Wisconsin Freight Advisory Committee
Intermodal Subcommittee
Meeting Notes
August 9, 2018
9:00 AM - 11:30 AM

Host: Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP)

Subcommittee Members/Designees Attending In-Person:
- Dave Simon, Wisconsin Department of Transportation (WisDOT) (co-chair)
- Cory Fish, Wisconsin Manufacturers & Commerce (WMC) (co-chair)
- Tom Bressner, Wisconsin Agri-Business Association
- Brian Buchanan, Canadian National Railway Company (CN)1
- Bo DeLong, The DeLong Co., Inc.
- Larry Krueger, Krueger Lumber/Lake States Lumber Association
- Brad Peot, Watco/Wisconsin & Southern Railroad (WSOR; attending for Ken Lucht)
- Dr. Richard Stewart, UW-Superior

Subcommittee Members Attending by Phone:
- Dean Haen, Port of Green Bay/Wisconsin Commercial Ports Association
- Peter Hirthe, Port of Milwaukee
- Brian Jackson, JUSDA USA
- Danielle Jones, Wisconsin Economic Development Corporation (WEDC)
- Shirley Malski, UW-Oshkosh Small Business Development Center (SBCD)
- Kelli O’Brien, Union Pacific Railroad
- Chad Olson, Hapag-Lloyd (America)
- Dr. Ernie Perry, UW-Madison
- Steve Rose, Logistics Council of Milwaukee

Other Attendees:
- Steve Spensley, Lafayette County Board
- Mark Sericati, Schneider National (by phone)
- Dean Prestegaard, WisDOT
- Rich Kedzior, WisDOT
- Dave Leucinger, WisDOT
- Matt Umhoefer, WisDOT
- Paul Chellevold, SRF Consulting
- Chris Ryan, SRF Consulting (by phone)

Introductions and Review
The sixth meeting of Wisconsin’s Freight Advisory Committee’s Intermodal Subcommittee was held in Madison on August 9, 2018 at the DATCP headquarters building. Dave Simon welcomed the attendees

1 Canadian National Railway Company (CN) operates in Wisconsin as Wisconsin Central Ltd. (WCL), a wholly owned subsidiary operating company. CN is the ultimate parent company. The U.S. subsidiaries of CN such as WCL operate collectively under the CN brand name.
and noted that the previous day was the “launch day” – the day that the Subcommittee’s on-line survey went active through WMC. He praised the support team for the work done in developing the survey, and said things were falling into place, with tremendous interest in the work of the Subcommittee. He said the timing is good for these efforts, as intermodal freight is hitting high numbers globally. He said the report could shape some changes, and that he’s optimistic about what will develop. He noted that he would introduce two new members and ask them to speak on their role in intermodal transportation. He also acknowledged a guest who he said would speak on a project proposal for southwestern Wisconsin.

Simon continued with a quick recap of the previous meeting, and praised the Subcommittee’s accomplishments at that meeting to finalize the survey content. Those included simplifying the commodity listings to eight (plus an ‘other’ category), establishing actionable volume data, narrowing the number of options for where and how goods enter/exit North America, and including check-offs for hazardous materials and temperature-controlled items. The Subcommittee went through the report matrix to review the narrative sections and data needs; for those who still have data to submit, Simon reminded the members to forward it to Matt Umhoefer and Dave Leucinger. He added that the last meeting also included a review of Section VIII – improving the state’s potential for intermodal development – where the Subcommittee discussed the ways that federal, state, and local governments can do to address those improvements. The Subcommittee also discussed advance promotion of the survey – through the FAC, through regional economic development organizations, and through newsletters, e-mail, and press releases from stakeholder organizations.

Since the July meeting, Mr. Simon noted, WisDOT and WMC have put their efforts into developing the survey. The content and packaging were finalized and now, the distribution phase has been launched. The survey team has done the promotion and testing, and has put out teaser messages to raise interest and awareness. Matt Umhoefer at WisDOT and Kim Drake at WMC have put in a lot of effort working together in the survey development, and the committee is thankful. The survey is now live and will be open until September 14th. There will be an update presented to the Freight Advisory Committee (FAC) – the parent organization of the Subcommittee – at the Fall FAC meeting on November 15th. Rather than have WisDOT and WMC lead the effort, Peter Hirthe and Brian Buchanan were asked to make the presentation, and they’ve agreed to serve in that role. WisDOT staff will help to prepare their presentation, which will serve as a ‘check-in’ on the efforts of the Subcommittee. The intermodal report will be in its final draft at that point.

Matt Umhoefer then displayed a slide (on-screen and via Skype) that showed the growth of the Subcommittee since last fall. At its inception, the Intermodal Subcommittee included five members from the private sector and five members from the public sector. Now, the Subcommittee has sixteen members from the private sector and six from the public sector. This expansion is largely a result of the group’s success over the past six months - a tribute to the members in the group. The Subcommittee has two more meetings scheduled, one each in September and October. The narrative should be in the 60% to 70% range by the September meeting. The Draft Final Report will be presented at the fall Freight Advisory Committee meeting on November 15th. The survey, as mentioned, will be open for five weeks from August 8th through September 14th.

**New Member and Guest Introductions**

Dave Simon then welcomed two new members to the group: Chad Olson from Hapag-Lloyd, a global liner shipping company; and Brian Jackson of JUSDA USA, the supply chain management company for Foxconn. In a brief conversation on Foxconn’s anticipated supply chain prior to the August
Subcommittee meeting, WisDOT found that it was still taking shape, but that “incredible volumes” of items would be moving. Brian Jackson then introduced himself over the phone. He said that although the Foxconn factory is still a couple of years away from producing its first items, those that attended the ground-breaking in June saw the scope of the site. There will be a lot of buildings and a lot of activity, with traffic moving in and out in large volumes. For both inbound and outbound shipping, intermodal makes sense. There was an April meeting sponsored by the Metropolitan Milwaukee Association of Commerce (MMAC) where there was a discussion group that asked about the Foxconn plans; Jackson met several members of the Subcommittee there that day. Foxconn is trying to do what it can to “help the cause.”

Dave Simon asked Brian Jackson if he’d read the minutes, and if anything stood out for him. Mr. Jackson replied that the effort looks good; there are a lot of great ideas, the notes are thorough, and there’s a tight-knit group at work. Mr. Simon then introduced Chad Olson, who represents global liner shipping service, called steamships by some. Simon expressed appreciation for Mr. Olson bringing the liner sector’s role to the Subcommittee. Mr. Olson thanked Mr. Simon, and gave background on his company, Hapag-Lloyd. The company, based in Germany, is 171 years old; it owns 219 vessels that carry 10 million TEUs per year. His sales territory includes 22 U.S. northeastern and midwestern states. Some key commodities he manages are agricultural products and waste paper. He said he’d reviewed the meeting notes from February and May, and believes the key step that is needed is restoration of rail intermodal service to Milwaukee.

Next, Dave Simon introduced Steve Spensley, a guest from Belmont who is exploring intermodal options around Prairie du Chien. Mr. Spensley discussed his background in agribusiness, noting numerous operations in the Richland Center area. His experience includes warehousing, including dry and refrigerated; soon his warehouse will have freezer capability. The greatest problems for manufacturing in Wisconsin are with trucking, as the electronic logs have reduced driver availability in serving warehouses. He claimed that 250,000 truckers have left the business since November of 2017. With all the cheese and dairy operations he’s dealt with, those firms consistently mention having problems with getting containers for their products. He’s been on the Lafayette County Board and has been involved with economic development; that’s how he met Bo DeLong and learned about the Subcommittee. Mr. Spensley wants to open an intermodal facility in Prairie du Chien to ship out agricultural products from a 130-mile radius. He is working with local economic development people in Iowa and Minnesota, as well as Wisconsin. Prairie du Chien is the midpoint between Minneapolis and Chicago, and there’s essentially an unlimited amount of product available to export. He’s also talked to Canadian National about its Ashley Furniture terminal in Arcadia; they move up to 60 to 80 containers a day. Spensley feels Prairie du Chien has land and employees available. He has been in agri-business since the 1970’s and has learned about the transportation needs of the sector. His goal is to improve transportation efficiency – that’s why he came to this meeting.

Survey Roll-Out
Matt Umhoefer then gave an update on the status of the survey. Version 3.9, which was the version that came together after the last meeting, is reflected in about 97% of the questions in Survey Monkey. We eliminated asking for specific ports of entry, instead asking for which coast the containers arrive in North America. Based on recommendations from Dr. Stewart, the survey added an option for 28’ domestic trailers. Amazon is reported to use those extensively for North American shipping, and with their distribution center in Kenosha, this category was needed as an option. Those were the main changes. The survey team tracked through and developed the skip logic by flow-charting every question on a white board, which led to the first beta test of the survey. Mr. Umhoefer worked with Kim Drake at
WMC; they both went through the flow chart and reached the same conclusions. He thanked the beta testers who helped demonstrate there were no skip logic errors. The results will be viewable on an Excel spreadsheet; the analytical process will be automated to gather the data. (Mr. Umhoefer then showed the unprocessed spreadsheet on the screen in the room, and via Skype.) He said the different categories for answers generate different columns; there are multiple cycles for the same question that a survey-taker will be allowed to go through. The beta test generated 1,200 columns of data; Mr. Umhoefer guessed that the active survey would generate twice that number of columns – between 2,000 and 2,500. He said that he learned that Excel can support up to about 16,000 columns. He also said that depending on how much detail the business wants to share or group, the respondents could break down container contents into multiple categories, or classify all as “other.” The point of displaying the Excel spreadsheet is to demonstrate the amount of data that is being collected.

Dean Prestegaard said that it’s important to note the data ultimately won’t be in a spreadsheet, but in a database – that will allow for filtering the results by commodity or by industry, and build the heat maps off of the data for those classifications. WMC will be able to strip out columns. WisDOT is going to design macros and templates to make the database easy to manage. And beside the database management, WisDOT will be tracking the response rate for the survey – we’re not sure how often – but we will be looking at the number of responses, the completion rate of the responses, and how well each of the sectors has a response. We will monitor these items throughout the survey period.

Brian Buchanan asked how the team was guarding against counting the same traffic twice, especially if two entities submitted responses. Dean Prestegaard replied that there would be validation by looking at e-mail addresses to see if two people from the same firm gave similar responses. Buchanan clarified the question – if a third-party logistics company and the shipment receiver both submit, how do you not double-count? Bo DeLong said the survey was to be targeted at beneficial cargo owners. Prestegaard added that there will be some testing and common-sense checks to ensure multiple entries are identified. Matt Umhoefer said that it is theoretically possible for someone to go in and create a false business entry. WisDOT and WMC could have e-mailed the survey just to a targeted group of businesses. But that would have left off many other businesses. The Subcommittee should understand that there might be errors. One other check that we do have – if some area on a heat map shows up brightly, but it doesn’t seem to make sense, we can go to the local governments and railroads to see if the data is accurate or not. That will help us get some precision. After that, it’s then up to the railroads and their intermodal departments to identify opportunities.

Dave Simon said he thought what the Subcommittee accomplished was great. There has been talk about intermodal; now, it’s in the hands of the private sector - it’s time for the business community to step up and let the department know by completing the survey. It can be discussed further at the September Subcommittee meeting. Dr. Stewart asked if the heat maps would display lane balance along the corridors. Matt Umhoefer replied that we will see a concentration of where containers are going and coming from; we need to learn how to share that information. We won’t be able to draw the lanes to any specific port, since the survey only gives the coast. We may show the relative TEU volumes using an arrow with varying thickness, pointing at the center point of the coast used by the importer or exporter. The data will not give any more precision than that.

Dean Prestegaard said he sees the information being displayed as it would be in GIS – with a bunch of layers for information (such as commodity) that can be turned on or off. We will focus on the Wisconsin ZIP codes – and could display volume by commodity. We still need to determine how best to make the graphics. Dr. Stewart asked the Subcommittee if they had any ideas – perhaps dividing the state into
quadrants or regions to show freight flows? Brad Peot replied we can get to individual county-level information, and see where each county contributes to the lane volumes. Matt Umhoefer said there could be a difference in what is put into the report, versus the creation of a GIS tool. The report should develop a method that can display useful information, even if identifiers are stripped or data is aggregated. Then that data could be shared with the public. A Subcommittee member said the challenge comes when there’s a large manufacturer in a small county, since it would be easy to deduce which company is generating the container traffic. Another member said it’s important for the railroads to know the lanes that the containers move along. The report needs to show how the GIS displays will bring those lanes forward, but it’s up to the local communities to make efforts to support the shippers by using that data.

Dr. Stewart said the data from the survey could be helpful to any potential application for a federal grant, such as was used for the Duluth intermodal facility, as long as the data was in a useable format. He asked Chris Ryan if the Cedar Rapids facility under development used any federal grants. Ryan replied that Andy Mielke was the expert; he in turn asked Paul Chellevold if he knew; Chellevold replied that he did not know but would get that information and share it with the Subcommittee.

Dave Simon asked if there would be enough survey results for analysis by the next meeting. Dean Prestegaard replied there would at least be some initial results by then. Simon said the Subcommittee will drive how the information will be displayed. Prestegaard said that the survey team will begin the development of macros to manage the data and convert it into information that can be mapped, to see if that will in fact work. The team won’t wait for all the data to be collected; it will make the effort now to produce a sample product.

Cory Fish said he was thinking about how to push the survey out; the Subcommittee will need people to make the push. It might be more complex than in the past. Dave Simon agreed that we are now in the survey delivery mode. Matt Umhoefer said that we have already given a briefing to the FAC; we want to get the survey in the hands of the Council of Supply Chain Management Professionals (CSCMP). Eric Kruse from Kwik Trip attended the last FAC meeting and said he would be willing to network with his CSCMP colleagues. Someone asked if this survey would be posted as its own website. The reply was that the survey has been posted through WMC, with a unique address; that’s the link that is being shared. With the survey, the business community has the opportunity to speak for its intermodal needs. Dean Prestegaard said anyone should be able to share the link, although a PDF of the introduction might be useful in some cases, if there’s an active pathway to the survey that can be embedded in the PDF. There was discussion that some companies have web security systems that can cause problems with attempts to download images.

Matt Umhoefer said the economic development groups around the state should have received an e-mail notification. The message would also have been sent to the FAC, regional planning commissions, and all members of the Subcommittee. The Subcommittee members reported mixed results; some had received the message; others had not. Upon a second attempt, it appeared all Subcommittee members received the survey notification. Cory Fish said WMC would post the survey to LinkedIn and other social media platforms along with the whole press release. Bo DeLong said that he would go personally to several trucking and logistics companies; as with Aim, he will encourage them to forward the survey to their clients. Steve Rose said he would send the link out to members of the Logistics Council group. DeLong asked who the contact should be for questions; Umhoefer replied it will be Cory Fish.
Matt Umhoefer added that the survey group came up with a series of frequently-asked-questions (FAQs) that have been answered and put into a PDF; he displayed those to the meeting attendees. These FAQs are also displayed at the WMC web page. The items discussed include the use of cookies and the browser to allow respondents to return to the survey. Also included are talking points that discuss the flow of the survey, and when to select “other” for an option. The FAQs also answer questions on how to quantify the potential for future businesses and business growth in the sections of the survey where those questions are asked. The FAQs address how 3PL firms should fill out the survey, either by clearing out their browsers every time they enter a different client, or by using different computers. The reason for this process is that it is only way we could allow for the survey respondents to come back to the survey at a later time - by keeping the cookies active. We clarified how to count the loads that transload at ports from 40’ international containers to 53’ domestic containers – they’re domestic intermodal. He added that if any Subcommittee members are receiving similar questions from shippers, the FAQs can be updated as often as needed.

Dr. Stewart asked if the survey went out to members of the Intermodal Association of North America (IANA). He said the organization might be willing to send the survey to its members in Wisconsin. Matt Umhoefer replied that he’d be happy to utilize as many options as possible. Steve Spensley said the biggest problem from the survey would be that it doesn’t fall into the right hands at the companies being contacted. In his experience, it’s been tough to get to the right logistics person – it could be a battle, especially for the dairy sector. The survey needs to go to a lot of organizations; he’ll personally deliver it to some firms to ensure the responses are as accurate as possible. Danielle Jones said that the WEDC sector structure can help. The survey can go out to each sector team leader, and then to the associates. WEDC will also send the survey out to its contacts; in that way, the businesses will be reached multiple times.

Bo DeLong asked a hypothetical question – if I’m an ethanol company, and I sell my DDGs to Scoular, or to DeLong, and that product gets exported, who is the exporter? It’s not the ethanol company – it’s Scoular or DeLong. So, the export should get credited to the firm that does the documentation and arrangements with the steamship lines. There are probably 100 elevators that export from Wisconsin by container. But only two or three are companies that are exporters. We need to make sure those volumes aren’t double-counted. Matt Umhoefer replied that when we look at the domain names for the responding companies, we can sort out the bulk agricultural sector and see what companies are reporting what movements. DeLong said the same could be said about sawmills – they are second parties, not the beneficial cargo owners (BCOs). He’s not sure how it would be for other driver sectors. Steve Spensley said that for food exporters – the Schreiber Foods, Foremost, and Land O’Lakes – they don’t want to share their data. Tom Bressner agreed, saying that the Subcommittee will have a problem trying to get one person from their firms to respond.

Brad Peot said that for the beta test, he chose someone in his office with limited intermodal experience to do the survey. She said it took too long. So, when he will go out to market the survey to his contacts, he will put himself in their shoes – as a business that needs intermodal to get its shipping out. He said he’s met many customers in his 4 ½ years in the business, and can e-mail the survey to all his contacts. Dave Simon agreed, saying that the best method would be delivery through all contacts. More is better; rely on connections. He asked if there would be a press release from WisDOT. Matt Umhoefer said WisDOT should re-Tweet WMC at a minimum. Dean Prestegaard said that hasn’t been talked about, but it could be done. Instead of news releases, social media would probably be a better means for WisDOT to help get out information on the Subcommittee’s efforts and the survey.
Chad Olson asked if the survey was being sent only to BCOs, or if it was also being sent to non-vessel-owning common carriers (NVOCCs). Matt Umhoefer replied that there are no limits on distribution and redistribution; it could go to anyone. Dean Prestegaard said that the WisDOT staff will touch base with our contact in WisDOT’s Office of Public Affairs to develop a social media strategy. Cory Fish noted that WMC has sent out the survey to its members on its e-mail distribution list, although there may be many that have unsubscribed to that list. He said that to ensure all WMC members receive it, he will resend the e-mail via Outlook.

Dave Simon asked if there should be a reminder sent to potential survey-takers, and if so, when should it be sent? And who would put it together? Dave Leucinger wondered if it would be helpful to send two reminders – one about two weeks before the end of the survey; the other about five days before the official close as a ‘final reminder.’ Dave Simon said it was logical that many people will wait until the last few days. Dean Prestegaard agreed with the assessment and the strategy. Paul Chellevold asked if the survey will expire. Matt Umhoefer replied that the survey doesn’t have a built-in process to close. The survey team will need to see how the response rate is before we determine if the survey needs to be held open for any additional period. Prestegaard said that in the past, surveys have been left open past the official close date, to catch anything that’s critical – we especially want the responses from the big players. But the caveat can be added that the data collected is as of the official survey closing date.

Dave Simon asked who will be putting together the e-mail reminder notices. Matt Umhoefer replied that those should be sent out by Cory Fish’s team at WMC. They could reformat the graphic from the current one to make it stand out. Dave Leucinger suggested putting a red banner over the images to state “Last Week!” or “Final Two Days!” Brad Peot said that when the reminders are sent out, there should be an additional message to state that good data is essential for the development of an intermodal site in Wisconsin. Umhoefer said that one person who received his presentation at the Regional Leadership Council meeting in June wrote 12 to 14 sentences to explain the importance of the survey, and shared it with businesses in his region. Steve Spensley said his group would follow-up with phone calls to its contacts; they have the products that need to move by intermodal. Umhoefer displayed an e-mail on the screen (and via Skype) that was sent by one of the stakeholders. He said that e-mail was a great example of what the survey team is hoping will happen – that each individual leader would attach a sort of personal message to validate the process.

Freight Data Services
Prior to a break, Dave Simon mentioned there would be discussion of the Datamyne freight data reporting service. This prompted a brief room discussion comparing Datamyne to PIERS and Transearch, which are other subscription-based services that tracking freight movement with proprietary methods and data sets. Bo DeLong and Dean Prestegaard briefly discussed the USDA Grain Marketing Service and Newsletter Report.

Following the break, Dave Simon talked about ways to confirm the data received from the survey. Brian Jackson gave an overview of the Datamyne freight data service. The concept for using Datamyne would be to use their subscription data to see holes in the results of the survey. The company is owned by Descartes; they capture imports and exports using bills of lading from customs at the ports. Datamyne is often used as a sales tool for freight forwarders. For example, a user can run a search for “containers terminated in Chicago.” Then from that set, the user can search “freight payers based in Wisconsin.” So, from that list, the user could pull up six or ten importers, and find out how many TEUs they brought in to see if it matches what was stated in the survey – or fill in if it wasn’t. If the survey team suspects a company is conducting containerized import or export, then the user can target the results by company
name. However, there are companies that have opted out of the reporting – Kohler is one. But the use of Datamyne could be good for filling in information when no response is received, since it would give some data for these non-responders.

Matt Umhoefer asked the railroads, rhetorically, if from their perspective it would be more valuable to integrate the Datamyne findings into the survey result, or to keep them as distinct data sets. Brian Buchanan confirmed that he would like the survey results to be pure and be kept separate. He said that CN uses Datamyne for similar reasons as JUSDA USA. Dean Prestegaard asked if Datamyne and PIERS were similar. Bo DeLong replied that PIERS doesn’t go the last step – to identify where a load is going – it just shows volumes. The Subcommittee could still use that information to get companies to respond to the survey. Brad Peot asked if Datamyne captured the shipments of Walmart and Target to their destinations. Brian Buchanan replied that condition is an example of the problems with Datamyne. If you look at Bentonville, Arkansas (where Walmart is headquartered), you’ll see a huge outbound volume. Peter Hirthe said that if we have missing data, it can be a great tool, and help us to identify the businesses we need to hunt down. We should just use it in isolated circumstances, however. DeLong asked if anyone else used Datamyne; only Brian Buchanan and Brian Jackson replied in the affirmative. DeLong said that we can see how the survey results come in over the next four weeks to determine if we need identify major shippers using containers through Datamyne, and get those businesses to respond through “focused reminders.” He asked the other Subcommittee members if the survey group should send the preliminary survey results to the EDCs, to ask them if they see anything missing in their geographic areas. The other Subcommittee members agreed.

Section VIII Discussion
Dave Simon returned the Subcommittee to discussion of the final section of the Intermodal Report, Section VIII. That section will address how the state can improve the potential for intermodal development. He said that in the bullets from the last meeting, the Subcommittee covered those items, talking about potential federal, state, and local programs – but so far it hasn’t addressed much for the private sector. To recap, we talked about how the state could provide assistance on applications for federal grants – Better Utilizing Investments to Leverage Development (BUILD), the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program, and through the Economic Development Administration (EDA). There are also some state programs – the Freight Railroad Infrastructure Improvement Program (FRIIP), Transportation Economic Assistance (TEA), and possibly the Freight Rail Preservation Program (FRPP) – that are existing grant or loan programs that might be eligible for use. The state could also help with orchestrating partnerships and investments, including local governments and the private sector.

Dave Simon continued that the state could also serve as a repository for data, including identification of promising regions for intermodal facility development. State agencies could recruit businesses to provide intermodal facilities and services – just as the state could recruit businesses to use those facilities and services. The state could show where intermodal operations are in demand. The state could potentially help to streamline processes such as DNR regulations, local permits, and land use. Local governments could help by supporting the local roadway infrastructure, especially the first/last mile connections to intermodal facilities. Bo DeLong said the local support should include designation of potential heavyweight corridors. Dave Simon agreed and said locals and state have overlapping roles, including the orchestration of partnerships and teaming up with investors.

The private sector also has potential roles, Dave Simon added. These include supporting a data-driven report, including providing the information needed for investment in an intermodal facility. They also
have potential roles with due diligence of the business demand and of site selection. They, too, have a role in orchestrating partnerships among their colleagues in the private sector, and in collaborating with state and local officials. Simon then asked the Subcommittee if they had other ideas – what could the report say about the potential roles of the parties involved?

Dr. Stewart said the state could have a role in permitting truck drivers for local and regional drayage, allowing for lower-aged drivers to operate intrastate [within a state]. Perhaps reducing the age requirement from 21 down to 19. Steve Spensley said he hasn’t seen a problem with driver shortages for runs up to 150 miles. Bo DeLong disagreed; he said his company has a facility located between the BNSF and UP terminals near Joliet, and are unable to get enough drivers for even the three miles of drayage to either of those terminals. He added he certainly can’t get enough drivers for the 150-mile hopper-bottom trucking to the facility in Joliet. Spensley acknowledged that there were differences in labor availability in his area and elsewhere. Brian Buchanan added that many cartage companies have problems with getting drivers for drayage because the drivers don’t want to deal with the issues at intermodal ramps. Dr. Stewart asked Bo DeLong what could the state do to help in this area. DeLong replied that agricultural shipments could be exempt from CDL requirements. He also said that lowering the age for intrastate operations would require legislative action.

Dr. Stewart suggested a container pool is needed. In the existing system, the operations of container pools are sometimes managed by steamship lines, but not always. One important consideration is that a container pool will need highway access available outside of the terminal. Chad Olson asked where the empty containers would be coming from at such a terminal? The liner companies won’t reposition the containers. Shippers need to ensure there are enough imports bringing containers in to support the exports. Dave Simon asked if the problems with container availability were based on container ownership, or on geography. Dr. Stewart replied that it’s both. Minneapolis has a privately-run yard. There was discussion on the preferred name for these container facilities; one person said “depot” is preferred; another person said “container yard” or the initials “CY” have been in use for a long time. These locations are usually near intermodal terminals. Brian Buchanan said once a container is unloaded, unless it’s “street-turned” (reloaded without returning to a container yard), then it would be brought back to a yard as an empty to sit and wait with other stacks of containers. Then, if there’s a need for a container from a specific liner company, there should be a container ready and waiting. These yards/depots also allow for containers to be inspected, cleaned, and repaired if needed.

Chad Olson said that for the liner services, there are three options for what to do with the boxes once they are unloaded: do an immediate turn-around loading, return them empty to a depot to await an order, or send them back empty on rail to be returned overseas. Brian Buchanan asked who makes that decision for the container placement. Olson replied that for Hapag-Lloyd’s equipment, they look at the container depots in the area and the inventory of containers that are sitting. If there are too many empties already on-hand, the container is sent back by rail to a port, pre-billed as empty. But it also depends on the railroads and their capacity. The railroads may not have the capacity to accept some or all of the empty containers that would otherwise be returned.

Dave Simon asked if the coordination of empty containers is improving. Chad Olson replied by excusing himself as a new member, but wanting to know what the goal was for the Subcommittee – it is to build an intermodal terminal in Wisconsin? Simon replied that the sentiment has been that throughout Wisconsin, shippers look at the railroads and see a “superhighway of containers” rolling through the state – but not stopping. They would like a few “on- and off-ramps” to be able to access intermodal for their own freight needs. The cost and time involved in going into Chicago is a problem for Wisconsin
businesses. Anywhere in Wisconsin where a terminal can be developed, there are likely to be multiple beneficiaries. The desire is to better connect the state to world markets. Olson replied that the first actions should be to go for the low-hanging fruit - re-opening the Milwaukee intermodal terminal. There are only a couple other terminals in Wisconsin – including Chippewa Falls, which depends on Menards. That terminal doesn't help Hapag-Lloyd, since it doesn't have any business relation with Menards. Simon replied that yes, someplace in southeastern Wisconsin makes sense for a terminal. With the arrival of Foxconn, there’s a tremendous potential for volume from that company and from the surrounding businesses. There are also potential sites in other regions of the state.

Larry Krueger asked about roads that lead to and from terminal locations. He asked for clarification on operating heavy loads – that for federal highways, the limit is 80,000 pounds – but what about other highways? Bo DeLong replied that they have a state permit to haul over 80,000 pounds – but it’s a permit for refuse. In Illinois, Indiana, and Ohio, they have year-round overweight permits; in Wisconsin, there’s a 45- to 60-day period where the frozen roads laws take effect and all the overweight permits are suspended. That hurts DeLong Company operations when it can’t move the overweight loads.

Brad Peot said that as a short line railroad, WSOR wants the opportunity to partner with a larger railroad in intermodal solutions for Wisconsin. There could be interest in taking loaded boxes to Class I lines. Items like whey or lumber that are now coming in bulk from a rail car could be containerized, and to offer options to Chippewa Falls or Arcadia. Bo DeLong said those are two different models. In one model, you load the rail car and it continues to its destination. In the other model, a truck is loaded and driven a short distance to the rail line, where the cargo is loaded and sent on. If there were permits within a five-mile radius, that can operate like a depot – you could transload lumber (or whatever load) to a container. Or you could come in with a legal-weight load and load the container over the legal limit. Brian Buchanan said that’s what DeLong is doing right now in the Chicago area – loading grain at the CN and CP terminals to containers for export. Peot said that the challenge is by the time WSOR gets its rate and CN gets its rate, plus other fees, it’s not competitive. But if a carrier wants to extend its system into Wisconsin, WSOR is an opportunity.

Dave Simon concluded the meeting by previewing the topics of the next meeting. Those will include a review of the survey responses to that point, perhaps with some test GIS mapping to display a preliminary heat map. Dave Leucinger said that the key items he would be seeking from the Subcommittee would be identification of what topics, findings, or other elements are missing in the report; a consideration of who the audience should be for the report; and, given that, what level of detail should be used for the report. Dean Prestegaard said the Subcommittee would see an updated version of the matrix for data-sharing, including the role for the steamship lines. Chad Olson said he will be off for the next meeting, but will try to share information with the group prior to that. Dave Simon said we also hope to be testing the heat maps at that meeting. He again expressed appreciation to the survey team and the staffs at WisDOT and WMC for bringing the survey to completion.