

Wisconsin Freight Advisory Committee (FAC) Meeting 15

Tabletop Questions and Answers from Wednesday, June 14, 2023

Freight Forwarder Panel

Q1: What did you hear today that added the most to your understanding of the roles of compliance professionals and freight forwarders in import/export trade? What is the most surprising thing you heard?

Table 1

- Surprised that software has basically just been invented in the last couple years that manages the vendor information and compliance issues.
 - There has been software for a while, it just hasn't kept up.
- Surprised at all the hassles that are faced. Products that are stuck for months that are collecting fees.
- Heard from their organization's members where equipment that has sat for months even when it was close by, in Indiana for example.
- Daily phone call from staff to customers for about products that were stuck somewhere.
- Whole split between who owns what at point on delivery. That was new knowledge.
 - Do you deal with just containers?
 - We don't do bulk cargo.
 - CDP bringing in containers. Any issues there?
 - No, but that could happen.

Table 2

- The whole panel added to my understanding of compliance and trade.
- The amount of details that are needed to keep track of when doing import and export
- That you need to think about the whole process – what happens, and with whom
- There are so many layers in how products get to shelves
- Denied Party Screening – questions on who manages the data, how the list is maintained, and who enforces when illegal transactions happen
- The process of how and what happens en route.
- Incoterms – Who pays at what stage of the shipment?
- Dumped cargo – how often does it happen?
- Lack of Intermodal Rail in Wisconsin: Chicago needs a relief valve; Wisconsin has been a pass-through state
- Ocean and rail carriers are starting to “play nice” with each other
 - Ocean carriers still set terms on use of their containers
- Certifications – navigators; supply/demand impacts
- Air Cargo export – strong market from Wisconsin

Table 3

- We heard all the focus on import/export, do they play the same role with domestic shipping? If so, what is the biggest impact on their mode selection? We have all of these projects, we need to talk to freight forwarders, are they doing the domestic moves and what's impacting their decision for which mode?

- Sandi from M.E. Day when she commented about 5% of customer product movement is Wisconsin but Chicago was so high – surprised Wisconsin is so low.
- Hearing how big of a role Chicago plays in moving goods
- Clarification – they’re talking ports of entry, those are custom ports of entry and not airports or sea ports. Chicago doesn’t do as much for waterway ports. They’re custom ports of entry where they have custom agents (WI has only Milwaukee and Green Bay), they’re called a Port Director. Milwaukee has a Port Director but Green Bay does not. Not sure how Chicago works. Domestic stuff is moved by logistics companies, freight forwarders almost exclusively dealing with international.
 - This is an important distinction (3PLs, etc.)
- How big of a deal Chicago is. Was expecting to see Milwaukee on there with international but Milwaukee wasn’t there.
- Gave examples of what is going to be developed for direct air freight [in Milwaukee]. A lot goes through Chicago right now. In volume and value, compared to 2 Illinois airports, Milwaukee is small but the new development will make a small dent.

Table 4

- Surprised so much waterborne freight comes from Chicago [ed: Chicago is “Port of Entry” for purposes of Customs. Actual vessel unloading likely at Los Angeles/Long Beach, Vancouver, Prince Rupert, or another coastal port.]
- Intermodal from northern Wisconsin needs to go to Chicago or Minneapolis.
- Ocean shipping is not just in-time freight.
- Size of airplanes at Milwaukee is not large enough for major air freight operations. Handling of air freight is heavily at night or on weekends. There are specialized handlers of air freight that have knowledge of that market.

Table 5

- Wasn’t aware of behind-the-scenes work done (customs, etc.) to import/export. Builders use creative ways to avoid tariffs (ex. drilling holes in 2x4s to avoid lumber duties)
- Observed that as ports became congested, cargo moved to less-busy ports. Has the trend to less-busy ports continued?
- Shippers will route goods based on cost, time, and reliability.
- All the numbers stored to determine best pricing
- Everything that is needed for import and export. It’s an involved process.

Table 6

- The significant increase in rates during Covid followed by the decrease.
- Everybody was making money.
- The lumber industry purchased land at a premium, and now the costs are dropping. That’s also a post-Covid impact.
- What I heard confirms what we’ve been told. We import a lot of paper that got stuck on ships during Covid. There was a spike in cost to import material, and once the raw material got unloaded, the demand suddenly dropped. Those challenges within the pulp and paper industry are real. Hopefully there’s a leveling off of those things. Then again, maybe the costs for shipping could stay high so we focus on using local materials.
- I was surprised by how much [volume of freight] has to go through Chicago. We could do better at using our resources instead of shipping through Chicago. We need to invest money to update our

ports here. If we can convince the shippers to get us to invest money, that will help everyone in the long run.

Table 7

- I'm startled about people using different codes for a cheaper shipping rate.
- The penalties for using those cheaper rates are substantial.
- Can't underestimate the importance of freight forwarders. That expertise is not found internally within most companies.
- Freight forwarders are especially important because there are so many regulations.
- Not all freight forwarders do the same thing. Customization is key. It is complicated and the forwarders are experts at fully encompassing risk.
- Freight forwarders serve the lumber industry very well.
- Need to move into the digital age. Level of automation across the board is not consistent, which I found surprising.
- A few people said that a lot of places still rely wholly on paper.

Table 8

- How the freight forwarders actually make the transfer costs reduced for the freight movers is crucial. Forwarders understand the actual transference costs. They seem to make the transfer possible for legal compliance, in which drivers will not understand.
- The extent to which data management and automation is going to dramatically change this field is also something to consider, especially Big Data.
- Changes in the last 20 years for trucking seems to be considerably different and doesn't seem to be slowing in regard to change.

Table 9

- Level of commerce back to 2019 levels is interesting – assumed there was going to be some downshift with end of pandemic, but surprising it's back to 2019; had assumed non-storefront sales were continuing in greater than 2019 level
- Surprised how systemic challenges were throughout the country – knew ports were drawback (Chicago rail especially); to hear other areas in the country having similar problems was interesting
- Surprising that there are specialized companies in this space; requires lots of data; prevents having an expert on this at each company; having it centralized increases efficiency, is a major service; “logistics of logistics”
- Impressed with the amount of work that gets done; impressed by WisDOT freight group to bring everyone together and know that they're trying to help
- Labor shortage in freight industry was surprising (parking problem, average age, waiting times)
- Surprising that rates came down so quickly

Q2: Are there insights from the freight forwarders on import/export trade that can be applied to improving domestic freight logistics? What are those concepts or practices?

Table 1

- The transloading movements. They do that a lot with bulk material with ships going to different areas.
 - Is that a service lake carriers provide?
 - Yes, but we can split the contract. That is the interesting piece of the Great Lakes. Vessel size is limited by the size of the lock system.
 - Have a container ship drop somewhere else and a smaller ship transport further into the Lakes.
- Short-sea shipping pieces. Maybe there are ways to increase commerce with the Badger Rail system.
 - Ease of transloading containers with Canadian firm saved time and money
- There used to be an [intermodal] connection with the Canadian Pacific Rail to MKE. But that doesn't exist now. Used to save time and money for moving freight.
 - How do you track big companies in Wisconsin without infrastructure? Gave the example of FoxConn that could have brought in a lot of revenue.
- When they closed the MKE rails that was a negative.
- Now is the time to apply the pressure to build infrastructure. Overseas shippers need to have reliable and strong infrastructure within the country.
 - Key infrastructure investments can attract international companies.
- Trying to remove "silos" in questions on shipping
- Understanding the "controls" on freight
- What about egregious fees?
 - The Ocean Reform Shipping Act (OSRA) did help with that with additional regulation, with the Nashville example given. There could be more awareness from Federal agencies. Part of it is an education process. The Supply Chain Taskforce was created by the current administration. The exchange of information is helpful.
- Is it better to have your own ocean ship and control intermodal imports, rather than contract with the steamship companies? I thought it was interesting your company worked with individual truckers rather than only with firms.
 - The vast majority of truckers are independent and choose who they carry for. There are 57,000 companies registered in WI but 97% are 1-5 power units. Big companies such as Schneider's are contracting with the small Owner-Operators too. Sometimes the Owner Operators lease the truck from the bigger company.
- It is interesting there is the shortage of the driver shortage for some but not for others.
 - The onset of retirement is going to be huge.
 - Our freight forwarding firm had to change its practices. During Covid forwarding companies needed to call 2 weeks in advance to the drivers to let them know freight was coming in. And then it still wasn't guaranteed that someone could pick up the freight.
 - Fleets have also cut their number of units and haven't gone up. They are keeping certain tractors and using them for parts because of the supply chain.
 - Similar to rail cars.
 - Licensing requirements are more stringent now.
 - It takes 90 days to get a credential. Need to figure out way to deregulate those credentialing issues.

Table 2

- Trade compliance and the checks and balances involved
 - Not all records are kept alike
 - Automated, consistent processes needed
 - The reasons for overages, shortages, and damages (OSD) – Why are claims filed? What are the reasons behind things getting damaged? Were loads properly secured?
 - During COVID, truck drivers were not allowed to make inspections – this led to higher levels of OSD
 - OSD damages still there in 2023
- More transload facilities are needed

Table 3

- With congestion at larger ports, our freight forwarding firm is diverting client product to less congested ports that might be cheaper (example in presentation of moving from California to southeastern states) – are there opportunities to market/promote services from a cheaper is better and accessibility and that type of thing – including domestic movements? It could be a marketing opportunity.
- Southern states on Mississippi River are a huge opportunity – send containers inland on the river (Kansas City, Saint Louis, Chicago, Kentucky)
- Sandi mentioned information sharing across the modes. Short-line regional railroads, if we could coordinate beyond Class I partners, beyond railroads, to other modes, as easily as looking up at the computer, this is the lane that we're using (originate and destination), if we could look beyond the state lines, information sharing stood out – it would be very valuable across the modes.
- Would like to know what's going to Australia. Is it dairy equipment? That was huge. I wonder if it's agricultural equipment.

Table 4

- Weekend and late-night freight operations at airlines.
- Would Green Bay provide more benefit than cost for an investment in intermodal?
- Investing in technological infrastructure on a joint basis to automate data and records. Could this improve interagency communication? Improve access to information?

Table 5

- Rerouting can be costly because of extra distance.
- 1) Not always necessary for Federal government to regulate carrier fees if lawsuits are successful. 2) Experience with Port of Baltimore customs requiring physical paperwork to export military vehicles (as opposed to digital) results in delays for truckers.
- Then you run into hours-of-service limits.
- Using and exploring other options – other ports, routes, modes.

Table 6

- Uniform import codes ... Incoterms (UCC)
- Similar to axle laws by state.
- Understanding who's in control of what.
- Could they use international codes to ship domestically?
- People use Free on Board (FoB) terms, but those vary.

- Everything from Finland goes through Baltimore or Tacoma and comes via truck to Rhinelander, Wisconsin. Wouldn't it be better to ship directly to Wisconsin – to the Port in Milwaukee? There must be a better way to bring it in on a ship.
- So you're saying we should find solutions now and not wait until the disruption, like what happened in Los Angeles.
- A lot of people bring in stuff from overseas that could get closer to the Midwest. It's a nightmare to get different permits through different states through trucking.
- Do we [Wisconsin] have cities along the lake that could become a port?
- To convert Two Rivers to a major port would be a huge undertaking.
- How much capacity do we [Wisconsin] have to expand our three international ports? Are we fully utilizing our railroad tracks as well as we could? Who coordinates this so we could use this? Are there places where we have right-of-way where we could put double tracks? There are some areas where we do have the property for it and some where we don't. It would have to be a public/private investment. We would have to have a company invest in the project where they'd promise jobs for a certain amount of time.
- When we built the railroads originally, states gave the companies the land to build the tracks. States could do that again so we could get all of our agricultural products out of the state.

Table 7

- For the freight forwarders rate, the ocean rate includes rail. For the cost of the first leg to get out of Wisconsin to cities, the dray segment can be huge. Trucking dray is a huge cost. With intermodal, should look to areas that are not being served now.
- Should be intermodal service on a second Class I railroad other than what service exists now. There is market control with Chippewa Falls being more expensive. There is Canadian National (CN), but we need other options. Oshkosh could be an option for a railyard to get competition. Would be a shortline operator and would use state-owned rail.
- Competition is good for importers and exporters in Wisconsin.
- I've been hearing more about air freight and its service for high-value items that need to be shipped rapidly. As an alternative, fly certain types of freight (i.e., medical devices) to Chicago. Private developers are pushing on that.
- There is an intermodal terminal in Minneapolis-St Paul that does transloading. With CP merging with Kansas City Southern, there will be more direct routes from Wisconsin to Houston and Dallas-Fort Worth.
- Any potential to take advantage of river transport?
- People want to move cargo fast. Europe uses more river transport than the US. Roads took all the old river transport.

Table 8

- We feed the world now – we supply
- Ports are the end game for all Wisconsin products that move internally and internationally, so transparency on how exactly this process is conducted needs to be demonstrated to increase efficiency. Need better understanding needs of ports/intermodal.
- We need more of these trucks off the roads, and more of these freights on the rail. Short line systems have been easier to work with.
- Are opportunities for advancements actually being incorporated?

Table 9

- The way rail operates in U.S. is frustrating – they own the corridor, equipment; don't share; if you want to ship refrigerator from here to Arkansas, can't put it on the train even though that's the most efficient way; rail logistics are interesting
- Having to have specific chassis resulted in charges for material sitting there; some standardization to make things more efficient; equipment is a problem; labor considerations and agreements factor in
- Taking advantage of pricing opportunities (moving to South/Southeast, shipping to South Korea then air freight) – are there similar opportunities domestically?
- There have been closure of rail lines, but are they needed at some times?
- Storage/wait times can be a problem in Chicago; don't have the ability to get materials (freight, fuel supplies); order to which supplies are being distributed; passenger rail has impacts as well; Chicago is making improvements, but have lots of issues/bottlenecks; Chicago was the first to be regulated – are there outdated policies there? Rail is the only mode to be completely independently owned – is unique

Q3: How should WisDOT work with freight forwarders to better understand import/export trade, and how should that knowledge be applied through both planning and project delivery to develop a more efficient and resilient freight system?

Table 1

- Making it easier to get a credentials could be an example.
- The supply chain is very regulated and that needs to be reduced.
- Congress needs to take up the definition of freight. If [a commercial truck driver] travels interstate, that person needs to be 21 years or older to move it. But in-state commercial deliveries can be 18 to 20.
 - Within state lines set a diameter a range of travel. Not have to do paper logs within a certain milage area.

Table 2

- Understand the channels and next trends
 - Roadways, railways, and capital projects
 - Freight forwarders give an idea of where goods are going and changes in port destinations
 - Improve Mississippi River connections – Container-on-Barge opportunities?
- More comprehensive views/perspectives
- Data is critical, but a problem to access because of confidentiality agreements – is there a way to get data?
- It was great to see origin/destination data. Look to work with Customs & Border Protection on clearances to release information.
- Would it be possible to normalize the data? It could be available in ways akin to American Transportation Research Institute (ATRI) Logistics (Trucking Institute) – “If of value.”
- Cass Index – follow trends for freight, intermodal
- Arrive Logistics – lots of Upper Midwest data.
- Freight Waves – frequent webinars.
- Data simulation / calibration opportunities with freight forwarders?
 - IT / Time Challenges – system interaction
 - Sharing – self-interest in giving good information from the private sector
 - Machine learning – leverage the opportunities
 - Discrete? Flexible? Need to have a defined target.

Table 3

- Understanding what the exports are and where they’re going to, it might help be able to build those networks in Wisconsin to get things where they need to go.
- Some kind of aggregated data, but maybe bundled at a higher level – they won’t give proprietary data.
- Are there any rules that apply to sharing information/data?
- We can’t compel them to share certain information. The ability to have those partnerships, has been demonstrated in recent years but recent efforts have been very coordinated.
- Does Customs have databases that we maintain for commodities? Or any other information that could be used?
- Assume there’s a commodity database
- They have to clear everything so there must be some sort of record.

- On the river, there have to be three suppliers so that you don't identify them before you can share detailed information. So that's why I was wondering if there was something through the Federal government on customs.
- Goes with data sharing, but also is there a relationship that can be formed with freight forwarders to understand their decision-making process? How do they make decisions on where to guide their clients? What does that look like? Where do we fall short as a state?
- An observation with logistics and freight forwarding companies– they do what they're comfortable doing, what they have history doing. When it moves to marine, it gets out of their comfort zone. Modal shifts are very difficult. Logistics and Freight Forwarders contribute to this because they're risk averse.
- We need risk takers.
- Interesting: distinctions between what Sandi said and what Charlie said RE: shortage of truck drivers – perhaps it's relationship-based.

Table 4

- Improving flexibility to new customers/shippers' opportunities.
- Better understanding the needs of the freight industry by government agencies.
- Have state-level identification for locations in the state to support local needs to meet freight – Who do you call [in government] when you have an issue with freight?

Table 5

- Know the most popular current routes and the routes/trade lanes most likely to see traffic growth.
- Being familiar with densest freight lanes, OS/OW routes are in jeopardy due to roundabouts and monotubes. Infrastructure should be appropriate to the economical freight lane. Streamline permitting.
- Cities are now charging fees for freight permitting.
- The checkerboard of municipal limits and permitting is challenging. There is inconsistency. The process should be streamlined and standardized.
- What limits are there?

Table 6

- One comment hit the nail on the head. One of our issues is Europe is going crazy for green fuel, which is basically these wood pellets. We don't have the infrastructure to get those wood pellets to Europe. We've gotta figure out an efficient way to get it to port then to the ship then to Europe.
- We have such an advantage in Wisconsin without any barriers such as mountains. Rail is a lot cheaper than building highways. We talk about labor shortages, two people can operate a 120-car train which takes 120 trucks off the road.
- Find places for double tracks. Build intermodal hubs. Contact companies that do the shipping and say we're willing to work with you in order to utilize the infrastructure better. We have nine railroads that run through the state, right? We could build a line through northern Wisconsin that would save time/money. WisDOT could facilitate all of that. We need more double-tracks.
- One of the keys is CN needs to participate in the bigger picture of economic impacts to Wisconsin industries. They control the tracks, but they don't want to share the tracks.
- We could offer incentives to those willing to participate. And those that don't would be left out.
- We need to make sure the containers are there, but they need to be filled going and coming – no deadheading. Why can't Wisconsin become a model? We need to convince our legislature. We need to sell our efficiencies and how we can do this.

Table 7

- Communicate with the freight forwarders and figure out what the rates are for intermodal. Look at the Chippewa Falls or Superior terminals.
- Minnesota did industry interviews as part of a 2019 intermodal study across the board throughout the state. Got local and statewide perspectives, and that has shaped different projects.
- It would be nice to have freight forwarders and others give updates on changes as part of reporting to the FAC on a regular basis.
- We can't get a rate for intermodal out of New Richmond. Freight forwarders don't use that terminal. Who then does use that?
- Sounded like Wisconsin was getting rid of some of the regulations.
- Lumber has to go through a gypsy moth inspection, which is then good for 30 days. The Chicago railyard puts the lumber through its fumigation center, then to containers and ships. If 30 days passes between the inspection and shipment, you can't ship them. That's a major issue.
- Road sustains weight, that makes a difference in costs. Ships and rail can handle much more weight. In Superior, they have to unload some logs, drive over the Blatnik Bridge, and then re-load them.
- I know of a bridge with unknown capacity where they have to do the same workaround.
- Project delivery – more options are needed. This includes extended life pavements on heavy-haul roads, and rebuilding the Blatnik Bridge to allow 100,000 pounds on 16 axles.

Table 8

- Smooth out any questions/issues/"edges" about regulations.
- Building good personal relationships with the freight forwarders.
- WisDOT will be just as pushed on the automation issues.
- Standardize requirements for vehicles across the board, governed by WisDOT.
- Standardization will be difficult, especially on the state level.

Table 9

- Crossing state lines, coordinating with neighboring states (weight restrictions on highways) and nationally (since freight moves nationally); Wisconsin has freeze levels and accompanying weight restrictions – otherwise it seems like we could standardize
- Looking at barriers to exporting dairy products; goal of 25% increase in ag product export, don't have good trade statistics to establish ultimate product origin; know shippers, not manufacturer; port of origin, not where it originally came from; companies face higher logistics costs in Wisconsin (compared to West Coast); hard to justify investments; data is not aggregated up at the state level (co-op may know where their milk products go); can be considered proprietary information

Q4: How will your organization incorporate information from today's presentations to improve your understanding of global trade, and to improve collaboration with public sector partners?

Table 1

- Sounds like an amazing amount of data that Freight Forwarders are dealing with. What type of software do you have? As you start to get AI to look at that this? Is AI helpful? Is it useful for forecasts? How do you see this changing?
 - The more we [Freight Forwarders] automate, the more government wants to see. A 1-page entry has gone to 5. There is industry-specific software. Expeditors have propriety software. But we use Cargowise. There is AI that reads invoices and other information. Software needs to be able to transfer data collection between different computer systems.
- Are their economies of scale similar to yours?
 - The more volume you can often get better contract rates. In an abstract way you can consolidate. Fill one container for customers that may not fill a single container for a better price that are going to the same place.
 - If you are talking maritime and bring something here, you want to bring something back.
 - Exactly, an empty vessel makes no money.
 - That gets back to most of our pickups of full containers are in Chicago. They are maybe waiting two hours in line to get something. But sometimes we don't always have a drop and pull.
 - Build more resilience into the sector.
- All the issues are overwhelming. What about resilience for the next thing? How quick can you recover?
 - Diversifying the supply chain is helpful. It is not easy to resource product overnight. Kohler products spent years designing products and finding the process to move it across the globe. The lesson is that we have to diversify. Seeing more and more people look to closer to home to spread out their supply chain.
- We have to improve the infrastructure. Maybe it's time to think bigger picture to and focus on all of the modes.
 - We discovered what bottleneck means. That is one of the biggest issues. We are restricted often by service hours. The average driver spends 55 minutes a day to locate parking while on the clock. They are losing hours and mileage.

Table 2

- Strengthens the need for intermodal services as part of maritime trade
- Improve understanding of imports and exports – know what is moving and where
 - If temperature controlled – invest in roads
- Educational opportunities – outreach to members
 - Know what members heard
 - Who they need to go to as a resource
- What you need to show to have 'magic' intermodal solution
- Actionable data – BNSF and Minot, ND – desire for intermodal for containerized export
 - Worked to pool inbound customers to have container supply
 - May or not be sustainable
- Build relationships / connections – who to include?
- Getting background knowledge – space in which freight operates
- Looking at the bigger picture / other system needs (first/last mile)

Table 3

- The US Army Corps of Engineers – St. Paul District is working on how to best integrate with multimodal shipping.
- University research has been putting a lot of effort the last few years, on how Wisconsin fits into the intermodal network so we've been utilizing the Engineering Research and Development Center to do studies to figure out how we can work with those other networks. Understanding some of the challenges, we want to build sustainable navigation on the Mississippi River, how can we posture ourselves to meet future demands? That's where our head is at right now.
- At DATCP, we have a team that's responsible for international ag business development, through USDA, our SO is in UK right now leading a trade mission. We invite producers to trade missions to make connections with potential buyers. WisDOT's freight team works with a DATCP team, maybe we should bring Freight Forwarders to those missions as well to help integrate the transportation elements?
 - Shared what WAXC is
- At the Port of Green Bay or Wisconsin commercial ports – we disseminate information, we can share what we learned. If we learn something, then share it (among maritime shippers).
- Watco ships steel and corn and DDGs overseas to Europe and Asia so it goes across different modes. It was nice to learn about Freight Forwarders today and then talk to our marketing and commercial teams to keep them in sight in terms of establishing those lanes over to Europe and Asia. Grain could go out of Port of Green Bay or Milwaukee over to Europe possibly. Steel could go to West Coast and then on a ship over to Asia. Understanding what Freight Forwarders do and why they do it has been helpful. Then I'll talk to commercial and sales folks to educate them. Usually, we get most information from Class I carriers, go through Chicago and railroads will go to east/west coast and then go from there. It would be nice for us to get involved as well and bring down the price to the customer.

Table 4

- Making sure partners are aware of State Freight Plan.
- Making sure partners are heard.
- Clarify relationship/responsibilities of state vs. Federal agencies (DOTs)
- Could you copy the Transit [Section model and] have a regional contact, akin to the Mobility Managers?
- Helps to understand the impact of supply chain issues to schedules.

Table 5

- The field of compliance is not well-understood. Consultants can be very helpful resources in importing and exporting.
- Knowing the component origins of your imports (e.g., windows) is helpful/useful to know because of potential manufacturing and shipping delays.

Table 6

- I'm going to talk to some owners of these companies to see if they can't make some connections and see if they can't become more efficient. Bring these opportunities back to them so it might help them and us. Economic gain all the way up the food chain.
- I'm trying to do outreach. I accept as many speaking engagements as possible. There are so many people that are leaving the state. If we can save costs, companies can pass that on to staff and keep that talent here. ... As a history teacher, I always said that new ideas are often laughed at. The Erie

Canal was made fun of, so was the car industry. Industries and freight companies need to do more collaboration.

- Tariff engineering. You change the product you make in order to change the tariff. And if you need to, just finish the production here.

Table 7

- Not optimistic about the intermodal situation improving. Not much happened after the 2019 study. Would like to see the committee put tires to the road and do something.
- I was surprised about short-term rates. There are challenges with the volatility of that. In maritime, when the rates go high, they build more ships.
- For good rates, we need lane balance. Need to consider across all modes.

Table 8

- From my experience in seeing exports from an ethanol plant in Didion, we need better collaboration between Wisconsin rail usage. Rails have rules that are not completely transparent. They need to play nice.
- UMRBA is interested in the navigation systems that are being used within our common corridors, but we haven't even had discussions with the freight forwarders to understand what issues are still in our way regionally. We should be talking to them. The actual movement of freight through our corridors is much like an ecological process, and freight forwarders have a much better appreciation as to how these individual species (freight) is impacting the entire ecological system.
- UMRBA is not ready for Big Data. The way Big Data is going to move into our industry is happening, but we haven't evolved with it yet.
- Maybe create a space where multiple freight carriers can hub (like an airport does for airlines)
- We're still trying to figure out how this current system works, let alone the incorporation of Big Data.
- The quality of this process can't be placed on one person or even multiple people, it must be digitized.
- Big Data will revolutionize the way we go about this process. We were moving freight 100 years ago, we're moving freight now, and what will it look like in 100 years? Drivers will most likely not be needed.
- UW-Madison is already conducting tests on remotely functioning transportation. Carriers are also having complex risk management systems soon.
- These advancements are going to help the large carrier companies, not the smaller businesses.
- Covid-19 allowed huge surpluses in profit for specific companies. Large change allows companies to absorb the impacts and change, which is impressive.
- I thought the freight forwarders presentation was interesting.

Table 9

- Idea of integrating multi-modal – we know grain grown in WI gets shipped on the Mississippi River; we know it's trucks and such; river ports weren't recognized Federally until 6 months ago; knew there was tonnage, didn't know how it was getting there; from a dairy perspective, vast array of products (milk/soft cheese, short time span – dried products, have forever) – how do you develop systemically a way to coordinate all of that to make sure it gets where it needs to get in the right timeframe
- Working on freight transit study, want to coordinate with shippers – what do they need? Do they need to get on/off rail, on/off ship/barge; interesting logistical considerations (Kwik Trip starts in La

Crosse – donuts you buy in Milwaukee start in La Crosse); Kwik Trip has their own fleet; how do we make sure everyone has those types of resources?

- Need from DOT – way for them to be a voice with railroad groups to try to get that initiative going; easier way to send out and bring in would lower costs, makes companies grow (ship more – helps ICS); need railroad initiative (seems to come and go) – needs a big push; DOT is doing good work through FAC, gives everyone a better understanding of intricacies; DOT needs to communicate across regions – Canada and Mexico are main export markets, so involves other states – want to improve highways across state borders; DOT has technical work to make sure roads are good (and also can handle impacts of trucks)
- Served on Tommy Thompson rail advisory committee; initiative is old
- Looking for coordination at the project level, how will projects affect freight movement (congestion reduction)

General comments:

Table 3

- I enjoyed the panel and the information.
- Everyone is operating the just in time model that is outdated. (From the 1980s.)

Environmental Collaboration with Minnesota Panel

Q1: What are some of the key take-aways that you learned from today's panel on the Wisconsin-Minnesota collaboration on transportation and the environment?

Table 1

- Make sure to start communication and collaboration early for any project. Look at the beginning point of freight trips.
- Wisconsin does a lot of collaboration regarding environmental efforts and coordination activities. Impressed that we have this much interaction with Minnesota. Wonders if that is typical with other states.
 - Knowing a little bit about Wisconsin's environmental process, it was interesting to hear that there are some differences from here to Minnesota – perspectives and modes.

Table 2

- How can we have more outcomes with mutual benefits?
 - Waste streams – just a start with finding places for dredged sand
 - Hamstrung by regulations
 - “Sand Silo” technology – heated sand in daytime → passive energy source
- Tribal government – seat at the table
 - Regularly brought in at project level
- Industry wants consistency
- Tribes have different treaties – many are being reasserted

Table 3

- What WisDOT hears right now, we will pass on to region staff who work along the Mississippi. There's a very specific audience within the department for this topic.
- **Discussion on MAFC report
- Regulatory agencies are trying to back off of regulations and trying to be more collaborative
- Cooperative agreement between states ex: bridge crossings, not sure about water way projects between WI/MN. Watco deals with WisDOT and WisDNR who have a cooperative agreement and it is “exceptional”- it keeps projects on time, and we don't compromise the project or environment. The cooperative agreements are very effective, especially in an inflationary environment.
- Army Corps has an MOU with Wisconsin to streamline permitting process for routine dredging operations (working to have one with MN as well)
- Age/resilience of 100-year-old lock and dam system – can be hard to keep things going.

Table 4 – This table was consolidated after lunch as some FAC members left early.

Table 5

- Funding issues and environmental concerns combine to create a struggle
- There appears to be more collaboration than previously thought. More is still needed, however.
- Who does the research to identify where MN and WI have their differences?
- I've previously heard about Army Corps of Engineers dredge sand efforts.
- Need to connect concrete plants with dredge sand

Table 6

- When you build a bridge, the process incorporates the environmental standards of each state and we make it work.
- Where that comes from is an early definition of goals. There's a lot of preplanning and communication.
- That has to get done before the project gets started. And the general public doesn't understand it.
- What is the cost of the environmental portion? How much money goes into a bridge project before the bridge is actually constructed?
- The environmental is more of the paperwork and review process.
- And you're looking into the purpose of the project and how to best do it. How it affects the wildlife and the people. It's a process to pick the best solution that has least impact to environment – not just wildlife, but humans in terms of noise pollution.
- As an example, I worked on a project in Merrimac where we had to get a causeway in before a certain time so as not to impact the fish population. And the environmental documentation made a commitment to do that.
- The cost varies from project to project
- I like what they said about, why can't we find ways to improve transportation and also improve the environment?
- I worked on that DeSoto derailment. I hadn't known all the contracts they had in place ahead of time for these types of emergency situations. They had contractors in place within hours to build roads to get to the site. They had buoys in place to contain the substance that turned out to be coffee creamer. That process saves time when it's critical.
- DOT was responsible for diverting all the traffic.
- I'm very proud of Wisconsin's emergency response efforts.
- They also compensated the businesses while the roads were closed.
- Some of the businesses stayed open to feed the workers.
- [returning to earlier question] When I'm looking at it as Joe Public, you're telling me it costs \$1B to build that bridge? ... But I know there's a lot that goes into that. It's important for the public to know the breakdown of the construction compared to all of the planning/design/review
- I hear what you're saying about the public knowing, but it's very rare that the public is interested enough to listen. Then they complain about it after the fact with bad information.
- With the advancement in technology at public involvement meetings, we've been able to reach a lot more people with virtual meetings.
- Good point. If we can make those more accessible, it's easier to get the information you want.

Table 7

- Makes one think about the degree to which states have to work together, particularly regarding coordination on the waterway. I thought it would be Federal.
- Allocation and Federal funds are part of the pot. 50/50. Each state has its own project process. It's important to discuss who is responsible for maintenance. There should be cooperation while still fulfilling state requirements. Avoid duplication.
- Trust each other as partners. For example, in the case of contaminated properties, Minnesota investigates properties and still purchases them. Wisconsin says if it's contaminated property, they automatically don't buy it. Also need strong partnerships, including with Canada too.

Table 8 /Table 9

- Collaborate well; have the courage to cooperate and share (including costs); build a structure that allows collaboration on an ongoing basis; ideas of working together are relatively safe – diversity,

equity, and accessibility can be thornier; impacted communities tend to be overlooked, costs to communities not taken into account – need to work together toward these ideas more intentionally. Routine committees would serve as great continuous commitments to collaboration.

- Plan early!
- Key takeaway is definitely collaboration and have the courage to integrate the cost and mitigate the damages.
- Our MPO has a few committees that are the venue for multiple stakeholder groups to work with the MPOs and RPCs. Are there any separate freight-based committees with collaborative venues? It's something that can keep these interests interconnected. Can the MPO serve to help foster collaboration across borders? Could there be a separate group to make that happen?

Q2: Who else should be part of the conversation over the shared transportation operations and environmental management? Are there geographic areas where those other parties are of greater importance?

Table 1

- Private sector businesses.
- Lake associations, entities that are usually non-governmental.
- Within the context of freight from transportation, what about pipelines?
 - WisDOT does touch on that in the freight plan. The DNR usually leads the environmental process for the pipelines, but I am curious to see how that intersects with the transportation environmental process. They are usually built by private companies.
- Tribes were referenced a couple times. From my experience the tribes are brought in. I wonder if there would be different considerations from their perspective when we think of transportation projects in terms of freight.
- Flooding and drought issues are affecting shipping. The dredging is another one.
- Focus on endangered species inside the state. Appreciated US Fish and Wildlife stating that their intent is NOT to “kill projects.”
- Fencing was identified as a strategy/tool. Use innovative infrastructure such as wildlife tunnels.
- The statistics for the number of people killed crossing the railroads were surprising. The thought of how to get more crossings or incorporate the need to cross. Create options. Could also look at reconnecting communities as well, such as the Reconnecting Communities BIL funding, and don’t create new barriers.

Table 2

- Environmental justice groups
 - They’re not here today, but they were a part of efforts in the just-completed State Freight Plan
- Energy resource management – Utilities
 - Public
 - Private
- Near-term: Hydrogen and renewable diesel
- Rail crossings – safety issues; train idling – try to minimize

Table 3

- Unsure
- Local governments and communities are starting to form partnerships on environmental and navigational management. Ex: Wabasha, MN is going to dredge for a fee for them – there are opportunities like that. Thinking about private sector and the public. Local governments should be more involved.
- Didn’t realize the volume in cubic yards – what is an example of what dredging material is used for?
 - Bridge construction with WisDOT, they give it away. Also used for winter road maintenance
 - If there’s such a problem getting rid of this material or dealing with it, why does the Corps keep spending money to dredge the same spots but don’t look at projects further up the river to stop it (erosion) from happening
 - They have looked at sediment traps and they do have some in the Chippewa River.
- Tribal interests.

Table 5

- Recreational users and land management.
- The railroad interaction with the Fish & Wildlife connection – access points; many benefits

Table 6

- How many sportsmen’s groups are represented in these committees and meetings? I could see filling holes in mines with dredging materials to create pheasant habitats. A lot of these groups would be in favor of that.
- Would it be sportsmen’s groups or the coal industry?
- Maybe mining groups.
- It would make sense for sportsmen groups to invest in this kind of operation to improve wildlife habitats.
- Even in Wisconsin, there are a lot of gravel pits that could be reclaimed.

Table 7

- It should also be considered who shouldn’t be part of the conversation. U.S. Army Corps of Engineers (USACE) conflict over the issues.
- Nobody agrees on a number of issues – there are challenges with different priorities.
- There are Federal and state requirements in the way that projects are processed. There could be more engagement to get people’s diverse perspectives, versus defending decisions as the first step.
- How do private entities become involved? Departments need to conduct early engagement to understand various stakeholder perspectives.
- It would be helpful to get people’s input and compare that to a project’s purpose and need. Then continue with the project. You don’t want to get to the last minute and then a special interest group sues you.
- Don’t limit the amount of time for public involvement. Engage in order to develop the project properly. Equity, environment, and global warming are all complex problems. Questions such as “How much land is redeveloped?” “Will there be a resulting increase or decrease in greenhouse gases?” should be considered.
- Different interest groups are in different geographic areas. For example, tribal areas are up north.

Table 8 / Table 9

- Have to find organizations that are advocates for people who are not present at the table – how do we do that? National Wildlife Federation (NWF) held seminars about environmental justice issues; don’t run into enough good conversations that involve the economic system and the ecological system at the same level; advocacy about parts of each but not as systems
- Having connections, working with the DNR and other agencies advocating for the environment make sense; [The RPC is] asked to review things but our staff isn’t always brought to the table and doesn’t necessarily have the skillset to review things; less restrictive rules for uneconomical coal plants result in them not being shut due to cost of mitigation; policy not politics
- It’s really challenging to determine which parties are relevant, or to get low-income and disadvantaged communities into the planning input process
- We must find organizations that already have those connections, so that they can help speak for those without the exact planning literacy.
- In southeast WI, the RPC reviews all projects with the DNR to consider environmental impacts, but then we hear private groups in other areas that are coming to us as the RPC for help. They [private groups] aren’t at the table and we [RPC] don’t have the skillset to review things when that’s not our

specialty. Working with advocacy groups can help mitigate that confusion; working with the DNR and other agencies advocating for the environment makes sense.

- Less restrictive rules for uneconomical coal plants results in them not being shut due to cost of mitigation; that's policy, not politics.
- One thing I don't think we run into enough, is the connections between the ecological system and the economic system. We have advocacy for elements in the economy and ecology separately, but very little clarity on how they are interconnected. Good systems analysis is going to help us bridge those connections.
- There are energy companies that are completely ready to close their coal mines down, but they can't because the mitigation/clean-up cost is too high.

Q3: What themes or practices should WisDOT consider applying to emphasize and support environmental collaboration along the Minnesota border?

Table 1

- I don't know what the practices are currently. And DNR has quite a bit of involvement in any of the projects. It is a matter of the perception of credibility and expertise. The industry and general public are involved throughout the large-scale projects with public hearings.
 - Everything should be science based. Make sure you can back up your decisions with good data.
- Think about the lessons learned. Understanding that freight will be moved within an area. Is there a way to connect the regular things the department does with things that we don't normally do. Talked about how with the Foxconn business in SE that there may be infrastructure that is built but not being used.
 - Also, what is in the best interest of the common good.
- This morning's panel with all the logistics just seemed overwhelming. For the afternoon's panel, it sounds like a good job is being done already. There are things can be improved or enhanced but it seems the coordination is already occurring.

Table 2

- Good to have both sides at the table / to be in person.
 - MN sometimes neglects freight and environmental justice in its efforts
- Move away from modal silos

Table 3

- Trading staff similar to MnDOT with the Minnesota DNR or have them interchange, have a desk available for the other staff so everybody knows what's going on (MnDOT pays MnDNR to have a FTE staff member in MnDOT to assist on transportation and handle transportation issues)
- Is there any sort of routine, not tied to a project, but a general what's going on, quarterly or otherwise regular meeting happen? Similar to the tri-state meetings.
- Wisconsin has an annual partner meeting but doesn't get down to a project level. It's hosted by Wisconsin but not WisDOT. The River Resources Board/Forum has applicable groups (Coast Guard, industry, WisDOT if applicable, railroads); it's a small group but has the key players for discussing specifics. Meetings are held up and down the river, so hosting location changes. Meetings are held three times per year. (USACE Navigation Office – "Mississippi Managers Meeting.")
- Tribal issues, for questions 2 and 3, if we could get the Tribes' voice as environmental advocates that would be important. They have expertise in that area.
- Is that only where there is Tribal lands?
- It does happen in those instances. We've invited the Tribes into the FAC forum. WisDOT has staff dedicated to Tribal issues and they engage the Tribes with any road project in their area.
- When I was in Missouri and Environmental Justice (EJ) started becoming prominent, MoDOT came to WI and MN to see how Tribal relations worked because you were doing it so well.

Table 5

- From outside perspective, it appears that MN and WI work together well.
- Early coordination calls may have contributed to success.
- Are there processes to follow in project implementation?
- WisDOT has several processes in project planning and development.

- There is an art to gain early involvement, identify key issues, and target mitigation. Identify “pinch points.”
- Example: OS/OW; lots of specialized permits
- Simplify permits
- Longer-term OS/OW permits would save staff resources
- Remove staff from automatic approvals

Table 6

- What you’re doing already is working in your cooperation with Minnesota. If it’s not broken ...
- I always hear Minnesota-Wisconsin cooperation is good. What about other borders?
- Deputy Solberg from Minnesota noted that they do a state freight plan and separate district-focused freight industry plans. Looking at Wisconsin, it might be interesting to try that at the Region level here.
- There are a lot of different commodities being moved in different parts of state.

Table 7

- It is hard to get everybody involved. Engage with stakeholders through different means.
- Does Wisconsin do early notification? Thinking of USACE, Fish & Wildlife Service, tribes, etc.
- There usually is early coordination with the DNR and USF&WS. Public engagement outreach is very specific to the project. There is a broader outreach midway through.
- Use corridor studies to help identify needs.
- In Minnesota, we had focused on the preservation of the system. With an influx of cash, we do more going out to the community and say “We have pavement needs, what do you need?” This gives us a better idea going into project development.
- That process was also done for the freight corridors.

Table 8 / Table 9

- Examine MPOs that are collaborating well, as lessons learned. Take advantage of their knowledge.
- There’s one in Dubuque and Superior.
- Good deal of the Wisconsin-Minnesota border are the rivers, a combination of environmentally sound corridor, well-managed, as well as an industrial corridor – don’t have to be exclusive. They need to work together rather than existing separately. Instead of pointing fingers – sit at the table and say “how do we do this effectively and safely?”
- Any examples of how these might work together?
- Tourism, road systems, bike trails, etc. Any recognized collaborative routes.
- RPCs as well. City comprehensive plans and county master plans can be referenced when going after grants and are good examples of potential collaboration. They can also be unwieldy. But these collaborations could be something to investigate for incorporation.
- We’re governed by state statutes on how we conduct our plans, it might be time to reevaluate those state statutes on our plan requirements.
- Example of working well together? Dam/locks and navigation; also, tourism; 3,000-mile road system that is being developed into a bicycle trail with recognized routes; Rail system has emergency response down pat – example, lithium batteries issue – result of effective documentation of response; emergency response is a good example of working well together

Q4: How can private sector businesses and trade organizations engage with the governmental agencies for more effective and collaborative outcomes for transportation and the environment?

Table 1

- The idea of the sand from the Mississippi River being used is a novel concept. Maybe there will be a company that could use it.
- I wonder about allowing railroads more opportunities for modes to engage with those of us planning other modes. Often the railroads are at conferences I attend but are usually a topic. More opportunities mean we can all better understand where everyone is coming from – and “play well together.”
- Coordinate public opinion surveys that different entities can put out to their stakeholders for additional input. It boils down to education. Present your needs and justification for those needs. Not everything is about the bottom line but make sure are you getting a return on investment for that time and money and potential legal costs.
- With the Freight Forwarder example of the lawsuit during the morning panel, it makes me wonder on an environmental level if it is just materials sitting somewhere. What would happen if it was hazardous material or needed specific temperature. Would something have been done differently? I think that problem might have been solved.
- Is the dredged material as clean as it could be? Gave the example of the frac sand being unhealthy when inhaled. Mentioning that aspect wasn’t thought about at first when the mining began.
 - Is the dredging sand the same as the frac sand? That could be a question.
 - There could be a use for it on the coast as a rising sea mitigation tactic.

Table 2

- Sustainability and Resiliency
 - Alternative fuels – Renewable diesel products
 - Battery technology is long-term
 - Battery testing
 - Helping cargo / yard equipment change to electric (California example)
 - CP is working on hydrogen power for locomotives
 - Battery operation/assistance is more suitable for rail yard operation, but full electrification is still not there yet for rail due to lack of electric capacity on the grid and battery limits (including operating time and lack of raw materials).
 - Question: Could efforts to use more alternative fuels on rail be eligible for the Federal Carbon Reduction Program (CRP)? It might be applicable for locomotive engine rebuilds or replacement. Merrill Mechler-Hickson is the WisDOT person who is in charge of that program.
- Truck Parking – Concentration
 - Independent Owner-Operators: small fleets
 - Urban restrictions
 - More truck Vehicle Miles Travelled (VMT) to better parking
- Great Lakes Alternative Fuels Study
 - Out by end of 2023
 - Great Lakes – St. Lawrence Seaway Corridor
 - EPA has a \$3 billion program for port electrification
 - Are inland ports also eligible?

- Possible use for cargo handling equipment
 - Seattle – not enough available electricity to get port to convert
- No cold weather test (yet)
- Modal change → Sustainability → Federal funding for support
- Tire recycling → Energy generation, manufacturing of other products
- Alliant is evaluating use of batteries for ‘banking’ energy to feed back into the grid
- A typical rail yard needs 1.5 MW of electricity supply. With full electrification (including charging for locomotives), the demand becomes 25 MW.
- Q: The role of USACE on wetland management
 - A: The USACE issues permits – they are a big player on WisDOT bridge projects. Their jurisdiction is over the navigable “waters of the United States.”

Table 3

- Apply for public money/work on Federal grants together
- *Discussion on practice of rail maintenance of unused/decommissioned railroads
- Fairly appropriate for this discussion minus the environmental side, a good example of freight between MN and WI. In western WI a lot of the grain terminals are on the MN side of the river. WisDOT will issue permits for hauling grain from the farm to the first step, but then is there a process for getting the load to the terminals. Perhaps it would be nice to have permitting harmonization. In some cases, the trucks only go less than a mile.
- There are different working relationships with each of the states. It really comes out of conflict of Federal law v. state law, more so than state v. state law. It is a balance there, so we have to maintain those ongoing relationships. As a Federal agency, we don’t have to follow all of the state laws in some instances which can be challenging with partners. Communication and planning is key. Use communication and collaboration to manage conflicts before they become contentious.

Table 5

- Get involved at the project level
- Are resources going away that we are not thinking of?
- Do more together to be better
- Work together to streamline and help educate

Table 6

- UMRBA should have private industries and associations involved in that group, not just public agencies.
- It’s important to see the business point of view – of standards and technical information. We sit in an office and think it makes sense, but we don’t realize its impact on businesses or degree of support.
- And they probably have a different perspective on moving things like frac sands.
- The people at DOT want to know the impact, they just don’t know what it is.
- You can make all the standards you want, but if I can’t implement them on the ground, they don’t have much impact. If you’re not at the table, you don’t have a say.
- It is important that we listen to the businesses, then we as an agency tell the legislators this is what business wants.
- DOT is good about asking businesses for input before formulating a plan. It helps at the end in the legislature when businesses can support DOT programs/plans rather than oppose it because they didn’t have that initial input.

- I think Craig’s leadership has helped. I brought him to my district [when I was a state legislator]. He gave the people the option about a stoplight or a roundabout rather than telling them what would be there.
- Most state agencies have gone paperless, so the ability of the public to find information on projects is so much better. It’s a great help in getting the broadest amount of feedback that you can. Same with the ability of the public to offer feedback.
- That’s why we need to modernize state agencies’ software in order to make it easier on the public to access.
- There are advantages in collaborative document sharing and database interfacing – i.e., overlap of land records and the impacts of project plans.

Table 7

- Through conversations and communication.
- Can be done through informational meetings. Good to filter it down to working at the local level because they have a better communication process. They know where traffic is, etc.

Table 8 / Table 9

- Committees and meetings like this! We work with the private sectors to prevent supply shortages, and it’s a mutual benefit to share our knowledge with them. Whether it be infrastructure or physical supply issues, the mutual knowledge helps both sectors. How do we incentivize the public sector to host events like this? Would be powerful to show up in disadvantaged communities; make successful implementations available to others - and determine where it should go to be accessible
- Things like this – utilize a fuel coordination group at the PSC that combines private and public reps to avoid shortages; public sector doesn’t know what’s going on if we don’t have a connection to the private; would be a good venue to bring in disadvantaged folks
- Some parts of the private sector are really interactive, but some areas aren’t. So how do we incentivize those areas of the private sector to play along?
- Putting out more best practice guides for private businesses will really help those areas of the private sector to feel incentivized to conduct environmentally sound projects. People don’t know the benefits of participating in programs – need to advertise support material, as well as programs with money; could push out case studies
- WEDC has done a good job of distributing Federal money, including through grants; distributing at smaller amounts; bringing local businesses to have better communication with their government is important, especially if there is money attached; it’s important to learn from best practices – wdngreen.com is an example of best practices

Addenda:

Table 3: Themes: Distinctions in Federal v. state law; communication & collaboration (to manage conflicts before they become big/become too contentious)

Table 7: Want to hear more about rail and intermodal freight.