

**Freight Advisory Council**  
**February 13, 2013 Meeting Minutes**  
**10:00am-2:00pm**  
**Courtyard Marriott**  
**Ankeny, IA**

**ATTENDANCE:**

**Members:**

X Zach Bader	Bill Phelan
X Kevin Burke	X Dan Sabin
Larry Daily	Kelly Sanders
X Tom Determann	Jeff Schnell
Kathy Evert	Devin Sires
X Murry Fitzer	X Scott Stabbe
X Natalie Hammer	Mike Steenhoek
X Bill Horan	X Brent Vanderleest
Ron Lang	Tim Woods
X Delia Moon-Meier	

**Ex-Officio:**

X Nathan Goldberg for Todd Ashby	X Shirley McGuire
Kate Carlucci	X Mike Norris
X Mike Hadley	Brett Tjepkes
X Tracy Troutner for Becky Hiatt / Lubin Quiones	X Jennifer Wright
X Joseph Rude	Cecil Wright
Harold Hommes	

**Iowa DOT:**

X Paul Trombino III	X Mark Lowe
X Stu Anderson	X Craig Markley
X John Adam	Amanda Martin
Phou Baccam	X Phil Meraz
X Mike Clayton	X Tammy Nicholson
X Dan Franklin	X Craig O'Riley
X Tina Hargis	X John Selmer
X Laura Hutzell	Kim Snook
X Sandra Larson	X Lee Wilkinson
X David Lorenzen	

Mike Winfrey, Iowa's PrePass representative, listened in by phone.

**1) Welcome and Introductions (10:00am):** Dan Sabin of the Iowa Northern Railway welcomed the members of the Freight Advisory Council (FAC). The FAC members introduced themselves; a sign in sheet was made available. Dan asked the members if the FAC should be advocating to the Iowa Legislature and Congress and become more influential. Several FAC members shared their thoughts on the advocacy idea and what they thought the role of the FAC should be. The group decided to continue as is for the present time and not get involved in an advocacy role.

**2) Overview of the Freight Category Analysis White Paper Process:** Laura Hutzell and Phil Meraz of the Iowa DOT gave an overview of the white paper process and discussed the proposed format of the white papers which will include the following sections: Introduction/Problem Statement, Regulatory Authorities, Stakeholders, Current Conditions, Analysis Alternatives, Recommendations, and Roles and Responsibilities for Next Steps. They indicated that the purpose of the white papers was to select those important ideas to conduct further research and provide input for the state freight plan. A copy of the introduction to each category white paper was given to the FAC members and is included at the end of the minutes.

**3) White Paper Presentation and Discussion:** Dan Sabin introduced a FAC member from each of the 7 issue categories (deteriorating infrastructure, transloading/intermodal, operations, regulations, financial, labor and driver shortage, and other/research/education) who gave an overview of their respective issue category. The issue categories were presented and discussed one at a time. The discussion focused on what needed to be reworded, eliminated and/or added to the introduction.

**4) White Paper Next Steps:** Phil and Laura said that comments from today's discussion will be used to modify the introduction section for each of the 7 white papers. Laura and Phil will be scheduling the next round of conference calls with FAC members to identify the regulatory authorities who have control over the issues and the stakeholders (shippers and service providers) who are affected by the issues.

**5) Working Lunch:** Iowa DOT Staff reviewed with the Council updates to Iowa and federal legislation including the freight components in MAP-21. Staff also reviewed "A RIVER RUN DRY" brochure prepared as part of the Iowa DOT's U.S Inland Waterway Modernization: A Reconnaissance Study and reported on the Governor's Mississippi River meeting held Feb 5<sup>th</sup> in Davenport, Iowa.

**6) Manly Intermodal Operations:** Dan Sabin, President of the Iowa Northern Railway Company, presented some information about the intermodal operations in Manly, Iowa. In his presentation, he talked about Iowa shipping out far more goods than it receives creating a 3-to-1 container imbalance and the lack of a nearby intermodal facility. He discussed the benefits to Iowa and Minnesota of a facility at Manly versus the Twin Cities area. Manly is close to Interstates 35 and 90 and close to production facilities in Southern Minnesota and Iowa. He also reviewed current operations at the Manly Terminal and its design.

**7) Iowa Economic Development Authority Presentation:** Joseph Rude from the Iowa Economic Development Authority (Iowa EDA) discussed what the agency does and how it relates to freight movements in Iowa. He first presented some background information on Iowa's economy, agriculture, manufacturing and exports. He indicated that other states are more efficient in producing items at a lower

cost than Iowa but we can transport it cheaper than they can. He then covered Iowa EDA's business recruitment effort discussing Iowa's favorable tax climate, key business advantages, low cost of doing business, and other key business factors used to sell Iowa. He said that Iowa EDA is constantly recruiting top 100 companies in the United States as well as a number of smaller companies. Mr. Rude also discussed the Iowa Site Certification Program including LOIS which is an online tool used to assist prospective companies with site selection.

**8) Future Meeting Agenda Items:** Dan Sabin asked the group to identify future agenda items. Ideas discussed by the Council included touring a location. FAC members suggested several possible meeting locations including Manly, Clinton rail port and/or barge terminal, Walcott truck museum and the Council Bluffs intermodal facility.

**9) Next Meeting Date:** Iowa DOT staff indicated the next meeting of the Iowa Freight Advisory Council would take place sometime during the month of May. Iowa DOT staff will send out a meeting notice to Council Members to identify possible meeting dates and locations.

Meeting adjourned at 2:00pm.

# IOWA FREIGHT ADVISORY COUNCIL

## ANALYSIS OF DETERIORATING INFRASTRUCTURE

### INTRODUCTION

It is no secret that many of Iowa's roads, bridges, railways, barge terminals and other infrastructure critical to the movement of freight are in need of significant structural improvements. In a study done by Transportation for America in 2011, "Out of 50 states and the District of Columbia, Iowa ranked third nationally in terms of the overall condition of the state's bridges (1 being the worst, 51 being the best)." This is just one critical need the state of Iowa and many other states are currently facing.

In order to remedy this situation, it will take cooperation from all areas of the freight industry coupled with new policies and large investments. Much of the state's freight industry including counties, businesses, etc. are having to do more with less and are running out of options in order to keep up with the needed maintenance. With transportation costs increasing faster than revenues, Iowa's multimodal freight system will be subject to more widespread deterioration, which may eventually lead to poorer pavement conditions and loss of access to needed services and goods. An adequate level of revenue is necessary to support the state's current and future freight system and to keep Iowa competitive in an ever changing economy.

Iowa's Freight Advisory Council (FAC) has identified the following as possible options to explore this issue in further detail:

- Secure funding to reverse the downward trend by exploring all revenue generating mechanisms
- The need to prioritize projects
- Making Iowa's freight infrastructure relevant to today's large industries
- Taking a look at what other states are currently doing to address this issue
- Focus the issue on all freight modes, rail, water, etc (not just highway)
- Take a good look at where Iowa's funds currently stem from and where they are going

The goal of this paper is to explore ideas for reversing the downward trend of Iowa's freight infrastructure and to assist in keeping Iowa a viable corridor for the competitive movement of goods.

## IOWA FREIGHT ADVISORY COUNCIL

### ANALYSIS OF TRANSLOADING INTERMODAL

#### INTRODUCTION

For many years the State of Iowa has demonstrated a continuing trend of increasing difficulty and costs related to the shipment of export products. A significant factor causing these issues is the rising drayage costs in connecting manufacturers and producers with the railroads for long-haul shipments. If not addressed, the challenge this creates will continue to increase costs of Iowa export goods, inhibit economic development, and impair the state's position in a competitive world market. Although there are many factors that may have led to this condition, the Iowa Freight Advisory Council (FAC) has identified three opportunities for further examination.

Over recent decades, Iowa has shown a vast increase in marketable exports; while at the same time local rail connections and ramps have diminished. This has continued to increase the distance exports must be trucked to get to a transload or intermodal facility.

Early in the history of freight railroads in the Midwest, Chicago, IL developed as the "hub" for rail development. Because of Iowa's proximity to these major rail connections, its geographic location has made it cost prohibitive for railroads to invest in the creation or maintenance of intermodal facilities. This ultimately passes the dray costs on to the producers.

Finally, Iowa's amount of exports that could travel by cargo containers greatly outweighs its imports. One private study shows an 8:1 deficit ratio in the number of containers that could be used in the state compared to how many are used to import goods. This imbalance creates a cost to haul empty containers that are passed on to the shippers.

It is the goal of this paper to provide possible resolutions to inform the state legislature on ways to reduce drayage costs and make Iowa more competitive for business development.

# IOWA FREIGHT ADVISORY COUNCIL

## ANALYSIS OF OPERATIONS

### INTRODUCTION

Throughout Iowa's history, the state has endeavored to create and maintain a substantial transportation network for the movement of agricultural products and other freight. Over recent decades the business methods by which these products have been generated has changed significantly. The development of corporate farming and the increase in mass manufactured products and large indivisible loads (IE: ethanol, wind energy components, etc.) has increased the size and number of trucks and trains needed to efficiently move Iowa's exports. However, the systems and processes used for policy and maintenance decisions may

The Iowa Freight Advisory Council (FAC) has identified Freight Operation Considerations as a key issue that may constrain efficient freight movements, and ultimately hinder the state's ability to compete on a global level. Iowa's Freight Advisory Council (FAC) has identified the following as possible options to explore this issue in further detail:

- Design considerations – Both roadway design and prioritization are issues. The locations with high truck traffic are consolidating into massive shipping terminals; each serving hundreds of trucks every day. More consideration may need to be given at these locations to build turning lanes, increase turning radii, and improve safety for the trucks and traveling public
- Maintenance considerations – At all levels, more consideration may be needed on how and when maintenance is performed on freight routes. This may include working with local manufacturers to determine if freight movements occur at certain times of the day. This may be helpful in scheduling small maintenance functions as well as prioritizing snow and ice removal. On major routes, this may include shortening construction zones where truck percentages are higher.
- Policy considerations – There may be a need to review fuel and education policies. With the development of new markets in nearby states, consideration may be needed for the possible increases in diesel fuel demand and prices. There may also be considerations for the use of alternative fuels such as compressed natural gas (CNG) that may increase axle loads.

The goal of this paper is to provide a list of design, maintenance, and policy processes that need to be reviewed to determine their impact on freight operations.

# IOWA FREIGHT ADVISORY COUNCIL

## ANALYSIS OF REGULATION

### INTRODUCTION

To ensure the safe movement of freight throughout Iowa; a wide array of regulations at all levels, federal, state and local, have been put into place. These regulations affect, first hand, those doing business in Iowa and around our borders. A better understanding of these regulations and their impacts will assist the State in recognizing ways to better coordinate with those agencies responsible for the various elements that make up Iowa's freight regulations and the freight regulations of neighboring states that impact Iowa freight haulers.

Many shippers in Iowa are currently encountering regulation obstacles that hinder the movement of freight among all modes of transportation. If not addressed, this issue may lead to delayed freight movement, increased congestion, a decrease in safe travel operations, and an unwanted drag on the economy.

Iowa's Freight Advisory Council (FAC) has identified "differences in state regulations" as a major obstacle, the need for better and clearer reciprocity between states is key. Keeping in mind the fact that these freight movements are often multistate and multijurisdictional suggests there are changes that need to be made to our current system of regulations. These include but are not limited to:

- Streamlining the permitting process – the current processes are discouraging to shippers and truckers
- Easier access to information regarding Iowa's regulations
- Better coordination and education of multiple agencies, including border states, regarding these processes and other regulations

It is the goal of this paper to explore possible solutions to the obstacles preventing the freight industry in Iowa from achieving its full potential while maintaining the safe movement of freight and people.

# IOWA FREIGHT ADVISORY COUNCIL

## ANALYSIS OF FINANCIAL

### INTRODUCTION

The State of Iowa is fortunate in that it has a multimodal freight transportation system which facilitates the safe and efficient movement of goods. However, with this success comes the challenge to maintain and improve the multimodal system given a flattening revenue, it's ever changing demands, and its age. A well-maintained freight system reduces transportation costs and provides consistent and reliable services, all of which are factors critical in the evaluation companies undertake when deciding where to expand or disperse their goods and products. Without maintaining and improving our State's freight infrastructure, we are setting up our economy to fail.

Iowa's Freight Advisory Council (FAC) has identified the following as possible options to explore to assist in financing a healthy, more efficient freight transportation system:

- Increase the State's fuel tax rates
- Look at all freight modes, financial needs, resources and impacts
- Propose a funding mechanism that applies to alternatively fueled vehicles
- Consider fairness and equity with any new revenue-generating models across all modes
- Consider fuel tax indexing opportunities for legislature
- Weigh all viable revenue options

Actions have already been taken to begin addressing Iowa's current infrastructure financing model, some of which have been successful. However, it is apparent much more needs to be done and it is the goal of this paper to explore these options and what impact they would have on Iowa's economy.



## IOWA FREIGHT ADVISORY COUNCIL

### ANALYSIS OF LABOR AND DRIVER SHORTAGE

#### INTRODUCTION

The State of Iowa and the United States in general are encountering a shrinking and aging pool of drivers and laborers in the commercial trucking industry. If not addressed, this issue can lead to delayed freight movement, unacceptable working conditions for freight haulers, unsafe highways for the traveling public, and ultimately, an unwanted drag on the economy.

Iowa's Freight Advisory Council (FAC) has identified a "lack of new, quality drivers to pursue this career path" as the basic problem. Although there are other variables, the two root causes this paper will focus on are:

- The age-gap between when prospective drivers are choosing a career and when they are old enough for licensing, and
- The decreasing number of experienced drivers that can pass employment tests and remain in a hiring pool when a check on driving history provides only negative commentary without an opportunity for positive credit.

It is the goal of this paper to provide options to explore that will make this career path more attractive and provide a safer and more efficient freight transportation system.

## IOWA FREIGHT ADVISORY COUNCIL

### ANALYSIS OF OTHER/EDUCATION/RESEARCH

#### INTRODUCTION

The State of Iowa has a long history of developing and supporting competitive access to a global marketplace. However, long-standing practices that prioritize “low-hanging fruit” have not addressed some of the more difficult or sensitive issues. In particular, Iowa has not kept pace on developing competitive access for shippers in the areas of shipping terminals, a comprehensive location for information, and freight policy decision-making. These gaps have resulted in a loss of market share in the global economy.

The Iowa Freight Advisory Council (FAC) has identified Policy Support and Communication Channels as specific areas that require a present focus. This paper will explore opportunities for:

- Assessing Iowa’s strengths and weaknesses within its transportation system
- A compilation of information on terminal locations for ALL modes
- A comparative analysis (delivery times, environmental impacts, etc.) of the different modes
- Studying future needs for growth industries such as biofuels and cellulosic’s
- A better conduit for input and discussion for Policy Development
- A single resource to link all of the above

It is the goal of this paper to provide ideas for potential policies and communication channels that will help educate, engage, and provide opportunities to legislators and stakeholders to help Iowa stay economically competitive in a national and international marketplace.