

Wisconsin Freight Advisory Committee (FAC)
Meeting Minutes from Wednesday, September 16, 2015
9 a.m. to 3:30 p.m., Madison, Wisconsin

FAC members present: George Bichanich, Michael Bodoh, Tom Bressner, Ron Chicka, Jason Culotta, Jerry Deschane, Brian Doudna, John Easter, Nick George, Dean Haen, Mike Halsted, Jack Heinemann, Chris Hiebert, Steve Illich, Mike Koles, Jeff Landin, Ken Lucht, Kristi Luzar, Jeff Lyon, Dwight McComb, Ellen Nowak, Mark O'Connell, Mark Oesterle, Richard Pingel, Jen Pino-Gallagher, Rob Richard, Steve Rose, Nels Rude, Henry Schienebeck, Alan Sweeney, Craig Thompson, Steven Todd

Wisconsin Department of Transportation (WisDOT) members present: Brad Basten, Rebecca Burkel, Donna Brown-Martin, Mark Gottlieb, Don Gutkowski, Paul Hammer, Dewayne Johnson, Casey Newman, Joe Olson, Dave Pabst, Rose Phetteplace, Tom Rhatigan, Aileen Switzer

Speakers and Guests: Scott Coenen (Office of State Senator Howard Marklein), State Representative Robb Kahl, State Representative John Nygren, State Representative Keith Ripp, Chris Smith – American Association of State Highway and Transportation Officials (AASHTO), and Daniel Yeh (WisDOT)

- **Secretary's Welcome and Opening Remarks (9:30 a.m.)**
 - WisDOT Secretary Mark Gottlieb

WisDOT Secretary Mark Gottlieb welcomed members of the Wisconsin Freight Advisory Committee (FAC) to the September 16th FAC meeting. Secretary Gottlieb stated he was thankful for the FAC's participation at the April 23rd FAC meeting. The feedback from the FAC has been helpful and will continue to play a key role in the long-term planning efforts for WisDOT. Like the Wisconsin Transportation Finance and Policy Commission, Governor's Freight Industry Summits and the Transportation Moves Wisconsin efforts that have preceded the FAC, the FAC will continue to further assist WisDOT by providing advice on various freight-related issues to support a safe and efficient transportation system.

- **Recap of first FAC Meeting (9:55 a.m.)**
 - WisDOT Division of Transportation Investment Management (DTIM) Administrator Aileen Switzer

DTIM Administrator Aileen Switzer provided a brief summary of the first FAC meeting, which took place on April 23, 2015. The meeting included 33 FAC members and 14 WisDOT representatives. During the first half of the April 23rd FAC meeting, attendees received an overview of the FAC Charter, WisDOT's freight activities and Wisconsin's open meetings law. During the second half of the FAC meeting, attendees participated in an interactive tabletop discussion which addressed intermodal facilities in Wisconsin. Also, as part of an issue prioritization ranking exercise at the April 23rd meeting, attendees were invited to prioritize a series of topics identified at the 2014 Freight Summit. The feedback and the results of the issue prioritization exercise can be found in the *Summary Report of the Inaugural FAC Meeting* document. The feedback and results of the issue prioritization ranking exercise were helpful in establishing the agenda for the September 16th FAC meeting. The feedback and results will continue to be incorporated into future FAC meeting agendas, with corresponding feedback incorporated into the State Freight Plan.

- **Recap of Intermodal Facility Tabletop Discussion from first FAC Meeting (10:00 a.m.)**
 - WisDOT DTIM Administrator Aileen Switzer

DTIM Administrator Aileen Switzer provided a brief recap of the results of the Intermodal Facility Tabletop Discussion from the first FAC meeting. She reiterated that one of the primary goals of the FAC meetings is to obtain thorough feedback on transportation challenges and opportunities and tabletop discussions aid in achieving those goals. Future FAC meetings will include similar tabletop exercises focused on other freight-related topics identified in the *Summary Report of the Inaugural FAC Meeting*. The FAC confirmed the results of the Intermodal Facility Tabletop Discussion and no objections or corrections were made. Complete results of the Intermodal Facility Tabletop Discussion can be found in the *Summary Report of the Inaugural FAC Meeting*.

- **Federal and State Legislative/Budget Panel (10:15 a.m.)**
 - WisDOT Assistant Deputy Secretary Tom Rhatican, Panel Facilitator
 - Panel Members
 - Chris Smith, Intermodal Policy Program Manager, AASHTO
 - State Representative Keith Ripp
 - State Representative John Nygren
 - State Representative Robb Kahl
 - Daniel Yeh, Federal Relations Officer, WisDOT

Panel Facilitator and WisDOT Deputy Secretary Tom Rhatican started the panel presentation and discussion by introducing each of the panel members. Chris Smith and Daniel Yeh provided an overview on various federal transportation reauthorization efforts and legislation, then provided an update on the MAP-21 Truck Size and Weight Study reports as well as federal fiscal year 2016 appropriations. State Representative John Nygren discussed Wisconsin Act 55 (biennium budget) and the connectivity of the budget to transportation.

State Representative Robb Kahl also discussed Wisconsin Act 55 and the budget's impacts on transportation. State Representative Kahl also highlighted support for capital improvements for compressed natural gas (CNG). State Representative Keith Ripp discussed some of the recent legislative efforts regarding oversized/overweight implements of husbandry (IoH). State Representative Ripp added that he has been working with stakeholders in the agricultural industry, local governments and WisDOT to ensure the continued economic health of the ag industry, while balancing the need for increased weight and capacity with maintaining public safety and managing impacts on infrastructure.

- **Wisconsin's Local Connections to the World Economy Panel (11:30 a.m.)**
 - WisDOT Economic Development Officer Brad Basten, Panel Facilitator
 - Panel Members
 - Dean Haen, Wisconsin Commercial Ports Association
 - Mike Koles, Wisconsin Towns Association
 - Ron Chicka, Duluth-Superior Metropolitan Interstate Council (MIC)

Panel Facilitator and WisDOT Economic Development Officer Brad Basten started the panel presentation and discussion by introducing each of the three panel members. Mike Koles

discussed Wisconsin's connection to the world economy by highlighting how Wisconsin contributes to and connects to the world economy in the form of jobs, economic output and exports. He then discussed some of the infrastructure and funding constraints facing local municipalities. Some ideas for alleviating these constraints include increasing funding for local roads, supporting WisDOT Technical Assistance for Capital Improvement Planning, continued route identification and support for public-private partnerships. Dean Haen highlighted some of the constraints and challenges oversized-overweight vehicles have getting product into and out of commercial ports in Wisconsin. His ideas for alleviating infrastructure constraints in Wisconsin include designating freight corridors into and out of commercial ports, supporting port development plans, utilizing land-use maps and establishing more intermodal facilities in Wisconsin. Ron Chicka concluded the panel discussion by highlighting some of the weight limit challenges facing various industry shippers, such as raw or unfinished forest products. He provided an overview of the jobs, revenue and state and federal taxes associated with the Duluth-Superior Port. His ideas for alleviating infrastructure constraints in Wisconsin included support for infrastructure baselines for port and harbor planning, connection of the Duluth-Superior Port to the national primary freight network and development of new dock facilities at commercial ports in Wisconsin, such as the Duluth-Superior Port.

- **Tabletop Discussion (1:15 p.m.)**

- Freight Advisory Committee and WisDOT's Freight Policy Administrators Group

The topic of the tabletop discussion was rail service/access and capacity/options. The discussion served as a forum for WisDOT and the FAC to discuss WisDOT's role relative to rail transportation. The sequence of the questioning was designed to ease attendees into first discussing the factors behind freight rail service and freight rail access before asking them to address the two most crucial questions for WisDOT freight planners:

- What should be the role of WisDOT, if any, in improving freight rail access and freight rail service?
- What improvements in freight rail access and service should WisDOT expect from the private sector, and what barriers are there to making those improvements?

A brief summary of the tabletop discussion is provided below, under the *Tabletop Discussion Report Out by FAC Members* section of this document. The complete tabletop results were summarized and included in the *Summary Report of the Second FAC Meeting*.

- **Tabletop Discussion Report Out by FAC Members (2:15 p.m.)**

- Freight Advisory Committee

The tabletop discussion report out provided an opportunity for FAC members to identify and share their responses to the tabletop discussion questions. Below is a brief summary of the discussion and report out in response to five broad questions, which examined freight rail access and service:

- Question 1: What factors drive rail access/service and competition/options?
 - FAC members agreed that demand drives service; without sufficient demand, service won't be provided. But that demand is limited by rail car availability, lack

- of access to rail service, and Class I business models that overlook most of Wisconsin's businesses.
- Rail companies noted that service thresholds dictate whether or not a siding or spur line can be retained. The capital-intensive nature of railroads was noted as a reason for such high thresholds.
 - Specific to Wisconsin, FAC members identified the Class I business model, which is built around 500-plus-mile hauls at the expense of service between those points, as a potential concern. Much of the concern, in relation to the Class I business model, is raised in central and northern Wisconsin, where lack of rail competition hinders competitive shipping.
 - Chicago was also raised as an issue, both for bottlenecks/congestion amongst the rail companies and for the concentration of intermodal facilities there.
- Question 2: What business sectors are more reliant on rail access/service, and what are the origins and destinations of the goods being shipped?
- The FAC generally pointed to the large bulk commodities that have comprised much of rail freight for decades: agricultural products (both raw and processed), coal, imports, sand and aggregates, timber and paper, manufactured goods, and metals/foundry products.
 - FAC members saw Wisconsin's important inbound products as imports/containerized freight, raw materials for manufacturing and agriculture, coal, building materials, feed, chemicals, plastic pellets, and steel.
 - Outbound rail shipments from Wisconsin include frac sand, grain, grain products such as distiller's dried grains, ethanol, heavy duty military and farm equipment, paper/paper products, timber and logs, dairy products, and scrap steel.
- Question 3: Identify the private sector rail competitors and options. What do these firms do well, and where do they need improvement?
- In general, rail competes with other surface transportation modes, including trucking, pipelines, and barges/vessels. Railroads favor unit trains moving goods long distances, with the freight comprised of either bulk goods or intermodal cargo going from one origin to one destination.
 - In Wisconsin, increased corn and grain production have increased transportation needs; some shippers bypass rail and truck directly to barge loading facilities on the Mississippi River. International exports are important markets for agriculture.
- Question 4: Should WisDOT have a role in improving rail access/service, and if so, what should that be? What should be the main goals, and who should be the main partners?
- The FAC saw several general roles for government, the first being the facilitation of public-private partnerships for economic development.
 - FAC members also saw a general role for government to educate the public and the business sector on the role of rail.
 - For Wisconsin, FAC members complimented WisDOT for being more advanced than other states in rail preservation, and requested WisDOT take a more proactive approach in several areas.
 - The FAC said WisDOT should work with other state agencies (such as WEDC) and with Class I railroads to help grow business along existing rail lines.

- Question 5: What private sector improvements for rail access/service and competition/options can be expected? What barriers does the private sector face, and what can WisDOT do to reduce/remove those barriers?
 - The FAC pointed to changes in rail networks that led to development of inland port locations, with mixed degrees of success.
 - In Wisconsin, the most critical issue may be volume of business. For example, Wisconsin's businesses state they need closer intermodal yards, but the facilities closed over the past decade didn't make enough money for the railroads.
 - Many FAC members thought that short line business model was a better fit for Wisconsin's shippers, demonstrated through the success of Wisconsin & Southern Railroad.
 - FAC members also said the private sector business community needs to do a better job communicating their rail service needs.

The complete results of the tabletop discussion were summarized and included in the *Summary Report of the Second FAC Meeting*.

- **Wisconsin State Freight Plan (2:45 p.m.)**

- WisDOT Bureau of Planning and Economic Development Director Donna Brown-Martin

Bureau of Planning and Economic Development Director Donna Brown-Martin provided a status update on the Wisconsin State Freight Plan (SFP). The SFP will provide a vision for multimodal freight transportation and will position the state to be competitive in the global marketplace by ensuring critical connections to national freight systems remain, or become, more efficient. The role of the FAC will be to offer guidance and feedback on the Wisconsin State Freight Plan as part of WisDOT's public involvement and outreach efforts for the plan. As part of WisDOT's planning efforts for the SFP, a Public Involvement Plan was released. Some of the goals for the Public Involvement Plan are to ensure an open and inclusive planning process, educate the public about Wisconsin's freight transportation system and provide opportunities for the public to participate in the planning process. There are three major outreach phases of the public involvement plan and outreach will continue until the final SFP has been adopted. Since the April 23rd FAC meeting, WisDOT has developed an SFP webpage, began exploring an internet-based public involvement tool and began outreach with key stakeholder groups. Over the next several months, WisDOT will ensure broad-based public participation is included in the plan's development and public meetings regarding the SFP will be held in late-summer 2016. The anticipated completed date for the SFP is December 2016.

- **FAC Focus for Future Meetings (3:15 p.m.)**

- WisDOT DTIM Administrator Aileen Switzer

Based on the September 16th electronic registration survey, DTIM Administrator Aileen Switzer indicated that the next FAC meetings will take place in April and September of 2016. The September 2016 FAC meeting may be a shorter meeting as it may lead into a half-day Governor's Freight Industry Summit. The *Summary Report of the Inaugural FAC Meeting* includes many topics not yet addressed by the FAC, such as supply chains, legislative/budget, ports/harbors, coordination/partnerships, and safety and operations. DTIM Administrator

Aileen Switzer suggested that when FAC members fill out the participation evaluation survey, to indicate what topics they would like to focus on in 2016. The results will help structure the agendas for the 2016 FAC meetings.

- **Closing Remarks (3:25 p.m.)**
 - WisDOT Deputy Secretary Paul Hammer

Deputy Secretary Hammer thanked the FAC for their participation at the inaugural FAC meeting. A *Summary Report of the Second FAC Meeting* will be issued capturing the results of the FAC's input from the September 16th meeting. He reiterated the FAC's advice will assist in supporting safe and efficient freight transportation in Wisconsin. The next FAC meeting will likely be in April 2016. The FAC Planning Team will send an electronic survey to FAC members to identify a specific date for the next FAC meeting. The FAC Planning Team will then send a follow-up to the FAC informing them of the next meeting date and location along with a copy of the September 16th minutes and *Summary Report of the Second FAC Meeting*.