

35th meeting of the
IOWA FREIGHT ADVISORY COUNCIL

December 10, 2021
 10:00 AM to 2:00 PM
 Courtyard by Marriot
 2405 SE Creekview Dr, Ankeny, IA 50021

Members

x	Gabe Claypool, Des Moines Industrial		Joe Parsons, Iowa Interstate Railroad
x	Tom Determann, Clinton Regional Development	x	Dan Sabin, Iowa Northern Rail.
x	Greg Dickinson, Ten D/Merchants Distribution	x	Jody Sandy, Hy-Vee
x	Gary Handley for Allison Meiners, IMTA	x	Mike Steenhoek, Soy Transportation Coalition
x	Don McDowell, Iowa Farm Bureau	x	Reilly Vaughan, Agribusiness Assoc. of Iowa
x	Bob Rafferty for Delia Moon-Meier, Iowa 80	x	Jeff Woods for Jillian Walsh, Travero
x	James Niffenegger, Landus Cooperative		Ron White, Artco Fleeting Service
	Kelli O'Brien, Union Pacific Railroad		Tim Woods, Woods Development

Ex-Officio Members

	Todd Ashby, Des Moines Area MPO	x	Shirley McGuire, FMCSA
	Col. Jesse Curry, USACE Rock Island District		Mike Norris, Southeast Iowa RPC
x	Mike Hadley, Keokuk County		Paul Ovrom, IDALS
x	Michael Kober, Iowa Dept. of Public Safety	x	Joseph Rude, Iowa Economic Dev. Authority
x	Sean Litteral, FHWA Iowa Div.		Louis Vander Streek, Iowa Utilities Board
	Scott Marler, Iowa DOT	x	Jennifer Wright, Iowa DNR
	Tim Marshall, FHWA Iowa Division		

Iowa DOT

x	Stu Anderson	x	Tammy Nicholson
	Zac Bitting	x	Garrett Pedersen
	Mikel Derby	x	Charlie Purcell
	Brenda Freshour-Johnston	x	Ryan Ridout
	Melissa Gillett		Jeff von Brown
x	Sam Hiscocks		Susan Wallace
x	Alex Jansen		Andrea White
	Troy Jerman	x	Caleb Whitehouse
x	David Lorenzen		Lee Wilkinson
	Craig Markley		
x	Amanda Martin		

Guests

x	Doug Martin, Amazon		Paul Kirpes, TPG Companies
x	Dan Dix, NEW Cooperative		
x	Mark Walter, NEW Cooperative		
x	Frank Huseman, NEW Cooperative		

Meeting input objectives

1. Hear from two major freight companies in the state and discuss regional, national, and international freight trends and opportunities within the industry.
2. Participate in an input exercise to prioritize multimodal freight strategies in the state freight plan.

10:00 AM Safety Briefing

Amanda Martin
Iowa DOT

Welcome & Introductions

Ice breaker: Provide any comments, updates, notable items, etc. related to your business since the last meeting.

Mike Steenhoek, Chair
Soy Transportation
Coalition

Following a safety briefing by Amanda Martin, Chair Mike Steenhoek opened by thanking the group for attending. Each attendee introduced themselves and provided recent updates in their industry. Items included:

- Traffic fatalities are up in 2021 mostly due to distracted driving.
- Supply chain issues and labor shortages are impacting most industries.
- Commercial drivers license (CDL) changes are resulting in challenges for the agriculture industry.
- The Infrastructure Investment and Jobs Act (IIJA) will provide more funding for transportation, including new opportunities for the inland waterway system.
- A new intermodal container facility in Butler County is resulting in increased container availability and shipping options from the state.
- A new transload facility in Des Moines will be operational by the end of the month which will allow for increased shipping options for Iowa industries.
- Many companies are facing increased equipment prices.
- Fertilizer demand and prices are both up this year.

10:30 AM Amazon

A presentation from Amazon including general facility overviews, the company supply chain model, and how the regional facilities fit in.

Doug Martin
Amazon DSM5

Doug Martin with the Amazon DSM5 facility in Bondurant provided an overview of the Amazon supply chain model including building types, operations at fulfillment centers, and the company's overall Iowa footprint.

Amazon utilizes a significant number of buildings to allow for quicker delivery times. The supply chain begins with products leaving suppliers and being transported directly to a fulfillment center or to an inbound cross dock (IXD) facility where it is transferred to another truck and then sent to a fulfillment center. From there, products are moved to a sort center. In some cases, products go from the fulfillment center to an air gateway and then a sort center (or vice versa). Once products are sorted, they are sent to a delivery station or the post office before the final leg of the supply chain which is delivery to the customer.

- IXDs are locations used for product placement and transfer from one truck to another before going to fulfillment centers. Products typically arrive from vendors and then are sent out in totes or on pallets.
- Fulfillment centers are used for product storage and fulfillment.

- Sort centers are used to categorize different products received from fulfillment centers before being delivered to customers. Products typically arrive in boxes from multiple sources and are sent out to multiple destinations.
- Delivery stations receive products before being delivered to customers using different transportation companies and/or the U.S. postal service.

The company footprint in Iowa includes the Bondurant fulfillment center (supplied by over 9,000 Iowa companies among many others outside the state), Bondurant sort center, Grimes Amazon Logistics facility (AMZL), Grimes XL center, Ankeny AMZL, Davenport fulfillment center, Iowa City AMZL, and the Des Moines International Airport, which now serves as an air gateway for Amazon products.

11:15 AM Port of Blencoe

A presentation from New Cooperative on the new Port of Blencoe on the Missouri River including the effort required to make it a reality, current operations, and future plans for the facility.

**Dan Dix
NEW Cooperative**

Dan Dix with NEW Cooperative presented on the company's efforts to establish a barge facility on the Missouri River near Blencoe. NEW Cooperative is headquartered in Fort Dodge and manages 66 locates in Northwest and North Central Iowa. Among other things, the company is involved with grain services and handling, feed production, agronomy sales and recommendation, custom application services, precision ag sales, and transportation.

NEW Cooperative initiated the development of a terminal on the Missouri River as a solution to growing transportation needs and a way to increase soybean basis for area farmers. The company was moving 36,000 tons of fertilizer from the Mississippi River at Dubuque each year. Opening the Blencoe terminal now saves an estimated 248,000 truck miles and 58,000 gallons of fuel annually, significantly reducing carbon emissions.

The company met with different stakeholders, including the Governor's office, Iowa DOT, Soy Transportation Coalition, and U.S. Army Corps of Engineers, to complete the project. The current site was selected due to the proximity to the Interstate System and the location already being permitted for use as it was previously used as a barge terminal prior to 2003. Construction began in October 2020 and the official grand opening was held in June 2021.

The facility now handles corn, soybeans, dry fertilizers, soybean meal, dried distillers grains, and rock. There are multiple expansion projects planned to improve the performance and efficiency of the terminal, as well as a number of inquiries to move additional commodities such as wind turbine blades.

12:00 PM Lunch

12:45 PM State Freight Plan: Implementation Strategies

Presentation of the multimodal implementation strategies in the state freight plan, followed by an input exercise for attendees.

**Sam Hiscocks
Iowa DOT**

Sam Hiscocks provided an update on the 2022 Iowa State Freight Plan, focusing primarily on the development of implementation strategies. These strategies will be used to address freight-specific needs in the state, the national freight goals, and the Iowa DOT system objectives.

Draft strategies were developed utilizing strategies from two different lists: 27 strategies from the 2017 Iowa State Freight Plan and 34 different freight trends and issues previously provided by the Freight Advisory Council. These lists were combined, categorized, and information was streamlined to develop 19 draft strategies.

Attendees were asked to participate in a Mentimeter exercise where they rated the potential impact of each of the draft strategies. Results will be used to prioritize these strategies in the final 2022 Iowa State Freight Plan.

1:15 PM	Iowa DOT Update and Federal Infrastructure Bill Status Overview of the DOT's perspective on the status of the Federal infrastructure bill, summary of the upcoming State legislative session, and other general agency updates.	Stu Anderson Iowa DOT
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Stu Anderson provided an update of IIJA and the potential impacts. IIJA was signed by President Biden on November 15, 2021 and includes reauthorization of surface transportation programs for FFY 2022 to FFY 2026. With \$550 billion in new funding, half of which is for transportation, essentially all modes of freight transportation will receive increased funds compared to current levels. Some of this funding will be utilized by Iowa DOT as part of the 2023-2027 Highway Program that is expected to be approved June 2022.

Mr. Anderson also provided an overview of the Iowa Road Use Tax Fund Study. The purpose of this study is to review current revenue levels every five years and the sufficiency of those revenues for projected road and bridge construction and maintenance needs. The study concluded that Iowa DOT will experience an average annual revenue shortfall of \$781 million.

1:55 PM	Future Discussion Topics and Closing Remarks An opportunity for members to suggest future agenda items or discussion topics to be considered for the 2022 meetings.	Mike Steenhoek, Chair Soy Transportation Coalition
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Prior to closing the meeting, Chair Mike Steenhoek provided an opportunity for attendees to submit ideas for future meeting topics. Responses included:

- Potential impacts of renewable diesel
- Labor shortages
- CP-KCS rail merger
- Des Moines Transload facility tour
- Global surface transportation trends
- Fuel tax options

2:00 PM **Adjourn**

Future meetings:

- March 25, 2022
- June 17, 2022
- September 16, 2022
- December 16, 2022