

30th meeting of the
IOWA FREIGHT ADVISORY COUNCIL

September 18, 2020
10:00 AM to 11:00 AM
Online - Microsoft Teams

Meeting input objectives

1. Provide input on trends, issues, and opportunities to be included in the State Freight Plan.
2. Notify FAC members of multiple initiatives taking place.

10:00 AM Welcome & Roll Call **Mike Steenhoek, Chair
Soy Transportation
Coalition**

10:05 AM COVID-19 and Legislative Updates **Stu Anderson
& Susan Wallace
Iowa DOT**
A brief update of COVID-19 impacts on traffic, revenues, etc. followed by an overview of current transportation-related legislative activities.

10:20 AM State Freight Plan Update and Input **Sam Hiscocks
Iowa DOT**
A discussion of freight-related trends, issues, and opportunities to be included in the State Freight Plan.

10:35 AM Innovative and Economical Ways to Repair and Replace Rural Bridges **Mike Steenhoek, Chair
Soy Transportation
Coalition**
Overview of a current effort by the Soy Transportation Coalition to identify and document the top 20 approaches to repair and replace rural bridges.

10:45 AM Inland Waterway Navigation Update **Craig Markley
Iowa DOT**
Update on Iowa DOT's work with the U.S. Army Corps of Engineers to explore the construction of a mooring cell on the Mississippi River and an update on a new barge terminal being developed by NEW Cooperative on the Missouri River near Blencoe, Iowa.

11:00 AM Adjourn

2020 meetings:

- Friday, March 27 (*cancelled*)
- Friday, June 19 (*virtual*)
- Friday, September 18 (*virtual*)
- Friday, December 18

30th meeting of the
IOWA FREIGHT ADVISORY COUNCIL

September 18, 2020
 10:00 AM to 11:00 AM
 Online - Microsoft Teams

Members

	Andy Cernin	x	Delia Moon-Meier
x	Tom Determann	x	James Niffenegger
x	Greg Dickinson	x	Kelli O'Brien
x	Don Egli		Joe Parsons
			Dan Sabin
X	Calean Kokjohn	x	Mike Steenhoek
	Ron Lang	x	Hobart Stutt for Reilly Vaughan
	Jody Sandy	x	Ron White
x	Don McDowell		Tim Woods

Ex-Officio Members

x	Todd Ashby		Mike Norris
	Mike Hadley		Paul Ovrom
	Tim Marshall		Robert Palmer
	Michael Kober	x	Joseph Rude
x	Sean Litteral		Col. Steven Sattinger
	Scott Marler		Louis Vander Streek
x	Shirley McGuire	x	Jennifer Wright

Iowa DOT

x	Stu Anderson	x	Justin Meade
		x	Phil Meraz
	Mikel Derby	x	Tammy Nicholson
x	Sam Hiscocks	x	Garrett Pedersen
x	Laura Hutzell		Charlie Purcell
x	Alex Jansen		Angel Robinson
x	Renee Jerman		John Selmer
x	David Lorenzen		Melissa Spiegel
x	Craig Markley	x	Jeff von Brown
			Andrea Henry
x	Amanda Martin		Susan Fenton

Guests

x	Susan Wallace (Iowa DOT)	x	Andrea White (Iowa DOT)
x	Zac Bitting (Iowa DOT)	x	Brenda Freshour-Johnston (Iowa DOT)
x	David Miller (Iowa DOT)	x	Bob Rafferty (Truck Stops of Iowa)

Meeting input objectives

1. Provide input on trends, issues, and opportunities to be included in the State Freight Plan.
2. Notify FAC members of multiple initiatives taking place.

10:00 AM Welcome

**Mike Steenhoek, Chair
Soy Transportation
Coalition**

Chair Mike Steenhoek opened the meeting by thanking the group members for attending the second virtual meeting of the Freight Advisory Council and stressed the importance of continued engagement. Mr. Steenhoek then made announcements related to meeting logistics and completed roll call before introducing the first speaker.

10:05 AM COVID-19 and Legislative Updates

A brief update of COVID-19 impacts on traffic, revenues, etc. followed by an overview of current transportation-related legislative activities.

**Stu Anderson
& Susan Wallace
Iowa DOT**

Stu Anderson provided an update on COVID-19 impacts to transportation. COVID-19 has had significant impacts on transportation. This includes declines in rail carloads, passenger air enplanements, and vehicle traffic. However, traffic has begun to increase again. COVID-19 will most likely have a significant impact on transportation funding. Figures were provided for the current status of the Aviation Improvement Program, Rebuild Iowa Infrastructure Fund (RIIF), and the Road Use Tax Fund. Iowa DOT will continue to track and work to minimize impacts.

Susan Wallace provided an update on federal legislative issues and activities. Although Congress is in a bit of a holding pattern until the presidential election, there are several items up for action. An extension is likely for the current surface transportation bill rather than anything new. The current bill expires September 30, 2020. A continuing resolution is likely for fiscal year 2021 appropriations as this bill also expires September 30, 2020. There are also discussions taking place relating to COVID-19 relief.

10:20 AM State Freight Plan Update and Input

A discussion of freight-related trends, issues, and opportunities to be included in the State Freight Plan.

**Sam Hiscocks
Iowa DOT**

Sam Hiscocks led the FAC members and ex-officio members through an input exercise via a mentimeter online survey. Participants were asked to provide input on freight-related trends, issues, and opportunities by rating statements/topics by level of importance (1 to 5 or Not a priority to Essential). Participants were also asked to provide any additional items to consider.

Topics included agriculture, automation, biorenewables, e-commerce, economics, energy, first mile/last mile, fuel, funding, industry, infrastructure design, intermodalism, land use, manufacturing, multimodal, regulations, resiliency, trade, and others. Results will be combined, summarized, and shared with the FAC prior to the next meeting.

10:35 AM Innovative and Economical Ways to Repair and Replace Rural Bridges

Overview of a current effort by the Soy Transportation Coalition to identify and document the top 20 approaches to repair and replace rural bridges.

**Mike Steenhoek, Chair
Soy Transportation
Coalition**

Chair Mike Steenhoek provided a brief overview of a current initiative being led by the Soy Transportation Coalition aimed at identifying best practices in rural bridge repair and replacement. This project looks to strengthen infrastructure in rural America by documenting 10 innovative concepts for rural bridge repair and 10 innovative concepts for rural bridge replacement. A group of 13 engineers selected the concepts to be included in the study. Requirements for the final selections were:

1. Must be valid from an engineering perspective, having been affirmed by credible entities, such as FHWA, AASHTO, Universities, etc.;
2. Must provide notable cost savings compared to the prevailing method (leaning towards at least 25% savings or greater); and
3. Must accessible or applicable in a large degree of rural America (not concepts that are only viable on one location).

The primary purpose is to create awareness, understanding, and willingness to further implement innovative practices that will help stretch already diminishing resources (funding) further in the long run. The intended audiences of this study are county elected officials, staff from Governor's office, the general public, etc. - those that can provide motivation for greater implementation of these practices. The study is expected to be complete in fall 2020.

10:45 AM Inland Waterway Navigation Update

Update on Iowa DOT's work with the U.S. Army Corps of Engineers to explore the construction of a mooring cell on the Mississippi River and update on a new barge terminal being developed by NEW Cooperative on the Missouri River near Blencoe, Iowa.

**Craig Markley
Iowa DOT**

Craig Markley gave an update on two current inland waterway topics. The first is an ongoing initiative between Iowa DOT and the U.S. Army Corps of Engineers to construct a mooring cell on the Mississippi River near lock & Dam 14. This new facility would allow barge tows to tie off closer to the lock saving time and fuel, decreasing the environmental impact, and improving safety. Iowa DOT is currently working with the FHWA to determine funding eligibility.

The second topic was an update on a new barge terminal being constructed on the Missouri River at Blencoe, Iowa. A ground-breaking ceremony was held recently and attended by stakeholders including Governor Kim Reynolds, Iowa Economic Development Authority Director Debbie Durham, and FAC Chair Mike Steenhoek. This is the first new facility being built on the northern Missouri River in quite some time and should create momentum for waterway shipments, help connect supply and demand in the region, and create greater access for shippers. Expected commodities moving through the facility include fertilizer, aggregate, salt, and potentially wind turbine blades. The new facility, which is being built by KEY Cooperative, is currently under construction with an intended completion date this fall.

11:00 AM Adjourn

2020 meetings:

- Friday, March 27 (*cancelled*)
- Friday, June 19 (*virtual*)
- Friday, September 18 (*virtual*)
- Friday, December 18

COVID-19 Transportation Funding Impact Update

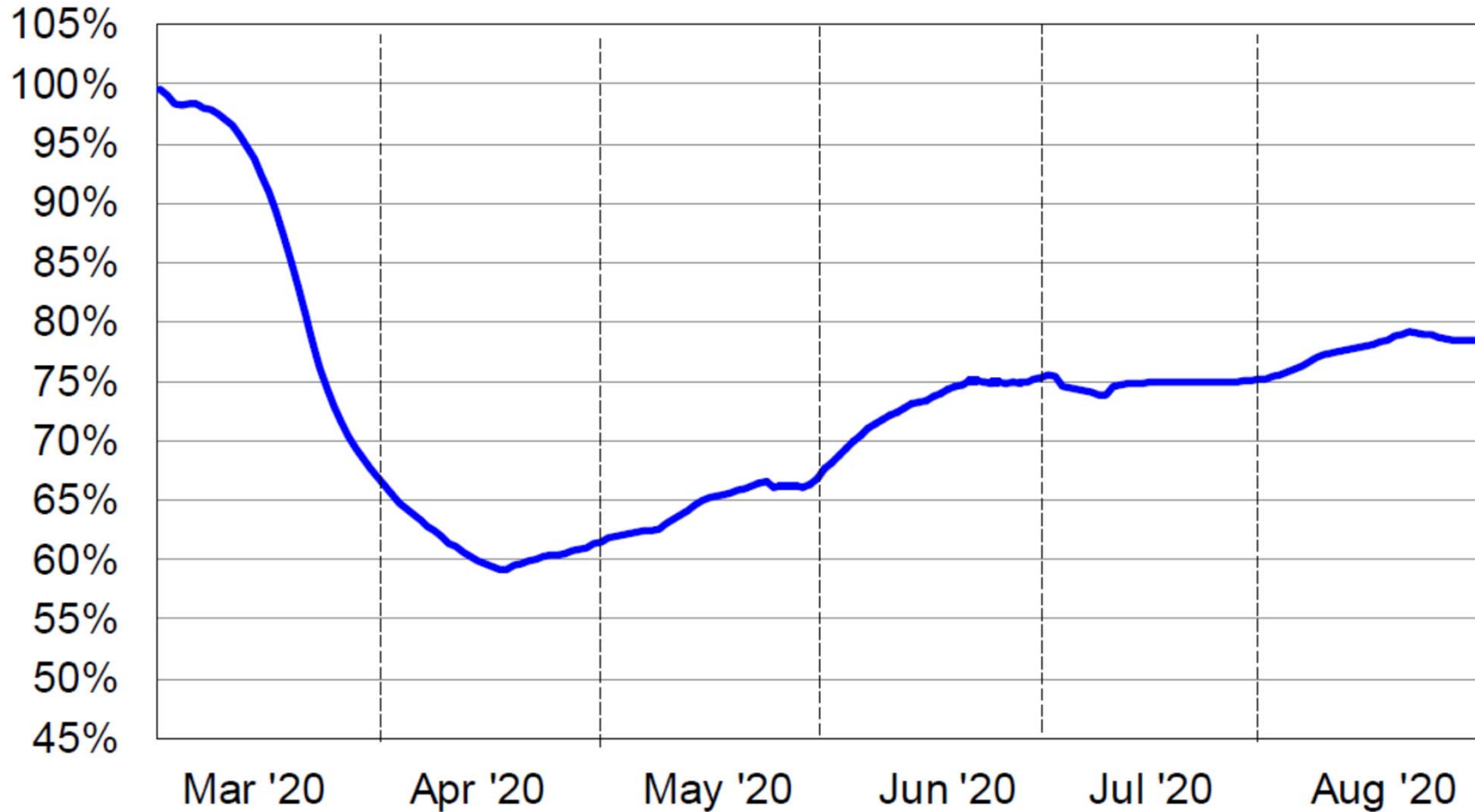
Iowa Freight Advisory Council

September 18, 2020

Update

- Travel trends
 - US total rail carloads
 - Commercial air service passenger counts
 - Vehicular traffic
 - Vehicle sales
- Funding Impacts
 - State Road Use Tax Fund
 - Rebuild Iowa Infrastructure Fund

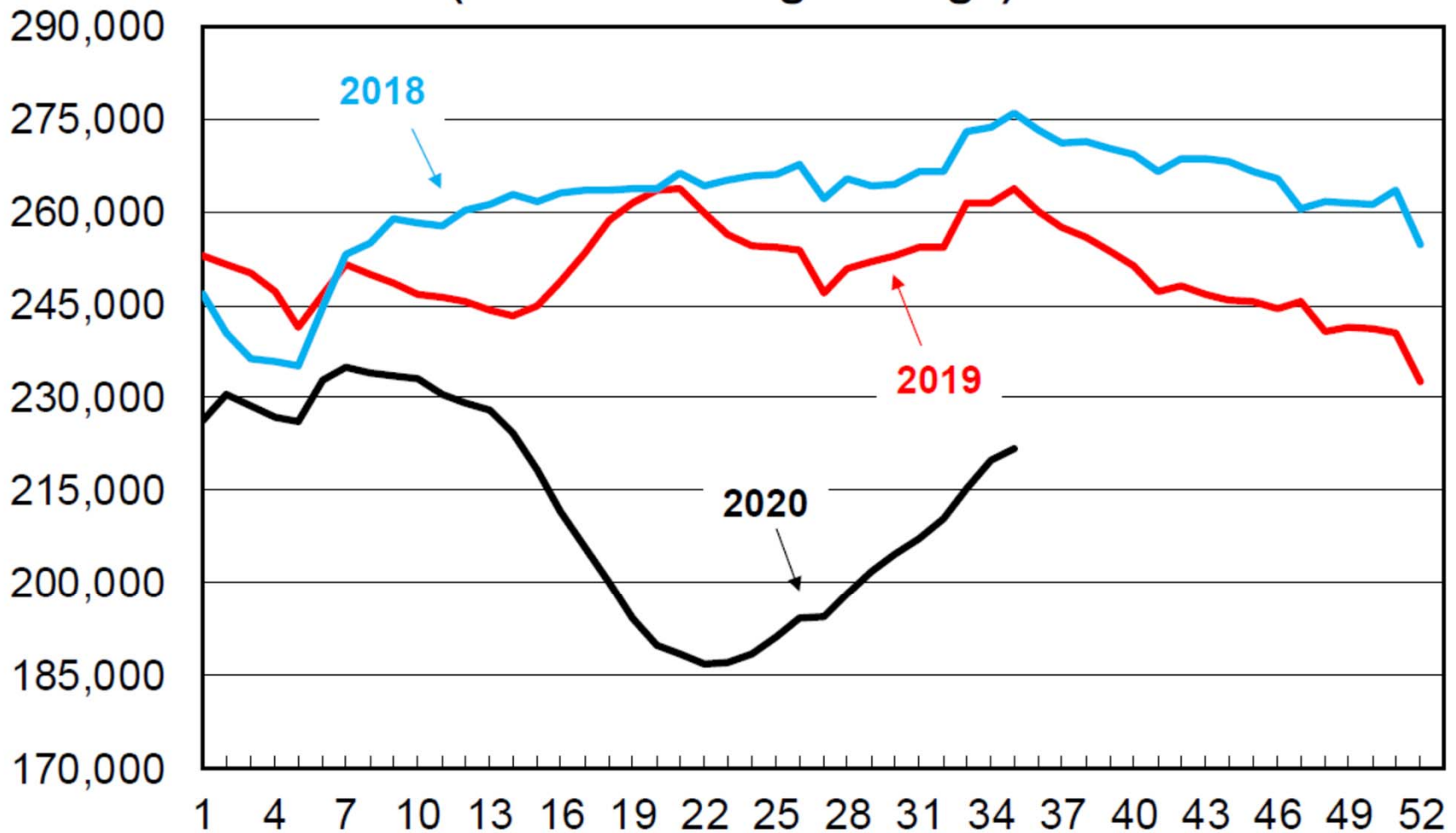
Moody's-CNN Back-To-Normal Index (Pre-Pandemic Level = 100)



Source: Moody's Analytics, CNN Business

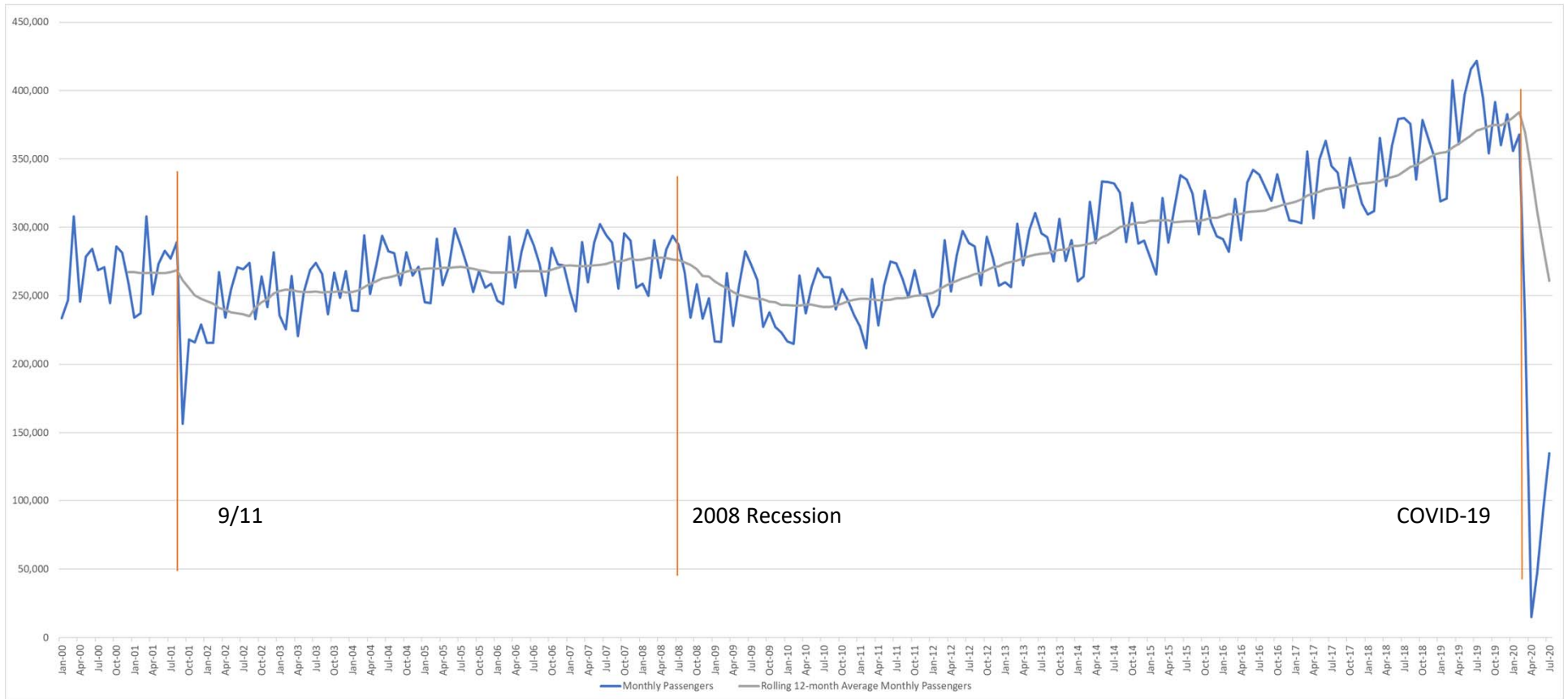
For details, see www.cnn.com/business/us-economic-recovery-coronavirus

Total U.S. Rail Carloads (6-week moving average)

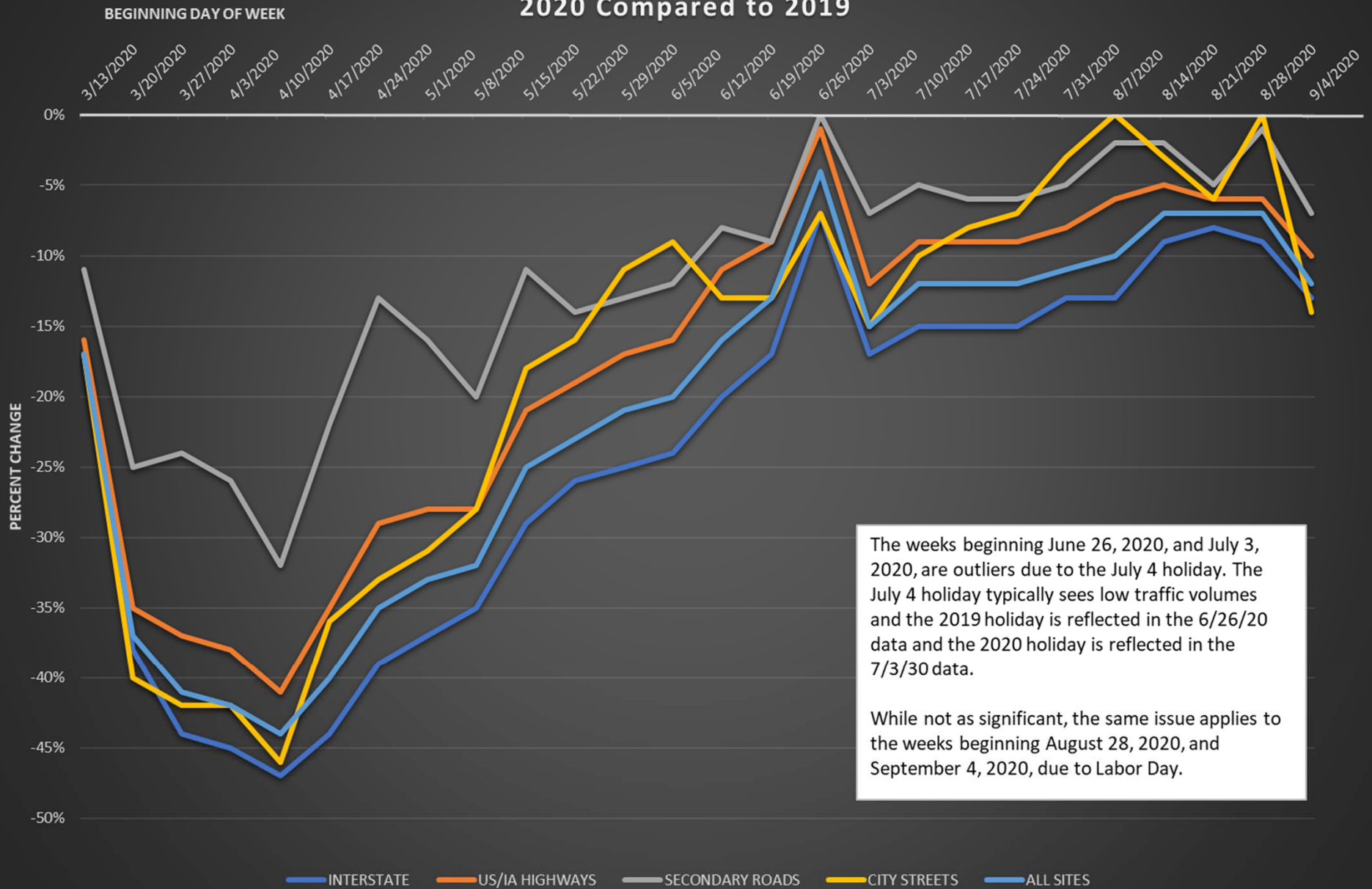


Data are 6-week moving average originations, do not include intermodal, and do not include the U.S. operations of CN, CP, and GMXT. Source: AAR *Rail Time Indicators*

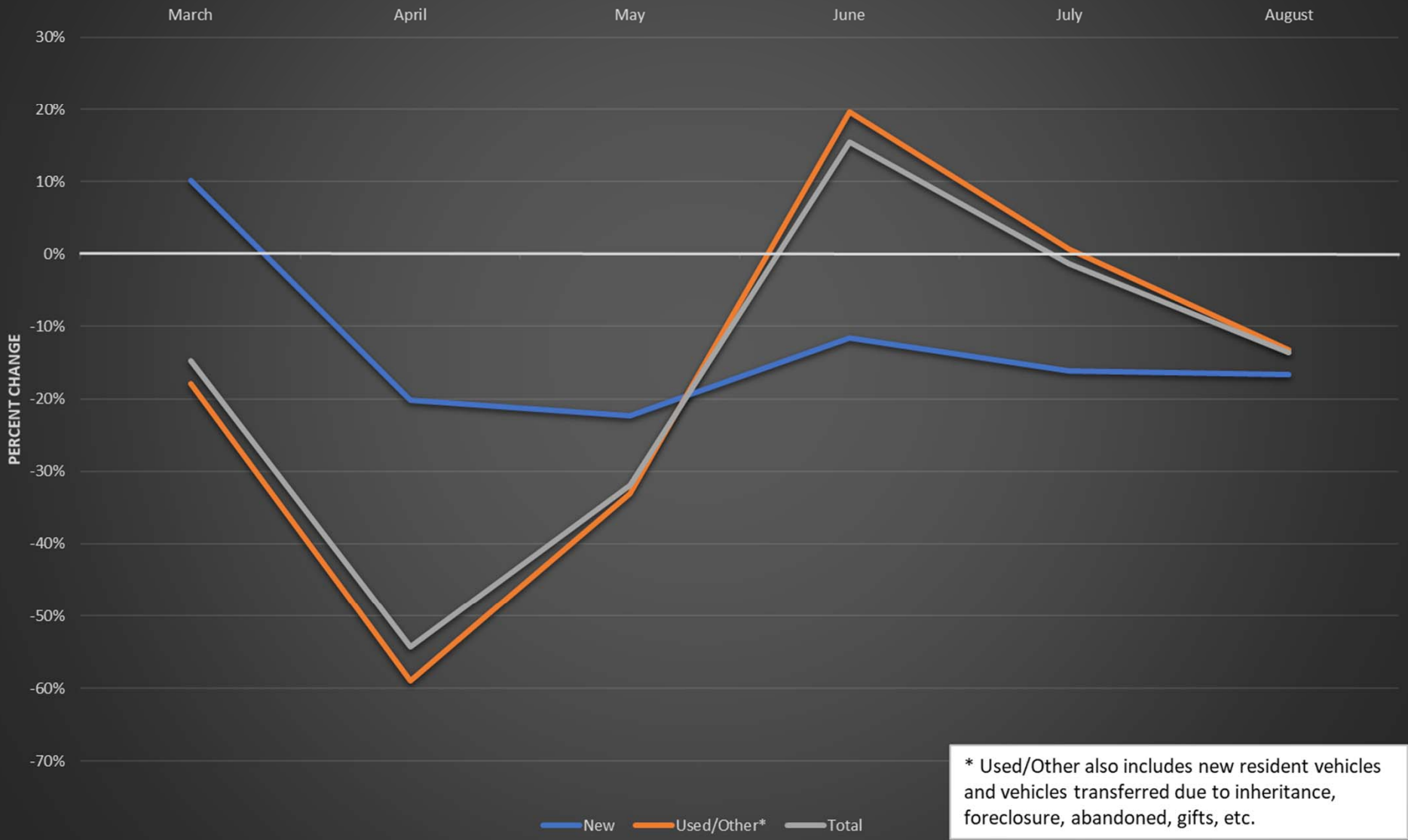
Monthly Passenger Counts at Iowa's Eight Commercial Service Airports (through July 2020)



Weekly Percentage Change in Traffic 2020 Compared to 2019



Monthly Percentage Change in Vehicle Sales 2020 Compared to 2019



Road Use Tax Fund

- Funding sources
 - Fuel tax revenue down with reduced travel
 - Fee for New Registration revenue down with reduced vehicle sales
 - Annual vehicle registration revenue down slightly

Road Use Tax Fund (cont.)

- Monthly Funding Impacts
 - June allocation of RUTF (actual): -\$25 million
 - Generally reflective of April collections
 - July allocation of RUTF (actual): +\$18 million (had estimated -\$1 million)
 - COVID-19 impact is offset by a fuel tax deposit timing situation.
 - August allocation of RUTF (actual): -\$6 million (had estimated -\$28 million)
 - **September allocation of RUTF (actual): -\$2 million (had estimated -\$19 million)**
 - October allocation of RUTF (est.): -\$17 million (had estimated -\$20 million)

Road Use Tax Fund (cont.)

- Long-Term Estimated Impacts (not updated since August)
 - June 2020 through Oct. 2020 Impact: -\$50 million (had estimated -\$100 million)
 - Nov. 2020 through June 2021 Impact: -\$96 million (had estimated -\$118 million)
- Reasons for Changes
 - Vehicle sales did not drop as significantly as data originally showed. Much of the drop was due to delayed processing as a result of COVID-19 office closures.
 - Fuel tax
 - Diesel tax is helping offset lower gasoline tax
 - Fuel tax receipts may still not fully reflect lower travel trends

FY 2021 Modal Appropriations from RIIF

(\$ 000 omitted)

Program	FY 2020 Appropriation	FY 2021 Appropriation
Commercial Service Vertical Infrastructure	\$1,900	\$1,000
General Aviation Vertical Infrastructure	\$1,000	\$650
State Recreational Trails	\$1,500	\$1,000
Public Transit Infrastructure	\$1,500	\$500
Railroad Revolving Loan and Grant Program	\$1,000	\$500
Total	\$6,900	\$3,650

Questions?

FEDERAL UPDATE – FREIGHT ADVISORY COUNCIL

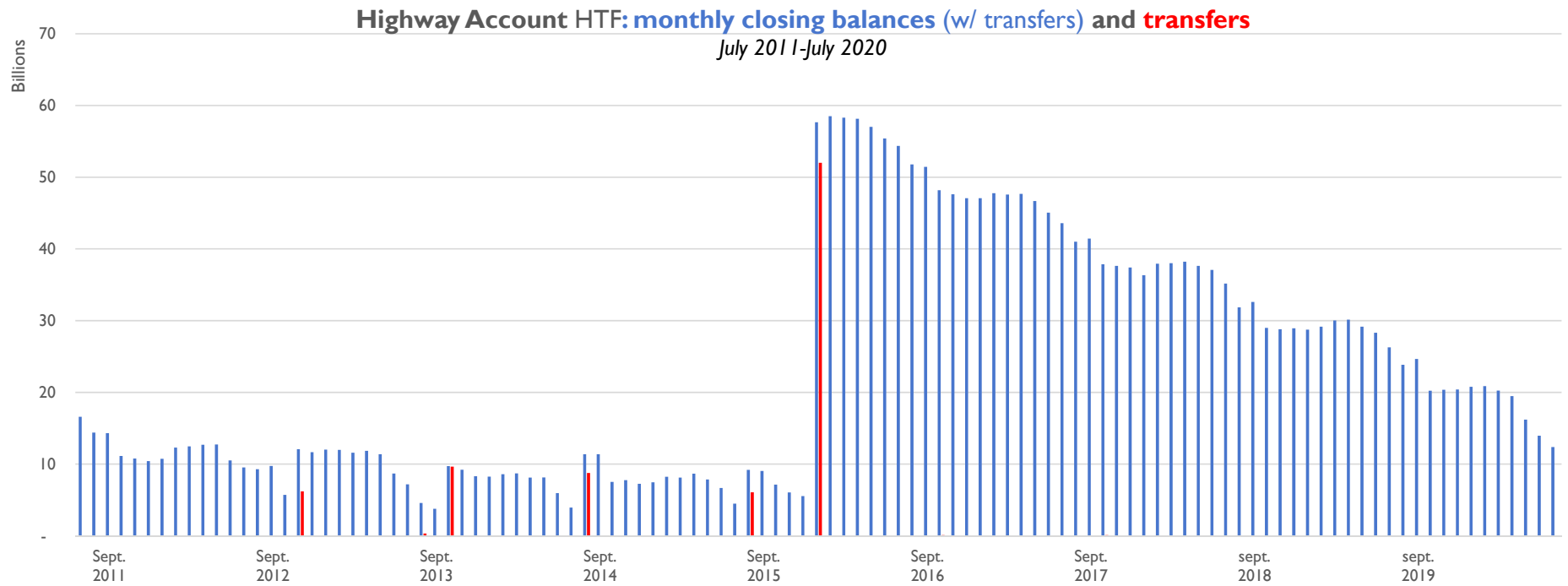
SEPT. 18, 2020



STATUS OF MAJOR BILLS

Legislation	House proposal	Senate proposal	Outlook
Reauthorization–surface transp.* (multi-year funding <i>caps</i> , policies – currently the FAST Act)	INVEST (P)	ATIA (C) (hwy. title only)	<i>Extension likely</i>
FY 21 appropriations* (annual funds for all modes)	HR 7617 (P) (minibus)	No bill introduced	<i>Continuing Resolution likely</i>
COVID-19 relief	Heroes Act (P) (revenue backfill, extra transp. funds)	S 178 (I)	<i>Near-term agreement doubtful</i>
<i>*current bill expires Sept. 30, 2020</i>			

HIGHWAY TRUST FUND STATUS – BALANCE TRAJECTORY



2022 IOWA FREIGHT PLAN

Trends, Issues, and Opportunities Input Exercise

This document contains a list of current and future freight-related trends, issues, and potential opportunities that will be explored and addressed in the 2022 Iowa Freight Plan. These trends, issues, and opportunities are presented in general (impacting all freight transportation modes) and modal categories.

Input request for stakeholders: Review, comment, prioritize, and/or make additions to these lists.

GENERAL		
1	Agriculture	Increasing agricultural production and changing practices mean reanalyzing the freight network.
2	Automation	Autonomous vehicles; automated rail yards, marine terminals, and warehouses; robotics are being developed.
3	Biorenewables	Growth of Iowa's biorenewable chemical industry continues to provide opportunities.
4	E-Commerce	E-commerce is growing and impacting market trends and freight movement.
5	Economics	COVID-19 will most likely have lasting economic impacts on all freight transportation modes.
6	Energy	Growth in United States energy production and exports have impacted infrastructure and supply chains.
7	Fuel	Natural gas as a transportation fuel continues to be explored and utilized.
8	Funding	Infrastructure funding for all modes will continue to be a challenge in the future, requiring exploration of other sources.
9	Industry	Existing need to adapt freight infrastructure for current and future industries and demands.
10	Intermodalism	Continuation of intermodalism/containerization growth creates opportunities while container imbalance creates challenges.
11	Land Use	Current and developing freight trends will impact land use considerations.
12	Manufacturing	Changes in location, sourcing, and density of economic activity (e.g. jobs and manufacturing) will change supply chains.
13	Multimodal	There is a continuous need for multimodal coordination and connections to address freight demand.
14	Panama Canal	Expansion of the Panama Canal is expected to create economic opportunity in Iowa.
15	Regulations	Better coordination, education, and streamlining of freight-related regulations is needed.
16	Resiliency	Supply chain issues, vulnerabilities, and resiliency are critical topics for public and private stakeholders.
17	Trade	New and ongoing trade negotiations will have impacts on freight trends and supply chains.

AIR FREIGHT

- 1 Air Cargo Cargo moved by air has been variable but could be significantly impacted by the increase in e-commerce.
- 2 Aviation Trends Other developing trends (such as drone delivery) may impact aviation.

TRUCKING

- 1 Automation Automated trucking concepts continue to be developed and tested.
- 2 Highway Design Developing freight-specific design guidance and considerations will help protect and enhance the freight network.
- 3 First Mile/Last Mile Last mile deliveries from distribution centers are even more critical with the continuous growth of e-commerce.
- 4 Human Trafficking Law enforcement continues to reach out to the trucking industry and others for partnering opportunities in the fight against this crime.
- 5 Trucking Issues Truck driver shortages/retention, truck parking issues, and hours of service continue to challenge the industry.
- 6 OSOW Evolving and increasing oversize/overweight (OSOW) movements create challenges.
- 7 Truck Cargo Goods moving by truck are steadily increasing.

RAIL FREIGHT

- 1 Energy Coal use is declining with the increased use of renewable energy, impacting rail tonnage.
- 2 Network Iowa's rail network has steadily decreased in miles while carrying more freight.
- 3 Rail Cargo Rail freight is increasing with larger rail cars and longer trains.
- 4 Safety Increased emphasis on safety in rail is yielding positive results but comes at a cost to the industry.

INLAND NAVIGATION & PORTS

- 1 Lock & Dams Lock and dam infrastructure is aging and deteriorating, negatively impacting efficiency and reliability.
- 2 MO River Cargo Freight demand has declined on the Missouri River but momentum is picking up, especially on the lower river.
- 3 MS River Cargo Freight movement remains steady on the Mississippi River.
- 4 Sourcing Domestic sourcing could drastically impact demand for port utilization.