

Agenda
Freight Transportation Advisory Committee
of the HRTPO
March 3, 2011

The Virginia Port Authority Board Room, 600 World Trade Center, Norfolk, VA 23510

- 10:00 am **1. CALL TO ORDER**
- 2. TAKING OF ATTENDANCE**
- 3. PUBLIC COMMENT PERIOD** (Limit 3 minutes per individual)
- REGULAR AGENDA:**
- 10:10 am **4. Approval of previous meeting's minutes**
- 10:15 am **5. Bylaw and membership discussion and revisions**
- 10:35 am **6. HRTPO Hypothetical Inland Port Study – Keith Nichols**
- 10:55 am **7. Discussion of *Draft Recommended List of Projects* and next steps**
- 11:20 am **8. Discussion on analyzing the impact of proposed tolls on businesses**
- 9. ANNOUNCEMENT OF NEXT MEETING DATE**
- 11:30 am **ADJOURNMENT**

**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 Moyer (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 17th 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 17th. Since it is too late to submit something for the January 20th 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 18th or 19th, get comments from Committee, and then could get it back to the HRTPO by February 10th. 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 17th HRTPO Board agenda, TPO staff will need it by February 10th. 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 26th.

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 31st**, from 10:00 – 11:00 a.m., in the VPA Board Room. The meeting was adjourned at 11:30 a.m.

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

JANUARY 31, 2011 MEETING

DRAFT MINUTES

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.)
Keith Helton (Givens Logistics)
Ron Drogan (The CrossGlobe Group)
Stan Clark, Co-Chair (Isle of Wight Board of Supervisors)

MEMBERS ABSENT:

Art Moye (Virginia Maritime Association)
Curtis Hall (Target Import Warehouse)
Homer Crane (K Line America, Inc.)

STAFF:

Jeff Florin (Virginia Port Authority)
Camelia Ravanbakht (HRTPO staff)
Rob Case (HRTPO staff)
Andy Hecker (Moffatt & Nichol)
Allison Mall (Moffatt & Nichol)

OTHERS PRESENT:

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, he declared the public comment period closed.

2. NEW BUSINESS

a. TPO Updates

Ms. Camelia Ravanbakht informed the Committee about the upcoming schedule for the TPO Board. Camelia said that the Board has approved scores from the prioritization tool for the current long-range plan update, and any changes to the tool will be made for the next update, three years from now.

b. Discussion of revisions to TPO statement

The Committee then discussed the statement about project prioritization that will be submitted for inclusion in the February 17th HRTPO retreat packet. The Committee read through the prepared statement and discussed revisions to the document. Mr. Bill Bell noted that the statement is really a comment on the concept of prioritization, not the tool itself, resulting in a need to change the title of the statement. The Committee made several other changes to the statement.

Mr. Bell made a motion to approve the statement with the discussed edits. Mr. Luebbers seconded the motion and the statement was approved unanimously. Staff will send the HRTPO the finalized version of the statement by February 7th for inclusion in the retreat packet.

Mr. Andy Hecker asked for clarification on the “dot maps” in the final prioritization report. He said that the map is very useful but he was wondering what the actual counts were for each dot. Ms. Ravanbakht explained that the maps indicate the usage and utility of each project, and demonstrate how the projects affect the whole region. The expected traffic volumes for each project are in the appendix of the scoring document.

The conversation then turned to the possibility of tolls being implemented throughout the region in order to pay for projects. This topic has been in the news a lot lately, so members indicated the importance of stating FTAC opinion on how tolls will affect the freight community. Because of the magnitude of local freight movements — the jobs of 343,000 Virginians depend on the Port — the revenue gained from freight movement is vitally important to the economic well-being of the region and the state. If tolls are too high, new freight-related businesses will not come to the region and existing businesses will leave.

Mr. Ron Drogan expressed his concern re: tolls in the region, which will greatly affect CrossGlobe and similar businesses. He asked if there is an alternative to tolls, such as a gas tax. Mr. Stan Clark agreed that an alternative to tolls needs to

be found. He is concerned that the Governor and the Lieutenant Governor are too focused on tolls and need to be more focused on finding alternatives. To do that, they will need specific numbers such as how many jobs, businesses, and revenue will be lost if tolls are implemented. Also, it needs to be understood that freight moves within the region, as well as moving in and out of the region.

Mr. Keith Helton brought up how much tolls will affect small businesses. He said that his company gets a lot of business because the area does not have tolls. In addition, he discussed how freight includes more than people's wants. For instance, workers, warehouses, and a good transportation system are needed for the Port and its related businesses to be competitive. People may *want* to get to the beach five minutes earlier, but they *need* freight industry jobs.

Ms. Ravanbakht said that a representative from the Federal Highway Administration (FHWA) will brief the TPO board on value pricing, with specific examples of best practices and success stories. Mr. Jeff Florin said that value pricing, which usually applies to cars, should also be applied to trucks.

Mr. Case suggested that FTAC could possibly take a stand on public vs. private toll projects. The conventional wisdom is that tolls collected by VDOT would be lower than tolls collected by a private company.

Mr. Bell cautioned that the Committee can't take tolling off the table, but the statement has to be business-sensitive.

Mr. Luebbers agreed that the Committee needs a very strong statement saying that it is very concerned about freight and how tolls will affect it. Mr. Hecker agreed, saying that in the public eye, tolls have a negative connotation right away. The following tolling position for the FTAC statement on prioritization was approved by the Committee:

FTAC agrees that the movement of freight and the location of related businesses in Hampton Roads is pricing sensitive. Accordingly, while FTAC analysis is not yet complete, all the members of FTAC are concerned about the loss of commerce and jobs resulting from beneficial cargo owners taking their business to areas without excessive tolls.

c. Discussion of truck tolling analysis prepared by FTAC staff

Mr. Hecker then gave the Committee a summary of the tolling analysis that staff prepared, and Ms. Ravanbakht mentioned that a presentation should be done by FTAC to the TPO on this issue. The discussion on tolling continued.

Mr. Helton questioned the idea of having lower off-peak pricing for trucks. Although it sounds like a good idea for the truckers, it also affects warehouse workers and businesses. If trucks are arriving at warehouses during non-

business hours, it will force people to work overtime, the warehouse to stay open at greater cost, etc. He said, “conducting business during off-peak hours is not desirable to the actual customer.”

Other options regarding tolling were discussed, including a diesel gas tax and an across-the-board sales tax. Mr. Case said that CTAC recommended an increase in the gas tax.

Mr. Drogan asked whether FTAC would be promoting tolls by submitting this truck tolling analysis to the TPO Board. Mr. Clark responded in the negative, indicating that the Committee is not promoting tolls, it is simply trying to impact what Richmond is going to do. Mr. Hecker added that the Committee is discussing options for what is likely to happen.

Mr. Jeff Raliski from the City of Norfolk Planning Department brought up the idea of a broad-based funding system of tolls. In other words, tolls would not be implemented on each road, but rather there would be one toll for the whole system of roads. The Committee was interested in this suggestion and thanked Mr. Raliski for his comments.

Mr. Bell then moved to approve the documents as revised and submit them to the TPO for inclusion in the retreat packet. Mr. Drogan seconded the motion and the Committee unanimously approved the motion.

Mr. Bell asked Ms. Ravanbakht if she would brief the Committee concerning the Board retreat at the next FTAC meeting, and she agreed to do so. She said that TTAC will probably make a recommendation on the draft list of projects for the long-range plan, but that CTAC was going to wait to see what happens at the Board retreat, and then react. FTAC agreed to also wait and see what happens before reacting. Any FTAC reactions or statements need to be received by the TPO by Friday, March 4th for the March 17th Board meeting.

3. ANNOUNCEMENT OF NEXT MEETING DATE, PLACE, TIME

The next meeting will take place on **Thursday, March 3rd**, from 10:00 – 11:30 a.m., in the VPA Board Room. The meeting was adjourned at 11:15 a.m.