



## National Freight Advisory Committee Meeting

### National Freight Advisory Committee Record of Meeting

June 25, 2013

U.S. Department of Transportation, Washington, D.C.

#### Public Announcement

The U.S. Department of Transportation (U.S. DOT), Office of the Secretary of Transportation (OST), announced this public meeting of the National Freight Advisory Committee (NFAC) in a Federal Register notice published on June 5, 2013 (78 FR 33888).

#### Committee Members in Attendance

Name	Title	Affiliation
Stephen Alterman	President	Cargo Airline Association
Gregory A. Ballard	Mayor	City of Indianapolis
Kevin Brubaker	Deputy Director	Environmental Law and Policy Center
Jeffrey Burns	Board Member	Parents Against Tired Truckers
Terry Button	Board Member	Owner-Operator Independent Drivers Association
Anne P. Canby	Director/Consultant	OneRail
Joan Claybrook	President Emeritus	Public Citizen
Kristin Decas	CEO and Port Director	Port of Hueneme
Mortimer L. Downey, III , NFAC Vice Chair	Chairman	Coalition for America's Gateways and Trade Corridors
John H. Eaves	Chairman	Fulton County Commission
John E. Fenton	President and CEO	Patriot Rail Company LLC
Karen Flynn	Senior Director	Logistics and Goods and Services Purchasing, Arkema, Inc.
Genevieve Giuliano	Professor and Senior Associate Dean of Research and Technology	University of Southern California Sol Price School of Public Policy Technology
John Thomas Gray II	Senior Vice-President	Policy and Economics, Association of American Railroads
Rhonda Hamm-Niebruegge	Director of Airports and Chief Executive Officer	Lambert International Airport
Brad Hildebrand	Global Mode Lead – Rail/Barge	Cargill Transportation & Logistics
Stacey D. Hodge	Director	Office of Freight Mobility, New York City Department of Transportation



## National Freight Advisory Committee Meeting

Name	Title	Affiliation
Richard Inclima	Director of Safety	Brotherhood of Maintenance of Way Employees
Fran Inman	Senior VP	Majestic Realty Company, and Member CA Transportation Commission
Randell (Randy) Iwasaki	Executive Director	Contra Costa Transportation Authority
Michael Jewell	President	Marine Engineers' Beneficial Association, AFL-CIO
Paul R. Kelly	Vice President	Intermodal Division, A&S Services Group
Paul LaMarre III	Port Director	Port of Monroe
Michelle Livingstone	Vice President	The Home Depot
Bonnie Lowenthal	State Assembly Member	California
Andrew S. Lynn	Director	Planning and Regional Development, Port Authority of New York and New Jersey
C. Randal Mullett	Vice President	Government Relations and Public Affairs, Con-way, Inc.
Rosa Navejar	President	The Rios Group, Inc
Gary A. Palmer	Senior Director	Transportation, True Value Company
Craig Philip	Chief Executive Officer	Ingram Barge Company
John Previsich	Assistant President and General Secretary and Treasurer	SMART – Transportation Division
William (Rob) Roberson	Materials and Logistics Manager	Nucor Steel – Berkeley
Christopher T. Rodgers	Commissioner/President	Douglas County, National Association of Counties
Mark Savage	Major	Colorado State Patrol, and President, Commercial Vehicle Safety Alliance
Karen Schmidt	Executive Director	Freight Mobility Strategic Investment Board
Ann L. Schneider, NFAC Chair	Secretary	Illinois DOT
Ricky D. Smith	Director	Department of Port Control, Cleveland Airport
Mike Tooley	Director (CEO)	Montana DOT
Peter G. Vigue	Chairman and CEO	The Cianbro Companies
C. Michael Walton	Ernest H. Cockrell Centennial Chair in Engineering	The University of Texas at Austin



## National Freight Advisory Committee Meeting

### Committee Members Designees

Name	Title	Affiliation	Designee
Carlos A. Gimenez	Mayor	Miami-Dade County	Emilio Gonzalez
James P. Hoffa	General President	International Brotherhood of Teamsters	Frederick P. McLuckie
José Holguín-Veras,	William H. Hart Professor	Rensselaer Polytechnic Institute	
Jack A. Holmes	President	UPS Freight	Tom Jensen
Michael Nutter	Mayor	City of Philadelphia	
Leonard D. Waterworth	Executive Director	Port of Houston Authority	Ricky Kunz
A C Wharton, Jr	Mayor	City of Memphis	

### Ex-Officio Members or Designee

Name	Title	Affiliation	Designee
John Porcari	Deputy Secretary of Transportation	U.S. DOT	
Polly Trottenberg	Under Secretary for Transportation Policy	U.S. DOT	
Daniel R. Elliott III	Chairman	Surface Transportation Board	
Carlos R. Evans	Attorney-Advisor	Environmental Protection Agency	
Cameron F. Kerry	Acting Secretary	Department of Commerce	David Long
Thomas S. Winkowski	Acting Commissioner	U.S. Customs and Border Protection	

### Other Officials Present

Name	Title	Affiliation
The Honorable Ray LaHood	Secretary of Transportation	U.S. DOT
The Honorable Maria Cantwell	U.S. Senator	WA
The Honorable Jerrold Nadler	U.S. Representative	NY-08
Beth Osborne	Deputy Assistant Secretary for Transportation Policy	U.S. DOT
Bryna Helfer	Director of Public Engagement	U.S. DOT
Jack Wells	Chief Economist	U.S. DOT
Tretha Chromey	NFAC Designated Federal Officer	U.S. DOT



## National Freight Advisory Committee Meeting

---

### Call to Order

---

The inaugural NFAC meeting was held at the U.S. DOT Headquarters in Washington, D.C. on June 25, 2013. Tretha Chromey, the Designated Federal Officer (DFO), called the meeting to order at 9:00 a.m. and introduced the Honorable Ray LaHood, Secretary of Transportation. The Chair Ann L. Schneider presided over the meeting. The meeting was open to the public.

### Welcome and Kick-Off to the Inaugural NFAC Meeting

---

#### **The Honorable Ray LaHood, Secretary of Transportation**

Secretary of Transportation LaHood welcomed all of the Committee members as well as U.S. Senator Maria Cantwell (WA) and U.S. Representative Jerrold Nadler (NY-08). His speech highlighted the importance of NFAC as well as Senator Cantwell's and Representative Nadler's significant contributions to freight policy.

Secretary LaHood explained that Senator Cantwell worked very hard to make sure that the Freight Policy Council was included in the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21), convincing many Republicans of its merit. He referred to her as the mother of the Freight Policy Council and mentioned how NFAC would not have been possible without her involvement.

Secretary LaHood also emphasized that many Americans wanted to be on the Committee and that U.S. DOT is privileged to have all of the Committee members present at U.S. DOT Headquarters for the inaugural meeting. He mentioned Representative Nadler's role in establishing the Committee and his bipartisan efforts.

*Secretary LaHood then introduced the Honorable Senator Cantwell.*

### Congressional Remarks

---

#### **Maria Cantwell, U.S. Senator (WA)**

Senator Cantwell thanked Secretary LaHood and Deputy Secretary of Transportation John Porcari for their efforts in making NFAC a reality, and mentioned that she did not mind being called Senator "freight." Senator Cantwell also praised Deputy Secretary Porcari's work leading the Freight Policy Council. She thanked Representative Nadler for his efforts supporting the establishment of NFAC, even when they hit a stumbling block in the House.

Senator Cantwell's speech encompassed a brief overview of her background, coming from the Midwest with growers and shippers, and how it spurred her interest in freight. Senator Cantwell referred to the creation of her state's freight plan over 50 years ago.

Senator Cantwell emphasized the increase in freight demand from consumers, especially the middle class, and the cost of freight bottlenecks. She highlighted the following statistics in her remarks:

- By 2040, the U.S. will need to move 60% more freight.
- Freight bottlenecks cost \$200 billion a year.



## National Freight Advisory Committee Meeting

---

- Ninety percent of consumers outside the borders drive up demand.
- The middle class will increase freight: China's middle class will be 1 billion; India's will be growing to 470 million.

Senator Cantwell concluded by calling attention to the need to create a national freight policy for American-made products.

*Secretary LaHood introduced the Honorable Representative Nadler.*

### **Jerrold Nadler, U.S. Representative (NY-08)**

Representative Nadler started off his remarks by linking freight to his home state of New York. He posed the question: Why is an NYC congressman concerned with freight? He highlighted major infrastructure projects in New York, such as the Erie Canal Project, which connected the Atlantic Ocean to the Great Lakes.

New York went from 2% to 38% of the nation's shipping traffic in five years and built a railroad to further its advantage. Representative Nadler mentioned that New York became the capital for printing and manufacturing, with growth in concentric circles around the port.

Representative Nadler discussed the global economy and the importance of updating transportation networks to meet rapidly changing needs. He asked NFAC to advise not about the current state of the freight transportation network, but to determine where we need to go and how we can get there. He emphasized NFAC's critical role in implementing and developing a National Freight Strategic Plan, and identifying funding to make that happen. Specific obstacles he identified include competition for public funds, a lack of coordination among stakeholders, and a lack of public support.

Representative Nadler noted that under MAP-21 freight projects are still contained in the Federal-Aid Program. He ended his remarks with the fact that government action has spurred infrastructure activities throughout U.S. history and that NFAC is an opportunity to renew that progress.

### **Introductions**

---

Secretary LaHood gave thanks to the Congress members as well as key staff before introducing the U.S. DOT Leadership Team. He highlighted the importance of having Congress members in attendance given that Congress must consider the Committee's work for it to have a long-lasting effect. He thanked Senator Cantwell and Representative Nadler for their time and vision. He also thanked the Policy Team for figuring out who would serve on the Committee and for putting together the inaugural NFAC meeting.

Secretary LaHood then announced his appointment of Chair Ann L. Schneider and Mortimer L. Downey, III as the Vice Chair. He emphasized the importance of having women in leadership positions and thanked them for their involvement.



## National Freight Advisory Committee Meeting

---

He concluded by thanking Committee members for their service and calling them to action, saying “Go to work, get it done. We look forward to what you can accomplish and what we can put into law with our friends in Congress.”

### Administrative Briefing

---

Chromey, NFAC DFO, provided an administrative briefing about her role as outlined in NFAC’s charter as well as the NFAC draft bylaws, which includes:

- Calling meetings of the Committee after consultation with the Chair and determining where they are to be held;
- Formulating and approving an agenda, in consultation with the Chair, for each meeting;
- Notifying all Committee members of the time, place, and agenda for any meeting;
- Providing administrative support for all meetings of the Committee;
- Attending each Committee meeting;
- Maintaining all NFAC files and records; and
- Adjourning any meeting when it is determined to be in the public interest and chairing meetings when directed to do so by the Secretary.

Chromey provided an overview of the day’s agenda and welcomed Committee members to the U.S. DOT Headquarters. She explained that Committee members would have no more than two minutes each to give short statements. Then, she would ask Deputy Secretary of Transportation Porcari and Under Secretary for Transportation Policy Polly Trottenberg, to give remarks. After lunch, Deputy Assistant Secretary of Transportation Policy, Beth Osborne, would present on the National Freight Strategic Plan. Afterwards, the public could give comments. NFAC members would then have two hours to discuss the elements of the National Freight Strategic Plan and the Conditions of Measure and Performance Report.

*The DFO turned the meeting over to Chair Schneider and Vice Chair Downey.*

### NFAC Short Statements

---

Chair Schneider and Vice Chair Downey provided introductory remarks and asked members to briefly share their interest in freight.

Chair Schneider discussed the importance of maximizing benefits for the entire freight system by considering the current infrastructure, the regulatory framework and processes, as well as freight across modes. She encouraged providing guidance to public and private partners and understanding different approaches while still finding ways to unify.

Vice Chair Downey expressed the shared belief among Committee members that freight is a national priority and that there is a need to listen to a multitude of ideas with the hope that the Department acts on them.

In their short statements, Committee members addressed themes such as collaboration, safety, modal integration, growth in freight demand, the economy, federal policymaking, sustainable growth, technology, and freight transport across borders.



## National Freight Advisory Committee Meeting

---

### Keynote Remarks from U.S. DOT Ex-Officio Members

---

#### ***“NFAC Charter and DOT Expectations”***

##### **John Porcari, Deputy Secretary of Transportation**

Deputy Secretary Porcari began by thanking the Committee members as well as the ex-officio members. He commented on NFAC’s role as an advisor to the Freight Policy Council. Also, he covered the Freight Policy Council’s work identifying the seams and gaps between transportation modes and the importance of taking a systems approach.

Porcari commented that the recession brought the reality that the goods movement drives the economy, even though the discussion is often about moving people. Population growth and global competitiveness must be considered when thinking about the freight transportation network today.

Porcari quoted the population projection for 2050 of 100 million more people than today. He made the connection that our standard of living is tied directly to our ability to move people and goods efficiently and safely. Approximately 8 billion extra tons per year will need to be moved for the 100 million more people.

Porcari stated that the freight system needs to be stronger, more resilient, and more balanced. He explained that President Barack Obama has consistently proposed substantial infrastructure investments and there is a need to build the bipartisanship to realize those changes. Most infrastructure we see today, he remarked, was likely designed, built, and funded by our grandparents and great grandparents. Starting with the American Recovery and Reinvestment Act, the President has pushed for infrastructure investments as key to the future prosperity of the country.

Porcari called for a National Freight Strategic Plan that would embody a modally agnostic, smart, national strategy that identifies one of the primary economic tools of the country (goods movement). He also spoke of groups at the White House and across the federal family, in addition to NFAC and the Freight Policy Council, and how they are devoting time and resources to improving the national freight system (for example, the National Export Initiative, Department of Commerce (DOC), and Transportation Research Board advisory committees).

Porcari ended his remarks by stating that the freight agenda is an ambitious one and that the Department will be looking for specific recommendations over the next two years to address the freight performance measure provisions of MAP-21. He expressed his appreciation in advance for the fairly extensive effort the Committee would be participating in to help inform and build a larger national strategy.

#### ***“Federal Role in U.S. Freight Policy”***

##### **Polly Trottenberg, Under Secretary for Transportation Policy**

Under Secretary Trottenberg presented on the federal role in U.S. freight policy, including the U.S. DOT’s authorities and responsibilities. She began by giving the context of the freight issue in Washington, including the authorities and responsibilities that the U.S. DOT has or does not have, for those Committee members who are less involved in the day-to-day operations.





## National Freight Advisory Committee Meeting

---

Trottenberg gave an overview of how the U.S. DOT keeps the American economy humming as the protector of the Jones Act for the maritime industry and given the Department's discretionary funding that includes the Transportation Investment Generating Economic Recovery, Transportation Infrastructure Finance and Innovation Act (TIFIA), and Railroad Rehabilitation & Improvement Financing programs as well as Private Activity Bonds.

Trottenberg highlighted some of the Department's programs as examples of how the U.S. DOT has made progress in funding freight projects around the country, but also mentioned that they have been just a small piece of what has been done with U.S. DOT dollars. She emphasized that the U.S. DOT has worked closely with sister agencies and that the Department is focusing on the following:

- Environmental protections;
- Delivering projects on time; and,
- Engaging in how to improve data collection in order to move to a more performance-based system.

Trottenberg explained that the U.S. has a competitive, private-driven, and decentralized freight system. She asked the question: What is the appropriate federal role in that kind of system? Trottenberg noted that recently Congress has taken a greater interest in freight. Six years ago, Congress directed several studies into freight and funding issues and sparked a national discussion. She lauded the work of Representative Nadler and Senator Cantwell, who have been instrumental in putting forth several freight bills. Bills have been introduced that challenge the U.S. DOT to take a national look at freight and begin to answer how the Department will fund investments in the future.

Trottenberg concluded her remarks by underscoring how the U.S. DOT has spent time and resources in implementing MAP-21, which provided two years of sustainable funding, consolidated a lot of programs, made great strides in safety, expanded the TIFIA program, and required performance measures. She expressed her excitement over the establishment of NFAC and the fact she is looking forward to NFAC input. The U.S. DOT has never before been tasked by Congress to take a national perspective of freight. It is not something the U.S. has ever undertaken, for many reasons; we have a complicated, multimodal, public/private, competitive, and decentralized system. The U.S. DOT has come up with three key themes: better modal coordination; grow investment in our system; and improve project delivery. Trottenberg called for everyone to come together with practical recommendations the Department can bring to Congress.

*Under Secretary Trottenberg introduced Director of Public Engagement Bryna Helfer to the table to act as facilitator so that Committee members could ask questions or give comments on the keynote remarks.*

### Discussion

Committee members and U.S. DOT ex-officio members engaged in a discussion about the keynote remarks and Under Secretary Trottenberg's presentation.





## National Freight Advisory Committee Meeting

---

Committee member C. Michael Walton., The University of Texas at Austin, asked the first question about whether the National Freight Strategic Plan would be the Committee's output. Osborne responded by saying that the major deliverable that Congress has tasked the Committee with is the development of the National Freight Strategic Plan.

Committee member Michael Jewell, Marine Engineers' Beneficial Association, questioned how the Jones Act would be incorporated as a mainstay into this freight policy. Trottenberg responded by emphasizing the importance of the Jones Act given that it provides maritime capabilities in times of national emergency and saying that it is within the purview of the Committee to identify opportunities for growing the maritime sector.

Another topic of discussion, initiated by Committee member Terry Button, Owner-Operator Independent Drivers Association, was how to increase revenues to benefit every section of freight. He proposed a 10–15 cent fuel ~~tax increase~~ tax increase, as long as it goes to roads. Trottenberg recommended that the Committee get stood-up before having any tough funding discussions.

Committee member Fran Inman, Majestic Realty Company, brought up the topic of competitiveness and David Long, DOC, and his work and asked how that would be integrated into the Committee's discussion. Long responded by saying that the two committees, NFAC and the Supply Chain Competitiveness Committee, will be complementary. The 40-member Supply Chain Competitiveness Committee has subcommittees on trade competitiveness, regulatory policy, financial policy, MAP-21, and information and data systems. The Supply Chain Competitiveness Committee will perform an analysis to identify performance measures and then develop initial, actionable recommendations, with real costs attached to them.

Chair Schneider asked whether there would be any policy to incentivize a regional look at the freight system. She also asked whether there is anything currently in existence that would facilitate that. The response centered on the fact that great multimodal freight plans will not stop at state borders, because freight does not. In a federal system, the states are making choices about where to make investments. The projects winning funding are highly leveraged and tend to go to areas that have a regional plan and vision.

Gary A. Palmer, True Value Company, asked a question about the impacts on state/local government and consumers, for example, and what type of economic forecasts will be available to support the Committee. Trottenberg highlighted that the U.S. DOT, through the Bureau of Transportation Statistics, the Volpe National Transportation Systems Center, and the Federal Highway Administration's Freight Analysis Framework, would not only look at what the Department is doing, but also the academic community given that some data is proprietary.

Genevieve Giuliano, University of Southern California Sol Price School of Public Policy Technology, brought up the point that every time academia participates in a policy study or committee the conclusion when it comes to freight is that we need more data. She offered some examples, such as in urban freight. There is no way of knowing what kinds of goods movement actually go on within a metropolitan area. At a national level, Giuliano expressed that it is difficult trying to figure out the economic role of freight and its value to the economy because of



## National Freight Advisory Committee Meeting

---

data limitations. Trottenberg responded to Giuliano by highlighting that there is a revolution in data collection happening now, looking beyond traditional methods.

Brad Hildebrand, Cargill Transportation & Logistics, asked whether the National Freight Strategic Plan would be a top-down or bottom-up plan. Trottenberg saw the plan being much more bottom-up, explaining that a great national plan could only come out of solid state plans. She envisioned providing some of the planning at the national level, though most of the investment decisions are made at the state level.

Frederick P. McLuckie, representing James Hoffa from the International Brotherhood of Teamsters, was curious about the extent to which the Committee would look to Canada and Mexico in integrating freight policy. His question spurred a related question from Christopher T. Rodgers, National Association of Counties, about which countries have done a national freight policy well. Discussion centered on taking a look abroad and also at sister agencies that have an international perspective, such as the DOC. Discussion later in the day could consider including an international subcommittee as one of NFAC's subcommittees. Trottenberg emphasized that it is interesting to see what other countries have done, but that the U.S. is fairly unique and dynamic, so not everything other countries do translates into the American context.

One Committee member asked whether there would be the opportunity to discuss the proposed bylaws as part of the process. NFAC DFO Chromey mentioned that the proposed bylaws were sent the day before the meeting and she asked all Committee members to review them and send any comments to her; she will review them with the U.S. DOT as well as the NFAC Chair and Vice Chair. She noted that the Committee has to adopt those bylaws and that she will set a timeframe to make sure there is consensus to ensure they are effective.

*Chromey, NFAC DFO, opened the afternoon session of the inaugural NFAC meeting by introducing Deputy Assistant Secretary for Transportation Policy Osborne.*

### National Freight Strategic Plan Overview

---

Deputy Assistant Secretary for Transportation Policy Osborne provided an overview of the National Freight Strategic Plan. Her presentation documented the various freight provisions included in MAP-21, such as the National Freight Policy Goals, National Freight Strategic Plan Requirements, and the measures of conditions and performance requirements. She also outlined a timeline for the Department's National Freight Strategic Plan strategy.

Osborne began her speech by outlining how NFAC will assist U.S. DOT in developing a National Freight Strategic Plan by October 1, 2015. She noted the fact that the National Freight Strategic Plan is due approximately one year after MAP-21 expires and that it is to be updated every five years. Osborne referred to the National Freight Policy Goals listed in MAP-21 Sec. 1115 as well as to MAP-21's definition of the National Freight Network in highway terms. She emphasized that NFAC and U.S. DOT will concentrate on a multimodal freight system (beyond a highway network) in developing the National Freight Strategic Plan.



## National Freight Advisory Committee Meeting

---

Osborne also outlined the National Freight Strategic Plan Requirements listed in MAP-21 Sec. 1115 and discussed how NFAC will assist U.S. DOT in developing a Conditions of Measure and Performance Report by 2014. Specifically, she charged NFAC with identifying specific measures of conditions and performance for the national freight network. In the context of MAP-21 Sec. 1117 and Sec. 1118, which encourage states to establish freight committees and to develop state freight plans, respectively, she also asked NFAC to consider to what extent U.S. DOT should derive information from state freight plans in developing the National Freight Strategic Plan and to what extent the National Freight Strategic Plan should inform the state freight plans.

Osborne concluded her speech with the following timeline for NFAC deliverables:

- Establish project work plan (this summer);
- Collect and analyze data;
- Draft framework (by this time next year); and
- Draft National Freight Strategic Plan (late 2014 to early 2015).

Osborne also identified immediate next steps including collecting input on the work plan, engaging stakeholders, and compiling existing state freight plans.

### Elements of an Effective National Freight Strategic Plan

---

*Chair Schneider opened the first 60-minute NFAC member discussion and introduced Director of Public Engagement Helfer as the facilitator.*

Director of Public Engagement Helfer facilitated the discussion regarding key elements of an effective National Freight Strategic Plan by asking the Committee members to consider the key discussion topics listed in the agenda, beginning with elements of an effective National Freight Strategic Plan.

#### **Elements of an Effective National Freight Strategic Plan**

The Committee members discussed issues related to connectivity. Specifically, Jewell suggested that the National Freight Strategic Plan follow the goods movement from origin to destination. Karen Schmidt, Freight Mobility Strategic Investment Board, echoed Jewell's comment by emphasizing the importance of addressing any connectivity issues including first- and last-mile connections and intermodal connections. John E. Fenton, Patriot Rail Company LLC, also agreed by stating the importance of identifying nodes in the national freight network and then connecting those nodes. John H. Eaves, Fulton County Commission, suggested that the National Freight Strategic Plan identify the human elements/community impacts of freight such as traffic congestion and air/water quality.

A comment by Ricky Smith, Cleveland Airport, initiated a discussion of developing a vision statement for the National Freight Strategic Plan. Chair Schneider recommended that NFAC develop a vision statement based on the objectives and scope of activities outlined in item #3 of NFAC's Charter. Hildebrand noted that the objective statement in the Charter was missing a growth component to establish planning for future needs at least 20 years into the future. Smith



## National Freight Advisory Committee Meeting

---

stated that the vision statement should not be time bound, but rather should be bold and inspirational. Several Committee members engaged in a discussion regarding whether the vision statement should include “world-class.” Rodgers proposed a vision statement to develop and maintain the most dynamic freight system in the world.

The Committee members also discussed how the National Freight Strategic Plan should be forecast over a long range and should be forward-looking. Following Hildebrand’s question regarding the time horizon, Osborne clarified that the National Freight Strategic Plan will be updated every five years. Chair Schneider also clarified that like a state long-range transportation plan, the National Freight Strategic Plan should have a longer time horizon and look out to 2040 or to 2050. Smith agreed that projecting over 40 to 50 years was appropriate. The Committee discussed the importance of identifying long-term objectives to guide short-term actions and of making recommendations that are “nimble” or adaptable for innovations in technology.

### **Opportunities for the National Freight Plan to Enhance Coordination between Local, State, and National Freight Priorities**

Paul LaMarre III, Port of Monroe, recommended a top-down approach with states revising their plans based on lessons learned from a National Freight Strategic Plan. LaMarre’s comment initiated a discussion among the Committee members regarding a top-down versus a bottom-up approach coordinating between state freight plans and the National Freight Strategic Plan. Kevin Brubaker, Environmental Law and Policy Center, stated that the National Freight Strategic Plan should focus on policy goals (rather than project goals) and incentivize states to align with those policy goals. Smith referred to President Obama’s educational plan incentivizing state involvement as a model for establishing standards and for encouraging states to follow the same freight goals.

Giuliano stated that the National Freight Strategic Plan should clarify what the federal government can and/or should do that states and regions are not already doing.

Kristin Decas, Port of Hueneme, emphasized that the Committee should identify a list of stakeholders to engage along the way. Vice Chair Downey agreed and mentioned the importance of considering the private sector perspective of shippers, insurers, manufacturers, and retailers. Michelle Livingstone, The Home Depot, articulated the retail perspective as wanting to keep freight flowing because when it stops, it costs money.

### **Specific Elements of State Freight Plans to Integrate into the National Freight Strategic Plan**

Chair Schneider asked what state freight plans could serve as models for a National Freight Strategic Plan. Trottenberg, Under Secretary for Transportation Policy, referenced New Jersey, Maryland, and Washington as being good examples and stated that U.S. DOT will develop a bibliography of resources, including sample state plans, for NFAC reference.



## National Freight Advisory Committee Meeting

---

### **Elements from International Plans to Consider for Replication in Our Own National Freight Strategic Plan**

Trottenberg also referenced Australia, Canada, and the European Union as having developed national freight policies well.

### **Other Considerations to Take Into Account in the Development of the National Freight Strategic Plan**

Schmidt noted that Congress expects the National Freight Strategic Plan to show how funds for freight improvements would be used while Randy Iwasaki, Contra Costa Transportation Authority, recommended that NFAC consider how environmental impacts affect freight infrastructure. Additional considerations brought up by various Committee members included:

- How do needs and challenges differ by mode and by area (urban versus rural)?
- What is the multimodal, systems perspective?

### **Public Comment Period**

*Chair Schneider summarized key themes of the first discussion including being nimble, long-range, forward-looking, addressing connectivity (between modes and between first-and last-mile), and human and community impacts. She thanked Helfer and the Committee and opened the first 30-minute public comment period.*

NFAC received two comments during the first public comment period. First, Mark Carr, Waterborne Transportation Committee, TRB, reflected that the country's existing national freight policy is that of competition between every mode and every location. Moreover, the ports are chartered to bring resources and economic activity into their jurisdiction, for the benefit of their jurisdiction; therefore, in these resource-constrained times, supporters of a national freight policy are those who feel they are not getting the percent of resources that they want or feel that they deserve, whereas those that feel like they are getting the percent of the resources that they and their constituents deserve will oppose a national freight policy because we are in resource-constrained times. He concluded that it is important to consider that a national policy is a redistribution of resources and that it is important to keep track of whose resources you're redistributing.



## National Freight Advisory Committee Meeting

---

Leslie Blakey, Coalition for America's Gateways and Trade Corridors (CAGTC), disagreed with Carr's comment, noting that the purpose of national policy was not to redistribute resources, but to examine the overarching public good, what the nation has in common economically, and to connect the important benefits to be derived for the economy, businesses, and health of U.S. citizens. She stated that a national freight policy does not imply a win-lose strategy that pits resources for one area or industry against another. She concluded that CAGTC's membership has supported the idea of a national freight policy and of a National Freight Strategic Plan since its establishment 12 years ago.

Chair Schneider emphasized that a national freight policy will help direct uniformity of policies across state lines so that freight will continue flowing freely and efficiently. Chair Schneider and Trottenberg, Under Secretary for Transportation Policy, discussed how there was a national vision for the interstate highway system centered on national defense and how there was a great unity of national purpose, whereas it is currently difficult to summon broad political consensus for transportation. Several Committee members continued that discussion before Chair Schneider closed the first public comment period.

*Chair Schneider closed the public comment period.*

### Measures of Conditions and Performance

---

*Chair Schneider opened the second 60-minute NFAC member discussion and introduced Jack Wells, Chief Economist of the U.S. DOT, as a guest speaker.*

Chief Economist Jack Wells explained the efforts of the Office of Economic and Strategic Analysis in implementing MAP-21's performance requirements. He explained how his office is working to identify performance measures based on the goals listed in MAP-21, including economic efficiency and productivity; safety, security, and resilience; and environmental and community impacts, etc.

Helfer then facilitated the discussion regarding measures of conditions and performance by asking the Committee members to consider the key discussion topics listed in the agenda, beginning with measures of conditions and performance for freight transportation stakeholders.

### Measures of Conditions and Performance for Freight Transportation Stakeholders

The Committee members proposed several metrics of conditions and performance.

- Gregory A. Ballard, City of Indianapolis, mentioned safety statistics, such as the number of crashes or hazardous material incidents, as a measure of performance.
- Vice Chair Downey suggested reliability as a measure of whether the goods arrive and whether they arrive on time. Inman stated that predictability is important to the private sector.
- Hildebrand and Brubaker echoed Inman regarding predictability as a measure of conditions and performance to consider.





## National Freight Advisory Committee Meeting

---

- John Thomas Gray II, Association of American Railroads, and Vice Chair Downey discussed customer satisfaction as another metric because if the system fails, then the customer realizes the impacts.
- Inman echoed Vice Chair Downey and Gray's comments, noting that meeting the end user's demands is most important when delivering goods to consumers.
- Rodgers suggested a multiplier effect measurement similar to the tourism industry; specifically, what does freight infrastructure mean for employment?
- Inman and Richard Inclima, Brotherhood of Maintenance of Way Employees, mentioned velocity and throughput as key metrics of performance. Inclima recommended measuring velocity and throughput as a snapshot of what conditions are today and then measuring again following policy implementation to determine any changes or improvements.
- Inclima and Joan Claybrook, of Public Citizen, discussed measures of worker conditions, such as overtime, training, retention, and safety records, and how the demanding ("just-in-time") schedule for deliveries/transfers affects industry workers.
- Wells discussed the Fluidity Index developed in Canada for measuring how quickly cargo moves from origin to destination and how much time the cargo spends in each mode during the shipment.
- Another metric identified by the Committee was latent capacity; specifically, where is there latent capacity in the existing freight network that could alleviate congested parts of the system?

### **Challenges and Opportunities for Identifying and Obtaining Useful Data to Support Freight Conditions and Performance**

In proposing various measures of conditions and performance, the Committee members also identified challenges in obtaining the information. Outstanding questions regarding measuring system performance included:

- How can U.S. DOT measure delay?
- How can NFAC and U.S. DOT address the causes of delay?
- How can U.S. DOT measure costs of congestion? Is overtime of truck drivers due to traffic congestion representative of overall congestion?
- How can U.S. DOT identify and address system inefficiencies? For example, even if a package arrives on time, it may have sat on a runway for 45 minutes, but how can such rest periods be reduced or eliminated?
- How can U.S. DOT assist the private sector in making better predictions about deliveries/arrivals?
- How can U.S. DOT identify challenges that overlap multiple modes when comparable data is not available across all modes?





## National Freight Advisory Committee Meeting

---

### Other Considerations

In discussing potential measures of conditions and performance, several Committee members mentioned broader factors to consider. For example, Vice Chair Downey suggested NFAC establish performance goals and link performance measures to those goals while Inclima encouraged NFAC to measure what is occurring today, establish policies, and then measure any change or improvement following implementation. Palmer emphasized the need to focus on trends over time rather than on single incidents. Anne Canby, OneRail, and Ballard echoed Palmer's comment. Finally, Wells encouraged NFAC to coordinate with the U.S. DOT Office of Economic and Strategic Analysis.

Chair Schneider summarized key themes of the second discussion as: identifying latent capacity, measuring throughput and velocity, measuring what it takes to meet end-user demands, establishing what we currently know, identifying the data gaps, and determining how NFAC and its subcommittees can fill those gaps.

### Public Comment Period

*Chair Schneider opened the second 30-minute public comment period.*

Steve Tripp, Chrysler, noted that the Council of Supply Chain Management Professionals measures logistics costs as percent of GDP. He stated that logistics costs capture the costs of congestion and safety (e.g., if a shipper has a poor safety record, then it pays higher insurance premiums, greater worker's compensation, and charges a higher cost to ship). He also noted that while logistics costs as percent of GDP do not capture regional variability, they are an effective metric for overall performance.

Inclima responded to the public comment, noting that NFAC cannot look just at cost because cutting costs does not improve throughput or velocity and Helfer asked where cost data is available.

*Chair Schneider closed the public comment period and thanked Osborne, Helfer, and Wells.*

### Going Forward

---

Chair Schneider and NFAC DFO Chromey reviewed subcommittee assignments and deliverables, providing further instruction regarding reviewing and commenting on the NFAC Charter, bylaws, and subcommittee list.

Chair Schneider referenced the NFAC subcommittees that the U.S. DOT proposed based on MAP-21 goals. She stated that based on Committee member feedback, the U.S. DOT will add an international subcommittee and re-circulate the list of subcommittees to NFAC members.

Chromey clarified that members will have an opportunity to review and comment on the subcommittee list before the U.S. DOT finalizes the list of subcommittees. Brubaker, Vice Chair Downey, and Hildebrand suggested environment, finance, and growth as additional topics to consider. Regarding finance, one member suggested that the Project Delivery and Operations Subcommittee incorporate public-private partnerships and other innovative delivery mechanisms.



## National Freight Advisory Committee Meeting

---

The discussion regarding NFAC subcommittees continued with Trottenberg, Under Secretary for Transportation Policy, stating that the U.S. DOT expects each NFAC member to serve on one subcommittee. She also stated that members will have the opportunity to list their top three preferred subcommittees and to volunteer for co-chair positions. Chair Schneider noted that one U.S. DOT staff person will be appointed to each subcommittee to coordinate activities so that subcommittees can work remotely. She also stated that subcommittees can coordinate joint meetings and will have the opportunity for face-to-face meetings between larger NFAC meeting dates. Per the request of Giuliano, Chromey stated that the U.S. DOT will develop a conceptual map showing how the subcommittees, working groups, and greater Committee fit together. Specifically, the graphic will show how working groups report to subcommittees; how subcommittees report to the greater Committee; and how NFAC is the official advisory body. Chromey, NFAC DFO, referenced the bylaws as outlining the involvement of non-members and subject matter expert subcommittees. She noted that NFAC members will have the opportunity to review and comment on the bylaws.

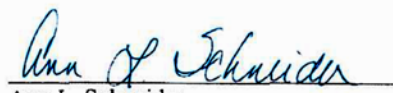
Regarding the immediate next steps, Chromey, NFAC DFO, stated that the U.S. DOT will prepare meeting minutes for certification by the NFAC Chair and Vice Chair and for posting to the public website within 90 days. She also stated that the U.S. DOT will confirm the next NFAC meeting, which is tentatively scheduled for the week of November 4, 2013. Trottenberg, Under Secretary for Transportation Policy, noted that the U.S. DOT will consider the Secretary's recommendations for a meeting location (academic and governmental facilities preferred).

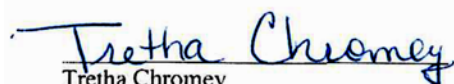
### Closing Remarks and Adjournment

---

NFAC DFO Chromey concluded the meeting by informing the Committee that the next meeting would be held in the fall of this year and that she would contact all Committee members soon with the exact date. Chromey adjourned the meeting at approximately 4:40 p.m.

We hereby certify that, to the best of our knowledge, these minutes of the inaugural NFAC meeting on June 25, 2013 are accurate.

  
Ann L. Schneider  
Chair  
National Freight Advisory Committee

  
Tretha Chromey  
Designated Federal Officer  
National Freight Advisory Committee