FREIGHT NOTES NUMBER 5 SUMMER 2009

# MISSISSIPPI VALLEY FREIGHT COALITION

# Freight Notes

The Newsletter of the Mississippi Valley Freight Coalition





# From the Editor:

This issue of the Freight Notes contains articles by Ed Wolking, of the Detroit Chamber of Commerce, and Bob Gollnik and me, both of the C-FIRE. Each of the articles is intended to provide some insights into a topic with which you may not be familiar, but that relates to the broad field of freight. I hope they are of interest.

#### **Ernie Wittwer**

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## Mississippi Valley Annual Meeting

The Mississippi Valley Conference held its annual meeting in July in Grand Rapids Michigan. The theme of the meeting was: "Today's Innovation; Tomorrow's Reality." MDOT staff developed a very useful



and interesting program around this broad theme. At left, MDOT Director, Kirk Steudle is seen addressing the group.

As might be expected, given the timing of the meeting, a topic of much discussion was federal transportation authorization. Based on that discussion, it seems

that two basic approaches are still possible for authorization. The first would have Congress take up the Oberstar bill this fall. The second involves the passage of a short-term revenue solution and a lengthy-perhaps 18 month--extension of the current authorization. Theoretically, the second option would defer transportation until other contentious issues have been resolved, but it would keep the federal programs at current levels.

At right, AASHTO Director John Horsely is seen speaking to the issue.

The theme of innovation brought discussion of initiatives underway in the states. Partnerships, innovative financing, and alternative contracting



were all discussed. Several states are using variations on alternative contracting and innovative financing to advance projects and to speed delivery.

Mississippi Valley Freight Coalition Facilitator, Ernie Wittwer, spoke to one break out session on the topic of the Coalition as an innovative activity. His argument was that by coming together to share information and ideas on freight, the ten states were acknowledging that the historic paradigm of transportation responsibility and organization, which dates to the early Twentieth Century, was not meeting the needs of the Twenty-First Century. Ernie's presentation can be found at <a href="http://www.mississippivalleyfreight.org/news\_views/MVFCnews.html">http://www.mississippivalleyfreight.org/news\_views/MVFCnews.html</a>.



Like all good professional conferences, some of the most valuable time came in the hours after the formal meetings were adjourned, when participants had the chance to share experiences and ideas informally. The Host Night was held at the Grand Rapids Public Museum. In this wonderful forum, conference-goers could sample food and beverages while networking with other participants or while viewing exhibits on the history of Grand Rapids. At left, MDOT Chief Administrative Officer, Leon Hank, and others take advantage of one of the buffets at the museum.

The 2010 meeting will be in Des Moines.

# Great Lakes Manufacturing Council - Who We Are, What We Do

By Ed Wolking, President, Great Lakes Manufacturing Council

Ever wonder who coined the phrase that "the Great Lakes region is the second largest economy in the world," behind only the United States itself? It was the people working on a forum in 2005 that grew to become the Great Lakes Manufacturing Council.

They recognized that the Great Lakes is a highly integrated region whose manufacturing enterprises, small and large, fuel historically the most inventive, productive economy in the world, anchored by a network of outstanding research universities and a logistics system that facilitates the largest trading relationship in the world.



Great Lakes Manufacturing Council grew out of the first Great Lakes Manufacturing Forum and was incorporated as a 501c3 organization to help manufacturers in the region and their communities maintain and enhance their competitive advantages in the global economy. Its goal is to help organize and develop resources, information and projects that will help manufacturing in the Great Lakes become the most competitive of any region in the world.

Organizers of the first forum in Detroit in 2005 defined four major themes that tie us together: <u>image</u> of manufacturing and manufacturing in the region; <u>innovation</u> in products and processes; a <u>workforce and talent base</u> that is skilled and mobile; and <u>borders</u> between the U.S. and Canada that are seamless and connect the world's best <u>logistics</u> network.

Work groups are operating in each of those areas. Current projects include an innovation session planned for later this year, a resource base on innovation for small to mid-size manufacturers, mapping of logistics assets, updating of border crossing resources, and a bi-national workforce certification and standards initiative.

Prior forums have been held in Detroit, Toronto and Cleveland. This year's forum will be in Chicago in October, where a select group of participants will convene to outline ways the council can advance the Great Lakes manufacturing agenda.

The council is a bi-national group composed of organizations interested in manufacturing throughout the provinces of Quebec and Ontario and the states of New York, Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin and Minnesota. Groups involved in the council include Canadian Manufacturers and Exporters, NAM's Manufacturing Institute, Canadian Plastics Industry Association, Society of Manufacturing Engineers, Quebec Manufacturing Council, Buffalo-Niagara Partnership, Canadian Consulate, Excellence in Manufacturing Consortium, Ontario Ministry of Economic Development, Pittsburgh Technology Council, Manufacturing Advocacy Growth Network, Michigan Manufacturing Association, Purdue University, Chicagoland Chamber of Commerce, Milwaukee Development Corporation, Arrowhead Manufacturers and Fabricators Association, and many others.

To be involved in the council, or for more information, visit its web site <a href="www.greatlakesmanufacturing.org">www.greatlakesmanufacturing.org</a>, or contact its President, Ed Wolking, Jr., who is with Detroit Regional Chamber, ewolking@detroitchamber.com, or 313-596-0304.

### **Training and Workforce Development**

Most public agencies are experiencing some very tight financial times. Many find that virtually all of their discretionary budget has been cut because of falling revenues. An item that usually falls within the discretionary category is employee development and training, which means that employees are getting very little training and few development opportunities.

We all understand budget realities, but we also all understand that good people make good agencies and good transportation programs; and good people have to have opportunities to learn and grow. A provision in the most recent surface transportation act, the one that's about to expire, may be a partial solution to this dilemma. The provision is entitled "Surface Transportation Workforce Development, Training, and Education." It allows states to use federal construction funds from the major

apportionment categories for training and employee development. The funds can be used as 100% federal--no match required.

The provision does not generate any more dollars, but it does allow agencies to evaluate the relative benefits of training and development or another small construction project. A fact sheet on the program can be found at <a href="http://www.fhwa.dot.gov/safetealu/factsheets/traininged.htm">http://www.fhwa.dot.gov/safetealu/factsheets/traininged.htm</a> or on the MVFC website.

Another way to pursue training is to take advantage of CFIRE scholarships, which are available to public agency personnel, for selected courses offered by the University of Wisconsin Engineering Professional Development Program. These courses deal with rail engineering and are listed below.

Title	Course Number	Dates	Location
Rail Track Systems: Engineering and Design	K808	September 14-15, 2009	Philadelphia, PA
Fundamentals of Railroad Train Control and Signaling Systems	K810	September 16-17, 2009	Philadelphia, PA
Freight Railroads: Best Operating Practices	K811	September 28-30, 2009	Madison, WI

For more information on these and other transportation courses go to <a href="http://epdweb.engr.wisc.edu/">http://epdweb.engr.wisc.edu/</a>. Click on "Courses" then "Civil and Environmental Engineering Courses." For information on scholarships, contact Jason Bittner at <a href="mailto:jibittner@wisc.edu">jibittner@wisc.edu</a>.

#### **Oversize/Overweight Truck Permitting**

Efficient freight movement is critical to the economy of our region. As transportation professionals, we tend to view efforts to improve the flow of freight in terms of infrastructure expansion projects designed to eliminate bottlenecks. We might also think of traffic information and management applications of ITS. Administrative and regulatory issues can also have an impact, often with smaller costs and quicker turnaround. One such regulatory issue that truckers often raise is the permitting process for oversize or overweight loads. The problem, from the trucker's perspective, is that too many permits are required, even for routine oversize or overweight loads. Consider the trucker hauling a 90,000 pound load from the Twin Cities to Cleveland. Permits would be required from Minnesota, Wisconsin, Illinois, Indiana and Ohio. If the origin or termini were not on state routes, additional permits might be needed from local governments. It all adds up to a stack of paperwork for a routine load.

Several parts of the country have addressed at least part of the problem by forming regional permitting compacts. These compacts define routine loads and identify routes that do not require detailed analysis. If a load falls within those routine parameters, any state in the compact can issue a permit

that is good in any of the other states. It is not as simple as these words make it sound, but it is doable and it does make the process more efficient.

KDOT Director, Deb Miller, challenged the Coalition to address this issue when she spoke at our spring meeting. To begin to address the issue, CFIRE is working with the Federal Highway Administration to facilitate a peer exchange between the states of our region and one or more from a region that has been successful in implementing a regional permitting system. We hope to have this exchange later this year.

#### The Future of Transportation Policy and Programs

In Mid-July, the summer TRB meeting was held in Seattle. One of the most thought provoking talks was given by JayEtta Hecker, who is a senior advisor for the Transportation Policy Project of the Bipartisan Policy Center. She talked about a vision of a future transportation policy and structure for federal programs.

Before getting to the heart of her topic, it might be helpful to say a few words about the Bipartisan Policy Center. The Center was founded by former Senate majority leaders Howard Baker, George Mitchell, Tom Daschle, and Bob Dole. Their goal was to provide a process by which issues that have confounded the political leaders in Washington could be analyzed and discussed in a bipartisan manner. The Center is funded by several of the major national foundations. Transportation is one of the topics they have addressed.

The transportation project was chaired by two former members of Congress, one former Senator and one former Mayor. Project members were drawn from academia, business, government and think tanks. The group was supported by staff and commissioned studies of several issues.

The major conclusion was that the federal transportation programs should be organized around national priorities and should be performance driven. They proposed five key goals: 1) Economic growth; 2) National connectivity; 3) Metropolitan accessibility; 4) Energy security and environmental protection; and 5) Safety. National programs would organized around these goals. They would also be linked to other non-transportation goals and programs in other agencies. These ties are most obvious in energy and the environment.

Goals without measures have little meaning. The project recommends the following measures:

Economic Growth	Energy and Environment	Safety
Access to jobs and labor (metropolitan accessibility)	Petroleum consumption	Fatalities and injuries per capita
Access to non-work activities (metropolitan accessibility)	CO <sub>2</sub> emissions	Fatalities and injuries per Vehicle Miles Traveled (VMT)
Network utility (national connectivity)		
Corridor congestion (national connectivity)		

State and MPO programs using federal funds would be evaluated using these proposed measures and mechanisms would be developed to reward high performers.

The number of federal programs would be reduced. Most would remain focused on states and MPOs, but some would be discretionary and open to a wider range of applicants. All would be multi-modal. The red-tape of the current processes would also be reduced and replaced by measures of performance

JayEtta emphasized that the Project's recommendations were long term in nature and not intended for this authorization cycle.

Several points in the group's recommendations could be debated, but the notion of overhauling the current system is intriguing. It is something that all of those interested in transportation should consider. The full report of the Project can be found at: <a href="www.bipartisanpolicy.org">www.bipartisanpolicy.org</a>/. We will also post it to the MVFC website.

# International and Domestic Truck Size & Weight Issues Discussed at 2009 Magic Trucks Conference

"Big Battle Mounts Over Bigger Big Rigs," "How Efficiency Can Rev Up the Flagging Truck Industry," "Shippers Throw Support to Heavier Trucks," and "Would Larger Trucks Pose Safety Hazard" are all examples of recent headlines across the United States regarding Truck Size & Weight laws (TSW). As TSW is quickly becoming an issue of mainstream debate, a conference held in June by the University of Michigan Transportation Research Institute (UMTRI) could not have been more timely. As FHWA Freight Office Director, Tony Furst, summarized it:

The UMTRI Conference on Trucks very successfully brought together an international gathering of individuals that shared frank and open discussions on the benefits and challenges of integrating higher productivity commercial motor vehicles into our transportation network

In preparation for anticipated Federal legislative changes impacting freight transportation via modifications to surface transportation funding availability and processes, increasing environmental & energy standards, and demand for maximizing transportation efficiency, the International Conference on Efficient, Safe, and Sustainable Truck Transportation Systems for the Future (Magictrucks.org) brought together industry experts from a diverse range of public and private sector backgrounds to discuss current commercial vehicle transportation trends. The overarching theme of the event was "Informing the discussions of policy makers as they seek to balance economic productivity, the environment, safety, and infrastructure preservation."

The discussions brought to light characteristic debates over the balance of the competing interests of increasing shipping capacity and efficiency yet maintaining and even improving large truck safety all while minimizing negative impacts on transportation infrastructure. The conference assembled a diverse range of opinions on these issues, as attendees included domestic and international researchers, public sector representatives, and private shippers and carriers.

The opening plenary sessions presented overviews of the "Freight Challenge" featuring speakers Dr. Chelsea White (Georgia Institute of Technology), Dr. Anne McCartt (Insurance Institute for Highway Safety), Christopher Grundler (US EPA), and Dr. Ian Johnston (Australia National Transport Commission). The speakers offered perspectives on the multiple challenges facing freight transportation, and specifically truck freight transportation, as a result of forces such as economic instability, population and consumption trends, and growing congestion concerns. Challenges discussed in depth included public perception of trucks and truck safety, and increasing pressures to decrease emissions. Dr. Johnston spoke of Australia's efforts in productivity reform for heavy vehicles as well as the National Transport Commission's reform agenda to utilize a unified national approach toward goods and people movement, land-use planning, ports, and regulation and pricing reform across modes.

The second session provided an overview of the current research efforts of the Organization for Economic Cooperation and Development/International Transport Forum, Joint Transport Research Center (OECD/ITF JTRC). This year's conference coincided with a joint study of US and 40 international experts from 22 countries—Heavy Vehicles: Regulatory, Operational, and Productivity Improvements—to be completed in late 2009. It featured a number of prominent authorities in truck size and weight policy, transportation safety, performance benchmarking, pavement and structural engineering, emissions & environment, as well as shipper and carrier representatives who spoke to the potential productivity gains to be achieved by TSW increases. Ultimately, the forthcoming OECD/ITF study intends to address all of the issues raised and more. According to UMTRI, the project, "...is assessing how the needs of society and industry for increased road transport productivity can be achieved under conditions that will provide for significantly better safety and meet target reductions of emissions and noise and have manageable impacts and demands on the relevant road network." In addition, the study will use "international benchmarking to provide a unique perspective on the acceptability, practicality, and value of using different types of highway freight vehicles in appropriate settings."

U.S., Canadian and Australian governmental representatives discussed their respective experiences with "Accreditation & Compliance for Improved Productivity, Safety, & Sustainability." Philip Halton described New South Wales Australia's aggressive approach toward oversizeoverweight compliance as well as his experience with 'Chain of Responsibility Laws,' which expand responsibility for unsafe driving beyond the driver and to all that may have a role. A sliding fine scale for operators in non-compliance has dramatically reduced the number of violations there. FMCSA representative Michael Johnsen described the current state of Smart RoadSide & Commercial Vehicle Information System & Networks (CVISN). CVISN's expanded capabilities are set to include: driver information sharing, enhanced safety information exchange, interoperable technology for future roadside operations, and expanded electronic credentialing. SmartRoadside is a broad-ranging program designed to increase technological capabilities to improve commercial vehicle safety. Rob Tardif of the Ontario Ministry of Transportation discussed his department's efforts to use a multifaceted data collection plan, including intercept surveys and on-board GPS data to analyze system performance and effectiveness. Mitch Greenberg provided an update on the EPA's SmartWay Programs and their efforts toward reducing carbon footprints through various partnerships and financing incentives to improve commercial vehicle equipment.

Dr. Jim Reece, American Trucking Association Vice President Warren Hoemann, and UMTRI Safety Analysis Division Director/Conference Organize John Woodruffe characterized "North American Competitiveness," from a vehicle capacity perspective. Mr. Hoemann argued that the U.S. Federal law on TSW is obsolete and severely hindering the trucking industry's ability to stay competitive.

Dr. Woodruffe suggested the applicability of Canada's experience in progressing toward a more efficient truck fleet over the past twenty years and it's potential to serve as an example for the U.S. in evaluating approaches toward TSW policy. Dr. Reece presented findings on a study commissioned by the National Private Truck Council (NPTC) to determine the economic impact study of increased weight limits and longer combination vehicles (LCVs). The study, based on a survey of seven companies representing a cross-section of the NPTC population found that economic efficiencies and environmental benefits could be realized by a large number of companies if truck size and weight limits were increased. The survey results estimated that a ten percent reduction in truckloads would be achieved with increased weights, six percent reduction with LCVs, and sixteen percent reduction if both strategies were utilized.

Dan Murray (American Transportation Research Institute), Dr. Andy Brown (Delphi Corp.), and Mary Versailles (National Highway Transportation Safety Institute) considered the technological and operations perspective of "North American Competitiveness." Mr. Murray discussed how improvements in transportation technology have been accompanied by improvements in data quality, in addition to the need for truck technologies aimed at addressing safety and operational concerns to accompany developments in higher productivity vehicles (HPVs). Dr. Brown provided the status of the National Academy of Sciences Committee on Fuel Economy of Medium and Heavy Duty Vehicles. The committee is charged with a number of tasks, including devising measures by which to assess fuel standards for medium and heavy duty vehicles, the potential for technological improvements, and potential for integrating these improvements. The committee's report is expected to be complete in March of 2010. Mary Versailles provided information regarding current NHTSA efforts to increase U.S. fuel economy. In particular, Ms. Versailles gave updates on the agency's Corporate Average Fuel Economy (CAFÉ) program, which sets fuel economy standards for cars and light trucks. NHTSA and the EPA are currently in the process of jointly proposing increased greenhouse gas and fuel economy standards for the manufacturing years 2012-2016.

One highlight of the conference was a plenary session focused on "Developing the Policy Roadmap Options," featuring Steve Williams (carrier), Harry Haney (shipper), Tony Furst (Director, FHWA Office of Freight Management and Operations), and Terry Shelton (Associate Administrator, RITA). Steve Williams stated that his company's internal fleet analysis revealed that TSW increases could lead to a substantial increase in productivity per ton-mile and at the same time reduce greenhouse gas emissions from 17-35%. Mr. Furst stated that, based on extensive analysis by his office, the roadway system would likely not safely support the widely proposed 97,000 lb. gross vehicle weight truck configuration, but also that he was willing to continue to objectively consider proposals for larger and heavier freight trucks. Ms. Shelton took the opportunity to discuss multiple recent RITA data improvements, including Comprehensive Safety Analysis 2010 (a collaborative effort to proactively identify unsafe driver behavior using available data sources), and the COMPASS (an effort to modernize IT processes).

Overall the conference provided an effective forum for transportation experts on various sides of the TSW debate to raise their respective concerns. Presenting examples of international approaches proved to be a useful exercise as it allowed for a direct comparison of experiences in Europe, Australia, Canada, and New Zealand and the ability to evaluate the potential for utilizing similar techniques in the U.S. Canadian examples could provide the most potential for American adaptation. In brief, the Canadian perspective provides a system where maximum vehicle weights are based on scientifically-based formulas which factor vehicle configuration, performance, and numerous other determinants for considering the safety of a truck rather than the more 'politically-based' approach used in the U.S. The Ontario Ministry of Transportation is also taking

progressive steps toward GPS-based on-board data collection to monitor system performance and congestion management, technologies that could be available in the U.S. given the right partnerships.

While it is a complex debate, the conference, which will be held on a yet-to-be-determined periodic basis, established a step in the right direction toward finding what is sure to be an equally complex solution. In addition to the aforementioned presentations, the conference featured two sets of facilitated topical breakout sessions, input from which will be compiled in the final conference document.

A complete copy of conference proceedings is currently being produced. Additional information on the conference as well as the ongoing OECD/ITF study can be found at: <a href="http://www.umtri.umich.edu/public/tsad/magictrucks/">http://www.umtri.umich.edu/public/tsad/magictrucks/</a>.

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