

38th meeting of the
IOWA FREIGHT ADVISORY COUNCIL

September 16, 2022
 10:00 AM to 2:00 PM

Meeting location: **Des Moines Area Metropolitan Planning Organization**
 420 Watson Powell, Jr., Way, Suite 200 Des Moines, Iowa 50309

Tour location: **Des Moines Transload**
 1551 E. Martin Luther King Jr. Parkway Des Moines, IA 50309
****The facility is located immediately North of this address across the road. Use the entrance located at the SE 15th Street/Martin Luther King Jr Pkwy intersection.*

Members

x	Gabe Claypool, Des Moines Industrial	x	James Mattsen for Joe Parsons, Iowa Interstate Rail.
x	Tom Determann, Clinton Regional Development	x	Cheryl Rangel, Traverro
x	Greg Dickinson, Ten D/Merchants Distribution	x	Amy Homan for Dan Sabin, Iowa Northern Rail.
x	Jackson Doud, Iowa Farm Bureau	x	Chad Masters for Jody Sandy, Hy-Vee
x	Doug Martin, Amazon	x	Mike Steenhoek, Soy Transportation Coalition
	Allison Meiners, Iowa Motor Truck Assoc.	x	Reilly Vaughan, Agribusiness Assoc. of Iowa
x	Delia Moon-Meier, Iowa 80 Group	x	Marty Wadle, Ruan Transportation
	James Niffenegger, Landus Cooperative		Ron White, Artco Fleeting Service
	Kelli O'Brien, Union Pacific Railroad		Tim Woods, Woods Development

Ex-Officio Members

x	Zhi Chen for Todd Ashby, Des Moines Area MPO	x	Tim Marshall, FHWA Iowa Division
	Andrew Goodall for Col. Jesse Curry, USACE	x	Shirley McGuire, FMCSA
x	Mike Hadley, Keokuk County		Mike Norris, Southeast Iowa RPC
x	Mike Harrington, IDALS	x	Joseph Rude, Iowa Economic Dev. Authority
x	Corey Champlin for Michael Kober, Iowa DPS		Louis Vander Streek, Iowa Utilities Board
x	Sean Litteral, FHWA Iowa Division	x	Jennifer Wright, Iowa DNR
x	Scott Marler, Iowa DOT		

Iowa DOT

	Stu Anderson	x	David Lorenzen
x	Tom Bruun		Craig Markley
	Mikel Derby	x	Amanda Martin
	Brenda Freshour-Johnston	x	Tammy Nicholson
	Melissa Gillett	x	Garrett Pedersen
x	Sam Hiscocks	x	Charlie Purcell
x	Maria Hobbs	x	Caleb Whitehouse
x	Alex Jansen	x	Lee Wilkinson
	Troy Jerman		

Guests

x	Tiffany Melvin, NASCO		
x	Patrick Tomka, Iowa Governor's Office		

Meeting input objectives

1. Identify individuals to potentially serve as the next FAC Vice Chair.
2. Discuss North American supply chain competitiveness and identify opportunities for improvement, including things that can be done by state departments of transportation.

10:00 AM Safety Briefing

Amanda Martin
Iowa DOT

Welcome & Introductions

Ice breaker: What changes to the FAC would you like to see? What would be most valuable to you and the other members?

Mike Steenhoek, Chair
Soy Transportation
Coalition

Amanda Martin begins the safety briefing by reminding everyone of the DMAMPO address and designating 911 callers and telling everyone where the emergency exits and shelters are.

Mike Steenhoek suggested follow-up discussion in December re: FAC improvements. Mike then begins the icebreaker session with Sean Litteral with FHWA.

- Greg Dickinson: supply chain issues and thankful rail strike was averted.
- Doug Martin: DOT construction on U.S. 65 in Bondurant has become an issue for his drivers.
- Jennifer Wright: thankful for infrastructure funds and the bottle bill.
- Mike Harrington: introduced himself to the group as a representative of the Iowa Department of Agriculture and Land Stewardship.
- Jackson Doud: introduced himself to the group as a representative of Iowa Farm Bureau.
- Shirley McGuire: BIL, distributing grants.
- Gabe Claypool: Ziegler Caterpillar has signed a long-term lease for 100% of floor space at the Des Moines Transload. He is excited to further integrate Des Moines Industrial into Iowa's supply chain.
- Amy Homan: relieved by the strike aversion and is seeking funds to build infrastructure.
- Mike Hadley: the importance of the rail strike being averted this week because of the impacts a labor shut down on the economy.
- Mike Steenhoek: efforts to raise money for inland waterway projects. He also mentioned how crucial soybean oil is to reach renewable fuel targets set by different industries.
- Scott Marler: thanked the council for coming. DOT has approved the 5-year program with federal money from the BIL being implemented. Scott also mentioned the State Freight Plan and thanked Sam Hiscocks for completing it. Scott said that the DOT is working as hard as possible to process CDLs quickly address truck driver shortages.
- Delia Moon-Meier: excited about the BIL's electric vehicle infrastructure funds and how quickly Iowa DOT has been able to "pass out" those funds. Delia also recommended that the FAC look into the carbon capture pipeline projects in the state.
- Tim Marshall: priority is implementing the BIL and getting new FHWA staff up to speed.
- Corey Champlin: introduces himself to the group as a representative of the Iowa Department of Public Safety.
- Riley Vaughan: Iowa Agribusiness is looking forward to the harvest and is focusing on safety for farmers during the harvest time. Reilly is also grateful that the strike was averted.
- Marty Wadle: Ruan has met some of its driver shortages, but Ruan's current facility is low on empty space because of lack of demand. Ruan is using 4 electric vehicles in yard operations and is saving money on fuel and has placed an order for 10 hybrid road vehicles.

- David Lorenzen: a rail shutdown of 7,000 trains would need to be replaced by 460,000 trucks to move the same freight. David is looking into proactive traffic management (including Bondurant, referring to Doug Martin's comments).
- Cheryl Rangel: very focused on the rail strike.
- Tom Determann: his organization has merged with the Clinton Chamber of Commerce and is now called Grow Clinton. Tom is focused on the CP-KCS merger and says that many of the towns in his county are settling with CP and the rest are frustrated with the increased traffic.
- Chad Masters: impressed with the electric vehicles they use.
- Charlie Purcell: BIL implementation and the additional work associated with the oversight of new federal funds. Charlie is looking for ways to streamline the additional work.
- Tammy Nicholson says that the Modal Transportation Bureau Rail Team has added staff and introduces Maria Hobbs, Tammy H (not present) and James Crane (not present) who comes with a background in rail. Tammy also noted the benefits of having council members to reach out to as SMEs.
- Zhi Chen introduces himself and the MPO and its structure. Zhi manages the MPOs Des Moines Freight Roundtable.
- Tom Brunn: department is being proactive to work with stakeholders to advance safety efforts and recruiting officers, which is challenging.
- Patrick Tomka: introduces himself as a liaison from the Iowa Governor's Office.

10:37 AM Iowa DOT Update

TBD

General update from the Department.

FAC Chair and Vice Chair Nominations

Iowa DOT is now accepting nominations for the next FAC Chair and Vice Chair to serve during the 2023-2024 term.

Mike Steenhoek introduces Scott Marler again to give the DOT update. Scott mentions that AASHTO has begun working on a Transportation Operations Manual.

Sam Hiscocks says that the Iowa State Freight plan was officially approved by the FHWA on August 18th. Copies of the freight plan were available to the group and is available to the public online.

Sam also mentioned the current status of the FAC Chair and Vice Chair and the nomination and succession process. The next meeting will be the final meeting for Mike Steenhoek as chairperson, so FAC members were asked to nominate a new chairperson via email next week.

10:41 AM Canadian Pacific-Kansas City Southern Railroad Merger

Amanda Martin

Status update from the ongoing merger process.

Iowa DOT

Amanda Martin mentioned the railroad strike and questions that her office receives about the strike despite it not being directly pertinent to the DOT at the state level.

CP railway filed for the acquisition of KCS on October 29, 2021. These two railroads do not currently overlap, which makes the STB process different than if they had overlapped. The area most impacted is between

Sabula, IA and Kansas City, MO. The draft Environmental Impact Statement was published on August 5th. Increased traffic is forecasted and depends on the success of the new company.

The Surface Transportation Board (STB) has concluded that, apart from train noise, the impact of the proposed merger would be negligible. Categories that the STB looked at include freight and passenger rail safety, hazardous materials transportation, grade crossing safety, grade crossing delay, and noise and vibration.

Tom Determann asked who pays for the quiet zone in Ames (which Amanda used as example). Amanda said that the locality usually pays because of the cost of improving the safety of the area that enables a quiet zone to exist. Tom asked about a program to provide funding for quiet zones. Such a program doesn't currently exist.

CP is looking to use voluntary mitigation, where the railroad pays the locality a lump sum, no strings attached, to avoid the EIS process. CP is using this process to support crossing closures, quiet zone improves, grade separations, and pedestrian accommodations and safety improvements.

Amanda showed a list of communities that the DOT is aware of that have taken the voluntary mitigation path or have yet to strike a deal or have rejected the voluntary mitigation. Amanda reiterated that the negotiations do not involve the DOT, they are between the railroad and the community.

Comments on the draft EIS are due October 14th, 2022. Comments can be submitted at www.CP-KCSMergerEIS.com.

A question was asked if a public entity has ever moved a rail line. Doug Martin replied (based off his previous experience at Union Pacific) that rail lines are rarely moved because of the investment that the railroad has put into the area. Gabe Claypool and Jennifer Wright concurred.

Mike Steenhoek asked Amanda what benefits the CP offers the Iowa DOT. Amanda said that CP believes Iowa will see the greatest positive impact through economic development and CP is hiring 1,200 new positions in the Quad Cities.

Amy Homan mentioned that the FAC should understand that the merger (should it go through) will change the market for grain positively or negatively depending on "which side of the fence you're on."

11:07 AM North American Strategy for Competitiveness (NASCO)

A trilateral membership organization focused on the North American supply chain and logistics, energy, and the environment, and closing the skilled workforce gap.

**Tiffany Melvin
NASCO**

Mike introduces Tiffany Melvin and NASCO. NASCO is holding a North American reunion in Kansas City to highlight the CP-KCS merger. NASCO was founded in 1994 along the I-35 corridor in Texas and now has members from all over the continent including states, provinces, corporations, DOTs, and other corporations and businesses.

Trade within the three North American countries accounts for \$100 million per hour. USMCA is up for review in 4 years, and NASCO is looking to ensure that the deal continues. Supply chains in North America are deeply integrated between the three countries. \$0.40 of every dollar for goods imported into the US are actually

“Made in the USA.” The President of Mexico is rolling back energy reforms. Texas is facing an energy crisis as well. NASCO is also focusing on how climate change will impact supply chains.

What is holding North America back? The swing of politics between parties really slows down the competitiveness of the continent globally. The BIL will go a long way to improve the continent’s competitiveness in response to other nations investing in infrastructure as well.

Tiffany recommended an I-35 corridor FAC meet annually to discuss freight issues along the corridor.

Garrett asked if NASCO looks at bottlenecks along the I-35 corridor. Tiffany said no because the bottleneck or project level of analysis is too granular for NASCO.

Scott Marler asked how the competitive advantage of Iowa stacks up against other I-35 corridor states. Tiffany said she is unable to answer the question.

Mike Steenhoek said the last couple of years has made us rethink how we implement our supply chains and whether or not it is good to offshore our supply chains overseas (referring mainly to non-North American countries). Mike asked for Tiffany’s thoughts on the sentiment of bringing manufacturing back closer to home, be it near shoring or back to the US. Tiffany responded that NASCO is capitalizing off of that sentiment and is trying to address reasons that corporations decided to off-shore manufacturing (i.e. corporate tax rates, labor rates, etc.).

Tiffany talked about the differences in training available or required in the three North American countries and how that could be standardized.

11:00 PM Lunch and Travel to Tour
Attendees will drive themselves to tour location.

1:00 PM Tour: Des Moines Transload

Gabe Claypool
Des Moines Industrial

Next meetings:

- December 16, 2022
- 2023 TBD