



Alaska Long Range Transportation Plan Freight Advisory Committee Meeting #2

May 29, 2014
8:30 AM–11:30 PM

HDR
2525 C Street
Fourth Floor Conference Room
Anchorage

Staff Attendees:

Michael Crabb (DOT&PF)
Eric Taylor (DOT&PF)
Michael Lukshin (DOT&PF)
Marcheta Moulton (DOT&PF)

Alan Meyers (Parsons Brinckerhoff)
David Rose (Parsons Brinckerhoff)
Keyur Shah (Parsons Brinckerhoff)

Tom Brigham (HDR)
Jessica Conquest (HDR)
Julie Jessen (HDR)

FAC Attendees:

Richard Wilson, Port of Anchorage (PoA)
Aves Thompson, Alaska Trucking Association (ATA)
Brian Lindamood, Alaska Railroad Corporation (ARRC)
Andy Hughes,
 Department of Transportation & Public Facilities (DOT&PF)
Teresa Brewer
 Anchorage Metropolitan Area Transportation Solutions (AMATS)
Lt. Colonel Crowley, Department of Defense (DOD)
Jennifer Witt, DOT&PF
Bruce Harland, Crowley Maritime
Clarence Daniel, Association of Village Council Presidents (AVCP)
Loran Baxter, US Army Corps of Engineers (USACE) (retired)
Lorraine Cordova, USACE
John Binder, DOT&PF

FAC Attendees on the Phone:

Ryan Ruble, Fed Ex

Meeting Overview

A meeting was held with the Freight Advisory Committee (FAC) on May 29, 2014 to continue the conversation about the Alaska Long Range Transportation Plan (LRTP). The purpose of this meeting was to: provide an update on the current status of the LRTP; review work in progress on the freight element; and obtain input on freight goals, planning, scenarios, and potential strategies and actions. Alan Meyers from Parsons Brinckerhoff (PB) provided a review of interviews done to date and discussed the progress that has been made on the freight plan element of the LRTP.

The central component of the meeting was discussion. The meeting's discussion and activities were facilitated by Julie Jessen (HDR), and focused on what the likely scenarios are for future freight operations and what the goals are for freight movement. The meeting adjourned at approximately 11:30 AM.

Note: Questions and comments from the FAC and the planning team in this summary are a synopsis of the meeting's dialogue. When appropriate, planning team responses have been supplemented to supply complete responses.

Meeting Materials

- Handouts
 - Agenda
 - 11x17 Diagram of Transportation Infrastructure with Major Capital Improvements Projects
- PowerPoint presentation

Meeting Summary

Introductions

Julie Jessen (HDR) opened the meeting by welcoming everyone and thanking them for taking part in this important process. Julie explained that this was the second in a series of Freight Advisory Committee (FAC) meetings that will be held during development of the LRTP update. Julie went over the purpose of the meeting, which was to review work in progress on the freight element and to gather input from the group regarding future conditions, goals for freight movement, and strategies for achieving freight goals. After going over the purpose of the meeting, the meeting agenda, and a safety moment, Julie asked the group if they remembered what had been discussed at the last meeting.

Ryan Ruble (Fed Ex) noted that he remembered talking about contingency planning for freight movement. Julie agreed that the group had talked about identifying what works and what needs to be improved in the future. Bruce Harland (Crowley) said he remembered talking about the financing element of freight movement.

Julie noted that since the last FAC meeting there have been 3 public open houses. She explained that general input received was that connectivity for freight is a real concern in rural Alaska and that the freight plan should not just be about the road system.

Julie then introduced Alan Meyers (PB), who went on to provide an update about the freight element of the LRTP.

Alan thanked everyone for coming and explained that he was going to give a short presentation on what the project team has learned from discussions and data analysis. He invited the group to speak up if they saw any gaps. He noted that the project team is still conducting interviews. So far the project team has talked with: Anchorage Metropolitan Area Transportation Solutions (AMATS), Fairbanks Metropolitan Area Transportation System (FMATS), Ted Stevens Anchorage International Airport (TSAIA), Alaska Energy Authority (AEA), the Port of Anchorage (POA), the Alaska Air Carriers Association, and the Alaska Miners Association. The project team is still consulting with Alaska Industrial Development and Energy Authority (AIDEA), the Alaska Gasline Development Corporation, ocean carriers, truckers, and others.

Alan reminded the group that the Freight Plan is intended to: tell the story of freight in Alaska; explain why it matters; frame a statewide freight vision; highlight critical issues for Alaska; and inform the LRTP, regional, and local planning documents and decisions. It acts as a subset of the LRTP, but brings economics and small and large economic development into consideration.

Alan explained that much of Alaska's employment is freight-related, comprising 45% of the non-government jobs. Alan stated that the project team used the USDOT Freight Analysis Framework data to determine current conditions because it is the best available non-commercial dataset. First, Alan talked about the total tons of domestic, imported, and exported goods in 2012; then he broke it down by domestic modes by tons and by value. Alan then called out each commodity by tons and value, allowing for a deeper understanding of what is being shipped, how much, and by what mode.

Ryan Ruble (FedEx) noted that he thought the volume to value ratio seems to be consistent with some of the statistics he has heard at FedEx. Aves Thompson (ATA) asked if Alan really meant that 50-75% of cargo (by value) is passing through Ted Stevens Anchorage International Airport. Alan confirmed that the figure is correct.

Loran Baxter (USACE, retired) asked Alan if he looked at the Institute for Social and Economic Research (ISER) reports, which evaluated how much money is left in Alaska when cargo passes through (i.e. through repackaging, etc.). Alan replied that the team hasn't looked into that yet, but they plan to assess it.

Brian Lindamood (ARRC) noted that 2012 numbers were used for the analysis and that 2012 was an abnormal year for the ARRC. He added that if the team were to use current numbers, the outcome would be significantly different. Alan asked that Brian look at the long distance forecast numbers, and let him know if it matched up with what he would expect.

Andy Hughes (DOT&PF) stated that he has been working on the regional plan for Southeast Alaska. He noted that when the Southeast is separated from the rest of the State, it is a whole different picture for freight movement, especially as it involves the Alaska Marine Highway System.

Aves asked if the pass-through freight should be separated from the rest of the freight because it accounts for as much as 75% of the tonnage and value. Alan clarified that the pass-through freight comprises 75% of the value, but only 2% of the overall tonnage. He added that pass-through freight has a choice. It is important to determine whether or not it will continue to go through Anchorage and Fairbanks. That will be a separate forecast conducted by the project team.

Aves noted that on the water side there is crude oil coming out of Valdez. There is also rail/barge and trucking of goods out of Alaska. Aves added that we need to keep our eye on the prize. Who are we trying to serve in this transportation plan? Calling attention to the slide entitled Freight Issues and Drivers: Trade, Logistics, and Military, Aves asked what modes are being referenced in the statement “Challenge: all the modes are here, but much of Alaska depends on one or two modes – lack of redundancy means increased risk.” Alan replied that the statement referred to air and water transportation. He added that there is a lack of redundancy, in that many freight movements, especially in Bush Alaska, are dependent on a single mode. The LRTP will need to determine how the State can build a more secure system. Alan added that the two modes of freight transport often handle different commodities. It is rare that ocean freight is brought in to be moved by air.

Aves noted that the ATA, as an association, does not put containers on trucks. Loran added that trucking is much more than that. Andy said that the situation in Southeast is much different than what is done elsewhere in the state. Brian noted that the redundancies are different throughout the State as well. He suggested that the project team was trying to capture two separate things in one bullet. Aves added that the project team should address water and air transportation separately because they serve different markets. He added that rural Alaska should also be assessed separately because the investment strategies should be totally different.

Aves noted that he had brought cell phone GPS truck route data maps to share with the group and passed them around. The truck route data maps show the highways in Alaska and Northwestern Canada that are heavily used by trucks – the Parks, Glenn, Seward/Sterling, Dalton and Alaska.

Alan showed a slide that provided a projection for 2040, using IHS Global Insight forecasts. He asked Brian if this was a more accurate representation of rail freight tonnage. Brian confirmed that it was. Loran said that the way the pipeline project is ramping up, the project team might be wise to look at freight movement in the 1970s as an example of how things changed post-construction of the pipeline. When the new gas pipeline is constructed, it will likely have similar impacts.

Alan finished his presentation by saying the next steps for the project team will be: completing the statewide analysis and borough-level SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis; starting to look into the scenarios, goals, and actions for future freight movement; and preparing the preliminary draft of the freight element of the LRTP.

Julie called the group’s attention back to Aves’ question about the audience for the LRTP. Julie directed the question to the group, asking “who is the plan for and who is going to use it?” She said that hopefully the meeting attendees would use it, and ideally decision-makers would also use it to help shape and defend some of their decisions with regard to how infrastructure is expanded and improved upon. She noted that everyone in the room has seen the map showing how big Alaska is in respect to the rest of the United States. She explained that because it is such a large state, planning for long-term development is challenging. She expressed that the aim is to have stakeholders, like those attending the FAC meetings, to advocate what improvements need to be made.

Aves said that while he was thinking about what Julie was saying, he couldn’t help but think about water and air freight movement. He noted that the truck volume fades into insignificance. He added that if you take air and water modes out of the equation, then truck transportation would become critical. Julie noted that the group should remember that there are regional preferences for different modes.

FAC Discussion

Note: Questions and comments from the FAC and the planning team in this summary are a synopsis of the meeting's dialogue. When appropriate, planning team responses have been supplemented to supply complete responses.

Julie Jessen (HDR) outlined three areas for discussion: Alaska freight scenarios, freight goals, and strategies and actions

Workshop 1 – Alaska Freight Scenarios

Alan gave a quick set-up for the workshop by defining the term “Scenario Planning” as being comprised of demand variables, climate variables, finance variables, and how those all translate into shifted policy emphases. Brian said that there are two things that are going to affect the volume of commodities that are moved through the State: commodity price and the political support to get the development that produces the commodity off the ground. He noted that Alaska transports things; it does not turn a commodity into a product. When that fact is up against climate change, the impacts to Alaska are greater. Brian noted that if we are trying to react to the change in commodity price, and yet it takes us 15 years to get a responding project off the ground, the math does not work.

Aves said he thinks Brian might be right. He noted that the presentation showed bulk commodity transport is going down on the rail and that if policies don't aid in turning that around, then there won't be the population growth needed to support further economic development. Brian added that, to a certain extent, this is a state issue. He said that the reality is that 150 years ago the country was doing the same thing. Over that time, with targeted investment, the economy grew to include tourism and manufacturing. Alaska hasn't grown to that point yet. Brian suggested that we need to start thinking about how to diversify our economy so that it isn't just reliant on selling oil and natural gas. We need to also be selling the byproducts. Brian noted that this would be very a difficult transition, but a necessary one if the state wants to strengthen its economy in the future.

Lorraine Cordova (USACE) noted that for a deep draft port study she worked on, the USACE did the analysis using degree of collaboration among stakeholders as one of the key scenario variables. She said that collaboration would allow for better advancement to a shared goal. She added that the Water Resources Reform Development Act was passed in mid-May, and it could be helpful to this process. The program will include 15 Public-Private Partnership pilot studies that are outside of the Corps current line of business. It is promoting new ways of making infrastructure investments.

Andy noted that he wonders how valuable the data will be when we are talking about variables. He said he questions whether there is a good climate forecast that would be useful for freight forecasting. He asked if such data is available. He added that there is a debate going about how correct various climate assumptions are really. David Rose (PB) replied that the purpose of looking at climate is not to say “in year X, this will happen,” rather it is to consider the implications climate change has on the future and what steps might be taken to plan for it. He added that we don't know exactly what will happen, but we need to think about the potential impacts and their implications. Andy replied that he doesn't anticipate increases in flooding, or other climate change impacts, really impacting freight movement. David noted that as a State with limited resources we will need to do additional maintenance to keep the system going. The State's lack of redundancy increases the impact of climate change risk. Aves replied that the only route he thinks would potentially be impacted by climate change would be the arctic route. He said the rest would just be a maintenance issue, and we have been dealing with this issue since we started building roads.

Brian noted that when the ARRC replaces a structure they look at the data available at that time. Climate change impacts will be captured then, incrementally. Alan stated that the key climate-related comment is the Arctic deep draft port. One thing he is concerned about in particular is the impacts climate change will have on Alaska's fisheries (a freight commodity) due to ocean acidification. Climate change is an unknown, but there is a real question about the future productivity of the oceans. The rest of the country is going to need more energy and the energy consumption future may possibly being significantly different as a result of climate change.

Clarence Daniel (AVCP) stated that right now much of rural Alaska depends mostly on carriers operating out of the State of Washington to provide freight. It comes from Seattle and goes through Bristol Bay all the way to Kotzebue. This reduces the amount of freight that travels by rail or truck. He noted that if we are able to make a shift so that rural Alaska becomes more reliant on the State of Alaska for its commodities, it might be more economical. Clarence added that the AVCP is working on a strategic Yukon-Kuskokwim freight corridor plan.

Lt. Colonel Crowley (DOD) added that technology is a variable that should be considered and it is changing very rapidly. He added that there is a political need internationally for resources, while that might change, it could result in a political shift.

In general, the following freight variables were identified:

- Resource/Economic Variables
 - Commodity price
 - Regulatory requirements
 - Young state infrastructure and development – diversification
- Policy
 - Increase exports – resource decisions
 - Increase value added processing in Alaska
- Collaboration (Finance)
 - Advance projects with common goal
 - New types of investment
- Technology Variable
 - New ways to reach remote areas
 - Less human connection
- Global dynamics and investments
- Other considerations
 - Are climate variables/ forecasts valid – data availability
 - Rural AK freight source – shift from WA to AK logistics
 - E.g. YK freight corridor

Julie asked the group to blurt out their “worst-case scenarios” for future freight operations in Alaska.

Bruce Harland (Crowley) suggested that the pipeline may go away. Aves added that general infrastructure deterioration would occur. Tom Brigham (HDR) suggested that the State may invest dwindling available funding in the wrong things. Lorraine suggested that the regulatory environment might get worse. Loran added that there might not be any outer continental shelf (OCS) development. Bruce added that there might be a major earthquake. Lt. Col. Crowley suggested that the freight demand might exceed the capacity Alaska provides, resulting in freight being shipped elsewhere. It was noted that the regulations

might drive freight carriers to move elsewhere before cost will drive the decision. Andy added that regulations are responsible for the cost.

Jennifer added that both the State and general transportation dollars may decrease. Andy added that mining development and exploration may dry up and fisheries could be impacted by changes to the ocean environment. Jennifer added that the rivers could dry up. She noted that we are already encountering issues with not being able to barge to smaller communities because rivers that were previously used are no longer viable. Jennifer added that bypass mail could also go away in the future.

Clarence noted that there could be insufficient disaster response in the future, as well as a general loss of land and resources.

A summary of the Worst-Case Scenarios discussed is provided below:

- Pipeline goes away
- Infrastructure deterioration
- State investing in wrong things
- Worse regulatory situation – greater regulatory hurdles
- No OCS development
- Major earthquake
- Investment goes elsewhere (cost/ time to operate)
- AK bypassed because of technological upgrades
- Bypass mail goes away
- State/federal transportation funding decreases
- Mining exploration and development dries up
- Fisheries negatively impacted by ocean changes
- Rivers dry up (barge traffic impacted)
- Lack of disaster planning, loss of land and resources

Julie then asked the group to blurt out their “best-case scenarios” for future freight operations in Alaska.

Among best-case scenarios were: the gas pipeline would be constructed and that it would be exempt from the Jones Act, thereby allowing Alaska to export oil internationally. Clarence added that liquid natural gas (LNG) would be produced in-state so that Alaska does not have to import it. It was noted that the Jones Act has nothing to do with external export. Rather, the Act has to do with ship nationality and deep draft port development. Aves suggested that there would be a connection between a deep draft port and the Dalton Highway. Loran added that there should be rail connection to the Lower 48. Brian added that under the best case scenario there would effective energy delivery to rural Alaska. Jennifer noted that there could also be increased use of air ships.

A summary of the Best-Case Scenarios discussed is provided below:

- Gas pipeline constructed
- Opposite of negatives discussed above
- Jones Act changed or repealed

- In-state production of gas/oil, increased availability to residents
- Deep draft port development that connects to the Dalton Hwy
- Rail connection to lower 48
- Air ships developed and used
- More efficient energy sources in rural areas

Julie then transitioned the group to the second workshop, which focused on Alaska Freight Goals.

Workshop 2 – Freight Goals

Julie asked the group to think about goal statements that reflect established DOT&PF goals. Julie showed the goals from the past LRTP and asked which of the goals should be kept and what should be added. She asked the group what they want the freight system to look like in 20 years. Lorraine noted that the goals have got to be measurable. Brian stated that he does not see the railroad mentioned anywhere in the goals statements. Andy added that he didn't see air transport listed in the goals either. He suggested that air transportation should be the primary focus of this effort.

Julie asked the group what they think would be a measurable target. She started the sentence “By 2020 the State will have...”

Andy completed the sentence, saying that we will maintain the roads and services we provide and will finish what we start. When it comes to freight movement, private industry provides most of their own port, terminal, and transshipment facilities. The State provides the airports and highways. Otherwise, when it comes to marine shipping the carrier provides it all. Bruce stated that in the rest of the Lower 48, the federal government pays for it all.

Andy replied that the federal government pays for the existing highways we have, as well as the airports. Bruce stated that more areas need to be opened up for development. He noted that it was the interstate highway that developed everything in the 1950s. He asked how we should approach bringing economy to interior Alaska or Western Alaska without connecting it to the rest of the State. Brian suggested that a road makes sense in some places and in some places rail makes more sense. Bruce noted that a single project alone will not fund a road from Fairbanks to Nome. He asked the group to think about what a road, paid for now, could bring the State in 50 years. What do we want the State to look like?

Bruce stated that the ultimate goal is to provide jobs; otherwise, there is no reason to live here. Brian replied that the Yukon River system has that example right now. Bruce said that there isn't that much freight to move today. Crowley had a big terminal in Nenana, but it was too far away, so the company only ships half-way along the river now.

Julie addressed the group, noting that there was some discussion about hubs in the past LRTP. She asked if this is a theme that should be continued in the next LRTP. Bruce replied that the use of hubs didn't make sense. He asked what would have occurred if there had been two mines. Brian replied that if it doesn't make sense, we have four airports that we are maintaining that should not be maintained.

There is a viable, extremely important river transportation system in the Lower 48 that we could mimic up here.

Julie asked if the point was that we should be encouraging the use of technology to drive modal use.

Teresa Brewer (AMATS) suggested that the project team could tap into research centers. Lt. Crowley suggested that the State invest in technologies that help us keep in pace with market needs. He suggested that the project team will need measurable data to determine if we have done everything possible to meet the governor's objectives, and what percentage of which objectives have been achieved.

Loran stated that there is a pilot program being conducted that will let the USACE look into investing in future priorities. He said it was reasonable to assume that in five years the USACE will have a least one pilot program going. He added that it is important that we have some sort of standard for each of the goals that we set.

Clarence stated that, when he looks at maintaining what we have, he thinks about how freight is sent out year-round through airports. One thing that is missing is weather stations at those airports. He noted that the lack of weather stations is unsafe, so the plan should also have a safety component. He added that if there are accidents, the cost to transport goods would go up because the airlines would see an increase in their insurance costs. This cost would be passed on to their consumers.

Aves noted that at one time there was a \$2 billion maintenance backlog. He added that to maintain what we have is a pretty huge task.

Loran suggested that we need to maintain what we have and look at economic viability. In the Lower 48 the federal government and states developed the infrastructure. Maybe a goal would be to incentivize Public-Private Partnerships to allow Alaska to expand in the future.

Andy stated that one of the challenges the Southeast is experiencing is anticipating what it will have to haul from mines out of the Yukon. He provided the example that if we don't construct a bridge that can handle the weight of the trucks hauling mine products, there is the potential that it will have to be replaced before the freight can use the road. Loran noted that constructing a bridge that could accommodate resource hauling would be a great opportunity to leverage a Public-Private Partnership. Andy stated that DOT&PF did partake in a Public-Private Partnership for the Klondike Highway, but that it was done for mines that were already up and running. He added that companies without mines that are currently operating do not have the money necessary to invest in the infrastructure.

Julie asked, based on the discussion, if the group agreed that the Governor's and DOT&PF's priorities (listed on Slide 43) are a good place to start for the LRTP. She then broke the attendees into three groups so that they could write out strategies and subsequent actions for how the freight plan would help to achieve those goals. A summary of the agreed upon goals is listed below:

- Use research results to build capacity
- Invest in technologies that keep the State responsive to market needs
 - Utilize pilot programs
- Increase number of stranded markets reached
- State will maintain State infrastructure (all modes)
 - Airport condition
 - Weather station operations (safety)
 - Amount of deferred maintenance
- Use Public-Private Partnerships to leverage infrastructure for private development
- Plan for future needs during design

- Use geographic and modal connections to increase economic/ resource development
- Provide jobs for people
- Use intermodal connections to spur freight movement and job development

The following goals were discussed in greater detail:

Maintain What We Have, Finish What We've Started

Lorraine stated that user fees should be used to maintain infrastructure. She said questions, such as should we use a toll if we build a new bridge, should be asked. Aves asked Lorraine if she thought user fees should be applied regionally or statewide. She replied that this would depend on who uses it. If it is a bridge, you would only apply the user fees to those using the bridge. Aves noted that we don't currently have a toll road in Alaska.

David asked the group if they could identify what level of maintenance needs to be provided. Andy replied that when you are talking about road maintenance, what you are really talking about is pavement. He added that roads can still be maintained after the pavement is gone, providing the example of local roads in the Southeast that are being converted back into gravel because the State doesn't have the resources to keep up with the necessary pavement maintenance.

Julie noted that it would be very easy to say all roads will be paved and maintained, but is it realistic? Maybe it should be based on use. Andy replied that the Southeast's priorities are to maintain arterial roads in really good condition; this prioritization goes down the line to local roads, which are the region's least concern. He added that as Southeast's maintenance funds get cut, it reduces its focus on local roads. Clarence suggested that freight routes should be made the highest priority when it comes to prioritization of maintenance.

Jennifer suggested that another maintenance goal would be to not have any airport closures. She added that there are many places in Alaska where user fees will not work due to a lack of adequate population base. Andy said there is very little money in the state's ferry funds. He added that the federal government tends to appropriate money more directly. Aves stated that at some point we will need to raise transportation user fees. He added that there has been an effort in the legislature over the past few years to create a state transportation fund. This would collect local money that would be allocated to transportation projects. He added that if you look at the fuel tax, 8 cents per gallon, you will notice it is the lowest fuel tax in the country. The tax is so minor that it is not even noticeable in the price fluctuations from week to week. Aves suggested that the fuel tax be adjusted for inflation. He added that the Alaska Trucking Association is in support of raising the fuel tax, so long as those funds are earmarked for transportation improvements. It was noted that there are not enough people in Alaska to support the necessary transportation improvement projects if only fuel taxes are used.

Aves stated that freight routes are open and accessible year-round. Bruce added that we need improvements now. At some point the City of Anchorage will want a corridor to bypass the local roads, such as the Knik Arm Crossing project. He added that this will allow for freight to be routed around the City, while opening up land for economic development. Andy suggested that priority should be given to maintaining freight routes, but there should be standards set to ensure the improvements adequately meet freight needs. He provided the example of, if you think you are going to have an increase in the amount of

freight, prepare for it. He implored that we plan our construction for the future while still being careful with our limited resources. He added that we shouldn't build to the fullest extent possible.

Aves asked if we will have to pay for additional improvements out-of-pocket if they exceed the standards set in the LRTP. It was agreed that this is where the public-private partnerships would come into play. Andy stated that bridges are a good example of this. It is not easy to strengthen a bridge.

Brian noted that there is some legislation that allows for railroad extension. He added that there needs to be some harmonization between what the legislation allows and what the Department of Natural Resources (DNR) thinks should be done. He suggested that before construction, specific conflicts that have the potential to hold up the process should be settled. He provided the example that the DNR has a process that says that on section lines you can build whatever kind of road you want. There is no controlled access. Teresa replied that the federal government can't really tell the state how to establish freight corridors. Brian said that it can because you have a competing regulatory interest. One federal agency wants it one place, the other does not.

Aves stated that in Alaska local roads and freight corridors can share the same ROW because of the limited number of routes. He gave the example of the Parks Highway. There are competing interests and trying to rectify that is challenging. He provided the example of the City of Wasilla wanting to put roundabouts on the Parks Highway. Alan noted that this is a good example of how hard it is to step out of your day-to-day activities and think about how you want the transportation system to grow. He added that the project team wants to turn these ideas into achievable actions.

The following actions were discussed in regard to achieving goals:

- Identify places where user fees can be used to maintain infrastructure (e.g. tolls)
 - Increase the percentage of user contribution to maintain
- Keep arterials in really good shape, categorize by road type
- Maintain freight routes first
- Do not close airports due to maintenance deficiencies
- Create a state transportation fund to increase the percent of funding that goes to underserved areas
- Raise user fees, e.g. fuel tax
 - Adjust fuel tax for inflation
- Use trust fund model – what is critical mass/direct appropriation
- Make freight routes open/accessible year-round
- Use bypass corridors for freight (around congested areas and avoid modal conflicts)
- Prioritize maintenance for freight routes to meet anticipated freight movement areas
- Consider statutory and regulatory (primary) harmonization within state agencies
 - E.g. routes on easements/section lines
- Estimate freight routes and corridors
- Identify overlapping /competing intersections – give freight movement higher priority

Alan turned to the clock and noted that the FAC would not have enough time to get strategies and actions. He requested that meeting attendees read the PowerPoint slides of possible actions and let the project team know if they have any comments. He noted that once the project team has a good picture of what the State looks like, it will break it into responsibilities and priorities. This meeting was a great start, but he asked everyone to think ahead and determine if the project team's outlook makes sense. Alan noted that the best way to provide feedback would be through Julie.

Julie asked the group if they thought it would be worthwhile to reconvene a third time, suggesting that the next meeting would likely be scheduled for this fall. David said that at the third meeting the project team would be further along and would have additional data to share. He said that the project team would have a preliminary plan ready and the purpose of the meeting would be to go over what it says. He added that the analysis would be done at that point.

Julie asked the group if a meeting should be tentatively planned for early fall. She encouraged everyone to contact her or Alan if they have any questions on the data.

Lorraine asked if the freight scenarios are going to be applied. Alan said that they will be in order to determine if the projected outcomes would really occur.

Julie asked that if anyone noticed anything missing regarding their mode, that they please contact the project team. Bruce noted that the group talked a great deal about regulatory changes. He asked if the plan would deal with regulatory differences. Alan replied that freight is global, multi-modal, and crosses boundaries. He said the plan will look at the big picture, as well as what is doable.

Next Steps

The next FAC meeting is scheduled for late September or early October. The purpose of the meeting will be to discuss the draft Freight Element of the LRTP and receive feedback from FAC attendees.

Notes by: HDR