ATTENDEES

<table>
<thead>
<tr>
<th>Committee Members</th>
<th>Organization</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ed Emmett, Chair</td>
<td>Rice University</td>
<td>Present</td>
</tr>
<tr>
<td>Adriana Cruz</td>
<td>Office of the Governor</td>
<td>Present</td>
</tr>
<tr>
<td>Carson Landsgard</td>
<td>H-E-B</td>
<td>Not Present</td>
</tr>
<tr>
<td>Charlie Leal</td>
<td>Texas Farm Bureau</td>
<td>Present</td>
</tr>
<tr>
<td>Clark Greer</td>
<td>Coca Cola</td>
<td>Present</td>
</tr>
<tr>
<td>Clint Schelbitzki</td>
<td>Union Pacific Railroad</td>
<td>Present</td>
</tr>
<tr>
<td>Drew Crutcher</td>
<td>Landgraf, Crutcher &amp; Associates</td>
<td>Not Present</td>
</tr>
<tr>
<td>Gerry Schwebel</td>
<td>IBC Bank</td>
<td>Present</td>
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<tr>
<td>John Esparza</td>
<td>Texas Trucking Association</td>
<td>Present</td>
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<tr>
<td>Keith Patridge</td>
<td>McAllen Economic Development Corp.</td>
<td>Present</td>
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<tr>
<td>Matt Woodruff</td>
<td>Kirby Corporation</td>
<td>Present</td>
</tr>
<tr>
<td>Megan Shea</td>
<td>BNSF</td>
<td>Present</td>
</tr>
<tr>
<td>Michael Dyll</td>
<td>Texas International Freight LLC</td>
<td>Not Present</td>
</tr>
<tr>
<td>Paul Treangen</td>
<td>TNW Corporation</td>
<td>Not Present</td>
</tr>
<tr>
<td>Randy Brogoitti</td>
<td>Brogoitti Construction</td>
<td>Not Present</td>
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<tr>
<td>Roger Guenther</td>
<td>Port Houston</td>
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<tr>
<td>Rolando Ortiz</td>
<td>Killam Development, Ltd.</td>
<td>Present</td>
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<tr>
<td>Ron Beeson</td>
<td>The Lubrizol Corp.</td>
<td>Present</td>
</tr>
<tr>
<td>Sean Strawbridge</td>
<td>Port of Corpus Christi Authority</td>
<td>Not Present</td>
</tr>
<tr>
<td>Tiffany Melvin</td>
<td>North American Strategy for Competitiveness</td>
<td>Present</td>
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</table>
### Committee Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
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<tbody>
<tr>
<td>Todd Stewart</td>
<td>Gulf Winds International</td>
<td>Not Present</td>
</tr>
<tr>
<td>VJ Smith</td>
<td>Marathon Petroleum Company</td>
<td>Present</td>
</tr>
<tr>
<td>VACANT</td>
<td>AllianceTexas</td>
<td>Not Present</td>
</tr>
<tr>
<td>VACANT</td>
<td>TEMPO</td>
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### Ex-Officio Members

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<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Attendance</th>
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</thead>
<tbody>
<tr>
<td>Hon. Armando “Mando” Martinez</td>
<td>Texas House of Representatives</td>
<td>Not Present</td>
</tr>
<tr>
<td>Mayor Brenda Gunter</td>
<td>City of San Angelo</td>
<td>Not Present</td>
</tr>
<tr>
<td>Danny Smith</td>
<td>UPS</td>
<td>Not Present</td>
</tr>
<tr>
<td>Mayor Pete Saenz</td>
<td>City of Laredo</td>
<td>Present</td>
</tr>
<tr>
<td>Hon. Sergio Munoz</td>
<td>Texas House of Representatives</td>
<td>Not Present</td>
</tr>
<tr>
<td>John LaRue</td>
<td>United Corpus Christi Chamber</td>
<td>Not Present</td>
</tr>
</tbody>
</table>

Count of Ex-Officio Members Present: 1  
Total Count of Committee and Ex-Officio Members Present: 16

**TxDOT & Texas A&M Transportation Institute (TTI)**

- Marc Williams, Executive Director, TxDOT
- Brandye Hendrickson, Deputy Executive Director, TxDOT
- Jessica Butler, P.E., TPP Division Director, TxDOT
- Roger Beall, P.E., Deputy Director, TPP Division, TxDOT
- Caroline Mays, AICP, Director of Freight, Trade and Connectivity Section, TxDOT
- Sherry Pifer, Freight Systems Branch Manager, Freight, Trade, and Connectivity Section, TxDOT
- Geir-Eilif Kalhagen, TxDOT Maritime Division Director
- Aisa Showery, TxDOT
- Baylor Nix, TxDOT
- Brenna Lyles, TxDOT
- Carlos Calle, TxDOT
- Casey Wells, TxDOT
- Charles Airiohuodion, TxDOT
- Curtis Jones, TxDOT
- Eddie Valtier, TxDOT
- Eduardo Hagert, TxDOT
- Emily Clisby, TxDOT
- Emily Knaub, TxDOT
- Emily Hampton, TxDOT
- Francisco Almanza, TxDOT
- Gabriel DeOchoa, TxDOT
Giacomo Yaquinto  
Jeffrey English  
John R. Speed, P.E.  
Kale Driemeier  
Katelyn Dwyer  
Loretta Brown  
Maria Champine  
Marty Boyd  
Mary Ann Griss  
Paul Truban  
Pedro Alvarez  
Rex Costley  
Robert Rodriguez, III  
Sondra Johnson  
Tim Wright  
Travis Milner  
Trent Thomas  
Terry Martinez  
Tyler Graham  
Vvette Flores  
Allan Rutter  
Bill Eisele  
Curtis Morgan  
Dan Middleton  
Jason Wallis  
Jolanda Prozzi  
Juan Villa  
Peter Webb

Cambridge Systematics Consulting Team
Paula Dowell, Ph.D.  
Adam Danczyk  
Daniela Waltersdorfer  
Elizabeth Welch  
Isabel Victoria-Jaramillo  
David Milner  
Janna Rosenthal  
Mike Chaney  
Sarah Clark  
Vicky Carrasco  
Ramon Carrasco  
Linda Vela, AICP  
Joseph Bryan
Cambridge Systematics  
Cambridge Systematics  
Cambridge Systematics  
Cambridge Systematics  
AIG  
Atkins  
Alliance Transportation Group  
TranSystems  
Kleinman Consultants  
Kleinman Consultants  
Poznecki-Camarillo  
WSP

Other Attendees
Clifton Hall  
Lindsay Mullins  
Sarah Bagwell Rudy  
Clifton Area MPO  
BNSF Railway  
Burns & McDonnell
1. Introductions and Meeting Overview

Chair Ed Emmett began the Texas Freight Advisory Committee (TxFAC) meeting at 8:10 a.m. He mentioned that Texas Transportation Commissioners Alvin New and Laura Ryan were unable to join the meeting.

Chair Emmett introduced Caroline Mays, Director of the Freight, Trade, and Connectivity Section of TxDOT. She thanked committee members for their participation and said that the committee’s work is critical to developing the 2023 Texas Freight Mobility Plan (TFMP 2023) and the passage of the new infrastructure bill.

Marc Williams, Executive Director for TxDOT, said the passage of the new infrastructure bill could be an opportunity to advance the current backlog of freight projects and identify new ones.
Chair Emmett told the group that this was the time for them to voice their questions or comments as representatives on the front lines of freight.

2. Overview of Today’s Meeting Recap of August 24, 2021, TxFAC Meeting

Ms. Pifer provided a recap of the August 24, 2021 TxFAC meeting. She mentioned TxDOT’s Truck Parking Planning Study and that TxDOT has put together a 10-year plan to increase parking capacity across the state. She said the 2023 TFMP is the primary topic for this meeting.

3. Stakeholder Engagement

Ms. Pifer said TxDOT conducted six workshops for the TFMP 2023 this year with 629 participants. She said the workshops covered designating the Texas Multimodal Freight Network, trends, challenges, and disruptors affecting freight movement. The workshops focused on the following:

- Energy Sector
- Texas Triangle
- Texas-Mexico Border
- Gulf Coast
- Urban Areas
- Rural Areas

Ms. Pifer said the Texas-Mexico Border Regional Workshop was the most attended. She also said there was a balance between public and private sector participants and showed the general location of the participants.

4. Re-designation of the FHWA Primary Highway Freight System (PHFS) and the Texas Multimodal Freight Network (TMFN)

Sherry Pifer presented the re-designation of the Federal Highway Administration’s (FHWA) Primary Highway Freight System (PHFS) and the Texas Multimodal Freight Network (TMFN). She reviewed a memo that was sent to TxFAC members in October and summarized input received.

Paula Dowell, Cambridge Systematics consultant, introduced the designation of the Texas Multimodal Freight Network (TMFN). She said the process helped FHWA identify parts of the system critical to the movement of freight that could cause ripple effects across industries if they were negatively impacted.

She said the national freight program included a funding source created by the FAST Act and those facilities designated on the TMFN would be eligible for that funding. Ms. Dowell said this also allows TxDOT to use limited resources on the most critical portions of the system. She then explained the criteria and data used to identify segments of the system that should be considered for TMFN designation.

Ms. Dowell then reported on comments heard during the six workshops that were held. They
included the following:

- Types of additions (42 comments)
  - More connections in Permian Basin (example: SH 115, SH 18)
  - Exurban routes (example: southwest of Fort Worth)
  - Emerging/developing corridors (example: Grand Parkway)
  - Extending intermodal connectors (example: Joe Fulton International Trade Corridor in Corpus Christi)

- Types of deletions (2 comments)
  - Review route; not used for freight today

- Types of other comments (64 comments)
  - Recent growth
  - Role of connections already designated
  - Planned future routes

Rolando Ortiz with Killam Development, Ltd. asked if the criteria used for the proposed segments included those used for the recent economic study of freight. Ms. Dowell said it did include several of the same criteria but that the current analysis was based on 2019 commodity data instead of 2018 data.

Chair Emmett mentioned manufacturing being moved from China to Mexico and advised the team to consider where freight might be moving in the future. Ms. Dowell agreed, saying this is where stakeholder and committee engagement is beneficial in helping analysis.

Chair Emmett asked what factored into the designation of airports. He asked where Houston’s Hobby Airport ranked. Ms. Dowell said that total tonnage was used, which included freight on passenger planes, and that the Hobby Airport ranked 11th.

Elizabeth “Lizzie” Welch with Cambridge Systematics used a web-based mapping tool to get community input. She said the team was primarily looking to identify any highways that:

- 1) are not designated and need to be considered.
- 2) need to be taken off.
- 3) any intermodal facilities that need to be added.

Chair Emmett asked to take a closer look at Grand Parkway in Houston. He said that the east side is under construction and will soon be open to the public. Ms. Dowell said it was not identified through the scoring analysis because it is not open for traffic.

Gerry Schwebel, with IBC Bank, asked if US 83 was already designated as it runs from I-27 to the valley and connects to I-2. Ms. Dowell said it was.

Mr. Schwebel said that any roads coming out of any border crossing that connect to major highways must be considered part of the freight network.

Mr. Ortiz said that in the Rio Grande Valley, they are working on Toll Road 365 and it should be considered for freight designation. Ms. Dowell said that facilities that are not open cannot be considered but that TxDOT also has an option to do an interim update to the network if needed. Mr. Ortiz noted that West Military and Hwy 2 are on the freight network.
Mr. Schwebel asked if FM 1472, a major connector between two bridges in Laredo, was already designated. Ms. Dowell said it was.

Ms. Dowell said the Critical Rural Freight Corridor designation would be on the February 2022 TxFAC meeting agenda.

5. TFMP 2023 Goals and Objectives

Ms. Welch polled the committee members, “How have supply chain disruptions impacted you?” Ms. Welch noted that out-of-stock or back-order items received the greatest number of responses (13).

Clark Greer, with Coca-Cola, said their most significant issue with supply chains is the inability to get raw materials. He said if materials do not arrive when expected, his company needs to shuffle labor resources, affecting labor costs.

Ron Beeson, with the Lubrizol Corp., said if companies do not get raw materials on time, it results in reduced output and impacts profitability.

Ms. Welch then reviewed the draft goals and objectives listed below.

<table>
<thead>
<tr>
<th>DRAFT GOAL</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>Safety</td>
<td>Improve the safety, efficiency, and performance of the TMFN</td>
</tr>
<tr>
<td>Asset Preservation &amp; Modernization</td>
<td>Maintain, preserve, and modernize the TMFN to support multimodal movement of goods and people</td>
</tr>
<tr>
<td>Mobility &amp; Reliability</td>
<td>Reduce congestion and improve system efficiency and performance on the TMFN</td>
</tr>
<tr>
<td>Connectivity</td>
<td>Improve urban and rural system connectivity between all freight modes and all industry sectors to regional, statewide, national, and international markets</td>
</tr>
<tr>
<td>DRAFT GOAL</td>
<td>DESCRIPTION</td>
</tr>
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</tr>
<tr>
<td>Resiliency</td>
<td>Develop and maintain a system that can withstand and respond to various sources of disruption</td>
</tr>
<tr>
<td>Stewardship</td>
<td>Manage environmental and agency resources responsibly, and foster accountability and transparency in decision-making</td>
</tr>
<tr>
<td>Funding &amp; Implementation</td>
<td>Prioritize, fund, and implement strategies that effectively address freight challenges</td>
</tr>
<tr>
<td>Economic Competitiveness</td>
<td>Improve the contribution of the TMFN for economic competitiveness, productivity, and development throughout the state</td>
</tr>
<tr>
<td>Equity</td>
<td>Encourage equitable distribution of the positive and negative impacts of freight movement across all Texans</td>
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</table>

She then asked the committee members to participate in a Mentimeter poll where the top goals identified were “Mobility and Reliability.”

![How important are the following goal areas for the TFMP?](image)

Mr. Ortiz said that alternative routes need to be considered by the committee and that new routes are needed to relieve congestion from Houston to Dallas. He added that new routes should be built to be truck friendly.

Chair Emmett said that carbon neutral and low emission options should score higher moving forward since funding could be tied to carbon footprint. He said special consideration should be made for alternative fuels.

John Esparza with the Texas Trucking Association said municipalities could not provide the energy demand for electric fleets. He said there is pressure to increase freight lines in Texas so the state can be more competitive.

Matt Woodruff with the Kirby Corporation said that lower carbon modes could allow for modal shifts to reduce greenhouse gas emissions.
Charlie Leal, with Texas Farm Bureau, said the agriculture industry produces more with the same inputs and less land. He said the group should focus on technology that is functional and available today.

Lindsay Mullins, with BNSF, said she agreed with Chair Emmett’s comments on the need for a low carbon footprint and that there is not enough electricity to electrify fleets. She then said that from the railroad’s perspective, safety should be the number one priority.

Mr. Ortiz said that additional parking needs to be a priority. He said he sees trucks parked along the access road coming from Laredo. He said he believes this is happening elsewhere across the state.

Ms. Mays said TxDOT is allocating funds for truck parking throughout the state via a 10-year plan. She said she understands that this is the first step to solve the problem and that TxDOT will continue to coordinate with the private industry. She added that one solution could be the private industry incorporating truck parking into new warehousing.

Ms. Mullins said the committee should have conversations about future transportation funding and what 21st-century transportation funding could look like for Texas.

6. Key Industry and Supply Chains overview

Next, Joseph Bryan with WSP introduced the topic of the supply chain industry clusters and the TFMP 2023 Supply Chain Work Groups. He covered some issues causing supply chain disruptions including:

- the e-commerce demand spike caused partially by COVID-19.
- labor shortages.
- equipment imbalances.
- an increase in the sheer volume of freight.

He said a significant focus of the work groups would be identifying the impacts to different industries, their mitigation strategies, and what TxDOT can do to help support them.

Mr. Greer stated the following issues that Coca Cola faces:

- Raw material availability is leading to sourcing supplies from across the globe and not meeting customer demand.
- Labor availability and stability leads to a shift in production to various parts of the state to keep up with demand and labor supply.
- Transportation cost increases due to lack of drivers are passed on to Coca-Cola and the consumer.

Mr. Schwebel said that Laredo has two bridges with freight operators that cross multiple times a day. He said they face a challenge because Customs and Border Protection (CBP) redirected some drivers to the Laredo Colombia Solidarity International Bridge. He said the additional miles translate into higher costs, and some operators say it is no longer cost-effective for them to make these trips and instead park their trailers which slows down the movement of raw materials.

Chair Emmett said that many shipping decisions are made by third-party logistics companies
underrepresented on the committee. He said they will cross several of the work groups and will need to be engaged.

Mr. Schwebel added that he attended a meeting in Laredo the previous week intending to create cross border industry logistic clusters.

Mr. Leal said that supply chain issues caused by labor availability are familiar to the agriculture industry and that COVID-19 heightened the issue.

Ms. Mullins said the biggest challenge for BNSF Railway is throughput. She said terminals and intermodal facilities are filling up with containers. She added that more trains are backing up on mainlanes, creating community issues when people are upset by impeding movements of trains.

Mr. Bryan said that not having a chassis continues to be issue across the country and that the U.S. does not make chassis in a competitive fashion. He then went on to outline the following 10 Supply Chain Groups identified with input received from the committee:

- **High Priority Score:**
  - Computer, electrical equipment and products, and components
  - Oil and gas extraction
  - Wholesale and distribution

- **Medium Priority Score:**
  - Agricultural (crop and animal)
  - Construction
  - Food manufacturing
  - Chemical manufacturing
  - Transportation equipment
  - Rubber and plastics

- Medical manufacturing is also being considered

Mr. Woodruff said the Oil and Gas Extraction title did not account for upstream and downstream elements. He recommended removing “extraction.” Mr. Bryan agreed.

Ms. Pifer invited the group to discuss who, how, and the frequency stakeholders should be engaged. She suggested third-party logistics companies and ship lines.

Adriana Cruz with the Office of the Governor said that they have been engaging with industry and that supply chain issues are critical. She said supply chain issues are causing companies to want to bring their suppliers closer and relocate to Texas. She also said she supported bringing third-party logistic companies into the conversation.

Clint Schelbitzki with Union Pacific Railroad said TxDOT’s best role was to be the convener for information-sharing across supply chains.

Tiffany Melvin with the North American Strategy for Competitiveness (NASCO) said:

- Stakeholder engagement is challenging to accomplish effectively.
- Large corporations are essential, but so are the smaller companies supplying them.
- TxDOT should reach out to workers who sit in front of a computer screen moving product to witness the challenges.
Mr. Ortiz said that Laredo once a year has a Manufacturing & Transportation Symposium with participation by all the stakeholders that need to be reached by the TFMP 2023. He said that he could help TxDOT coordinate its participation with the Laredo Economic Development Association that organizes it.

Chair Emmett asked to go back to the industry clusters and said that TxDOT needs to focus on the industries with the most significant impact on infrastructure.

Keith Patridge with the McAllen Economic Development Corp. said his most significant issue is the large number of foreign companies wanting to relocate to his area and the potential impact of the United States-Mexico-Canada Agreement (USMCA) on these companies.

Mr. Schwebel said the two sectors that need to be given more consideration are pharmaceuticals and semiconductors. He said he is involved in work groups looking at those two as potential growth areas to attract relocations to Mexico. He said the other industry that will continue to expand is agriculture. He said it continues to be crucial and requires refrigeration.

Mr. Schwebel said cold storage is one of the fastest-growing warehousing needs for Laredo. Mr. Patridge said they are continuing to construct additional facilities and still cannot keep up with the demand in the valley.

Mr. Bryan then asked Adam Danczyk with Cambridge Systematics to talk about the team’s methodology to gather supply chain data and understand the impacts on the TFMN and supply chain flows.

### 7. Freight Trends, Disruptors and Opportunities

Next, Ms. Dowell provided an overview of the national and state trends impacting freight, including:

- Traditional and emerging energy
- Trade agreements, such as the USMCA
- Instability due to disruptions
- Business and consumer practices
- Technology adoption
- Economic growth
- Equity and community impacts

Ms. Dowell asked the committee a series of Mentimeter questions. The following figures outline the results. Comments related to those topics follow the figures.
Ms. Dowell clarified that “pipelines or other infrastructure” is an overall category. For example, without the pipelines, the oil and gas extraction in the Permian Basin may not be as competitive; therefore, there may not be much produced, which could suppress overall volumes.

Chair Emmett said he sees less being sourced out of China. He said the wage disparities China used to enjoy have shifted to Mexico. He also said India could be a source that would change freight patterns. He added that there would also be onshoring where manufacturing is coming back to the U.S. from China.

Ms. Dowell said she wanted to make the committee aware that Texas participates in the Institute for Trade and Transportation Studies group, which incorporates the states in the southeastern U.S., and they are exploring the impact of increased trade with South America.

Mr. Schwebel said many customers in Mexico express concerns over U.S. government policies that may be used to dictate how other countries develop their industrial capacities, specifically when working with China. He said China is reaching out to Mexico, and there is a
fear that the U.S. may block Mexico imports if they partner with them. Ms. Dowell said the trade agreement is being tested every day in Mexico regarding energy and in the U.S. with regards to labor.

Mr. Greer said Coca-Cola is testing an e-commerce-type delivery system because of labor shortages for customers who want less than 10 cases. He said these quantities would be distributed via UPS, FedEx, or other carriers so larger trucks could be used for larger quantities. He said Coca-Cola is seeing a drop in onsite consumption which means more products are being sold at grocery or liquor stores. He said it is a different package type that people are consuming (e.g., more big buys than single sales).

Mr. Schwebel said no one anticipated how the COVID-19 pandemic would change our culture and how we buy products. He said that input from FedEx, DHL, and UPS would be critical for the TFMP 2023, and that Mexico is not prepared to handle some of the e-commerce that goes through their facilities due to small package shipping versus bulk sales.
Mr. Schwebel said he was uncomfortable with the government dictating where freight should flow and believed the market should dictate movements.

Mr. Greer said that it is the federal, state, and local governments. He said freight movements get politicized and create an unstable business environment.

Mr. Schwebel said that there needs to be a level of trust between countries to fulfill commitments.

Mr. Greer agreed and said that when they build a production facility, Coca-Cola needs political support from start to finish because infrastructure is critical to their operations.

No comments were received during this question.

Mr. Schwebel said some projects could be shorter term. Ms. Dowell said the plan would include short, mid, and long-term projects using TxDOT’s freight scenario planning tool.

Mr. Schwebel said that partnering with TxDOT is critical since local municipalities do not have the bonding capacity for some major infrastructure improvements.
The committee identified economic growth, business and consumer practices, and technology in the top three spots, as shown above.

8. Wrap-Up Discussion

Ms. Pifer thanked everyone for their participation. She said the team is assessing supply chains and will look at commodity flows and scenario development in December 2021. She then provided dates for upcoming TxFAC meetings: Feb. 2, 2022, April 6, 2022, and June 22, 2022. Ms. Pifer encouraged the committee to send additional information on specific individuals involved in the Supply Chain Work Groups.

She said the team would send out the TFMN crowdsourcing map and that committee members would have until Dec. 15, 2021, to provide additional comments.

Ms. Mays thanked everyone for their participation.

Chair Emmett emphasized that the national dialogue around supply chains and the passage of the transportation bill made the committee’s efforts even more important and encouraged everyone to stay involved.

9. Adjourn

The meeting adjourned at 11:50 a.m.