivity in the legislature about PPPs. Some people think it just means toll roads. The team should think about whether including it would be a problem.

Mayor Saenz said the City of Laredo had been visiting with Union Pacific and Kansas City Southern on a secure corridor concept where all scanning is done at the yards instead of at the border to reduce congestion. Partnerships and collaborations like that would be helpful for border cities.

Steve Boecking asked whose responsibility it is to alleviate border crossing congestion. Is it TxDOT?

Marc Williams replied any and all border or transportation agencies are involved. This plan is about all priorities, not just the ones TxDOT oversees.

Pages 7/8

Judge Emmett stated the overall document wavers between discussing the “freight network” and the “freight system”. On Page 7, the first paragraph says network, and the second says system. Are network/system used interchangeably, or should we choose one over the other?

Marc Williams said nationally, MAP-21 mostly references networks, so that should be used where the team has a choice.

Judge Emmett suggested rewording the last sentence of the first paragraph on Page 7 to say “last year, billions of tons of freight moved over this network”. Should the word “highways” be included after “interstate” (first sentence under “Highways”)? It should be added for consistency.

John LaRue discussed the language under “Waterways” which states in 2014, waterways transported 560,000 tons of freight. Does that include ports? If so, some zeroes have been left out. Those numbers should be reviewed.

Roger Guenther stated the “Waterways” section does not talk about the movement of freight; there are figures available quantifying freight volumes on the GIWW. The section makes the GIWW sound like it is just a connector.

Judge Emmett noticed there is an airport category under “How Does Freight Move in Texas”, but there is no port category. Airports are gateways as well, like ports.

Vince Mantero agreed the document needs to clarify freight gateways vs. the intrastate network. He would rather add ports than remove airports.

Judge Emmett suggested the port section discuss the volumes of freight introduced through ports and to the highways and rail network.

Mayor Saenz noted “cargo” is an awkward term to use when discussing pipelines.

French Thompson suggested the “Waterways” section on Page 7 be retitled “Ports and Waterways”. Then that section can include freight volumes passing through ports.

Judge Tijerina stated the \$246 million value under “International Border Crossings” is old; in 2014, just the Laredo District had \$280 million in goods crossing the border.

Vince Mantero reiterated that the numbers at border crossings reference only imports, not imports and exports.

Judge Emmett said the real dramatic figure is the total number of trucks crossing the border, so needs to use trucks instead of tonnage.

Page 9

In the first paragraph, Judge Emmett suggested saying “the rest of the U.S.” instead of “other U.S. states”.

Michael Dyll raised concerns with the graph on Page 9 projecting the future 26 years from now. What can happen with a projection is policymakers often just divide by it percentages, parcel it out, and it becomes a self-fulfilling prophecy to end up with lots of highways. He stressed that the graph needs to show magnitude growth – freight will double in 2040.

Mr. Mantero agreed that the information in the graph could be clarified; the document still needs to present a forecast in terms of volumes, but how it is presented by mode could change.

Marc Williams mentioned the last sentence of the second paragraph on Page 9 is intended as a bit of a disclaimer about movement between modes and how congestion will affect freight flows. These are projected trends based on current economic models, but changes to our freight system will affect the projections.

Brenda Mainwaring suggested including that language in a call-out box to improve clarity of the bar graph.

Judge Emmett recommended including “and other factors” after “congestion levels Texas highways” in the second paragraph. Also, remove “and demand” from that sentence.

Judge Emmett asked if the team was sure that 68% of truck trips have an origin and destination within the state. It seems like that number should be higher.

In the last paragraph on Page 9, Judge Emmett also suggested changing “ports” to “gateways” since the discussion includes land ports. Also, in terms of cities/ports mentioned, the paragraph should use whatever terms are official.

Mayor Saenz recommended including global demand in the first paragraph of Page 9, in addition to state and national demand.

Page 10

Judge Emmett inquired if the discussion on stakeholder engagement should appear earlier in the document; he also recommended using a better photo than the one currently shown.

Caroline Mays recalled that previous comments from the committee led to the decision to move stakeholder engagement later in the document.

Pages 11/12

Judge Emmett questioned the statement that the Freight Plan will meet needs “now and in the future” (first sentence).

Brenda Mainwaring said she did not see any comments on supporting private-sector investment in the policy recommendations. Funding will be important to implementing the plan. The only place the private sector is mentioned is in terms of educating the community; if it is going to be included, it should be in terms of funding. The team should also mention preserving capacity for all freight modes; that should be a part of TxDOT recommendations.

French Thompson noted the last bullet on Page 12 is where he recommended changing the wording to sound more collaborative, particularly the word “administer”. He stated that the recommendations should focus on – “Can the public sector remove barriers to private investments.”

Marc Williams suggested re-wording a bullet to say that TxDOT should collaborate with the public and private sectors on funding, program development and administration, etc. to make a “catch-all” statement.

Page 13

Judge Emmett stated the “current freight projects” on Page 13 are not really current projects – they are on the drawing board somewhere. He suggested changing the name to “identified” projects, but acknowledged there are other projects the TxFAC and project team have identified that are not currently on any lists and are not included in this section. The team needs to figure out how to categorize these projects other than “current”.

Marc Williams agreed that the section should state there are other identified projects that are not currently under development.

Judge Emmett raised the possibility of calling them “already-defined” or “currently-defined” freight projects.

Brenda Mainwaring noted the subject and verb do not agree in first line under “Additional Highway Freight Transportation Needs”.

Page 15

Judge Emmett asked if ex officio TxFAC members should be included on Page 15, and Marc Williams said yes. Judge Emmett noted the team would have to figure out how to handle members who have been replaced, such as Steve Stewart.

5. Federal Transportation Re-Authorization

Melissa Meyer presented an update on the federal transportation bill re-authorization. Congress is currently working through extensions for MAP-21. They need to act quickly, as the previous extension expires July 31. The House wants to pass a 5-month extension, while Senate is working towards a longer 18-month extension. MAP-21 legislation laid the groundwork for a national freight program, and it establishes a national freight highway network, albeit with some key gaps. It also allows for states to designate their own freight networks, including local networks. While only recommended in MAP-21, under the DRIVE act in development in the Senate, states would be required to establish Freight Advisory Committees and create state plans in order to receive federal funding.

French Thompson mentioned he heard that the funding source for the 5-month MAP-21 extension includes re-patriated money.

Judge Emmett said it sounded like there had been no discussion of tax increases to raise funding for transportation.

Ms. Meyer stated the House bill uses general revenue with offsets, such as restructuring pensions.

6. Working Lunch – Supply Chain Optimization

Richard Langer delivered a presentation on Quetica, a consulting firm specializing in supply chain management and optimization. He provided a detailed case study of working with the state DOT in Minnesota to develop and implement an optimized freight transportation network. Quetica's approach focuses on modeling complex quantitative information on freight pathways, travel times, capacities, multimodal activity, and other factors to determine overall competitiveness and areas for improvement. Other qualitative factors are also included, such as tax incentives, job creation, local community support, environmental impacts, etc. This analysis allows Quetica to recommend improvements that will lower transportation costs for Minnesota businesses. Private industries feel more comfortable partnering with the DOT to fund the improvements, because Quetica's work delivers confidence in the return on investment. Mr. Langer provided other examples around the country where Quetica's analysis led to considerable savings for businesses and helped states implement necessary projects.

John Larue asked if the savings referenced in the case studies were annual savings.

Mr. Langer said yes, the savings are often huge.

Marc Williams wondered about the top 3 takeaways from a Texas perspective; Texas is trying to go in this direction, like Minnesota and Iowa. The state has not had enough good data to go forward with this process so far. The Freight Plan has allowed us to take steps forward to amass that data. TxDOT will try to incorporate these types of tools and analyses in future.

Judge Emmett noted working for a DOT is different than a private industry; he could not imagine TxDOT investing in a transload facility, for example. The problem DOTs will have is keeping up with all the rules, designations of different facilities, etc. as well as the whole supply chain.

Mr. Langer declared that this type of work can result in significant economic development opportunities, because of the savings and the growth potential. Quetica can show if investments will pencil out, so people feel comfortable investing. In the case studies, Freight Advisory Committees were very helpful, in terms of hearing from all the different shippers and carriers.

Being able to undertake the quantitative analysis is the most important part of the process because that is how most businesses make decisions.

7. Update of Port of Corpus Christi Activities

John LaRue delivered a presentation on Port of Corpus Christi news and undertakings. Ports and pipelines are very integrated and important for the freight network. The Port of Corpus Christi serviced over 100 million tons of freight in 2014, mostly energy-related. Corpus Christi is by and large an energy port – not just refining, but many different energy-related products. The Eagle Ford Shale extends into Mexico as well, and as soon as Mexico sorts out the infrastructure and energy companies involved they will develop it much like in Texas. Recently, there has been a considerable increase in outbound crude (to other U.S. ports). Corpus Christi moves more crude oil out than in.

The Port of Corpus Christi also services grain (grain elevators) and cotton. This year will result in a low cotton crop because of excessive rain in spring 2015. The port moves wind turbine components as well, both imports and exports. Over \$35 billion in port investment is occurring from all the companies in the area, and the port has looked at foreign investment as well. The new harbor bridge will open in 2020, with a clearance of 205 ft. and just shy of a billion dollars in cost. The port maintains close alliances with START – the South Texas Alliance for Regional Trade.

8. 84th Legislative Session Update

Marc Williams delivered a presentation on the Texas 84th legislative session, particularly regarding transportation-related bills. Overall, 7 percent more bills were introduced in the 84th session as opposed to the previous session, but there was a 38 percent increase in bills with transportation/fiscal impacts applicable to TxDOT. While \$1.7 billion in Proposition 1 funding was transferred in 2015, the next two fiscal years may include lower funding levels, probably even less than the \$1.2 billion currently projected for both 2016 and 2017. Oil and gas revenues are down, and there is some volatility in the marketplace. Senate Joint Resolution 5 is also of high importance to TxDOT, as it would provide a more ongoing source of funding from sales tax and motor vehicle taxes. This measure will be submitted to voters in November 2015 as Proposition 7.

House Bill 20 instates more performance-based planning measures for project selection and prioritization, and establishes legislative select committees on transportation. TxDOT can nominate individuals to serve on the committees, and may nominate some members of the TxFAC. He requested members to contact him if interested.

Other notable legislation includes:

- House Bill 122 limits TxDOT's borrowing ability
- Senate Bill 20 revises TxDOT's contracting processes
- House Bill 2612 requires TxDOT to develop a report on eliminating toll roads
- House Bill 3225 allows TxDOT to restrict trucks to certain lanes in work areas for safety reasons
- Senate Bill 1467 authorizes the collection of a service charge on certain toll payments

- Senate Bill 2004 provides funding for deferred building maintenance, including TxDOT buildings
- TxDOT will undergo “sunset review” in 2017

9. Open Discussion

Caroline Mays suggested closing the meeting by allowing TxFAC members to weigh in on the key messages TxDOT should communicate to the Transportation Commission regarding the Freight Plan. What are the top takeaways?

Marc Williams reiterated that the team has an Executive Summary and a thick report, but they need to think about how to message the plan. If there are one, two or five things that the team should repeat ad nauseum, what would they be?

Brenda Mainwaring said TxDOT should play up the statistics about the scope of freight growth that Texas is anticipating, and that highways cannot handle it all. TxDOT has to expand the scope of the multimodal freight network to handle the volumes.

Roger Guenther stated for ports, it is important to educate people on the economic impact of ports and the connections between ports and the rest of the network. We could move much more freight into port, but could not get it out of port on the current network. We need to consider outside-the-box ideas like the Freight Shuttle that may sound crazy now, but container freight was revolutionary not long ago.

Judge Emmett suggested emphasizing the word “multimodal”, which could include new modes as well. Also, a key message is that this plan is bigger than Texas. It involves Mexico, the rest of the nation, and the rest of the globe. We need to clearly state that the future of Texas freight depends on global trade and overall competitiveness.

Steve Boecking agreed about the importance of multimodal transportation, because the easiest way to move freight is by truck but TxDOT cannot pave the whole state. Mexico may be a huge trading partner with Texas, but in north Texas near Alliance, Mexico is not even one of the top trading partners. He urged TxDOT not to ignore the importance of trade with Asia, which comes into north Texas via airports and railroads.

Keith Patridge said the messages need to focus on economic development and job creation, because that is what Texas government and politicians will want to see. For border towns, their regions are large but we are only planning for the Texas half of that population. Mexico is going to be a bigger and bigger trading partner, which will generate more north/south movement. If the focus is on economic development and job creation, we must be smart with our transportation to attract more jobs and business.

Les Findeisen followed up on Roger Guenther’s suggestion by noting oversize/overweight loads are moving out of ports, but the network cannot accommodate that type of cargo. If freight shippers and suppliers are planning to move these large loads out of port, we have to think about improving the rest of the network (overpasses, etc.).

Kenneth Dierschke provided an agricultural perspective by noting a lot of discussion centers on existing trade routes, but there are many potential new routes where gridlock is not an issue, particularly in west Texas. When designing new roads, TxDOT needs to treat people courteously during the planning process.

Ron Beeson said it will be important to highlight projected demand on infrastructure, and detail the current shortfalls.

Michael Dyll felt the key points were the importance of freight to the state as an economic driver; the fact that projected freight cannot all be handled on roads; and Texas' leading position as an exporting freight state.

French Thompson said TxDOT should focus on what it can do to assist private industries in utilizing their assets to move freight for; for example, avoiding incompatible land use policies. This is a great opportunity to leverage public and private funds to implement larger transportation projects and railroads have done this very successfully.

Clark Greer of Coca Cola noted the industry is fighting driver shortages; our business is all about trucking and we do little intermodal shipping. If driver shortages continue, however, we will need diversity in mode options as well.

Caroline Mays thanked the TxFAC for their input, and said the next meeting was tentatively scheduled for September 8, probably in Austin.

Marc Williams said the scheduling will depend on the status of the final report process. TxDOT wants to ensure everybody has a chance to read and react to the plan.

Meeting adjourned at 2:20 p.m.