



**Freight Advisory Committee**  
**January 25, 2016**  
**Port of Houston Authority Executive Office Building**  
**Houston, TX**

<b>Committee Member</b>	<b>Organization</b>	<b>Attendance</b>
Judge Ed Emmett, Chair	Harris County	Present
Judge Carlos H. Cascos, Vice-Chair	Cameron County	Not Present
Judge Clay Lewis Jenkins	Dallas County	Present
Roger Guenther	Port of Houston Authority	Present
Steve Stewart	Gulf Winds International, Inc.	Present ( Designee Todd Stewart)
Senator Sylvia Garcia	Tx Senate District 6	Present
Brenda Mainwaring	Union Pacific Railroad	Present
Paul Cristina	BNSF Railroad	Present
Rolando Ortiz	Killam Development	Present
Michael Dyll	Texas International Freight	Present
Paul Cristina	BNSF Railroad	Present
Jack Todd	Texas Association of Manufacturers	Present
John LaRue	Texas Ports Association, Port of Corpus Christi	Present
Ron Beeson	East Harris County Manufacturers Association	Present
Juan Carlos Ruck	HEB	Present
Luis Hinojosa	Uni-Trade, Ltd	Present
Kenneth Dierschke	Texas Farm Bureau	Present
Steve Boecking	Alliance Texas	Present
John Esparza	Texas Trucking Association	Present
Keith Patridge	McAllen Economic Development	Present
Kevin McIntosh	Kansas City Southern (KCS)	Not Present
Todd Frease, Sr.	McLane Global Logistics	Not Present
Carlton Schwab	Texas Economic Development Council	Not Present
K. Alan Russell	The Tecma Group of Companies	Not Present
Rep Armando Martinez	Tx House – District 39	Not Present
Rep Sergio Munoz	Tx House – District 36	Not Present
Rep Poncho Nevarez	Tx House – District 74	Not Present
Joe Adams		Not Present

## **TxDOT Attendees**

Caroline Mays  
James Koch  
Sondra Johnson  
Kale Driemeier  
Melissa Meyer  
Mark Werner  
Erik Steavens  
Roger Schiller

## **Other Attendees**

Richard Zientek – Harris County Judge’s Office  
Kim Sachtleben – Atkins  
Janna Rosenthal – Atkins  
Vince Mantero – CH2M  
Paula Dowell – Cambridge Systematics  
Jolanda Prozzi – TTI  
Michael Bomba – University of North Texas  
Derek Darnell – Tx Senate District 6  
D. Kirk Johnson – Tx Comptroller of Public Accounts  
Glen Jones – Texas Farm Bureau  
Steve Catha – Teal Transportation  
Clark Greer – Coca Cola  
Scott Campbell - EHCMA  
Barbara Koslov – Bay Tran  
Jessica Shaver – Port of Houston Authority  
Monica Glover – Port of Houston Authority  
Robert Sakowitz – Hazak Corporation  
Michel Bechtel – Morgan’s Point  
Sergio Contreras – City of Pharr EDC  
Cynthia Garza-Reyes – City of Pharr EDC  
Hans-Michael Ruthe – H-GAC  
Eulois Cleckley - HGAC  
Jeff Hathcock - NCTCOG  
Meaghan Pier - TxTA  
Brian Hill - MARAD  
Bill Hensel – Port of Houston Authority  
Jurgen Schroeder – Schroeder Marine  
Ricky Raven – DTO  
Jacob Frazelle – HCED

## **Welcome and Introductions:**

Judge Emmett welcomed the group and thanked them for their participation and contributions on the Texas Freight Advisory Committee. Each TxFAC member introduced themselves.

Caroline Mays introduced the two newest members of the TxFAC and thanked all the TxFAC members for their contributions over the last 3 years in developing the plan. She gave special thanks to Judge Emmett as TxFAC chair, for his dedication and extra effort to making the

Freight Plan a quality product. Caroline expressed Marc Williams regret in not being able to attend and reiterated how much he appreciated everyone's hard work on putting together the freight plan.

There were congratulations given to Richard Zientek in his new position at Union Pacific.

Roger Guenther welcomed everyone to the Port of Houston as the host for the meeting and the reception. He thanked Monica Glover and his staff for putting everything together for the meeting.

## **FAST Act - Overview of Freight Provisions and Dedicated Freight Funding:**

Melissa Meyer – TxDOT Government Affairs Office - presenter

The Senate passed the DRIVE ACT and the House passed the next version called the STRR ACT. The latest version is the FAST ACT. The FAST Act is a five year \$305 billion dollar bill that reauthorizes surface transportation programs.

This legislation directs the USDOT to have us create a National Multimodal Freight Network and a National Highway Freight Network as a part of our plan.

The bill creates two categories of funds available for freight projects:

- 1) Formula Funds = \$6.3 billion over five years (\$551 million for Texas)
- 2) Discretionary Funds = \$4.5 billion over five years (\$900 million per year)

Funds Texas will receive:

<b>FISCAL YEAR</b>	<b>FREIGHT APPORTIONMENT</b>
2016	\$100,641,720
2017	\$96,265, 993
2018	\$105,017,447
2019	\$118,144,628
2020	\$131,271,809
<b>TOTAL</b>	<b>\$551,341,597</b>

It was noted that all projects must be identified in the Freight Plan in order to receive funds. If not in the plan, the project is not eligible for these designated funds. Congress has veto power over projects.

Melissa also covered the parameters and requirements for using Discretionary funds. She also pointed out that in order to be FAST ACT compliant TxDOT will have to designate the urban and rural connectors and show that the plan is fiscally constrained and decide which projects will be

submitted for the discretionary programs. Texas would fall in the 20% category for critical rural corridors.

There were several questions about (I have that John LaRue asked this): What does it mean to be “fiscally constrained?” Melissa explained that everyone is waiting for a definition or interpretation.

There has been no time given by USDOT when they will set up a new bureau called the National Surface Transportation and Innovative Finance Bureau which will administer the discretionary grant program.

Senator Sylvia Garcia asked about whether there will be true dollars available or will there be a requirement to match. Melissa explained that for the formula dollars there will be 80% Federal with States being required to match the remaining 20%. For the discretionary dollars the cap is at 60% (or 80 if you are using other Federal sources). But for the most part these programs will be limited to 60%.

Judge Emmet asked if we have any interstates in Texas that are not already identified as part of the primary highway freight system.

Caroline responded that we have portions of I-69 that are not on there but all our interstates are on the map.

Judge Emmett inquired about whether I-69 would be eligible for funds. Melissa explained we would have to identify it as an urban or rural connector under the FAST ACT.

It was pointed out that under the FAST Act US Highway 1-90 was flagged as a high priority corridor with plans to later become Interstate 14.

There was a question about the timing of the disbursement of funds and how the 2016 dollars can be accessed. Melissa pointed out that these funds have already been released (partially). Since we don't have a FAST Act compliant plan yet we will have to work with USDOT to verify how the rest will be disbursed in 2017.

Caroline emphasized this is not an additional source of funds; it has simply been placed in a different “pot”.

Kenneth Dierschke asked about the rural freight corridors. Caroline Mays responded that TxDOT will need to establish the rural corridors and match TFMP projects to them. Judge Emmett remarked that it is time for the next phase of work to begin to make the plan FAST ACT compliant and the TxFAC members will be asked if they want to continue and perhaps create some subcommittees to continue the work.

#### **Freight Plan Public Comment Discussion:**

James Koch and Caroline Mays – TxDOT Transportation Planning and Programming Division – presenters

Caroline Mays outlined the approach TxDOT used to engage in Stakeholders around the state while developing the freight plan. She then covered the depth and breadth of comments received during the public comment period.

James Koch explained how TxDOT would put the funds into the planning and programming efforts. One of the key points that he emphasized is that the Freight Plan was a living document

with expectations that it would be updated as priorities changed and not to be alarmed if the projects you needed are not included yet. He thanked the TxFAC members for participating in this lengthy process and opened the floor for discussion.

Judge Emmett wanted to know how requests for suggested changes were handled during the comment period – especially with reference to adding projects to the priority list. Caroline stated that if the project was already on the network it was added to the priority list.

Judge Jenkins expressed some concern about the DFW area with over 7 million people, yet the current plan shows all the project priorities are listed as “low”. Caroline responded that the MPO’s and the Districts in that area gave TxDOT the projects and their priority. There will be an opportunity to revise.

The Freight Plan was spearheaded by TxDOT but it will be a collaborative process moving forward with everyone’s input to ensure that it is FAST Act compliant by FY 2018.

Caroline stated there are a lot more projects on the list than there are funds available. The total price tag is \$49 billion with some projects on the list that are not fully funded. The needs that have to be addressed are over \$25 billion and that’s just on the highway side and that’s just scratching the surface. Everyone is encouraged to remember that the freight plan is a living document and will need to be updated every year – and perhaps every quarter which is what is done with the UTP.

James commented that we don’t have a whole lot of money so we have to be smart about how we spend our funds on the projects that will have a greatest impact.

### **Freight Advisory Committee Next Steps and Role**

Judge Emmett explained this part of the meeting is really to endorse the work by the committee and to make a recommendation to the Texas Transportation Commission for the adoption of the committee’s work on the Texas Freight Mobility Plan. It’s really an up or down vote.

It’s got an Executive Summary which is probably what most people will read.....

The motion was made by Judge Emmett to make the recommendation to the TTC and it was seconded by John LaRue

Before the vote was cast Jack Todd encouraged everyone to remember this plan is about moving freight.....it’s a freight mobility plan and doesn’t address needs of commuters. The focus should be on how to move freight. That’s what will make Texas prosperous.

The TXFAC members voted in favor of making the recommendation to have the plan adopted.

Judge Emmett said Caroline Mays will send out a survey to determine who would like to continue serving. He asked that if anyone had any thoughts about what subcommittees that need to be formed to forward that feedback.

John Larue emphasized that this plan took three years of work with a lot of effort put into it. He supported the idea of having subcommittees in the next phase.

It was suggested that one way to break up the subcommittees could be in geographical areas.

Steve Boecking then suggested that part of the work of the subcommittees going forward could be to educate the public and create an awareness of the importance of the movement of freight.

Educating the general public and elected officials could be a part of what the subcommittee could do.

Caroline Mays announced that TxDOT has awarded a consulting contract (10 million) to assist with the next phase of implementation. If we need further studies or further analysis they will be able to help. The Commission is very serious about implementing this freight plan and addressing all the issues with moving freight.

There were other discussions about what topics and issues the subcommittees will be addressing after the plan is adopted.

Rolando Ortiz shared some challenges about border activity and the growth in traffic and trade coming through Laredo.

Judge Jenkins spoke of building an outer loop to divert freight traffic away from commuter traffic. This is a priority in the North Texas area.

Erik Steavens talked about strategies the Rail Division will be executing late spring and early summer that will help the issues at the border and improve freight mobility.

Judge Emmett thanked everyone again for all their hard work and thanked the Port of Houston for hosting the meeting.