

43rd meeting of the
IOWA FREIGHT ADVISORY COUNCIL

December 15, 2023
10:00 AM to 2:00 PM
Courtyard by Marriot
2405 SE Creekview Dr, Ankeny, IA 50021

Meeting input objectives

1. Give initial input to DOT on the development of the State Rail Plan.
2. Discuss the challenges and opportunities surrounding new electric vehicles and renewable fuels.
3. Discuss how ag transportation has changed over the last decade.

10:00 AM Safety Briefing

Amanda Martin
Iowa DOT

Welcome & Introductions

Ice breaker: Provide any comments, updates, notable items, etc.

Mike Steenhoek, Chair
Soy Transportation
Coalition

10:15 AM DOT Update

General update from the Department including the 2024 legislative session and the sustainability of the Highway Trust Fund

Stu Anderson
Iowa DOT

10:45 AM State Rail Plan Kickoff

Presentation from the rail team on the creation of the State Rail Plan and engagement activity for FAC members.

Maria Hobbs
Iowa DOT

11:15 AM Discussion: Industry Response to Electric Trucks & Renewable Fuels

Group discussion about the challenges and opportunities with electric trucks and renewable fuels, as well as how the industry is responding to the changes.

- Marty Wadle, Ruan Transportation
- Bob Rafferty, Truckstops of Iowa
- Abbie Christophersen, Iowa Economic Development Authority

Mike Steenhoek, Chair
Soy Transportation
Coalition

12:00 PM Networking Lunch

12:45 PM Panel: Changes in Ag Transportation

Panel discussion of how transportation of agricultural goods has changed over the last decade.

- Chad Hart, Iowa State University
- Mike Hadley, Keokuk County
- Ty Rosburg, Rosburg Livestock
- Wayne Johnson, AGP

Mike Steenhoek, Chair
Soy Transportation
Coalition

2:00 PM Adjourn

2024 meetings: March 8, June 14, September 20, December 13

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IOWA FREIGHT ADVISORY COUNCIL

December 15, 2023
 10:00 AM to 2:00 PM
 Courtyard by Marriot

2405 SE Creekview Dr, Ankeny, IA 50021

Members

X	Mike Steenhoek (Chair), Soy Transportation Coalition	X	Jillian Walsh (Vice Chair), Travero
	Gabe Claypool, Des Moines Industrial	X	Greg Dickinson, Ten D, Inc. Companies
	Jackson Doud, Iowa Farm Bureau		Amy Homan, Iowa Northern Railroad
	Matthew Leyser, John Deere Des Moines Works	X	Larry Lloyd, CPKC Railroad
X	Doug Martin, Amazon DSM5	X	Joe McConnell, Perishable Distributors of Iowa
	Allison Meiners, Iowa Motor Truck Association	X	Bob Rafferty, Truckstops of Iowa
	James Niffenegger, Landus Cooperative	X	Kelli O'Brien, Union Pacific Railroad
	Joe Parsons, Iowa Interstate Railroad	X	Ty Rosburg, Rosburg Livestock
X	Peter Skosey, BNSF Railway	X	Jessica Sprung, Sukup Manufacturing
X	Marty Wadle, Ruan Transportation	X	Mark White, Smith Fertilizer and Grain
	Ron White, Artco Fleeting Service		

Ex-Officio Members

	Tom Bruun, Iowa DPS, Iowa State Patrol	X	Zhi Chen, DMAMPO
	Colonel Jesse Curry, USACE, Rock Island District	X	Amie Davidson, Iowa DNR, Land Quality Bureau
	Andrew Goodall, USACE, Rock Island District	X	Mike Hadley, Keokuk County Board of Supervisors
X	Mike Harrington, IDALS	X	Sean Litteral, FHWA, Iowa Division
X	Scott Marler, Iowa Department of Transportation	X	Shirley McGuire, FMCSA
X	Tim Marshall, FHWA, Iowa Division	X	Mike Norris, SEIRPC
X	Joseph Rude, Iowa Economic Development Authority	X	Louis Vander Streek, Iowa Utilities Board

Iowa Department of Transportation

X	Zahrah Alghalibi	X	Stu Anderson
X	Jeff von Brown		Mikel Derby
	Brenda Freshour-Johnston		Melissa Gillett
X	Jim Glaspie	X	Sam Hiscocks
X	Maria Hobbs	X	Alex Jansen
	Renee Jerman		Troy Jerman
X	David Lorenzen	X	Amanda Martin
	Tammy Nicholson	X	Garrett Pedersen
X	Charlie Purcell	X	Spencer Thompson
	Andrea White	X	Caleb Whitehouse
	Lee Wilkinson		

Guests

X	Chad Hart, Ph.D, Iowa State University	X	Wayne Johnson, AGP
X	Abbie Christophersen, Iowa EDA		

Meeting input objectives

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10:00 AM Safety Briefing

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Welcome & Introductions

Ice breaker: Provide any comments, updates, notable items, etc.

Mike Steenhoek, Chair
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Amanda Martin gives the safety briefing and points out the exits. Sam Hiscocks is designated as the 911 caller and Maria Hobbs is the backup.

- Martin informs the group that CN is moving to acquire Iowa Northern Railway. IANR will still exist as a subsidiary.
- Mike Steenhoek tells the council that he will be hosting members of the Soy Transportation Coalition for their annual meeting in Panama to visit the Panama Canal and learn about the current drought conditions impacting the use of the waterway.
- Kelli O'Brien says things at UP are on the upswing and things are fluid.
- Peter Skosey introduces himself to the group. BNSF has opened two certified sites in Iowa: 2,800 acres in Fort Madison and 1,600 acres in Mills County.
- Joseph Rude says that Iowa's exports through October are down a fraction of a percentage.

10:15 AM DOT Update

General update from the Department including the 2024 legislative session and the sustainability of the Highway Trust Fund

Stu Anderson
Iowa DOT

Stu Anderson announces that the Iowa DOT has rolled out the first NOFO for building electric vehicle charging infrastructure. Projects will be awarded in summer of 2024. The first charger using this funding opened in Ohio this week.

Interstate 80/380 systems interchange was completed at the end of the summer. The Iowa DOT will transition to focusing on the I-380 corridor between I-80 and Cedar Rapids. There is a new round of safety funds for local roads. Iowa was highlighted nationally by partnering with local governments to provide match funds.

The Iowa DOT is requesting an increase in funding for modal programs including the Railroad Revolving Loan and Grant Program. Anderson mentions a few upcoming developments in Iowa that have rail components that the Iowa DOT is hoping to assist with.

Steenhoek makes a comment that NEW Cooperative received \$10 million from MARAD for port infrastructure development at the Port of Blencoe. This will allow them to expand their storage capacity.

Steenhoek asks if inflation has impacted project selection and timelines. Anderson says that Iowa does a good job of obligating federal formula funds, but 40% of increased funding from BIL went to covering the increased costs of materials. On the other hand, discretionary programs created or expanded by BIL are subject to the grant application process which slows down how quickly

infrastructure funds can be spent. USDOT has been working to accelerate timelines and make application windows reoccurring.

Anderson also gives a presentation on the sustainability of the Highway Trust Fund. 84% of funds come from the federal fuel tax, which hasn't changed since 1993. The HTF has been imbalanced since the early 2000s and has required transfers of funds by congress of general funds to meet authorized levels of funding.

Anderson turns the floor over to Scott Marler to talk about highway safety. Iowa has reach 358 traffic fatalities this year. Iowa's incremental goal for fatalities is 300 which the state hasn't reached since 1925. Many other states are experiencing the same trend. The Iowa DOT has been working with the Iowa State Patrol to address challenges. State Patrol is focused on addressing speeding and working with Google AI on analytics related to traffic fatalities. The Iowa DOT hopes to reverse the trends through engineering, operations, and maintenance.

O'Brien asks if the State Patrol and the Iowa DOT have been looking into distracted driving. Marler says that this will be the 6th year that the Iowa DOT and State Patrol have supported changes to the state's distracted driving law.

Ty Rosburg says that a county sheriff's car got hit and asks if brighter lights on law enforcement vehicles will keep officers safer or if brighter lights have the opposite impact on driver behavior. Dave Lorenzen says that the Iowa DOT is looking into newer lighting patterns on snow plows, and asking maintenance personnel and law enforcement to dim lights at certain scenes.

10:45 AM State Rail Plan Kickoff

Maria Hobbs

Presentation from the rail team on the creation of the State Rail Plan and engagement activity for FAC members.

Iowa DOT

1. What do you think should be the "vision, goals, and objectives" of Iowa's Rail System?
 - Understand the needs of consumers and companies.
 1. Amanda Martin - "How can the DOT do that? The DOT doesn't establish the contracts for the companies." Effectively, we're not the business that's not our exact role.
 2. Kelli O'Brien: DOT staff does a great job of being liaisons to railroads; do a great job of communicating and helping with any issues that arise; best thing DOT can do is what we're currently doing – helping people understand railroads.
 3. Julian - Awareness is important. Awareness to others; most people think if they're not rail served, rail is on an option which is not true; helping shippers know where to start with rail.
 4. Mike - A lot of the time - it's the customer and the railroad coming to an agreement. But sometimes, local municipalities are also in that discussion, and it could be a good role for the state to help those companies.
 5. Doug Martin- How can the DOT keep Iowa as a leading exporter in USA. Help show people that they have more connections to rail than they may think.

2. What current or forecasted trends/improvements should be considered?
 - Emissions mentioned multiple times – how can rail help businesses meet carbon reduction goals? Sustainability, emissions reductions, etc.

1. Peter Skosey: BNSF has carbon reduction goals; freight rail accounts for ½ a percent of greenhouse gas emissions but to meet own goals, they see opportunities for renewable diesel (looking for opportunities for funds, tax incentives, etc.); a lot of consumption now in California.
 2. Larry Lloyd: CPKC has more robust carbon calculator to estimate carbon impact of different trips for shippers to see.
- Use of technology/AI
 1. Mike Norris: how to aggregate data collection into useful summaries and analysis.
 - Haz Mat
 1. Mike Steenhoek: can have major events (like crashes) but locomotives are owned by railroad and a lot of cars are owned or managed by customers; lessons – we need more of an orchestration of how we’re responding to accidents and Haz mat (need to be on the same page)
 2. Kelli O’Brien: happy to participate in any coordination, studies, etc.
 3. Mike Steenhoek: maybe there is more in place than I’m aware of; seems like there should be more incentive program that allows for these mitigation efforts and preventing them.
 4. Peter Skosey: BNSF has good incentives in place; would be good to expand on AskRail app efforts; free training at Pueblo for first responders.
 5. Larry Lloyd: Illinois Commerce Commission does an annual report on Haz mat transport, incidents, etc. – look into this; also, include all Haz mat training efforts.
 6. Wayne Johnson, the handling of these accidents has been handled quite differently. The crash in Ohio was catastrophic, but then there was one in Minnesota a week later and they had significantly better trainings that made that situation less bad. The DOT should look into training local governments and fire departments on these kinds of trainings to help with prevention and resolution rates.
 7. Kelli O’Brien: could always use more help in distribution. The local govs need the gear AND the trainings to avoid these situations, we'd appreciate the help achieving those goals.
 8. Amanda Martin: asked for list of communities and contacts involved with a UP program.
 - Safety needs to be the absolute essential priority.
 1. Mike Steenhoek: if I wanted everyone here to be CPR certified, I would know what to do. If I wanted every small community to be certified for response, how do we do that?
 2. Ty Rosburg: few rural fire crews are trained at tech level; hard to find time to train folks at a high level; need someone that coordinates these efforts and gets everyone on the same page.

11:15 AM Discussion: Industry Response to Electric Trucks & Renewable Fuels
 Group discussion about the challenges and opportunities with electric trucks and renewable fuels, as well as how the industry is responding to the changes.

**Mike Steenhoek, Chair
 Soy Transportation
 Coalition**

- Marty Wadle, Ruan Transportation
- Bob Rafferty, Truckstops of Iowa
- Abbie Christophersen, Iowa Economic Development Authority

Steenhoek begins by asking why electrification has become so “in vogue” compared to other alternative fuels. Marty Wadle says that the California Air Resource Board has been pushing in a certain direction that lends itself towards electrification as opposed to CNG or renewable diesel.

Bob Rafferty says that electric is more realistic for short haul trucking, but more difficult for long haul because of the infrastructure requirements. Since the passage of the Inflation Reduction Act, Hydrogen powered trucks have entered the conversation. But the technology will not be able to match the pace of the California Air Resource Board’s wishes. Ultimately, the truck stops will move in the same direction as the trucking industry.

Wadle says the cost of adding 12 electric chargers at their location in Ankeny would cost \$10 million. Rail infrastructure must be ready to accept the freight that will move to rail. Wadle is asked how many drivers the industry is short. Wadle says that OOIDA would say zero, but the average age of drivers is 58 and he estimates the industry will need 40,000 more drivers. Electric vehicles are heavier and can’t legally carry as much freight which will increase demand for drivers as well.

Steenhoek asks Abbie Christophersen what the industry is missing in the discussion, and if there are any positive developments. Christophersen says that there are other incentives to adoption including quality of life for workers. Electric vehicles have lower maintenance costs. There has been so much funding available for electrification that it’s been hard to keep the momentum and interest going for other alternative fuels. There are going to be bad applications of electrification where biofuels or other alternatives would have succeeded. DOE has been pushing their own goals, but Christophersen says it will not work for Iowans.

Wadle says that to meet electric trucking needs, California will need to produce 57% more power than what is in the grid today.

Skosey says that the rail industry is facing similar issues. BNSF has produced an electric locomotive that doesn’t have the charge to cross the country. The refueling time of a similar locomotive takes 20 minutes versus 10 hours of charging. Hydrogen is still 10 years away from being viable for rail. BNSF says that renewable diesel is the only viable path forward to meet their carbon reduction goals.

Christophersen says that discussions surrounding incentives for hydrogen happen every day. Iowa did not get awarded a hydrogen hub but is still looking for a path forward.

Rafferty says that investments into battery technologies will eventually lead to faster charging, but the benefits will still be limited to short haul trucking.

Steenhoek asks about the components used to produce electric batteries and the disposal and safety of electric batteries. Wadle says they are primarily lithium ion or iron phosphate. Joe McConnell says that PDI operators prefer to use electric vehicles in the yards because they are quieter and run smoother. Christophersen says that the question of batteries is larger than just electric vehicles. Currently, batteries can be reused in different ways, but they will have a reduced range. Old batteries can be used with solar panels and other technologies.

Christophersen mentioned that the extraction of the natural resources used to create batteries is the worst side of electric vehicles.

Wadle says that charging times will add to the truck parking struggles that drivers face. Christophersen says that queuing at charging stations will be an issue. Marler asks if Ruan has found an opportunity in the near term for adoption of renewable fuels. Wadle says that they have looked into CNG and renewable diesel as solutions.

Chad Hart says that the electric grid will face challenges when asked to power so many electric vehicles. Wayne Johnson says that less than 5% of the population understands the hurdles of transitioning towards electrification. Christophersen says that Iowa understands the hurdles, which is why the state doesn't set ambitious targets.

Marler says that Iowa is currently the leader in renewable power generation. Companies are moving to Iowa because of the sustainable fuel footprint. Iowa is also the number one producer of biofuels. How can Iowa leverage that advantage further?

Rosburg says that diversification of power sources should be more of a priority. Rosburg says that electric trucking is not feasible for moving livestock because of charging times.

Steenhoek says that the California Air Resource Board has a disproportionate influence on the trucking industry. Steenhoek asks at what point do other states push back on their mandates. Wadle says there are 17 states pushing back on the California Air Resource Board's actions, and more states will probably join them.

12:00 PM Networking Lunch

12:45 PM Panel: Changes in Ag Transportation

Panel discussion of how transportation of agricultural goods has changed over the last decade.

- Chad Hart, Iowa State University
- Mike Hadley, Keokuk County
- Ty Rosburg, Rosburg Livestock
- Wayne Johnson, AGP

**Mike Steenhoek, Chair
Soy Transportation
Coalition**

Steenhoek begins the panel by inviting FAC members to interject with questions for the panelists if they have them. Steenhoek asks how ag transportation will change over the next 5 years.

Hart says that more products will be moved, but what that product looks like will/should be different. More raw materials will be processed domestically as opposed to being exported. Johnson says that processing has been expanding more than ever. Soybean meal consumption increases 2% per year. Railroads will be moving unit trains of soybean meal to be exported internationally. Johnson says that AGP is building more soy plants (18+ under construction currently). This will increase soybean crushing capacity by 30%.

Steenhoek adds that one of the inherent challenges of moving ag products is the seasonality and lack of predictability. Competitors of US farmers in South America have a harvest season that occurs opposite of ours. Johnson says that despite changes in processing, the number of carloads moved won't change. Just the mix of product. Steenhoek says that domestic processing in North Dakota has changed the local market in the state.

Hadley says that in five years, we will still be growing corn and soybeans. The equipment will be the same and there will be less producers. So, farmers will need to move product farmers as elevators consolidate. Farmers will likely use semi-trailers instead of tractors and trailers.

Steenhoek asks about how the changes in the tax base will impact the need for infrastructure funds. Hadley says that he hasn't seen a decrease in population in his area. He still has a lot of optimism for the future of farming. He says that if the state had indexed the gas tax a long time ago, counties would be able to plan easier to maintain secondary roads.

Rosburg says that farmers will go where the money tells them. He anticipates that western Iowa will have a slow rebuilding of beef facilities if manure can be controlled to the standards of the DNR. Iowa doesn't have the open space to raise livestock like other states do. Rosburg references the beef processing facility being built in Mills County as an example of an incubator for beef production in Iowa. Rosburg says that the chicken industry's recovery from avian flu hurt the pork industry. Rosburg suggests a university course to teach young people to drive commercial vehicles in all different climates and to understand the truck.

Steenhoek asks about the trend of traceability and sustainability. Hart says that Iowa farmers are more interested in added value innovations. Johnson says that some European companies in the US have influenced the market towards that direction, but it is improbable for that to happen at a large scale. Hart says that consumers won't pay for the cost in the long term. Rosburg says that the livestock industry has been quicker to adopt traceability requirements.

Johnson says that AGP traces each truck coming into their facilities so they can identify which local elevator the product has come from. Local elevators can sometimes trace product back to a group of farmers, but they can't trace things back farther than that.

Steenhoek asks for more details about AGP's supply chain. Johnson says that because they are not publicly traded, they have more of an ability to plan for things in the long term. Most product is delivered by trucks.

Steenhoek asks Hadley and Rosburg where counties get their funding from. Hadley says that their funding comes from gas tax, sales tax, and property tax.

Steenhoek asks if the panelists had a magic wand to eliminate a transportation headache, what would it be. AGP says that the current export windows make it hard to hire employees. Hadley says it is a combination of headaches. Hadley reiterates the need to increase the gas tax to pay for infrastructure. Steenhoek says that it's interesting that there haven't been noticeable political consequences against increasing the gas tax in 2015. Hart says that is likely because taxpayers understand where their money is going. Johnson says that if you travel the state, you can see the improvements.

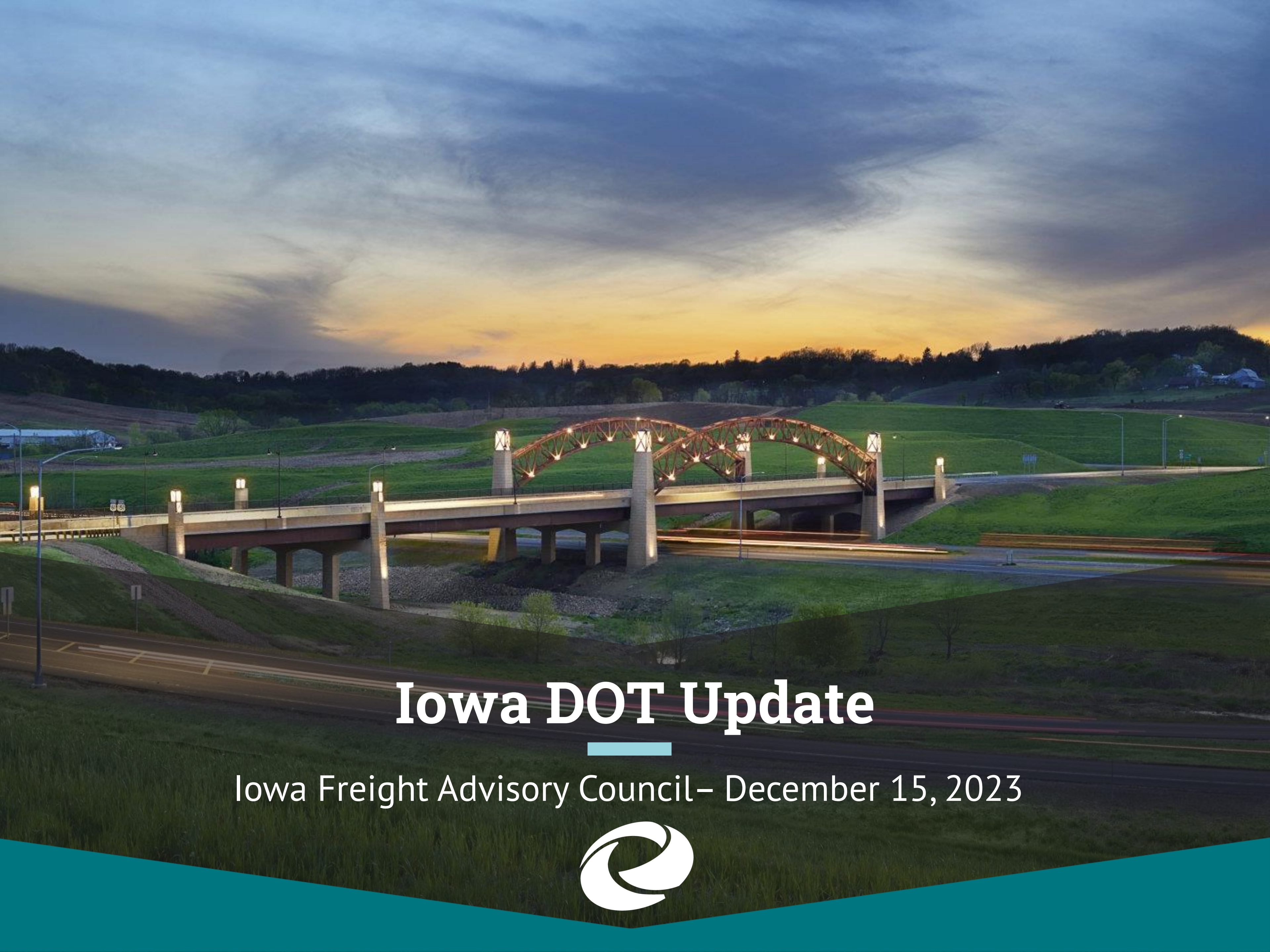
Rosburg says that if he was the director of transportation (USDOT), he'd increase the allowable weight for livestock on interstates. Being able to move livestock on the interstates would add flexibility for farmers.

Hart says that every industry needs more labor. The people exist, but the training programs might not.

Steenhoek asks how much of an increase will the trucking sector see because of changes in production. Hart says that the increase will be more (as opposed to MORE more).

2:00 PM Adjourn

2024 meetings: March 8, June 14, September 20, December 13



Iowa DOT Update

Iowa Freight Advisory Council– December 15, 2023



Topics

- 2024 Legislative Session
 - Iowa DOT Legislative Proposals
 - FY 2025 Modal Program Requests
 - FY 2025 Operations Budget Request
- Highway Trust Fund Sustainability

Iowa DOT Legislative Proposals – 2024 Session

- Minimum Value Threshold for Vehicles Requiring a Bond
- Remove Sensitive Information from Printed Vehicle Title
- Right of Way Streamlining - Appraisal Waivers for Small Areas of Land for Disposal
- Streamlining of Road Use Tax Fund Reporting Requirements



Modal Program Appropriations (\$000 Omitted)

*Appropriations requested from Rebuild Iowa's Infrastructure Fund (RIIF)

Item	FY 2024 Budget *	Adjustments	FY 2025 Request*
Commercial Service Vertical Infrastructure	\$1,900	-	\$1,900
General Aviation Vertical Infrastructure	\$1,000	-	\$1,000
State Recreational Trails	\$2,500	-	\$2,500
Public Transit Infrastructure	\$1,000	\$500	\$1,500
Commercial Air Service – Terminals	\$10,000	(\$10,000)	-
Railroad Revolving Loan and Grant Program	\$500	\$1,500	\$2,000
Total	\$16,900	(\$8,000)	\$8,900

Highway Way Trust Fund History

- Created in 1956 to fund federal highway, mass transit, safety and motor carrier safety programs
- Structural change in 1982
 - Highway Account – initially allocated 80 percent, now it's ~87 percent
 - Mass Transit Account – initially allocated 20 percent, now it's ~13 percent
- Purpose: Dedicated and predictable source of funding that provides certainty to state and local governments in maintaining good quality highways and transit

Highway Way Trust Fund Sources

- Federal Fuel Tax (84 percent of revenue)
 - Gasoline: 18.4 cents per gallon
 - Diesel: 24.4 cents per gallon
- Heavy trucks and trailers sales tax (10 percent of revenue)
 - 12 percent of sales price
- Heavy vehicles annual use tax
 - \$100 to \$550 annual tax on trucks over 55,000 pounds
- Excise tax on certain tires for heavy trucks

Highway Way Trust Fund Challenges

- Federal fuel tax not changed since 1993
- Increasing fuel efficiency
- Increasing electric vehicles
- Increasing funding levels

Highway Way Trust Fund Status

- Highway Trust Fund has been imbalanced since the early 2000s
- Highway Trust Fund ran out of money in 2008 requiring General Fund transfers
- Since 2008 - \$272 billion of transfers (\$118 billion alone with the Infrastructure Bill)
- Current funding will run out during FFY 2028
- In FFY 2023
 - HTF supported 73 percent of Highway Account spending
 - HTF supported 59 percent of Mass Transit Account spending

Highway Way Trust Fund – Potential “Fixes”

- Increase fuel taxes and/or index
- Add kilowatt hour fees for electric vehicles
- Add annual electric vehicle registration fees
- Shift to a mileage-based user fee
 - Infrastructure Bill appropriated \$50 million for a National Per-Mile User Fee Pilot



Thank you!

Questions?



2024 State Rail Plan

Kickoff Presentation FAC Meeting



12/15/2023

Modal Transportation
Rail & System Planning

Maria Hobbs
Caleb Whitehouse



Agenda

What is the State Rail Plan?

How do we use it?

Development Process

Timeline





Iowa State Rail Plan
Final

November
2021
(Amendment 11/2022)

2017 State Rail Plan

- Amended 2021
- 615 Pages

Timeline

- December 2023 Kickoff Sessions
- Stakeholder Engagement
- Submission to FRA – Jan 2025

Engagement Plan



**MPOs and
RPAs
(Cities and
Counties)**

**Rail
Advisory
Council
(RAC)**

**Freight
Advisory
Council
(FAC)**

**Passenger
Rail
Advisory
Council**

DOT Staff

December 13, 2023
March 20, 2024
June 19, 2024

December 14, 2023
March 7, 2024

December 15, 2023
March 8, 2024
June 14, 2024

Spring 2024

Ongoing

Stakeholder Groups

- Rail Advisory Council (RAC)
 - Iowa's Vision, Goals, and Objectives for Rail Transportation
 - Transload/Intermodal Improvements
 - Economic Impacts and Opportunities
 - Rail Tourism
- Freight Advisory Council
 - Iowa's Vision, Goals, and Objectives for Rail Transportation
 - Transload/Intermodal Improvements
 - Freight Terminal Performance

Stakeholder Groups

- MPOs and RPAs (Local Governments)
 - Iowa's Vision, Goals, and Objectives for Rail Transportation
 - Transload/Intermodal Improvements
 - Rail Safety
 - Local Land Use Issues
 - Rail Tourism
- Passenger Rail Advisory Council (PRAC)
 - Iowa's Vision, Goals, and Objectives for Rail Transportation
 - Improvements for Existing Passenger Service
 - Proposals for New Passenger Service
 - Rail Tourism
- DOT Staff

Mentimeter Exercise

<https://www.menti.com>





Thank you!

Questions?



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