

## **BRIEF SUMMARY – 2014 GOVERNOR’S FREIGHT INDUSTRY SUMMIT**

Radisson Paper Valley Hotel and Conference Center, Appleton

August 14, 2014

The 2014 Wisconsin Governor’s Freight Industry Summit successfully brought together key shippers, transportation providers, and governmental agencies in Appleton on August 14, 2014. Over a four-hour period, attendees heard from panelists addressing the site selection process, logistics and supply chains. Attendees answered questions related to transportation policy as identified by panelists and a questionnaire that was built into the registration process. This event marked the fourth year of the summit format, conceived as a means for executive-level interaction between the Wisconsin Department of Transportation (WisDOT) and external freight stakeholders.

### **Executive Direction**

Governor Scott Walker and WisDOT Secretary Mark Gottlieb emphasized the importance of transportation in the growth of the state’s economy. In his welcome to attendees, Governor Walker highlighted the role of the state’s transportation network in supporting key industries such as agriculture and manufacturing. He also instructed WisDOT to create a Freight Advisory Council (FAC) as a forum for the discussion of transportation policy and initiatives.

Secretary Gottlieb discussed the critical role that partnerships play in development of the state’s transportation system, and how the Freight Summit was part of that ongoing dialog. WisDOT Deputy Secretary Mike Berg confirmed the commitment of WisDOT to move forward with the FAC, and to initiate development of a Wisconsin State Freight Plan in support of the Governor’s initiatives. He also reaffirmed that the success of state freight initiatives such as the FAC and the State Freight Plan depend upon input from the private sector, other state agencies, and local units of government, and that all freight partners will be part of that process.

### **Attendance and Attendees**

Attendance for the 2014 Summit was near a record high. The attendance broke out as follows:

- 105 Total Attendees
- 58 New Attendees
- 56 Attendees from 2013 who did not attend in 2014

Attendees represented a diverse range of interests across the transportation spectrum including:

- Academia (5 attendees)
- Local Government (10)
- State Government (11)
- Federal Government (9)
- Manufacturers (8)
- Mining (4)
- Agriculture/Logging (3)
- Transportation/Warehousing (16)
- Associations (12)
- Economic Development (7)

- Retail/Wholesale (8)
- Service/Other (12)

### **Registration Survey**

To help identify the interests of attendees, the registration process included an online survey. Registrants were asked which panel(s) interested them, and which areas of interest (thematic subtopics and modes/focus areas) were of more specific interest and concern. Based on the completed entries, almost twice as many registrants expressed interest in the Logistics/Supply Chain Panel as in the Site Selection Panel.

Of the three Site Selection thematic questions, votes were evenly balanced for the three questions (how other businesses choose sites; important site selection criteria; what WisDOT can do to improve attraction). Under the “focus areas,” voters prioritized freight rail access, with Interstate/expressway access and capacity, local road capacity, and international intermodal access as high priorities as well.

Within the Logistics and Supply Chain Panel, the role of state and federal government was identified by more than half of the respondents as the thematic topic they most wanted to receive greater information. Wisconsin’s position in domestic and international supply chains, elements of a successful supply chain, tips for improving supply chains, and supply chain vulnerabilities also had strong interest. Under the supply chain “focus areas,” rail access and capacity led in respondent interest, with highway access and capacity, oversized/overweight access and capacity, and first/last miles issues also having strong interest.

### **Attendee Participation Exercises**

The primary goal of the Summit was to obtain thorough feedback on transportation challenges and opportunities from the attendees. The methodology that was applied used a multi-step approach. First, attendees were asked to comment on the two panel presentations. These comments were captured by note-takers on large easels and notepads. Attendees were then instructed to write down responses to a series of questions on worksheets in their information packet. As a follow-up, participants then offered their top concerns for discussion and posting to the easel boards; their written comments were collected for later analysis. Each table facilitator was also instructed to ask their group of attendees what WisDOT should do, in both the short- and long-term, to address the concerns raised by each panel. These comments were also captured.

### **Themes Emerging from Roundtables**

Following each panel presentation, attendees around 21 tables commented on the panelists’ presentations and responded to a series of worksheet questions. Several key themes emerged:

- Trucking labor issues (both panels). Discussion points included:
  - Federal Hours-of-Service (HOS) regulations add to costs
  - What can WisDOT compile and share regarding the impact of federal HOS regulations?
  - Truck parking shortages and restrictions; trucker aversion to using State Patrol Safety and Weight Enforcement Facilities (SWEFs) as rest areas
  - Lost dwell time while waiting to pick up/deliver loads
  - Quality of life for truckers – more want to be with families; shorter trips are more common
  - Definitely a driver shortage

- Average age and average wages are working against the industry
- Intermodal/multimodal options are desired (both panels). Points included:
  - Reopen Milwaukee – infrastructure is in place
  - We need a location in central Wisconsin
  - More strategic locations (Green Bay)
  - Need a balance of inbound and outbound loads – importers are lacking
  - Intermodal is growing; long-term planning is needed
  - Need sufficient traffic volumes
  - Should WisDOT develop the facility and let the development happen, or should WisDOT respond to where development is occurring?
  - Businesses would rather build their factories and distribution centers elsewhere rather than in Wisconsin due to the long distances involved in getting to intermodal facilities
  - Problems with Chicago – drayage
  - Container storage issues
  - About one in seven inbound containers to Chicago are connected to Wisconsin
  - Growth in both domestic and international intermodal freight is happening
  - Railroads need better customer information to assess market potential
  - Wisconsin needs more short-line rail options in rural areas
  - Explore free trade zone/customs office
  - Is there no Class 1 connection that serves the Port of Milwaukee?
- Relationships and partnerships should be developed (both panels). Points included:
  - State should facilitate a constructive, informed conversation, supported by expanded data collection, data sharing, and data analysis
  - Understand businesses and what they need
  - There needs to be a broader inclusion of industry. A Freight Advisory Committee is a good start. Working with associations is also helpful.
  - Conexus Indiana is a good example of a public/private affiliation – Indiana is good with information sharing
  - Newsletter needed on projects; rule changes. Staff has been scaled back; getting information is difficult.
  - WisDOT and local governments need greater coordination, especially on priority routes and site availability
  - WisDOT should strengthen relationships with chambers and local development agencies
  - WisDOT should start regional freight groups within the state
  - WisDOT should coordinate with other states for infrastructure development/seamless transportation and interstate commerce
  - Some cooperation exists, but local interests often compete
  - Private sector needs to improve fuel, manufacturing, and distribution partnerships
  - Shared business/industry investments – state should make use of TIGER grants to spur development, as was done in Oklahoma
  - Businesses are hesitant to share planning information, but state should work together and provide a point of contact
  - Offer information about economic development incentives
  - Keep multi-disciplinary dialogue moving
- Class 1 rail service concerns (both panels). Points included:

- Shippers are shifting to rail when possible
  - Rail congestion – cannot act fast enough to increase capacity – need consolidated effort
  - The Class 1 business model was called into question – rail companies do not seem to want to expand their business
  - Railroad companies focus on moving goods through Wisconsin – not moving Wisconsin goods
  - Poor communication; makes site selection difficult
  - Can businesses work together to create a sufficient market for service?
  - Rail needs 20-25 acre sites for development
  - Northern Wisconsin needs more rail competition - limited options/opportunities
  - WisDOT could get Class 1 railroads to talk and coordinate with customers and each other
  - UW study found businesses unaware of the impact of rail service
  - Try to bring rail and trucking together
  - Need more short-line service in rural areas; investments are needed to allow heavier weights
  - Rail is only good for bulk hauls; not enough lines with service in Wisconsin
- Weight limits for trucks need to be increased (both panels). Points included:
    - Use of local roads/state roads instead of Interstates created unsafe conditions, extra wear and tear on the local system; delays for shipping
    - Questions over system/structural capacity to handle heavier loads (both local roads and Interstates)
    - Raise the weight limits in general, but especially on Interstates and major state highways
    - Make weight restrictions uniform, not commodity-based
    - Increased weights means fewer vehicles, less concern over driver shortages, reduced congestion
    - Standardize weight limits with other states
    - Don't penalize sealed container shipments
    - Wasted space on trucks due to weight
    - Conversion of US 41 to an Interstate
    - EPA equipment adds 2,200 pounds to trucks; reduces available freight load by that much
    - Is MAP-21 study on federal highway weight limits almost completed?
    - What is the status of the National Freight Network, and how will weight limits be addressed along it?
    - Study the cost of pavement damage relative to the additional revenue collected through higher registration fees (including evaluation of other states with higher limits)
    - Implements of Husbandry (IOH) rules need time to be applied to see if they work
    - Bridge issues (also other structures) issues with weight restrictions, condition, especially on local/county roads and /or in rural areas
- Specialized trucking needs to be accommodated (both panels). Points included:
    - Identify industry-specific routes
    - Ensure priority routing
    - Preserve corridors and alternatives during reconstruction

- Allow heavier loads on Interstate Highway system – they already are built to higher standards
- Concern over IOH business impacts
- Need 24/7 online permit capability (especially for IOH)
- Streamline permitting process
- Ensure consistent rules across state lines
- Escorts – State Patrol always needed?
- WisDOT has done a lot developing primary and secondary routes
- Improve Compressed Natural Gas (CNG) access (Supply Chain panel). Points included:
  - Is CNG able to save companies what they have lost through Hours-of-Service rules?
  - Nationwide system is needed
  - Ethanol is subsidized; why not CNG?
  - Do pipelines supply CNG stations?
  - Kwik Trip – Seneca example of a model partnership
- Improve port access; overall status of maritime (both panels). Points included:
  - Good multistate collaboration is already happening on M35 (marine corridor along the Upper Mississippi River)
  - Challenges related to fluctuating water levels
  - Dredging needs are ongoing
  - Sensitive point on comparable tax rate structure
  - Move grain/fertilizer via Mississippi (through Winona, MN)
  - Do Class 1 rail companies still serve the Port of Milwaukee?

### **Additional Analysis**

Worksheets collected from attendees after each panel session contain additional specific comments on key issues and concerns. WisDOT will track these comments from the worksheets and easel sheets to further refine emerging themes, taking care to avoid duplication. From these metrics, priority activities will be identified for consideration by WisDOT senior management and the Freight Advisory Committee. Short-term actions may include additional discussions with stakeholders, additional qualitative and/or quantitative analysis, and review of current WisDOT strategies and practices.

The participant registration questionnaire, worksheets, and feedback survey all asked stakeholders to identify issues they would like to see discussed at future outreach events by WisDOT. These included:

- Oversize/Overweight Issues and Concerns (5 registrants)
- Truck Weight Issues (4 registrants)
- Rail Service/Delay Concerns (3 registrants)
- Safety (3 registrants)
- Coordination and Cooperation Between Agencies and Municipalities (3 registrants)
- Multimodal/Intermodal Competition and Cost Comparisons (3 registrants)

Other topics identified in the registration process included first/last mile/local issues, growth and management, regulations, market data, freight and agriculture, Great Lakes/maritime issues, shared customs services, alternative fuels, placement of bike paths, frac sand infrastructure, energy costs, and

taxpayer savings.

### **Attendee Evaluations**

Based on the attendee evaluation forms, response to the event and the format was almost universally positive. Of the 105 attendees, 73 submitted evaluations sheets (the two previous summits received a total of 33 evaluations). Where there were lower marks (“3” instead of “5” or “4”), the two primary reasons identified by attendees were:

- Not enough time was given for discussion after the panel presentations; and
- The Site Selection Panel lacked relevance to their job duties

Only one attendee objected to the worksheet process.

### **Next steps**

Over the next several months, WisDOT will use feedback from the Summit to help guide several new initiatives. These include:

- Creation of a Freight Advisory Committee (FAC): In response to Governor Walker’s announcement at the Summit, WisDOT is developing the framework for the FAC. A review is underway to identify the best models and practices to structure the committee. Consideration will be given to:
  - Vision, Mission, and Charter Statement
  - Representation
  - WisDOT’s Role
  - Level of Authority
  - Discussion Topics
  - Decision-Making Process
  - Public Awareness and Outreach
  - Governance/Bylaws

It is expected that the FAC will hold its kick off meeting in early 2015.

- Wisconsin State Freight Plan (WSFP): One of the primary responsibilities for the FAC will be to advise the department on the development and content of the WSFP. This plan will establish policies that support multimodal freight options and opportunities across the state. Also, it will complement the state’s multi-modal plan (Connections 2030), and set the stage for updates to each of the modal plans (rail, highways, ports and harbors) and to Connections 2030 itself.