Wisconsin Freight Advisory Committee (FAC) Meeting 13

Meeting Minutes from Tuesday, February 1, 2022

9:30 a.m. to 3:00 p.m., Virtually held via Zoom from Madison, Wisconsin

FAC Members/Proxies (P) Present: George Bichanich, David Bizot, Mark Brehmer, Tom Bressner, Ron Chicka, Jason Culotta, Mary Forlenza (P), Glenn Fulkerson, Chris Hiebert (P), Debby Jackson, Peter Kammer, Dan Johnson, Ethan Johnson (P), Jeff Kitsembel, Larry Krueger, Megan Levy (P), Ken Lucht, Kristi Luzar, Mark Oesterle, Dr. Ernie Perry, Richard Pingel, Mark Rhoda-Reis (P), Randy Romanski, Steve Rose, Henry Schienebeck, Dr. Richard Stewart, Stacey Johnson (P), Adam Tindall-Schlicht, Evan Umpir, Yash Wadhwa, Thomas Winker.

Guests Present: Collin Buntrock, Maria Cartier, Matt Halada, Jazmine Jurkiewicz, Caroline Kieltyka, Melissa Kraemer-Badtke, Meagan Ladwig, Franklin Locquiao, Michelle Miller, Eric Oberhart, Libby Ogard, Rick Roehl, Sandi Siegel, Carl Suhr.

Wisconsin Department of Transportation (WisDOT) Members Present: Secretary Craig Thompson, Deputy Secretary Paul Hammer, Assistant Deputy Secretary Joel Nilsestuen, Tim Austin, Scot Becker, Bill Berger, Ehren Bittorf, Dave Carlson, Chris Chritton, Josh Dietsche, Jessica Felix, Alex Gramovot, Jeff Gust, Mike Halsted, Rod Hamilton, Dave Hubbard, Rich Kedzior, Scott Lawry, Dave Leucinger, Karl Mittelstadt, Dan Mulder, Jennifer Murray, Suzan Nast, Joe Nestler, Dan Park, Brian Porter, Dean Prestegaard, Dena Ryan, Justin Shell, Lisa Stern, Dustin Sweeney, Aileen Switzer, Dan Thyes, Matt Umhoefer, Randy Wade.

- **Welcome (9:30 a.m.)**
  - Dean Prestegaard, Chief, Economic Development Section, DTIM

  Key Points: Gave technical guidance for those attending; summarized the morning agenda

- **Opening Remarks (9:35 a.m.)**
  - Craig Thompson, WisDOT Secretary

  Key points:
  - Welcomed all, expressing hope for future in-person meetings
  - Looked forward to hearing from FAC members on their challenges, noting how supply chains and the availability of key components have been disrupted during the Covid pandemic. These supply chain disruptions and equipment shortages are continuing to hamper the economy as the pandemic eases.
  - In 2019, $550 billion in freight – almost 600 million tons – passed through Wisconsin. 60 percent was destined for locations outside of Wisconsin.
  - WisDOT has implemented every emergency exemption for motor carriers allowed by FMCSA during the pandemic. DMV CDL testing never shut down, and wait times were shortened to days.
  - Hopes are high for improved rail service in northern Wisconsin upon Watco's purchase of CN branch lines.

- WisDOT is working with Port Milwaukee, the DeLong Company, and the federal government to establish a new agricultural maritime export facility with the potential of $63 million in annual revenue.
- WisDOT continues preparation for the future uses of connected and automated vehicle technologies. Practices such as platooning have near-term potential to change freight logistics.
- As will be discussed later, the Bipartisan Infrastructure Law will bring new funding for infrastructure, including highways and bridges, rail crossings, and harbors.
- He again thanked the FAC for sharing insights and being part of WisDOT's efforts to keep in touch with the businesses and companies that rely on the state's transportation system.

- **DTIM Welcome (9:40 a.m.)**
  - o Joe Nestler, WisDOT DTIM Administrator
    - Welcomed everyone; the meeting is timely, given what the Infrastructure Bill could mean for transportation.
    - For freight, many of the dollars are discretionary, so talking about opportunities will help WisDOT focus on the best position to maximize freight benefits to Wisconsin.

- **Recap of the July 21, 2021 (12th) FAC Meeting, WisDOT Update, and New Member introductions**
  - o Chuck Wade, WisDOT DTIM Bureau of Planning and Economic Development Director
    - The July meeting began with Deputy Secretary Paul Hammer's summary of transportation items in the State Budget and how WisDOT kept state facilities open through COVID.
    - The Voices of Industry included Randy Romanski offering an overview of the $104.8 billion agricultural sector and Neal Kedzie discussing staffing challenges for trucking.
    - A panel session on Resilience and Recovery highlighted Wisconsin's and WisDOT's response operation structures, gave an overview of WSOR's recovery after a damaging rainstorm, and discussed WisDOT efforts to develop a tool for prioritizing resilience treatments at vulnerable, high-impact locations.
    - The US Economic Development Association discussed how their assistance programs work and identified how they were part of supporting the Oshkosh Transload project and a freight staging area project in Marinette.
    - A panel session on Transload Operations included information about DeLong's use of transloading into intermodal containers for export, and their Port Milwaukee facility (under construction) to transload grain from rail and truck to vessel for bulk export. The panel also identified challenges to pulpwood timber transload from truck to rail in northern Wisconsin and discussed the different business models for transload - company-operated, third party-operated, and customer facilitated. Third parties are usually better-suited than railroads to invest in equipment needed for transloading.
    - The 12th FAC meeting concluded with status updates on Connect 2050 and the State Freight Plan Update.
    - As of the 13th meeting, Connect 2050 has wrapped up with its public involvement component; comments will be compiled. This will become the umbrella document for other plans, including the State Rail Plan (now in policy chapter development) and the State Freight Plan, now underway.

- The Bipartisan Infrastructure Law (BIL) includes language that requires additional elements in Freight Plans. It also requires that Freight Plans be refreshed every four years, not every five years as before.
- One positive element important to the FAC that is in the BIL: a second Poe-size lock at Sault Ste. Marie is now fully funded. This will supplement the existing 54-year-old Poe Lock and ensure 1000' ore freighters can continue to traverse between ports on Lake Superior and ports on Lake Michigan, Huron, and Erie.
- The FAC welcomes a new member, Evan Umpir from Wisconsin Manufacturers & Commerce, who replaces Cory Fish.

• **Voices of Wisconsin's Freight-Related Industries (9:55 a.m.)**

o Larry Krueger, Lake States Lumber Association
o Ken Lucht, Watco

Key points:

- Larry Krueger:
  - Lumber prices are strong, but news stories are focused on the softwood market (spruce/pine) - his sector is hardwoods.
  - Prices are up for hardwoods; prices have not seen swings as large as with softwoods.
  - Small trees (pulp trees) are way lower in market value. The mill closing at Wisconsin Rapids dried up most of the demand.
  - The region struggles with rail transportation - More than 90 percent of former rail transfer points aren't there anymore. So all lumber needs to go by truck, even though it isn't as efficient. Efforts really should focus on moving lumber back to rail. Overall, he's optimistic for industry.

- Ken Lucht:
  - Gave a brief update on short lines: the past 18-24 months have been challenging.
  - Positive: carload traffic is coming back. Service remained strong through the pandemic, even with smaller trains.
  - Labor shortages are also affecting the rail industry. Watco is trying to recruit engineers, conductors, mechanics; they will train from high school graduates. They currently have billboards to recruit along 41 and 151.
  - BIL includes passenger rail provisions; the industry is evaluating how best passenger and freight rail can co-exist.
  - Watco is now operating 650 miles of branch lines acquired from Canadian National, effective late January 2022. Customer outreach underway; log landings will see some re-openings. (Map was shared with FAC members.)

• **State Freight Plan Update (10:05 a.m.)**

o Dean Prestegaard, Chief, Economic Development Section, DTIM
Key Points:

- Current plan completed December 2017; update due December 2022.

- Next update in four years - and every four years, not five as before
- Importance: Funding to WI - $28 million per year to state
- Also - designation of National Highway Freight Network; Critical Rural / Critical Urban Corridors
- Potential opportunities in BIL; more details will be forthcoming from US DOT
- Freight Plan Update goals: build off previous plan, address new BIL requirements, strengthen inter-relations with "family of plans" under Connect 2050, ensure ease of access to information/data through use of a user-friendly framework. Use of technical reports will support plan policy elements.
- Starting Draft Plan: identifying what technical reports will be needed; level of consultant services needed; coordinating internal communication with staff subject experts. Through tabletop exercises, FAC is crucial part of feeding information into SFP. Other communication always open.
- Goal of next FAC meeting in May - provide draft materials for review and discussion. Consultant HDR will help develop.

• Break (10:10 a.m.)

• Truck Driver Workforce – Recruitment, Retention, and Training - Panel Presentation and Discussion (10:20 a.m.)

o Moderator: Dean Prestegaard

o Panel Members:

Dan Johnson, Wisconsin Motor Carriers Association
Mark Oesterle, Federal Motor Carrier Safety Administration
Dick Pingel, Owner-Operator Independent Drivers Association
Carl Suhr, Kwik Trip/Convenience Transportation
Rick Roehl, Roehl Transportation

Key Points:

o Dan Johnson:

- Identified truck driver trends in his presentation
- Driver shortages have been part of industry for past ten years or more. Currently, the estimate is that the industry is 80,000 drivers short, based on freight demand. The long-haul, for-hire sector has the most acute shortages.
- Primary factors for the shortages include driver age (leading into retirements), lack of women in the workforce (which the Women in Trucking Association is striving to improve), and inability to pass drug tests (exacerbated as many states legalize marijuana).
- Other factors include the federal mandate that prohibits commercial drivers under 21 from crossing state lines; a pilot program in the BIL will allow up to 3,000 drivers-in-training to qualify for interstate commercial operations.
- The pandemic also pushed some drivers to leave the industry due to health concerns and greater challenges with finding services, even as truck driver training schools closed or cut back enrollment.

- Drivers also face a lack of truck parking spots – for required rest on the road and at destinations where they need to wait to load or unload. Road congestion is also a challenge.
- Driving records or criminal convictions of applicants further reduce the pool of potential entry level drivers to carriers seeking to hire.
- Based on demographics and demand growth for freight, the sector could see a shortage of 160,000 drivers by 2030. The trucking sector will need to recruit almost one million new drivers to replace those leaving the sector and to keep pace with demand growth in freight.
- Among the many solutions that are being applied are higher wages (and higher growth rates in wages), regulatory changes, and modifications to the business practices of shippers, receivers, and carriers.

o Mark Oesterle:

- Through the pandemic, Wisconsin DMV has done a fantastic job working with the CDL community. The FMCSA emergency declarations began late March 2020 and are continuing through February 28, 2022. These apply to trucking companies delivering medical supplies, fuel, food, vaccines, and livestock – exemptions apply to the hours-of-service for these deliveries.
- FMCSA's role is to develop and write the Federal Motor Carrier Safety Regulations, enforce the Safety and Hazardous Materials Regulations, and Conduct or fund all Compliance Reviews, Safety Audits, and Roadside Inspections. We work with closely with Wisconsin State Patrol.
- "Commercial Motor Vehicle" definitions – federal regulations cover interstate vehicles above 10,000 pounds used to transport people or property.
- Wisconsin saw a large increase in new entrant audits from an average of 700 per year (before the pandemic) to almost 900 now.
- A key provision in the BIL is the FMCSA Apprenticeship Pilot Program (APP). It conditionally allows apprentice drivers between 18 and 20 to drive interstate across two probationary periods. The first period is 120 hours - at least 80 in-truck with a veteran driver. The second period is 280 hours on duty, at least 160 in truck; no accompanying driver is needed. This program was just announced in the Federal Register; it will be limited to 3,000 to 4,000 people.
- Another provision is new minimal Entry Level Driver Training (ELDT). As of February 7, 2022, prospective CDL holders will be required to have completed training with a registered training provider. Certification of that training will need to be provided to the DMV through an online system account. Without that, the DMV will not allow skills testing and (in some cases) knowledge testing.
- During the pandemic, the Drug and Alcohol Clearinghouse took effect. Employers are required to query the Clearinghouse prior to employment (to ensure the prospective employee is cleared to perform safety-sensitive functions) and an annual verification (to ensure continued eligibility). Through the Clearinghouse, a driver who tests positive must see a substance abuse professional and have a negative retest to be allowed to return to duty. This system helps reduce "driver hopping" where a driver who tested positive would seek to be hired at another firm.
- Safety audits of trucking companies are based on data captured in roadside inspections and crashes. Companies are ranked by the frequency/severity of safety

problems; those with the worst scores get more frequently evaluated. Data is refreshed monthly and retained for 24 months. Companies can use data cues to review entries and raise questions if there appear to be errors.

o Dick Pingel:

- Said he generally agrees with Dan Johnson on the problems in the industry; just differs on what the solutions are.
- States that there isn't a driver shortage; more than 400,000 CDLs are issued each year. In 2021, more than 50,000 CDLs were issued each month.
- OOIDA sees the problem as being in the turnover rate. ATA statistics show large over-the-road carriers have a 90% turnover rate; smaller carriers have 70% turnover. Less-than-truckload carriers average 10% turnover. The Bureau of Labor Statistics concurs that retention is the critical issue fueling the lack of drivers.
- Multiple challenges faced by drivers lead to retention issues. These include long hours, unpaid time (drivers are exempt from overtime under FLSA), stagnant compensation that hasn't kept up with inflation, difficulty finding safe parking (daily average of 56 minutes looking for legal/safe locations), time away from family, over-regulation, and competition from other industries (including construction and, lately, fast food).
- Sign-on bonuses have made things worse by compelling drivers to chase bonuses rather than stay with a carrier.
- Respecting a driver's time and efforts are key. Drivers spend and average six to ten hours per week of on-duty time detained at shippers/receivers, time that is normally uncompensated.
- An MIT study found that by increasing the average productive driving time of truckers by just 18 minutes per day would bring capacity back to parity with demand.
- Recommended solutions include compensating drivers for detention time, repealing the FLSA exemption from overtime pay, improving driver training, investing in expansion of truck parking, and reducing regulatory burdens to focus on those that promote safety.

o Carl Suhr:

- Kwik Trip is a regional carrier, so the challenges are a little different than over-the-road operations. The company services 800-plus stores from La Crosse.
- The company has two operating divisions (perishable and petroleum). As a 24/7/365 company, running a fleet to service the stores is challenging and physical.
- Kwik Trip is moving more of its perishable delivery operations to bases outside of La Crosse due to corporate growth.
- The company's need for drivers exceeds the supply available in the La Crosse area.
- The company's use of a hub-and-spoke network has helped maintain hours-of-service compliance and address driver need.
- Many of the new drivers for Kwik Trip are recruited from other internal positions in the company. They have learned the company's culture and the company works with driving schools to get them trained. This also helps with long-term retention.
- The company pays for 8 weeks of school and 8 weeks of in-cab training for its internal recruits.

- Turnover is a company concern, although rates are relatively low. Supervisors and managers maintain a high degree of communication.
- Job is physical in nature, so more recruits must be found to replace older drivers even as the company makes efforts to extend the productivity of the older drivers.
- Compensation isn't the primary reason for drivers exiting the company; in some cases they are exiting the industry.
- Professional drivers are challenged by other highway drivers - from aggressive/unsafe maneuvers to inattentive (on cell phones), it stresses out the truck operators.
- When there is construction, route detours can add two hours per day to a schedule
- 24/7/365 operations require drivers working at least one weekend day; 45 percent of drivers work night shifts - so those may not be seen as "home every day" by drivers.
- Truck technology - it is growing in use and a tremendous tool for identifying drivers that need a training refresh, but there are drivers who don't like it - cameras, collision avoidance systems (and warning beeping) - acceptance is a challenge.

o Rick Roehl:

- Roehl, based in Marshfield, is celebrating 60 years in the industry. It provides dry van, flatbed, and refrigerated service to customers. Safety is the cornerstone in its "Wall of Values." Most of their operations are east of I-35; the company does have a western base for flatbed operations in Phoenix.
- Many factors play a role in driver availability; most were touched on by other speakers. WisDOT has been helpful in keeping the DMV offices open for drivers during the pandemic. In 2020, many of the driver training schools closed down, and that reduced the supply of new drivers - the impacts are still being felt.
- Roehl will train drivers itself over 3 to 4 weeks to allow them to test for a CDL; after that the recruits will get another month in a cab with a trainer before they are allowed to go solo. There is an extended period over the next 4 to 6 months of closely working with the new drivers because skills and knowledge will continue to grow over the next two years of experience.
- Other/ongoing factors include demographics (older drivers exiting), workers seeking a different type of job, and the FMCSA Drug & Alcohol Clearinghouse.
- Detention at shippers is a major cause of lost time, according to studies. With a value of over $3 billion, this loss of productive time also causes frustration and dissatisfaction among drivers.
- A study of driver productivity found shipper appointments were generally not helpful, other than cases that were routine and regular, with daily repetition. You would think if there was an appointment, shipping or receiving would go faster - but that isn't what Roehl found. It was actually on average faster to service customers via arrivals during standard dock loading and unloading hours. Appointments can cause delays when the truck arrives early, but the company won't handle the load until the scheduled time. Roehl is working with shippers to stress the loss that occurs when the load/unload process is delayed - especially when it exceeds an hour.
- Per a pie chart of average driver operational time and detention, drive time is the biggest slice - 438 minutes, or just over 7 hours out of 11 hours of legal in-service

time. Some of the other items that eat up driver time include waiting for appointments, waiting at the dock, and handling paperwork for loads.

- Parking was mentioned as a concern; drivers look and seek spots before they run out of service hours to ensure they have a safe place. And that reduces productivity.
- There is also time to handle the paperwork of the operation. Driver time also includes fueling, pre-trip inspections, empty load repositioning, breaks, meals, and communication with the company and with family.
- Another pie chart was derived from tracking trailer movement and calculated how much potential driver productivity could be gained from operational changes. Flexible appointment times would allow drivers more than 9,000 additional miles per year of driving. Allowing drop- and-hook operations (when the trailer is pre-loaded) would bring another 10,000 miles. Providing on-site driver accommodations (for overnight parking) and expediting loading and unloading could each add 12,500 miles to driver productivity. There is capacity that is not being used, and that adds to driver frustration.
- Roehl has switched some of its fleets so that after an hour of detention, drivers get paid - the company is working towards making that standard for all its operations. Driver time needs to be respected and paid for, and operations need to be more efficient.
- The ATA survey of carriers - large truckload (TL), small TL, and less-than-truckload (LTL) - large TL carriers have the highest turnover rates (82 percent to 94 percent annually), followed by small TL (60 to 79 percent annually) and LTL (9 to 14 percent annually). The large carrier turnover is due to those companies having the greatest number of new entrants into the industry; also, some drivers don't feel connected to a big carrier. It is a challenge to retain workers where they don't feel they fit into the industry.

<u>Questions and Answers:</u>
<u>Q:</u> Heard about companies (such as Amazon) moving to regional hub-and-spoke operations that would allow drivers to be home at night. How will that impact transportation infrastructure, especially smaller supply chain systems?
<u>A (DJ):</u> It will impact the long-haul driver shortage problem the most. Companies have boosted pay but may need to look at other ancillary benefits. The "at home at night" message won't cover long-haul drivers - and that will exacerbate shortages.

<u>Comment (Dick Pingel slide on retention):</u> It looks like the big companies are training drivers for the smaller companies. Is this something you're seeing?
<u>A (DP):</u> That's absolutely true. For smaller companies, it's almost impossible to get insurance companies to insure a younger driver. So smaller fleets need to get drivers from larger fleets.
<u>A: (CS):</u> Agreed; the industry is seeing a continued spiral of wages and sign-on bonuses. Kwik-Trip isn't a large carrier but we do a lot of training. We do pick up from others; we lose others who are 'looking over the fence.' We have been doing training for five years, first from long-time internal employees. That base of available and interested employees has now been depleted. The typical entrant in our training process is now more likely to have less than a year in the company. So they don't have the allegiance to the organization; they will look at the $15,000 to $20,000 sign-on bonus and say, 'why not?'

<u>Q:</u> If cooperative autonomous trucks are coming, is the long-haul sector the best sector for adoption due to driver retention and availability?

A (DP): The long-haul sector is probably the only viable sector for autonomous trucks, but that's still so far in the future. When PowerPoints don't work at a conference on autonomous trucks, that indicates technology isn't there. It seems the only people discussing autonomous trucks and saying they are coming in the near future are the ones selling the trucks.

• **Truck Driver Workforce – Tabletop/Breakout Discussions (11:30 a.m.)**
This information has been collected in a separate document.

• **Lunch Break (12:15 p.m.)**

• **Mid-America Freight Coalition – Studies Review (1:00 p.m.)**

o Dr. Ernie Perry, MAFC / University of Wisconsin

Key Points:

- Since 2002, Wisconsin and other Upper Midwest states have been part of a freight coalition, recognizing the regional movement of freight and the regional highway, rail, aviation, and waterway assets.
- In 2008, a Memorandum of Understanding was signed by all ten states in the MAASTO region to support freight research and freight development by state DOTs. It is one of the oldest multi-state freight coalitions. The ten states are: Wisconsin, Minnesota, Iowa, Missouri, Kansas, Illinois, Indiana, Michigan, Ohio, and Kentucky. Wisconsin leads the management of the coalition; the research arm is based in the UW-Madison College of Engineering.
- The collaborative efforts focus on making freight operations more efficient, customer-friendly, safer, and more positive for economic development. Efforts are state-driven. Meeting are held annually; teleconferences are held quarterly.
- The efforts of the ten states focus on working better together – through networking, sharing best practices, professional development, and innovation. Freight policy development is still a relatively new subject in transportation. Freight data is another area of importance.
- The fact that issues identified by the private sector through the FAC reflects research ideas brought by state DOTs to the MAFC affirms that both groups are working as intended.
- Some of the key questions that the MAFC research is seeking to answer include: methods to make interstate freight movement more efficient, identification of bottleneck locations along key corridors and quantification of their impacts, harmonization of truck regulations, addressing truck parking concerns, assessing the freight diversion costs of infrastructure failure on the Mississippi River System, and the regional role played by freight rail operations.
- Recent reports include rail waybill data analysis, OSOW operations, urban truck parking inventories and possible development sites, a freight data inventory, and more. These are indexed and available on-line at: https://midamericafreight.org/index.php/resources/mafc-research/
- Current MAFC projects include the Regional Divisible Load MOU – for when federal emergencies are declared, ensuring consistent weight increases and load specifications. This is the first agreement of its type in the nation.

- Also underway are two projects to assess how the states can learn from each other's freight planning efforts (including waterways) and identify ways to collaborate; what lessons were learned during the pandemic and how those can be applied for freight planning and resiliency; and what are the characteristics and opportunities for air cargo in the region.
- The next cycle of research projects will include: examination of future truck operations (how electrification and automation will shape that sector); how to use resiliency principles to better manage multistate corridors; an analysis of river and lake ports in the region to identify dependent businesses and evaluate business development opportunities; and prioritization of regional multimodal freight goals and initiatives.
- MAFC is the current data warehouse for the Truck Parking Information Management System (TPIMS).

• **Northeastern Wisconsin Intermodal Study Review (1:15 p.m.)**

o Melissa Kraemer Badtke, East Central Wisconsin RPC
o Eric Oberhart, CPCS
Key Points:

- Melissa Kramer Badtke:
  - o The study purpose was to gather information through stakeholder interviews, conduct literature reviews of best practices, and conduct GIS analysis to determine viability of an intermodal facility in the region.
  - o This study was compelled by the closure of intermodal terminals in northeastern Wisconsin, which subsequently increased shipping costs and lowered reliability for local companies.
  - o The FAC's Intermodal Subcommittee's Report led to the creation of this regional study. Funding was provided by WisDOT; guidance includes management/staff from ECWRPC, WisDOT, New North, Brown County, the Port of Green Bay, and the Wisconsin Central Group/Lake States Shippers Association. New North also facilitated an intermodal summit in November of 2019.
- Eric Oberhart:
  - o Thanked the audience members who helped with information on the project.
  - o The key question for the study was to look at the potential for an overlap between shipper interests (is rail service fast, reliable, and cost-effective?) and railroad/transportation provider interests (is there enough volume to make service to a northeastern Wisconsin terminal worthwhile?). Feasibility requires both spheres to find areas of mutual interest.
  - o The study used a number of sources to inform and guide its development, including case studies of intermodal facilities in other parts of the U.S.; consultations with the region's shippers, logistics providers, and railroads; and analysis of data, including WisDOT's Transearch commodity flow data.
  - o These elements were used to build out a comprehensive, recent picture of demand through a "Total Logistics Cost" model that estimated shipper decision-making based on truck travel times and shipping costs for commodities that would be candidates for intermodal shipping, all along different trade lanes.
  - o The model examined a market area of counties in northeastern Wisconsin and Michigan's Upper Peninsula, defined by daily drive distances and the proximity of other intermodal facilities. The three routing scenarios compared were:

    - truck-only transport; truck drayage to a Chicago intermodal facility; and use of a northeastern Wisconsin intermodal facility.
    - The initial results found significant demand for outbound domestic moves and smaller potential demand in inbound domestic moves. 97,000 units, with a value of $5.8 billion, were identified as eligible.
    - For a facility to be feasible, it would need to capture about 7 percent of these moves (25 lifts per day, or 6,500 lifts per year). The commodities with the highest potential for intermodal use include paper products, metal products, plastics, and food products.
    - The study conducted a high-level assessment cost and potential locations for facility development. To start a small-scale facility (similar to Arcadia) would cost approximately $3 million for start-up (for equipment, track, and container storage pad areas). Land costs would be additional.
    - The most favorable locations are along rail lines that parallel the region's main highways, within 2-3 miles of a highway exit.
    - Rail service considerations are critical, and northeastern Wisconsin has challenges to secure potential intermodal service. These include lane balance, a heavy imbalance in favor of outbound over inbound loads, a preference for/precedence of inbound international intermodal freight as the driving force for the market, routing challenges due to rail interchange costs in Chicago and delays to service domestic intermodal customers, and willingness of other railroads to accept steel-wheel transfers.
    - Encouraged FAC members to open up with "actionable data" to build a business case for the feasibility of intermodal service, and to further define their Total Logistics Cost Model with the pricing and travel time considerations used to determine shipping modes. Inbound shippers were also encouraged to identify themselves and add data that may show less of an imbalance.
    - Expressed interest in hearing from potential terminal operators and logistics/warehouse services, as well as from the connecting Class I railroads in Chicago (NS, CSX, UP, BNSF) to discuss options and challenges for interchange.
    - "Intermodal service has the opportunity to be successful in Northeast Wisconsin but will require long-term engagement of shippers and operators to build a business case through actionable shipper information." Regional champions will be needed to move the case forward.

One question was directed to Eric: Does the $3 million for an intermodal facility start-up include a lift for the containers?
A: Yes, it includes one reach-stacker.

- **Break (1:30 p.m.)**

- **Bipartisan Infrastructure Law - Panel Presentation and Discussion (1:40 p.m.)**
    - Moderator: Justin Shell, DTIM Deputy Administrator
    - Panel Members:
        Meghan Ladwig, Senator Baldwin's Office
        Glenn Fulkerson, FHWA Wisconsin Division Administrator
        Caroline Kieltyka, AASHTO Freight Management &Operations

Key Points:

- Meghan Ladwig:
  - Noted Senator Baldwin's positions on the Senate Appropriations Committee and the Senate Committee on Commerce, Science, and Transportation.
  - The Infrastructure Investment and Jobs Act (IIJA) was signed into law in November 2021 after receiving bipartisan legislative support. Elements that were emphasized include: strengthened "Buy America" provisions; including resiliency elements to ensure infrastructure holds up to weather extremes; support for Women in Trucking; and generally ensuring transportation infrastructure funds would come to Wisconsin.
  - The IIJA included increases in regular formula funding, as well as new competitive opportunities for local governments and others. Wisconsin's federal highway formula funding for roads and bridges will amount to $5 billion over the next five years, including $998 million in FY2022. The state will also receive an additional $225 million in dedicated bridge formula funding over the next five years, and state airports will be receiving almost $200 million for infrastructure over that period.
  - Some of the key items relevant to freight in the IIJA are competitive grants, and Senator Baldwin will be glad to support applicants. Programs for highways and rail (and available competitive funding) include Infrastructure For Rebuilding America (INFRA) ($8 billion); National Infrastructure Project Assistance ($5 billion); Local and Regional Project Assistance (RAISE/TIGER/BUILD) ($7.5 billion); and Rural Surface Transportation Grants (new) ($2 billion).
  - For non-highway modes, program funding includes Army Corps grants to add a second large Soo Lock and for their Navigation and Ecosystem Sustainability Program. MARAD also will receive Port Infrastructure Development Grant funding. Airports will receive funds to support the Airport Improvement Program, and Rail will see the continuation of CRISI grants.
  - Part of the IIJA includes the Promoting Women in Trucking Workforce Act, which includes a Women In Trucking advisory board. The goal is to bring more women into the trucking workforce; only 7 percent of drivers (and 24 percent of the overall trucking workforce) are women.
  - Another provision is the COMMUTE Act, which requires the US DOT to provide states, MPOs, and RPCs with data sets that measure level of access to important destinations, such as job centers, hospitals, and education facilities. It is also designed to identify domestic and international supply chains, freight commodities, and connections between surface transportation modes.
  - Other freight-relevant provisions include the Office of Multimodal Freight Infrastructure and Policy; updates to the National Freight Strategic Plan, incentives for state collaboration with the National Multimodal Freight Network; and guidance for improving State Freight Plans.
- Glenn Fulkerson:
  - This is a big deal – it includes substantial increases in funding and adds new programs. The Bill is referred to by both IIJA and BIL. It was signed into law November 15. We still need a full year of appropriations to start implementing the newer parts of the BIL. A continuing appropriation is in effect.
  - BIL includes around $550 billion in new Federal Infrastructure Investment, including public transit, passenger rail, dedicated bridge investment, drinking

water and wastewater infrastructure, clean energy transmission, electric vehicle infrastructure, and high-speed Internet infrastructure. Combined, the new funding is expected to generate around 2 million jobs per year.

- The transportation elements amount to $567.1 billion
- WI - in formula funds - $5.4 billion, with a lot of discretionary funds, especially for non-tradtional recipients
- National - $350.8 billion for highway programs. More than a dozen new highway programs. Under formula: resilience, carbon reduction, bridges and electrical vehicle charging infrastructure. Under Discretionary: bridges, EV charging infrastructure, rural projects, resilience, wildlife crossings, reconnecting communities
- Focus on safety, bridges, climate change, resilience, project delivery
- $90 billion transfer from General Fund to Highway Trust Fund to keep the HTF solvent over the next 5 years.
- $303.5 B in Contract Authority for highways over the FY22-FY26 period. 90 percent is apportioned to states by formula. 10 percent will be discretionary grants. Under the FAST Act, Formula funds were 92 percent of CA. Wisconsin apportionment under formula funds were $997 million.
- This is an average 29 percent increase in highway CA over FY21 CA under the current FAST Act. All FAST Act Highway programs will continue; new programs have been added.
- Out of the General Fund, $47.3 billion will be appropriated for "Highway Infrastructure Programs" (HIP). Of these, 72 percent will be formula-distributed; 28 percent will be discretionary. The discretionary portion is an opportunity for members of the FAC to work with local partners to identify common needs and identify ways that non-traditional recipients can apply for funds.
- The bulk of the $47.3 billion in funding under the HIP is targeted at bridges. $27.5 billion is assigned to the Bridge Formula Program; another $9.2 billion will be applied to the discretionary Bridge Investment Program. There is also $3.3 B for discretionary bridge funding in the Highway Trust Fund portion of the authorization.
- Seven other programs are also supported through the HIP, including $5.0 B for the National Electric Vehicle Formula Program, $3.2 B for the INFRA Program, $1.3 B for the Appalachian Development Highway System, and $500 M for the Reconnecting Communities Pilot Program.
- Many of the discretionary-funded programs have a larger pool of eligible applicants and potential recipients, including MPOs, local governments, tribes, and special purpose districts/public authorities. Many of the recent RAISE grants went to local governments.
- In the Apportioned Highway Programs, the six existing programs were retained (most with changes); two new Contract Authority programs were added: Carbon Reduction and PROTECT (resiliency). Both the new programs will be formula-based. The National Highway Freight Program will receive $7.2 B, about the same as under the FAST Act. The two programs with the greatest funding are the NHPP ($148 B) and the STBG (STP) ($64.8B).
- The key changes to the National Highway Freight Program include: Allowing up to 30 percent of NHFP funding for freight rail or rail intermodal projects (up from 10 percent); adding eligibility for lock and dam

modernization/rehabilitation and Marine Highway improvements, based on connections to the National Highway Freight Network and likelihood of reducing on-road emissions; and allows the designation of more miles to both the Critical Rural Freight Corridors and Critical Urban Freight Corridors.

- Several other significant infrastructure and freight programs have had additions or changes. The National Infrastructure Project Assistance Program (or "Mega-projects" program) is a new discretionary program that provides single-year or multi-year grants for eligible projects. Funding (via the General Fund) is $5 B over FY22-FY26. Many public-sector entities are eligible to apply; eligible freight projects include highway/bridge projects on the NMFN, NHFN, or NHS; freight rail/intermodal projects with a public benefit; and rail/highway grade separation or elimination projects. The set-aside grant funding is 50 percent for projects over $100 M.
- The Local and Regional Project Assistance Program (RAISE) is another new discretionary program, with $7.5 B from the General Fund, applicable to "projects with a significant local or regional impact that improve transportation infrastructure." Many entities and projects (of all surface modes) are eligible. This program replaces earlier TIGER and BUILD programs in coverage. The NOFO for this program will be put out on February 4; applications will be due on April 14.
- The discretionary INFRA Program is funded at $8 B (FY 22-26), with $4.8 B from the HTF and $3.2 B from the GF. This program was revised to add eligibility for multistate corridor organizations, and expand eligibility to projects on the National Multimodal Freight Network, to Marine Highway corridor projects connected to the NHFN, wildlife crossings, and projects connected to international border crossings. Another change allows up to 30 percent of INFRA funds to be used for non-highway projects each year; and establishes a 15 percent set-aside (up from 10 percent) for small projects and a 30 percent set-aside for projects in rural areas.
- Another new program is the Reduction of Truck Emissions at Port Facilities Program; it seeks to reduce truck idling and emissions at ports and includes $400 million in combined HTF and GF support.
- Other Freight Provisions in BIL:
  - Office of Multimodal Freight Infrastructure and Policy is established in OST
  - Assigned to carry out a national multimodal freight policy and related activities
  - Led by new Assistant Secretary for Multimodal Freight
  - Secretary may consolidate any DOT office/function within new OST office
  - Will administer INFRA, RAISE, and new discretionary grant programs
- National Freight Strategic Plan: Adds new elements related to impacts of freight movement on environment and rural, underserved and historically disadvantaged communities, resilience, decarbonization, and economic growth
- State Freight Plans - new required elements include adequacy of commercial motor vehicle parking and rest facilities, supply chain cargo flows, inventory of commercial ports, impacts of e-commerce, and strategies and goals to address the impacts of freight movement on the environment

- State Freight Advisory Committees - Expands the list of organizational perspectives to be represented on an FAC, and establishes qualifications for advisory committee members
    - More information on these changes, including ongoing updates and guidance on individual programs, will be available at fhwa.dot.gov/bipartisan-infrastructure-law; railroads.dot.gov/BIL; and maritime.dot.gov/about-us/bipartisan-infrastructure-law-maritime-administration
- Caroline Kieltyka: Pointing out other key programs and changes. Several changes for freight policies that amount to a big win for states:
    - National Highway Freight Program added flexibility with additional mileage for Critical Rural and Critical Urban Freight Corridors, and increased funds for multimodal projects with cap raised from 10 percent to 30 percent.
    - Existing Freight Program Funding: All surface transportation programs (NHFP, INFRA, RAISE, CRISI, RRIF, water infrastructure through ACOE) were continued; $25 million in supplemental funding was provided to the Marine Highway Program.
    - Many New Freight Programs! A lot of money.
        - National Infrastructure Project Assistance ($5 billion)
        - Bridge Formula Program ($27.5 B)
        - Bridge Investment Program ($12.5 B)
        - Rural Surface Transp. ($2 B)
        - PROTECT (resiliency) - $7.3 B (formula); $1.4 B (competitive grant)
        - EV/Charging/fueling ($2.5 B) and EV Formula Program ($5 B)
        - Carbon reduction ($6.4 B)
        - Railroad crossing elimination program ($3 B)
        - Truck Emissions at Ports ($400 M)
    - Highlight: National Multimodal Cooperative Freight Research Program - will help with planning in the future. This program had been funded under previous bills but not under the FAST Act. It has been reauthorized with $3.75 million per year now. Research will focus on ways to improve the efficiency and resiliency of freight movement.
    - The state supported NCHRP is also continuing with freight subject research, including truck rest area guidance for critical supply chain deliveries, national design and interoperability standards for truck parking information management systems, guidance for local truck parking regulations, guidance on improving truck traffic estimates, and communicating the value, interactions, and impacts of freight to stakeholders. The additional supply of research funds will allow other freight-related subjects to be studied.
    - BIL Implementation:
        - AASHTO has been gathering member feedback on recommendations to US DOT and other federal agencies for how to best implement BIL's provisions.
        - Each AASHTO committee and council has been asked to provide input regarding their areas.
        - AASHTO worked to identify which sections were most urgent implementation priorities, and what specific questions (clarifications, potential pitfalls) on the BIL were most important, and what concerns should be taken into account as rulemaking is prepared.

- AASHTO prepared a document and sent it to FHWA in December 2021; a second document on clarification and guidance is in the process of being prepared.
- The two greatest concerns of the freight community were the grants and the process states need to follow for updating freight plans.

• **Bipartisan Infrastructure Law – Tabletop/Breakout Discussions (2:20 p.m.)**
This information has been collected in a separate document.

• **Closing Remarks (2:55 p.m.)**
  o Paul Hammer, WisDOT Deputy Secretary

Thanked the presenters and the FAC members for contributing their time and expertise.