

41<sup>st</sup> meeting of the

# IOWA FREIGHT ADVISORY COUNCIL

June 16, 2023

10:00 AM to 2:00 PM

Ramada Des Moines Tropics Resort & Conference Center

5000 Merle Hay Rd, Des Moines, IA 50322

## Members

X	Mike Steenhoek (Chair), Soy Transportation Coalition	X	Jillian Walsh (Vice Chair), Traverro
X	Gabe Claypool, Des Moines Industrial		Joe McConnell, PDI
X	Greg Dickinson, Ten D, Inc. Companies	X	Jackson Doud, Iowa Farm Bureau
X	Doug Martin, Amazon DSM5		Allison Meiners, IMTA
	Delia Meier, Iowa 80 Group		James Niffenegger, Landus
X	Joe Parsons, IAIS	X	Amy Homan, IANR
X	Lane Sekavec for Kelly O'Brien, Union Pacific		Mark White, Agribusiness Association of Iowa
X	Marty Wadle, Ruan		Ron White, Artco Fleeting Service
	Peter Skosey, BNSF	X	Ty Rosburg, Rosburg Livestock/Iowa Pork
X	Larry Lloyd, CPKC Railroad	X	Jessica Sprung, Sukup Manufacturing
X	Matt Leyser, John Deere		

## Ex-Officio Members

	Zhi Chen, Des Moines MPO		Colonel Jesse Curry, USACE Rock Island District
	Andrew Goodall, USACE Rock Island District		Mike Hadley, Keokuk County Board of Supervisors
X	Mike Harrington, IDALS		Scott Marler, Director, Iowa DOT
X	Sean Litteral, FHWA Iowa Division	X	Shirley McGuire, FMCSA
	Tim Marshall, FHWA Iowa Division	X	Joseph Rude, IEDA
	Mike Norris, SEIRPC		Corey Champlin, Iowa DPS (Iowa State Patrol)
	Louis Vander Streek, Iowa Utilities Board	X	Jennifer Wright for Aime Davidson, Iowa DNR

## Iowa DOT

	Stu Andreson		Blake Wittrock
	Mikel Derby	X	Brenda Freshour-Johnston
X	Jim Glaspie	X	Sam Hiscocks
X	Maria Hobbs	X	Alex Jansen
	Renee Jerman	X	Garrett Pedersen
X	Amanda Martin	X	Tammy Nicholson
X	Caleb Whitehouse		Charlie Purcell

## Guests

X	Dave Johnston, Iowa HSEMD		
X	Joe Ascherl, Iowa HSEMD		
X	Chris Whitaker, Region XII Council of Governments		

## Meeting input objectives

1. Provide questions, comments, and recommendations for multimodal hazardous materials transportation and incident response.
2. Provide questions and comments related to shortline railroad operations in the state and identify any opportunities for Iowa DOT to enhance.

### 10:00 AM Safety Briefing

**Amanda Martin**  
Iowa DOT

Amanda Martin begins the safety briefing at 10:04 by giving everyone the address, giving the forecast. She designates Jim Glaspie as the 911 caller and Caleb Whitehouse as the backup. Sam Hiscocks is designated as the attendance taker in case of an evacuation.

### 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**

Mike Steenhoek prompts Larry Lloyd for an update on the CPKC merger. Lloyd announces to the council that Canadian Pacific and Kansas City Southern railroads have merged into CPKC with approval from the Surface Transportation Board. CPKC is investing \$275 million in sidings and other infrastructure. The first new train has started on a daily route between Chicago and Central Mexico. It will provide direct access for Iowa from Davenport.

Marty Wadle says that driver issues at Ruan are easing, and they are anticipating being able to hire additional experienced drivers due to bankruptcies of smaller carriers. Office staff have returned to in-person work three days per week.

Doug Martin says Amazon has found the right price point for labor in the Des Moines metro, and labor attrition issues have been addressed. The Sioux Falls and Omaha facilities are struggling to hire. The new Davenport facility will likely be delayed. Amazon has pushed for existing warehouse employees to become drivers to become less reliant on exterior carriers. Steenhoek asks if there is a specific compensatory item that drives employment. Martin says salary is the critical benefit. Step-rate wage adjustments help keep attrition down and demonstrate to employees the value of the other benefits (education assistance, healthcare, CDL program, etc.).

Wadle says the treatment from leadership and scheduling are crucial for finding truck drivers. Drivers are less inclined to be away from home for long periods than they perhaps were before the pandemic.

Steenhoek asks for additional updates from the group. He mentions specifically the agreement reached between the West Coast Ports and the International Longshore and Warehouse Union. He also mentions that the Lower Mississippi is currently being deepened from 45' to 50' between the Gulf of Mexico and Baton Rouge. The Soy Transportation Coalition has helped underwrite some of the cost with the State of Louisiana. Steenhoek presented a \$2 million check to the Governor for the project.

Shirley McGuire tells the group that FMCSA has started to focus on hazardous materials transportation on the railroads and by tank trucks. FMCSA has authority over highway transportation. FMCSA is also aware of fraud in some CDL driver training programs. Steenhoek

says the issue of marijuana testing is being discussed more and more so that non-impaired drivers don't fail a test and become ineligible to drive for multiple months.

Amy Homan says that IANR also struggles to attract young people to the trade-type jobs like train engineers and conductors. She blames the lack of exposure to that type of job as part of the issue. Amanda Martin suggests that IANR work with Future Farmers of America (FFA) groups to tour rail facilities and increase exposure.

**10:30 AM Iowa DOT Update**

Update on transportation items from the 2023 legislative session.

**Alex Jansen**

**Iowa DOT**

Alex Jansen provided an overview of Bills passed this session:

- Behind the Wheel Instructors (SF 157): Allowed certified behind the wheel instructors to administer the drive test.
- Third Party CDL Testing (HF 257): Expands who is eligible to be a third-party tester.
- Federal CDL Compliance (HF 258): Drug and alcohol clearinghouse requirements.
- Restricted CDL (HF 335): Expands the ability for CDLs to be issued for farm-related service industries.
- Special Situation Single-Trip Permits (SF 153): Gives the DOT additional authority to issue single-trip permits for special or emergency situations such as natural disasters or economic development type projects.
- All-Systems Overweight Permit Changes/Amber Lights (SF 527): Removed the requirement for amber flashing lights on oversize/overweight (OSOW) trucks. Allows permit holders to travel on paved farm-to-market roads. Gives counties the ability to opt-out of the program but must provide the DOT a reason to opt-out.
- Hydro excavation Equipment (SF 154): Exempts hydroexcavation trucks from OSOW permits.
- Motor Vehicle Enforcement (MVE) and Bureau of Investigation & Identity Protection (BIIP) (SF 513): Transfers MVE to the Department of Public Safety, and limits the scope of MVD's BIIP peace officers to the investigation and enforcement of MVD-related infractions and regulator functions.

Ty Rosburg asks what the justification and reasoning is for the 12 percent additional weight and axle load (in relation to SF 527). Jansen says that the 12 percent is based on the Governor's harvest proclamations and is basically a codification of that proclamation.

Rosburg notes that the Governor's proclamation has expanded well beyond the initial two-to-three-month harvest period into a multi-month proclamation that continues to damage secondary roads.

Jansen says that the funding provided to participating counties is the same regardless of the number of miles that are included in the program. The legislation does require participating roads be connected to a state route. All state routes are included in the program. Interstates are not included.

Doug Martin asks if the CDL testing changes is a future proofing measure to provide more drivers to the job market. Jansen says that the legislation is intended to expand the geographic availability of CDL testing.

Steenhoek asks Garrett Pedersen for an update on the mooring cell pilot project. Pedersen says that the USACE has broken ground and the cost sharing agreement is close to being 100% approved.

**10:50 AM Transport of Hazardous Materials**

Overview of awareness of haz mat transport in Iowa, mitigation of risks involved, and response strategies for potential incidents from the Iowa Department of Homeland Security and Emergency Management (HSEMD)

**Dave Johnston  
and Joe Ascherl  
Iowa HSEMD**

Steenhoek introduces Dave Johnston and Joe Ascherl. Johnston introduces himself as the HSEMD lead planner and Ascherl as the hazmat planner.

Johnston says that transportation is just part of the issue for hazardous materials. The Pipeline and Hazardous Materials Safety Administration (PHMSA) provides grant funding for public sector first responders related to planning and training for emergency response. The Hazardous Materials Emergency Preparedness Grant (HMEP) is funded through fees paid by carriers of hazardous materials over the road or on rail.

HSEMD also pushes for the creation of Local Emergency Planning Committees (LEPCs) which are meant to coordinate activities between all agencies and governments to keep people safe. Funding for LEPCs also comes from the HMEP grant. In Iowa there are eight regional LEPCs, 25 individual county LEPCs, and 13 counties without LEPCs.

Additionally, Iowa DNR and HSEMD house the Iowa Emergency Response Commission (IERC). HSEMD is responsible for planning, overseeing the LEPCs, and IERC administration. DNR is responsible for chemical storage reporting, tier II databases, and Toxic Release Inventory (TRI) reporting.

Hazardous Materials Planning is covered in response planning. Response planning uses function-based planning. There are 15 functions, and hazmat is ESF-10. ESF-10 is updated every year as a requirement. Additionally, local plans are reviewed by HSEMD planners. The primary focus for HSEMD is fixed facilities.

Other hazmat activities conducted by HSEMD include High Hazardous Flammable Trains reporting, CBRNE (chemical, biological, radiological, nuclear, explosive) planning, and REP (Radiological Emergency Preparedness) Programs.

Johnston closes the presentation by talking about the safety implications of electric vehicles. Lithium-ion batteries in electric cars are filled with over 7,000 individual batteries. If involved in an accident, they may experience “endothermic runaway”, where the chemicals will burn to completion and be unable to be extinguished. The current method for response is to spray as much water as possible to prevent a chain reaction across all the batteries. If a chain reaction occurs, the batteries could burn for up to 30 days. This issue makes the disposal of batteries unclear.

Steenhoek asks the presenters to walk through an East Palestine type scenario if it happened in Iowa, and local responders are overwhelmed. Johnston says local departments know who to call if they become overwhelmed by the scale of an accident. First responders and LEPCs have used derailments in northwest Iowa as case studies for what to do if that happens.

Lane Sekavec says that in the northwest Iowa derailment, the local responders knew they didn't have the capabilities and limited their response to what they could control. Hazmat responders from Sioux City came to help. Sekavec says that the response was as good as it could've been.

Doug Martin asks Sekavec to explain how he works with LEPCs. Sekavec says that the primary way railroads work with local agencies and officials is through commodity flow information via LEPCs and SERCs so that a local fire chief can see what is flowing through their community. All railroads provide response training for free and funnel it through the LEPCs.

Ascherl asks Sekavec to explain the AskRail app. AskRail is a tool to provide commodity information through the American Association of Railroads. Information is provided on the per car basis. It is designed by and for emergency responders.

Whitehouse asks if individually organized (single-county) LEPCs pose a potential blind spot for emergency response. Ascherl says that he doesn't believe that this is a blind spot because local emergency managers are equipped to find the necessary equipment and responders.

Pedersen asks if grant funded studies are conducted locally or regionally. Johnston says they are usually conducted by contractors and are usually localized for a specific response area.

Steenhoek asks what prevention type investments will provide the best yield. Johnston says planning, training, and exercise are all very effective measure to ensure the best response. HSEMD is trying to find a way to entice local responders to engage in these activities. Ascherl says that exercises are a good way of identifying blind spots in response processes.

Steenhoek says that there is a push for positive train control along routes carrying hazardous materials and asks if that kind of mentality needs to continue. Ashcerl says that local level people are the best source of information on those kinds of issues.

**12:00 PM Lunch**

**12:45 PM Panel: Shortline Railroads**

A discussion of ongoing challenges and opportunities for Iowa shortline railroads.

**Mike Steenhoek, Chair  
Soy Transportation  
Coalition**

- Jillian Walsh, Traverro/CRANDIC Railroad
- Joe Parsons, Iowa Interstate Railroad
- Amy Homan, Iowa Northern Railway

Walsh begins the panel by introducing CRANDIC

- CRANDIC railroad is owned by Traverro and Alliant Energy
- It was established in 1904 in the Cedar Rapids/Iowa City area
- Serves ag-industry companies
- 100,000 carloads annually
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Parsons introduces Iowa Interstate Railroad

- Created from the old Rock Island Railroad mainline
- Started in 1984 by industry folks who wanted to save the route

- Same ownership since the 1990s
- 230 employees
- 140,000 carloads per year
- 42 locomotives
- Double stack capable for intermodal freight
- 14 transloading facilities
- Access to 3 river terminals on the Mississippi and Illinois rivers

Homan introduces Iowa Northern Railway

- Also part of the abandoned Rock Island Railroad
- Owned by Dan Sabin since 1994
- 250 miles of track
- Manley to Cedar Rapids
- 110 employees
- 65-70 carloads
- Continuous welded rail by 2025
- 76 signalized road crossings
- 400 non-signalized crossings
- Primary commodities: grain, ethanol, chemicals, soybean oil/meal, intermodal, and equipment

After the introductions, Steenhoek begins the panel by asking about the customer relationships between shortline railroads and local industry. Walsh says that ADM is a big customer for CRANDIC to make connections with Class I railroads and other shortlines. CRANDIC also offers car storage for ADM.

Steenhoek asks about the truck service that ADM uses. Walsh says that the truck traffic ADM sees is usually more time sensitive shipments. Railroads are too slow to respond to fluctuations in demand, so customers turn to trucking.

Homan says that IANR looks for producers that want to get “hooked in” to the larger Class I network. IANR tries to recruit “organic growth”; producers that are only selling products locally because they don’t have access to a regional market. Parsons says that every customer is important to the shortlines. Many shippers say they come to the shortlines because of the “personal touch” they provide.

Doug Martin asks if all three railroads offer brokerage services. Walsh says that it is a service that CRANDIC provides.

Steenhoek says that the flexibility of volume and destinations is a reason that producers come to shortlines. Parsons agrees. Steenhoek asks about the relationship that shortline railroads have with Class Is. Homan says that shortlines are network business, and shortlines have to cooperate with Class Is. UP has 3 customers in Waterloo that IANR services because of lack of access. Parsons says that the shortline world is very diverse and it is hard to put them all “under one headline.”

Steenhoek asks if the shortlines are the primary point of contact between the shipper and the Class I railroad or does it differ depending on the position along the route. Walsh says that the shipper would typically go through CRANDIC’s customer service first. They would then track

down the car with the Class I, but larger shippers might have a contact at the Class I railroad to use instead. Homan describes shortlines as “boutique” and can provide a better customer service experience for shippers compared to Class Is.

Doug Martin asks how the shortlines work their train crews, and if their conductors/engineers make overnight trips. Homan says IANR has no end-to-end traffic. Railroads have had to change their operations to give their operators consistency, like how the trucking industry has had to change to meet the demands of workers.

Parsons says that IAIS has maybe four employees per night staying away from home. However, there is very little end-to-end traffic with virtually everybody else at home each night. While salary is always important, scheduling is also important to employees. The current workforce is unsustainable unless the industry makes these changes.

Walsh says that all of their crews are home each night, and turnover is low. Employees enjoy being local to see their families. Shift selection is based on seniority, which is a hurdle for young workers.

Homan says that rail is a very old industry, and they still talk about the “good old days” when they could get crews to work 16-hour days. Doug Martin notes that in the past, changing operations to make schedules easier for operators would have been dismissed as inefficient.

Steenhoek asks if there is any interest or momentum for passenger rail. Parsons says that Illinois has wanted passenger rail to the Quad Cities for decades, and Iowa has looked into passenger rail on IAIS’s route too. The primary attraction is the footprint of IAIS. Ultimately, it will come down to what the taxpayers want, and IAIS is a willing participant. Parsons says that IAIS is built for 40 mph maximum trains, and passenger trains need to move much faster to be attractive for riders. This will require public investment in engineering to make the tracks work for trains at higher speeds.

Steenhoek asks what the key barriers to growth are. Walsh says that their acquisition of trucking companies and construction of industrial parks by their parent company are part of their growth plan.

Parsons says that his fear is actions by regulators that could be a long term hinderance to growth. Another hurdle is emerging technologies like autonomous trucking giving trucking companies an edge that railroads can’t compete with. Homan says that she echoes the previous responses of the panelists.

Steenhoek asks about emerging technologies from a sustainability perspective, and new fuels that can be used for locomotive power. Parsons says IAIS has looked into alternative fuels but still operates with diesel. There is a big push for electric motors for yard and switching applications. Everyone is looking at hydrogen powered locomotives and coupling hydrogen and electric locomotives as a hybrid setup. Parsons doesn’t believe that a switch from diesel is going to happen as quickly as people would like. While the entire network might not be electrified, “islands” of electrification will likely be the first step.

Steenhoek asks if the panelists are hearing from customers about whether or not sustainability is becoming a factor that attracts them. All three panelists say yes.

Steenhoek asks if there is anything the panelists would like to see from Congress that would be helpful. Parsons says that the industry is not opposed to “common sense” regulation, but elements of the Railroad Safety Act are not related to the cause of the East Palestine incident. He says the AskRail app was an initiative that was never required by regulators, but IAIS and other shortlines have opted into. All the Class I CEOs are committed to safety, despite competition. Parsons thinks that recent initiatives will continue to make the industry safer.

Steenhoek asks if one person crews would be helpful. Parsons says that they want the option of single person crews, and that it has been shown to be safe. Parsons says that single person crews are not about job elimination, but to make sure that moving freight can continue.

Homan says that IANR is in the same boat. IANR has no plans to move to single person crews, but there are situations when it makes sense. Homan says it would be detrimental to the railroad to have three person crews. Steenhoek clarifies that the two-person requirement only applies outside of the yard.

Homan says that funding availability is crucial. Amanda Martin says that all three panelists’ companies have applied for state or federal funding, and that the state can be an important partner to help meet federal funding requirements.

Tammy Nicholson asks what the benefits are to the public for federal investments in the railroad. Parsons says that those funds can help keep the railroad alive. Public funds can also help make rail safer. Walsh concurs and says in some instances the revenue for one customer does not always justify the infrastructure investment to provide rail service, and that public funding may be necessary to replace the infrastructure.

Jackson Doud asks if shortlines are testing biofuels. Parsons says that IAIS is not testing biofuels, but they will be an important steppingstone to hydrogen power. Lloyd says 60 percent of CPKC’s sustainability goals are tied to biofuels.

**2:00 PM     Adjourn**

**Future meetings:**

- September 8, 2023
- December 15, 2023