

**FREIGHT TECHNICAL ADVISORY COMMITTEE  
OF THE HAMPTON ROADS TRANSPORTATION PLANNING ORGANIZATION**

**JANUARY 12, 2011 MEETING**

Co-Chair Stan Clark called the HRTPO Freight Technical Advisory Committee to order at 10:00 a.m. in the Virginia Port Authority (VPA) Board Room with the following in attendance:

**MEMBERS PRESENT:**

Bill Bell, Co-Chair (Northrop Grumman Shipbuilding)  
Chris Luebbers (Norfolk Southern Corp.)  
Homer Crane (K Line America, Inc.)  
Keith Helton (Givens Logistics)  
Art Moye (Virginia Maritime Association)  
Ron Drogan (The CrossGlobe Group)  
Stan Clark, Co-Chair (Isle of Wight Board of Supervisors)

**MEMBERS ABSENT:**

Curtis Hall (Target Import Warehouse)

**STAFF:**

Camelia Ravanbakht (HRTPO staff)  
Rob Case (HRTPO staff)  
Andy Hecker (Moffatt & Nichol)  
Allison Mall (Moffatt & Nichol)

**OTHERS PRESENT:**

Mecit Cetin (ODU)  
Mike Robinson (ODU/VMASC)  
David Bachhuber (AECOM)  
Asad Khattak (ODU)  
Jun Duanmu (ODU/VMASC)  
Jeff Raliski (City of Norfolk Planning Department)

## **1. PUBLIC COMMENT PERIOD**

All the meeting attendees introduced themselves and Co-Chair Stan Clark opened the public comment period. Hearing no requests for public comment, he declared the public comment period closed.

## **2. OLD BUSINESS**

### **a. Adoption of Last Meeting's Minutes**

Co-Chair Mr. Bill Bell noted the minutes of December 8, 2010 and asked for any revisions. There being none, Mr. Bell moved the minutes be approved as submitted. Mr. Butch Crane seconded the motion and the minutes were unanimously approved.

### **b. Update on Business Outreach Presentation**

Mr. Andy Hecker updated the Committee on the business outreach movie presentation that staff is in the process of developing. At the last meeting, staff presented a storyboard of the movie, which was well-received. Staff has met with vendors and organizations and is getting final pricing; once terms and contracts are agreed upon, the Committee may be able to review a product in about 45 days. Part of the plan is to film the Committee for the movie's concluding comments. At the March FTAC meeting, staff will probably have a draft movie to show, and then will film the Committee members at a later date. The Committee and the HRTPO Board will have the opportunity to review the script and will be kept up-to-date with the production schedule.

Mr. Bell mentioned that it sometimes takes a while to get on groups' schedules (such as Chambers of Commerce, etc.), so staff may want to start scheduling early. Ms. Camelia Ravanbakht then said that if the movie is ready in March, it would be a good idea to get it on the HRTPO Board's March agenda as a priority for this upcoming year. Staff will coordinate with the HRTPO's public outreach staff on the project.

Mr. Stan Clark then said that he likes the presentation and the idea for the movie. In his experience, elected officials take freight for granted. This movie will educate lawmakers and others on the value of freight.

### 3. NEW BUSINESS

#### a. Discussion of Results from *Hampton Roads Regional Transportation Prioritization Report: Project Evaluation and Scoring*

Mr. Rob Case referred the Committee to the final scoring report that was passed out, as well as the Appendix, which shows the input data that was used. The final scores were approved by the HRTPO Board at their December 15, 2010 meeting. Ms. Ravanbakht then went over the prioritization presentation, *Prioritization of Transportation Projects: Review of Core Information*, which Andy Pickard had presented to the Board. The presentation gives a review of the vision and goals of the prioritization tool, as well as the scores by category. Ms. Camelia Ravanbakht pointed out that the charts in the presentation now include the cost of each project.

Camelia then talked about the Board's February meeting, which is a two-hour long "retreat" that will be held on February 17<sup>th</sup> from 11:30 am – 2:00 pm. She pointed out that when the prioritization scores are presented to the Board at the retreat, the high speed rail project will be included, although it wasn't evaluated by the tool because it does not compete with any other project.

#### b. Discussion of potential funding sources and fiscal constraints

The focus of the retreat will be on fiscally-constraining the list of projects. The latest revenue forecast from VDOT has Hampton Roads receiving \$1.4 billion from "traditional funding sources" from FY12 until 2034 for major regional transportation projects. This figure does not include the \$12.2 billion that is available for maintenance and smaller-scale projects. Additional funds may come from other sources, e.g. localities, transit agencies, and tolls.

On January 19, the LRTP subcommittee will meet and discuss how the \$1.4 billion will be allocated. At this time, the subcommittee plans to figure out the process, not actually how each dollar is going to be allocated. The LRTP subcommittee will then provide the Board with guidance for their retreat meeting. The Board will need guidance from the Secretary of Transportation and the Commissioner of VDOT about active PPTA projects such as Route 460, the HRBT widening, and Patriot's Crossing.

Camelia said that the Federal Highway Administration (FHWA) has expressed support for including private revenue when constraining long-range plans. The

FHWA sent a letter to the HRTPO on November 2, 2010 indicating the reasonableness of doing so for the 460 project because of:

- Clear expressions of support by the Governor and/or other appropriate local and regional decision makers.
- An existing strategy for securing necessary approvals.
- State or local jurisdiction has had past success in implementing PPTA's.
- Interest in the project from the investment community.

The FHWA has, however, indicated some concerns about including Preliminary Engineering (PE) projects in the Long Range Plan. The LRTP Subcommittee has suggested using 5% of revenues for PE projects. Seven such projects are currently included in the 2030 LRTP, at a cost of approximately \$600 million.

The Board expressed a desire at the December meeting to have priorities done by March of this year. At the January 20 meeting, HRTPO staff will update the Board on feedback from the CTAC, TTAC, and FTAC advisory committees.

The deadline for the HRTPO Board to complete the prioritized list of projects is June 2011. Then it will be sent to VDOT for air quality conformity analysis for six months. The 2034 LRTP document will be ready by December 2011.

Mr. Bell discussed some General Assembly members he recently saw that indicate doubling funding for Hampton Roads, and Ms. Ravanbakht said that she would discuss it with the LRTP subcommittee. She then said that the total cost for all candidate projects evaluated by the prioritization tool is \$30 billion.

In order for a project to be included in the 2034 LRTP, it has to have funding streams. In regards to Governor McDonnell's recent proposals, Mr. Case said that where funding streams are based on debt, the money has to be paid back over the next 23 years, thereby not providing new money for the LRTP. Ms. Ravanbakht also pointed out that "tolls are part of the equation," as stated by the Governor and Secretary of Transportation.

Mr. Art Moyer then asked staff to re-explain the project viability component of the tool in regards to environmental permitting status. Ms. Ravanbakht explained that the HRBT project does not have any permits in place, but VDOT is procuring an EIS. Also, the FHWA has recommended that we go back to the Third Crossing

EIS document and reevaluate it for the Patriot's Crossing. The viability component also includes funding status.

Mr. Case said if the Patriot's Crossing project all of a sudden gets a PPTA or a project gets a Record of Decision (ROD), the Board will use the prioritization tool but will also take current project status and updates into consideration. He emphasized to the Committee that the tool is for guidance only.

**c. Revise statement for FTAC feedback to HRTPO Board**

The HRTPO Board meeting has been changed from the third Wednesday of every month to the third Thursday, in order to accommodate Commonwealth Transportation Board (CTB) members. Mr. Art Moyer pointed out that The Virginia Maritime Association (VMA) has also had to change their board meetings from Thursday, where they have been for 90 years, because CTB and HRTPO participation and input is so important.

FTAC would like to include a statement in the packet for the HRTPO retreat meeting on February 17<sup>th</sup>. Since it is too late to submit something for the January 20<sup>th</sup> meeting, Mr. Bell will instead make a verbal statement (based on FTAC's draft resolution) to the Board at that meeting by requesting, at the beginning of the meeting, to change the agenda. Or he may speak for three minutes during "citizen comments," since he is a non-voting member of the Board.

Mr. Bell's statement will be that FTAC wants to reiterate the need to focus on projects as a "system." He will make a brief statement at the January meeting and also say that FTAC will have provide a document with further comments for the February retreat.

**d. Discussion of Tolling, Scenarios and Freight Impacts**

Mr. Hecker started off the discussion by pointing to the Patriot's Crossing article from *The Virginian-Pilot*. The article says that a bill for the upcoming General Assembly session calls for the state to accept private proposals to build the project.

FTAC staff then offered to do an analysis about the way tolling is coming on board in Hampton Roads. Everyone is in favor of generating funding available for projects, and tolls will be part of equation for the Midtown Tunnel, 460, the Downtown Tunnel, the HRBT, and the Patriot's Crossing. Hampton Roads does not have any mechanism to have one tolling authority.

Next, discussion began about the potential adverse affect that tolls could have on the freight business. Toll costs range widely for each proposed project, and questions remain, such as: will tolls be higher for trucks? Will there be specific fees on containers? A concern is that supply chain costs will rise with tolls, resulting in businesses relocating or deciding not to do business in the region.

Mr. Hecker said that he would be able to put together some high-level numbers for how tolls affect freight across different regions, for inclusion in the February Board retreat packet. The Committee agreed this was a good idea. This information needs to get to decision makers and lawmakers to address the impact of tolls on the freight community.

Mr. Ron Drogan mentioned that he has had conversations with clients who are trying to decide which port to use, Charleston or Virginia. He said that the bottom line is whether tolls result in revenue gain or revenue lost.

Mr. Case said that it is good to address the issue of funding projects through taxes or tolls, but "it's my understanding that the PPTA proposals all require some public money, they're not 100% privately funded." The state doesn't have enough money to pitch in for all these proposals, therefore the proposals will compete against each other. He also said that tolls have been talked about for the past 12 years, and have not been imposed. Elected officials in the region are pushing to get state funds for the Midtown Tunnel so they can lower the toll rate that is being proposed there.

Mr. Moye said that tolling is a huge deciding factor in whether a client uses a Port or not. "Of every company we know of that isn't doing business here, there are probably dozens that we don't know about, potential clients," he said.

Mr. Clark pointed out that the public does not realize that the maritime business is so sensitive, that even a dollar or two extra in tolls could drive business away. Mr. Crane agreed, using the Port of LA / Long Beach as an example of economic decline after putting a tax on containers.

Mr. Bell then said, "What we're really talking about is sensitivity analysis." Mr. Hecker will send an outline of how the analysis will be conducted on January 18<sup>th</sup> or 19<sup>th</sup>, get comments from Committee, and then could get it back to the HRTPO by February 10<sup>th</sup>. Mr. Hecker confirmed that the sensitivity analysis will be included in the Board's February retreat packet.

#### 4. ANNOUNCEMENT OF NEXT MEETING DATE, PLACE, TIME

In order for the updated FTAC statement to be included in the February 17<sup>th</sup> HRTPO Board agenda, TPO staff will need it by February 10<sup>th</sup>. FTAC will need to meet to approve the statement. Therefore, the next FTAC meeting will be an abbreviated agenda, just for the Committee to approve the statement. Staff will send the Committee the packet of information that will be approved by January 26<sup>th</sup>.

Dr. Cetin from ODU then asked to speak from as a public observer. He said that he has done past studies on trucks and tolls, and has found that toll prices across the country are disproportionally higher for 18-wheelers than for cars. Through a cost-benefit analysis, several studies have shown that truckers are being tolled unfairly. He suggested that if tolls are going to be imposed in Hampton Roads, regional decision-makers should impose rates lower than national averages in order to make the region more advantageous to truckers. Dr. Cetin said that he will forward the studies to staff to incorporate into the next meeting's materials.

Dr. Cetin also mentioned that the ODU transportation group is developing a model for freight for the region, because the current model is not very freight-friendly.

The next meeting will take place on **Monday, January 31<sup>st</sup>**, from 10:00 – 11:00 a.m., in the VPA Board Room. The meeting was adjourned at 11:30 a.m.