



QUARTERLY MEETING HIGHLIGHTS

Delaware Valley Goods Movement Task Force
10 A.M., Wednesday, July 15th, 2009

8th Floor—DVRPC Main Conference Room

190 North Independence Mall West, Philadelphia, PA 19106

1. Call to order

Task Force Co-Chairs Don Shanis of DVRPC and Eric Madden of PennDOT called the quarterly freight advisory committee meeting to order. All Task Force members were recognized, and new attendees were welcomed.

It was announced that it was necessary to postpone the scheduled presentation on big truck weight legislation due to a scheduling conflict.

2. Adoption of *Connections*: DVRPC's Long-Range Plan for Greater Philadelphia

Mike Boyer presented a summary of DVRPC's *Connections*: The 2035 Regional Plan for a Sustainable Future. This land use and transportation plan provides a blueprint for future transportation facilities and services and will be presented to the DVRPC Board for adoption at the Board's July 23, 2009 meeting. In addition to the policies set forth in the Long Range Plan, *Connections* contains a needs assessment that looks at how much it would cost to bring the transportation system into a state of good repair, and maintain that state through 2035. Research indicates that there is a \$45 billion deficit in transportation funding to make this feasible. In response to this the Long Range Plan devotes 75% of the transportation money expected to come to the region to rebuilding the highway and transit system.

Connections includes a look into innovative ways to close the funding gap, including tolls and additional taxes. A study of the top 10 metro regions in the country found the Greater Philadelphia region has the lowest amount of local funding for transportation, especially in terms of transit. The DVRPC region only provides 6% of transit funding, while the locally provided average for the top 10 metro regions is 33% of total transit funding. The plan puts an emphasis on projects being "right-sized," meaning that given the current budget conditions they meet the need as cheaply and efficiently as possible. Finally the Long Range Plan includes a Call for Action in the region to solve the pending funding shortfalls that threaten the transportation system.

Connections also contains a freight element put together by DVRPC staff. The freight element is based on the report *DVRPC Long Range Vision for Freight*. The freight element resulted from extensive research and represents the fullest treatment of freight in any DVRPC Long Range Plan. The element includes 5 key visions for DVRPC's freight planning efforts through 2035: recognize the value of freight, promote freight as a good neighbor strategies, make

freight more environmentally friendly and sustainable, enhance the links between freight related transportation and land use, and make operational improvements to the region's transportation infrastructure across all modes.

The committee voted to support a resolution that the DVRPC Board should adopt *Connections 2035* as the DVRPC Long Range Plan.

3. South Jersey Freight Transportation and Economic Development Assessment

New Jersey DOT is conducting an evaluation of the freight transportation needs and opportunities in the southern New Jersey area. The study purpose is to develop a recommended list of projects that are critical to maintaining efficient freight transportation and to grow the logistics industry in southern New Jersey. This presentation was made by W. Scott Douglas of New Jersey DOT's Office of Maritime Resources.

This effort follows the Southern New Jersey Freight and Logistics Industry Context and Economic Growth Visioning Plan which determined the region's freight obstacles to be poor last mile connectors, the lack of intermodal rail service, and out-of-date maritime infrastructure. Mr. Douglas explained that the new study will include a site specific assessment and refine the focus on the key issues. Using the needs put forth in the Visioning Plan, an economic analysis will be performed to rank the region's needs. More information about this study can be found at the following web link: <http://www.state.nj.us/transportation/freight/plan/initiatives.shtm>.

The New Jersey Department of Transportation asks Task Force members to check the website regularly for updates and chances to give insight into study developments. A link to the study page will also be placed on the Task Force Website at: <http://www.dvrpc.org/Freight/DVGMFTF.htm>.

4. Rethinking The United States Carriage of Goods by Sea Act (COGSA)

Alfonso Gambone, Esq., discussed the potential replacement of this depression-era statute and the factors which have transformed the landscape of admiralty law. Mr. Gambone is a former U.S. Army JAG officer who focuses his law practice on the transportation industry and representing veterans and their families. Mr. Gambone focused his discussion on the problems with COGSA, primarily the fact that the statute is not equipped to deal with modern shipping practices (especially containers which are considered a single package), and that many cases are unclear over whether they should be on trial in international or US Courts. Mr. Gambone also discussed a Supreme Court case which made the Carmack statute and COGSA contradict one another. Lastly he discussed the international response, called the Rotterdam Rules, which may impact any new legislation passed by the US Congress.

5. A Tale of Two Cities

Chuck Cruit, Boeing's Corporate Director of Intellectual Property (and Boeing's representative on the Delaware County TMA), presented an overview of Boeing Philadelphia's operations and shared Boeing Seattle's view of the market outlook for cargo aircraft. The Boeing Plant in Delaware County manufactures two types of helicopters, the CH-47 Chinook and the V-22 Osprey. Both helicopters are mainly used for the transportation of cargo for the military. CH-47 Chinooks are fully assembled at the plant and fly out when completed, while the V-22 Ospreys are sent to Texas for assembly. The plant generated a total of 25,000 shipments during the first fiscal quarter of 2009; just over 15,000 of these moves were inbound shipments. The shipments mainly occur via truck or air.

When comparing world-wide air cargo shipments made during the month of March, 2008 with those made during March, 2009, there has been an estimated 25% reduction. Mr. Cruit

showed that the amount of air freight does not appear to be at all linked to the price of jet fuel. There has been an average of 6.5% annual growth in air freight since 1970 and Boeing Corporation anticipates an average of 5.5% annual growth from now through 2028. Boeing also projects that freight carriers will continue to use larger planes as opposed to small or medium sized planes. Small and medium sized planes are mostly re-designed passenger planes, while larger planes are almost exclusively new planes designed to carry air freight.

6. Freight Planning at the North Jersey Transportation Planning Authority

Freeholder Peter Palmer of Somerset County provided an overview of the North Jersey Transportation Planning Authority (NJTPA) (DVRPC's sister agency) and its Freight Initiatives Committee. Mr. Palmer discussed the area which NJTPA serves and the history of its Freight Advisory Committee. He also explained NJTPA's current freight initiatives which include a Grade Crossing Study, Truck Parking, a Quiet-Zone Brochure, Marine Highways, and studying 286k rail capacity. Mr. Palmer also detailed upcoming work such as an update of freight forecasts to accommodate the new economic climate and looking into extending the hours of operation at the NJ ports and other freight facilities.

In recognition of the outstanding freight planning work being performed by the NJTPA, Don Shanis presented Mr. Palmer with a small gift on behalf of the entire Goods Movement Task Force. Dr. Shanis commended Mr. Palmer for his leadership as an elected official and his role as a freight champion.

7. Two-minute Reports

The following Task Force and Subcommittee chairs and Task Force members provided updates on the activities of their companies and agencies:

Eric Madden	PennDOT
Talvin Davis	NJ DOT
Bobbie Geier	Delaware DOT
Dan Blevins	WILMAPCO
Don Shanis	DVRPC
Kelvin MacKavanagh	Planning Subcommittee
Dave Harvey	PRPA
Fred Winkler	Winchester & Western RR

8. Old/New Business

The next meeting of the Goods Movement Task Force will be held on October 14th, 2009 and Tim Chelius of the South Jersey Transportation Planning Organization is the scheduled guest speaker.

Meeting Participants

<u>Name</u>	<u>Affiliation</u>
Allen, Walker	DVRPC
Balzano, Joseph	South Jersey Port Corp.
Bickel, Richard	DVRPC
Blackburn, Bob	GBA Inc
Blevins, Dan	WILMAPCO
Brahler, Richard	Bucks County Planning Commission
Castagnola, Kevin	South Jersey Port Corp.
Chaustre, Jorge	Dow Chemicals
Cipriani, Eugene	RCC
Cohen, Ernest	RCC
Crawford, Rick	Norfolk Southern
Cruit, Chuck	Boeing
Dahlburg, Ted	DVRPC
Davis, Talvin	NJDOT
Delp, Paul	Lansdale Warehouse Co.
DeJohn, Tony	PB
DeYoung, Larry	L.A. DeYoung, Inc
Duffy, Ed	Duffy Associates
Engel, Karl	5K Logistics Inc.
Erickson, Tom	Railcents
Ferich, Steve	GVFTransportation
Gambone, Alfonso	CSCMP
Gazzola, John	PRPA
Geier, Bobbie	Delaware DOT
Giobbie, Tony	CSX Transportation
Goetz, William	CSX
Gunner, Tim	AECOM
Harvey, Dave	PRPA
Jeroski, Ryan	GVFTransportation
Johnson, Sterling	US Army Corps of Engineers
Kardon, Roy	NAI Mertz
Kenny, Tom	DADC
Kessler, Bob	Atkinson Freight Lines
Krakauer, Miki	NJDOT
Lawrence, Chris	CH2M
Ludasi, Andrew	NJDOT
MacKavanagh, Kelvin	MacKavanagh Railroad Consulting
Madden, Eric	PennDOT
Magliocchetti, Catherine	US EPA
Matthews, Ted	NJTPA
Oliver, Greg	DeIDOT
Palmer, Peter	NJTPA
Peterson, Marlin	South Jersey Port Corporation
Philpott, Bob	BDP International

Roscoe, Michael	Schnabel Engineering
Rosen, Howard	Jeppesen
Rothe, Tanya	SEPTA
Rowan, Jane	BioEngineering Group
Schellenger, Ralph	Creative Conveyance
Schoonmaker, Elizabeth	DVRPC
Shanis, Donald	DVRPC
Shannon, Jim	Select Greater Philadelphia
Siebeneicher, Bob	Camden Iron and Metal
Strauss-Wieder, Anne	A. Strauss-Wieder, Inc.
Sullivan, Shawn	Citizen
Sutch, Jeff	SMS Rail Lines
Thomas, Carol	Burlington County
Townrow, Andrea	World Trade Center
Truban, Paul	NJDOT
Turcich, Jim	Philadelphia Belt Line
Wahler, Brian	NJ Turnpike Authority
Wallen, Michael	5K Logistics Inc.
Ward, John	DVRPC
Warren, Shelley	The Howland Group / DRMEC
Weening, Ronald	A. Strauss-Wieder, Inc.
Weiner, Harvey	Dependable Distribution Services
Wells, Tim	LTK Engineering Services
Winkler, Fred	Winchester & Western RR
Young, Lindsay	The Howland Group / DRMEC