

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

MARCH 3, 2011 MEETING

MINUTES

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

MEMBERS PRESENT:

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

MEMBERS ABSENT:

Curtis Hall (Target Import Warehouse)

STAFF:

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

OTHERS PRESENT:

Augie Eckhardt (Norfolk Southern)
Frank Mach (MARAD)
Laura Stanton (MYMIC)
Wendy Vachet (U.S. Navy)

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. APPROVAL OF PREVIOUS MEETING'S MINUTES

Co-Chair Bill Bell proposed that item #5 on the agenda, "Bylaw and membership discussion and revisions," be moved to the last item to allow enough time for more timely discussions. Mr. Chris Luebbers seconded this motion, and it was passed unanimously. Mr. Bell then moved to approve the minutes from both the 1-12-11 and 1-31-11 meeting. Mr. Butch Crane seconded the motion and both minutes were approved unanimously.

3. HRTPO HYPOTHETICAL INLAND PORT STUDY

Mr. Keith Nichols, senior transportation engineer at the HRTPO, is working on a study for a hypothetical inland port study. He presented an outline of the study to FTAC and discussed plans for moving forward.

The study will look at the effects that an inland port facility located in the uncongested western part of Hampton Roads would have on traffic and congestion, not whether such a facility is economically feasible.

At this point, Mr. Nichols is working on the existing conditions section of the study, and is getting assistance from Moffatt & Nichol (Andy Hecker) on the assumptions, which will be discussed with FTAC during an update on the study at the next meeting.

Mr. Andy Hecker asked Mr. Nichols if the study would be looking at non-containerized cargo, to which Mr. Rob Case said no, it will only focus on container cargo. He explained that the plan is to take Port container data and then assume that a portion of it would be funneled through this hypothetical facility. The HRTPO will come back to FTAC and see if the numbers make sense.

Mr. Chris Luebbers said that the study will require a lot of research with potential developers, and will take much longer than currently planned. Mr. Nichols clarified the purpose by saying that this study is focused on traffic relief, not economic development. Mr. Luebbers agrees that the two can be treated separately.

Mr. Butch Crane then suggested that the Port Authority had already done a study like this. Mr. Jeff Florin said that the Port has looked at the possibility of an intermodal park on Route 460, and have data on the Inland Port in Winchester that can be revised with current numbers. Mr. Andy Hecker at Moffatt & Nichol has detailed historical container data. Mr. Case and Mr. Hecker agreed to talk offline.

Mr. Luebbers asked if the inland port is intended to shuttle current traffic coming from the Port, or also act as a magnet for new distribution centers. Mr. Case said that while the current inland port captures new business, this analysis of a hypothetical facility is focusing on cargo already using the Port. Mr. Florin said that the inland port was originally set up to catch cargo going to Baltimore, but it ended up being a distribution center magnet. He indicated that this could happen in the case of the hypothetical facility as well.

Mr. Nichols said that the existing conditions section of the study will be done in the next few weeks and the study needs to be complete by June 30th. Mr. Florin asked if this is realistic, because he thinks that it is an aggressive schedule. Mr. Nichols said that a meeting is needed in April to share the assumptions with the FTAC.

4. DRAFT RECOMMENDED LIST OF PROJECTS

Mr. Bill Bell first thanked the Committee for its ongoing productive FTAC meetings and discussions, because without them he would not have been able to make the statement at the TPO retreat. Mr. Bell said that he thought the statement was very well-received at the retreat. He said that after the retreat, many people stopped to talk to him about the effect that tolls will have on businesses, and how they hadn't really considered that before. He said that from what he can see, people are now aware and concerned about the issue.

Ms. Camelia Ravanbakht then gave a presentation to the Committee on the draft recommended list of projects for the long-range plan, a presentation which she had given to TTAC on March 2nd. There was a public meeting in Newport News on February 23rd attended by Mayor Price, other elected officials, and about 25 citizens. There was also a public meeting at the TPO offices in early February, attended by about 50 or 60 people, and more are planned between now and the summer. She reported that attendees at the meetings asked a lot of good questions about tolling. Comments from various sources have been incorporated into the draft recommended list.

Ms. Ravanbakht gave an overview of what happened at the TPO retreat. She felt that the list of recommended projects was very well received, but they did not have to vote. On March 17th they will vote on the list of projects. She said that there was very little discussion on the list, other than representatives from the Peninsula noting that no lane miles to cross the harbor would be added with this plan. Ms. Wendy Vachet from the U.S. Navy added that there was also very little discussion at TTAC. Mr. Art Moyer asked why that might be, and Mr. Stan Clark said that he thinks that, due to funding difficulties, people don't want to take public stances. He thinks that the Board has heard enough about the prioritization, but without any money nobody really knows what to do.

Mr. Moyer believes that considerable fighting is yet to come. He explained that every time he goes to Richmond to talk to legislators, they indicate support for the Port but give somewhat vague responses since they are most likely more concerned with pleasing their constituents. Mr. Moyer thinks that FTAC—made up of people who know what's going on, know what needs to happen to ensure that the freight industry has a future, and who are

not confined by political interest—should go to Richmond and lobby. He hopes that this group will be very clear about which projects are the most important.

Mr. Crane pointed out that more money should not be wasted on transportation studies when it could be spent on construction. Mr. Moyer agreed, and added that the non-committal wavering in Richmond indicates that legislators do not want their opinions to be public, and that they want someone else to make the decisions.

Mr. Clark then said that the only issue that really needs to be focused on is finding funding streams for new transportation projects, and pushing political leaders in Richmond for new revenue.

Mr. Keith Helton said that politicians should listen to the business community, but instead they listen to constituents. He thinks that they would appreciate getting more accurate information about the industry and what the industry needs. The Committee agreed that political leaders need to hear from more than the VPA and the VMA. Hearing from a group like FTAC would probably be very well received.

Ms. Ravanbakht then continued with her presentation by discussing the Governor's transportation funding proposal, which would include money for 66 projects in Hampton Roads and statewide funds for PPTA projects (e.g. Route 460 and the Midtown Tunnel).

Including projects from the Governor's transportation funding proposal, the Recommended List of Projects is divided into these sections: Unfunded Projects for Future Consideration (\$2.00 B), Recommended Studies and Projects with identified funding (\$ 3.57 B), and Committed Projects (\$ 1.17. B).

After explaining in detail the different sections and the projects in them, Ms. Ravanbakht pointed that, although the Southeastern Pkwy study is not on the current list, the City of Virginia Beach does want it on the final list.

The HRTPO and TTAC believe that it is good to have a list of critical unfunded projects because the complaint up until now has been that Hampton Roads does not have shovel-ready projects—one of the reasons that the region does not get adequate funding. Ms. Ravanbakht explained that, with an approved list of prioritized projects, Hampton Roads is more likely to get funding for transportation. In the past, Northern Virginia has received a larger share of the state's funding because they ask for funding in stages instead of all at once, and they prioritize projects. Since Hampton Roads has never had prioritization before, this is a big step in winning the battle for funds.

The next steps for the Board to take are as follows: At the March 17th meeting, the Board is anticipated to vote on the projects and studies. The approved list of projects will be complete in June and submitted to VDOT, which will then do a six-month long air quality analysis.

Mr. Bell asked why VDOT did not do the air quality analysis in tandem with the prioritization, but Ms. Ravanbakht and Mr. Case assured the Committee that the project list will likely pass the air quality test.

Ms. Ravanbakht indicated that, if there is a “breakthrough” on a PPTA project, the plan can be amended at any time over the next four years, as long as fiscal restraint is shown. Projects can be added or removed.

Continuing with her presentation, Ms. Ravanbakht described the projects on slide 9, which are ones that the region can afford over the next 20 years. She said that The Patriot’s Crossing and the HRBT projects are not on this list because they are under study. After two years, when the studies are completed, the Board will make a decision about which one to include in the 2034 LRTP. TTAC recommended including them for study, not as projects for construction. Although Mr. Moyer said that the two years was a waste of time, Ms. Ravanbakht explained that VDOT is pushing for both of these studies to be done.

Mr. Moyer then indicated that the freight industry needs to go before Congress or the House of Delegates and make sure that the facts about the importance of freight gets in their hands and that they understand the intensity of our objective and purpose. He said that people take business and the military—sectors that are heavily affected by transportation projects—for granted. Mr. Helton agreed, saying that comments in *The Virginian Pilot* are an example of citizens’ poor understanding of the value of the Port and the benefits it brings to the region and the Commonwealth.

Mr. Hecker then gave an update on the freight outreach video. A media company has been selected – Pyramid Studios from Richmond, VA. FTAC staff is in the process of preparing a contract. The movie will have a positive message: the region’s valuable assets that move freight – the harbor, bridges, tunnels, etc. – need to be protected and improved. Pyramid Studios has been working with the Virginia Port Authority (VPA) for a long time, and has also produced a movie for Arlington County, VA, which promotes their effective transportation system. Mr. Hecker said he was impressed with the Arlington video. Pyramid Studios will attend an FTAC meeting when they have a draft of the script ready.

5. ANALYZING THE IMPACT OF PROPOSED TOLLS ON BUSINESSES

Mr. Hecker then gave a summary of the draft tolling analysis statement that is in the meeting packets. The potential tolling study would analyze the costs and benefits that may occur from tolls, either bringing business into the region or pushing it away. The idea of the study arose because PPTA’s will likely be a way that transportation projects are funded in Hampton Roads, and PPTA’s come with tolls. High truck tolls may cause businesses who utilize the Port to locate their businesses elsewhere.

Figuring out the truck toll levels that will drive businesses away—i.e. the “tipping points”—by industry, cargo type, destination, etc. is a complex analysis. FTAC does not have the

resources or funding to complete such a study, so the Committee needs help from the HRTPO in identifying funds to complete the study.

Mr. Crane emphasized that, when analyzing the tolling tipping points, it's important to analyze transportation projects as a system, not individual, separate projects.

Ms. Wendy Vachet from the U.S. Navy was invited to this meeting to shed light on the Navy's opinion on freight movement and possible tolls. She explained that the Navy is very interested in the fiscal impact that tolls may have on their operations, including freight and supply movement, jobs, and pay raises; however she said that without concrete data she cannot yet develop an official Navy stance on tolls. She offered to help the Committee obtain information.

Ms. Vachet said that the Navy's supply chain and federal supply people would have data that would be valuable to the study. She also pointed out that the Navy's needs will get attention in Richmond, being the largest employer in Hampton Roads. Mr. Moye asked whether the Navy could say something official regarding Hampton Roads' transportation projects. Ms. Vachet responded that the Navy has a directive not to interfere with local decision-making, especially land use, but would like to promote transportation projects as a system, especially given that Secretary Connaughton asked Secretary Gates to help prioritize \$1.5 billion found in state coffers. CTAC has asked the Navy to go to the Commonwealth Transportation Board (CTB), and the Navy is planning a trip.

The Committee discussed the next steps in relation to the tolling statement. CTAC wrote a resolution in October about tax and revenue options. FTAC's statement needs to be carefully worded and include wording about the affect tolls will have on the region's military presence. Staff will revise the statement, then follow-up at the next meeting.

Mr. Clark thinks it would be a good idea to invite Admiral Quigley to hear his opinions; and he will invite him to the next meeting.

6. ANNOUNCEMENT OF NEXT MEETING DATE, PLACE, TIME

The next meeting will take place on **Thursday, April 7th**, from 10:00 – 11:30 a.m., in the VPA Board Room. The meeting was adjourned at 12:00 p.m.