



## QUARTERLY MEETING HIGHLIGHTS

Delaware Valley Goods Movement Task Force

10:00 A.M., Wednesday, July 13, 2011

8th Floor—DVRPC Main Conference Room

190 North Independence Mall West, Philadelphia, PA 19106

### Call to order

Task Force Co-Chair Don Shanis of DVRPC called the quarterly freight advisory committee meeting to order and invited all attendees to introduce themselves.

In member news, it was announced that Tom Holt, Sr. passed away; the thoughts and prayers of the committee members go out to the Holt family.

Minutes from the prior Task Force meeting on April 13, 2011 were adopted as presented.

DVRPC has applied for 1 AICP Certification Maintenance Credit for eligible meeting attendees. Eligible attendees should check the AICP website for availability.

All guest presentations will be made available on-line at:

<http://www.dvrpc.org/Freight/GuestPresentations.htm>

### Action Item: New Jersey and Pennsylvania Rail Freight Assistance Programs

Ted Dahlburg, Manager of the Office of Freight and Aviation Planning at DVRPC, presented this meeting's action item requesting that the committee promote coordination and regional support of applications for the New Jersey and Pennsylvania rail freight assistance programs.

Mr. Dahlburg began his presentation by giving a brief overview of the programs in each state. In New Jersey, state funds have been disbursed yearly since 1983. An annual two step process is undertaken to determine which projects are to be funded. First, submitted projects are checked to make sure they fit the eligibility requirements for the funding. Second, the projects are prioritized by NJDOT using a documented process. The new projects are added to the list of unfunded projects from previous years. For more information about the New Jersey DOT Rail Grant Program visit:

<http://www.state.nj.us/transportation/freight/rail/projects.shtm>.

In Pennsylvania, there are two programs that provide funding for rail projects. The Rail Freight Assistance Program (RFAP) provides grants for projects with a total cost under \$700,000. For larger projects there is the Rail Transportation Assistance Program (Rail TAP) which comes directly out of the Capital Budget Bill. The rankings systems done for each set of programs has a line item for

coordination with the local MPO. For more information on PennDOT's rail grant program visit: <http://www.dot.state.pa.us/Internet/Bureaus/pdBRF.nsf/RailFreightHomepage?openframeset>.

Mr. Dahlburg identified some of the benefits of the action as assuring consistency of candidate projects with regional plans and programs, obtaining higher rankings for candidate projects in state prioritization processes, and promoting greater awareness of rail freight needs. Discussion from the committee focused on how important these programs are and that committee members need to contact their local state representatives to make sure they are preserved, even given the ongoing trend of reduced state services. Committee members also expressed concerns that whatever process is ultimately decided on should not include extra mandatory steps for the small businesses applying for these loans. The process is already burdensome for some smaller companies and adding additional steps may deter them from applying.

The action was passed unanimously by the committee.

### Presentation: Opportunities for Building a Mid-Atlantic Dray Truck Replacement Program

Joanne Throwe from the University of Maryland's Environmental Finance Center described a new program which helps replace older trucks serving the Ports of Philadelphia, Wilmington, Baltimore, and Virginia. (Dray trucks provide the initial, usually short distance, movement from the port to a warehouse or distribution center). The program is sponsored by the U.S. Environmental Protection Agency (EPA) and is referred to as the Mid-Atlantic Green Operators program.

The program is designed so that owner-operators with a truck (i.e., tractor) that was made before 2003 can buy new tractors with engines manufactured after 2007, which produce substantially less emissions. Applicants must be able to prove that they regularly service one of the ports in the program area. The most direct way to do this is by presenting a TWIC card. Additionally, the driver must have owned their existing tractor for at least one year and have full documentation of title, registration, and insurance.

Each eligible applicant may receive up to \$15,000 toward the purchase of a new vehicle, which tends to cost \$50,000 and up depending on features and amenities. On top this, there is also special financing available because it was found that many of the applicants have poor credit scores. The loans are typically 36 months long and have interest rates that are substantially lower than the market rate. Currently there are five lending companies that have signed up with the finance center to provide these loans. Drivers who are selected must provide proof of scrappage of their old vehicle.

Additionally, there are opportunities for companies with private fleets to get involved. The program leverages additional funds by offering a variety of sponsorship opportunities. Gold sponsors are typically shippers, such as big-box stores, and make a cash donation of \$30,000 (the donation can also be made using in-kind services). Gold sponsors are then eligible to submit up to ten trucks from their fleets for priority consideration. Silver sponsors are large carriers with 20 or more trucks. The donation level for silver sponsorship is \$15,000 and they are invited to submit five trucks for priority consideration. Bronze sponsorship is available for \$5,000 and bronze sponsors may submit two trucks for priority consideration.

Program materials and funding applications are available at: <http://www.efc.umd.edu/cleandiesel.html>. Following the question and answer session, Gerry Coyle thanked Ms. Throwe for her presentation on behalf of the entire committee and presented her with a small gift.

## Presentation: Legislative Update

Zoe Baldwin, Transportation and Environment Project Specialist for U.S. Senator Frank R. Lautenberg (D-NJ), provided an update to the committee on various transportation legislative initiatives. Ms. Baldwin prefaced her comments with the fact that all the items she was presenting are subject to change because of the nature of the legislative process.

The first update that Ms. Baldwin provided was on the Freight Act. The Freight Act would create more of a leadership role in freight planning at the federal level. The Act will create a new secretary devoted to freight transportation who would report directly to the head of the U.S. Department of Transportation. The Act would also call for the government to create a long-term freight plan for the country. The Act would provide funding for freight projects, which would likely be selected on a competitive basis, similar to the TIGER funding programs. The funding programs and the Act will focus on the government's role in bringing together the different modes of freight transportation to provide a more seamless system for the entire country.

In May 2011, Sen. Lautenberg introduced the Safe Highways and Infrastructure Protection Act (SHIPA) in the senate. SHIPA would maintain the current weight limit and prohibition of triple-trailers that is currently in place for the Interstate Highway System, and extend it to the entire National Highway System (NHS). The Interstate system constitutes 44,000 miles of roadway while the NHS constitutes 160,000 miles of roadways. Ms. Baldwin explained that benefits of the bill include an increase in safety and a reduction of cost in maintaining the NHS. Research shows that a 100,000 pound truck travels 25 percent further than an 80,000 pound truck after the driver steps on the brakes. Additionally, one triple-tractor running over a section of roadway causes as much damage as 14,000 mini vans traversing that same section.

Lastly, Ms. Baldwin commented on the reauthorization of the surface transportation bill, which is essential for either SHIPA or the Freight Act to be enforced. Currently, there are two conceptual bills that are being advanced, one by Congressman Mica and one by Senator Boxer. The bills have about a \$12 billion funding gap between them which must be resolved for any reauthorization to move forward. On September 30<sup>th</sup>, 2011 the current bill runs out, so a new bill or an extension of the old bill must be passed before that or all highway funding will stop on October 1<sup>st</sup>.

## Presentation: Drilling Down: America's Marine Highways and the Delaware Valley

Capt. Jeff Flumignan of the U.S. DOT's Maritime Administration (MARAD) provided an update on the America's Marine Highway program. Mr. Flumignan began by providing background information about domestic water shipments. America is running behind much of the developed world in this regard, as 44% of Europe's domestic freight and 61% of China's domestic freight move by water. In the U.S., only 2% of domestic shipments move via the water.

The Energy Independence & Security Act authorized the Marine Highway program in 2007 and a grant program for Marine Highways was developed in 2009 under the National Defense Authorization Act. MARAD first defined its initial set of Marine Highways in 2010 with M-95 running along the entire east coast of the country.

To date three marine highway services are developing along the east coast, two of which involve the DVRPC region. American Feeder Lines is a service running from various ports in New England to Halifax, Nova Scotia. National Shipping of America is providing weekly roundtrip movements from

Chester, PA to Port Everglades, Florida. Intermodal Marine Lines is not yet running, but plans on providing intermodal service between Jacksonville, Florida, and Paulsboro, NJ. There are a host of marine highway studies going on all over the country. MARAD has partnered with other public sector agencies and the private sector to create the Marine Highway Cooperative to advance Marine Highways. Included on the Cooperatives website is a benefits calculator for companies considering using Marine Highways. More information is available at: <http://www.marinehighways.org>.

Following the presentation, Talvin Davis presented Capt. Flumignan with a small gift on behalf of the committee.

### Presentation: Marcellus Shale

Jason Fink, Executive Vice-President of the Williamsport/Lycoming Chamber of Commerce, presented insights to the development associated with the Marcellus Shale play taking place in the Williamsport/Lycoming County area. The region started to attract new people and businesses in 2008 and in response established the County Gas Task Force which has helped to oversee a lot of the new development.

Mr. Fink began his presentation explaining how Lycoming County is well positioned to take advantage of this new market. The highest concentration of gas is just north of the county; however the Williamsport area has the rail and highway infrastructure, as well as the supporting businesses that the industry needs. Mr. Fink explained that one of the major challenges his organization has experienced is the need to learn a whole new industry that has a unique culture and unique terminology.

The area also has available land in their industrial parks, as well as some existing buildings that were vacant for companies that needed to get up and running as fast as possible. Major corporations have located in the county bringing a major growth in employment which has had many effects including raising the home property values and the rental costs in Williamsport and the surrounding areas.

Halliburton is developing 80 acres on a property that has been vacant for the past 20 years. The site is rail served so they can import frac sand (some of which comes from South Jersey) and at full operations will employ 800 employees. There are a number of companies that serve the natural gas industry which have moved into the area. Additionally, existing businesses such as the hotels and industrial supply companies have seen business skyrocket. Mr. Fink gave a full explanation of each of these companies and for more information please see his presentation on the Task Force Website.

The area is rail served, but north of Williamsport the rail line has been turned into a trail. Task Force members brought up the idea of possibly restoring some rail service along the trail, but Mr. Fink did not believe that would be possible. The area is also strategically located seven miles south of the Trans-Continental Pipeline, which moves the extracted gas products, but a denser network of spider lines is needed through the county to feed into the main pipeline. Some of the local companies are transferring the gas to electricity on site instead of transporting the extracted gas.

## Two-minute Reports

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

### **Fred Sorbello .....Ship Philly First**

Mr. Sorbello announced a new group that has formed entitled Ship Philly First. The group is made up of 25 private companies who have bonded together to design and fund marketing campaigns for the regional port facilities. The group is about 12 months old and meeting regularly. For more information, please visit: <http://www.shipphillyfirst.com>

### **Sarah Gulick.....PennDOT**

Ms. Gulick announced that the Bureau of Rail Freight and Aviation has undergone a minor organizational change and will now be managed by Jim Ritzman, Deputy Secretary of Planning. Additionally, the Pennsylvania Budget recently passed on-time; however, the Rail Freight Assistance Program received slightly less funding than anticipated.

### **Talvin Davis .....NJDOT**

Mr. Davis announced that the New Jersey budget also passed, and that funding levels for the rail freight programs remain at anticipated levels. Announcements on which projects will be funded out of the program for the following year are expected to be made later this summer. Mr. Davis also announced that the Tiger III discretionary funds will be open soon for interested applicants. Mr. Davis encouraged regional businesses who have applied for funding in the past to do so again.

### **Bobbie Geier .....DELDOT**

Ms. Geier announced that Carolann Wicks has been named the new Secretary of DelDOT. Additionally, the following announcements on ongoing projects were made: the I-95 toll plaza project has been completed, and the I-95 / SR 1 Interchange project is now underway.

### **Peter Palmer.....NJTPA**

Mr. Palmer announced that the North Jersey Transportation Planning Authority (NJTPA) has two major studies under way. First is a freight forecasting study, that will focus on growth in different industrial sectors and how that growth will affect freight transportation. Second is a rail corridor study, that is being undertaken along both freight and passenger routes in the region.

### **Don Shanis .....DVRPC**

Dr. Shanis announced that the Fiscal Year 2012 DVRPC Work Program has been adopted by its board and that work on all projects is now underway. A copy of the 2012 Work Program can be found at: <http://www.dvrpc.org/WorkProgram>. Committee members are encouraged to consider study concepts for the 2013 work program.

### **Kelvin MacKavanagh .....Planning Subcommittee**

Mr. MacKavanagh announced that Railroad Day on Capital Hill will be held on July 14, 2011 and the industry is looking forward to promoting itself to elected officials.

### **Walker Allen .....Data Subcommittee**

Mr. Allen announced a new feature for Task Force Meetings which is a progress report for the Office of Freight Planning. The progress report includes major meetings and accomplishments that have been conducted by the office since the last task force meeting. Members are encouraged to review the report and contact either Ted Dahlburg or Walker Allen if there is a meeting or project they wish to get more information about. The progress reports will be available on the DVGMTF website.

### **Kate Zaidan .....Clean Air Council**

Ms. Zaiden thanked Ms. Throwe on behalf of the Clean Air Council, who are the local sponsors for the Dray Truck Replacement Program. Also there is an upcoming conference entitled Goods

Movement: Public Health Implications for the Mid Atlantic Region being held at the University of Pennsylvania, Philadelphia, PA, on September 23, 2011. If interested please contact Abby Poses (aposes@cleanair.org; 215.567.4004 ext. 108).

**Tom Kenny .....Gerace**

Mr. Kenny concluded the meeting by announcing his excitement over both the Ship Philly First campaign and the Dray Truck Replacement Program, and stating that he hopes Gerace will be partners in each in the years to come.

**Adjournment**

The committee was adjourned for lunch. The next meeting of the Delaware Valley Goods Movement Task Force is: October 12, 2011.

## Meeting Participants

<u>Name</u>	<u>Affiliation</u>
Allen, Walker	DVRPC
Baldwin, Zoe	Senator Lautenberg's Office
Cipriani, Eugene	DVRPC RCC
Coyle, Gerry	Evans Delivery Company
Dahlburg, Ted	DVRPC
Davis, Talvin	NJDOT Multimodal Services
Deberry, Gary	PennDOT Rail Freight
Denny, Charles	Philadelphia Streets Department
DeSando, Robert	NJDOT
DeYoung, Larry	L.A. DeYoung Inc.
Dub, Avri	Avri Dub CPA
Duffy, Ed	Duffy Associates
Fink, Jason	Williamsport/ Lycoming Chamber of Commerce
Flumignan, Jeff	USDOT – MARAD
Foglietta, Michael	SRNJ
Geier, Bobbie	DelDOT
Giobbie, Tony	CSX Transportation
Gulick, Sarah	PennDOT Rail Freight
Haak, John	Philadelphia City Planning Commission
Hall, Robert	Citizen
Harvey, David	PRPA
Hayes, Linda	Citizen
Heinzelmann, Ray	Gahagan & Bryant
Jandoli, Chris	Parsons Brinkerhoff
Jennings, Tom	Saul Ewing
Johnson, Sterling	US Army Corps of Engineers
Kardon, Roy	NAI Mertz
Kenny, Tom	Gerace
King, Edward	Sunoco, Inc.
Krakauer, Miki	NJDOT – Freight
Labow, Gi	ePortation Inc
Ludasi, Andrew	NJDOT - Trucking
MacKavanagh, Kelvin	MacKavanagh Railroad Consulting
Magliocchetti, Catherine	EPA – Region 3
Mahoney, Sean	PRPA
McNamara, Kate	PIDC
Minott, Joe	Clean Air Council
Misak, Anne	PCPC
Myhre, Paul	Maritime Exchange
Neil, Harold	HDS
Oliver, Greg	DelDOT
Palmer, Peter	NJTPA Freight Committee
Pawson, John	DVRPC RCC
Pelzer, Reiner	DVRPC
Perthuis, Cynthia	IdleAir
Poses, Abby	Clean Air Council
Roscoe, Michael	Schnabel Engineering
Sauer, Al	East Penn Rail Road
Schmid, Silva	PCPC

Shanis, Donald	DVRPC
Sharp, Andy	Delaware Valley Association of Rail Passengers
Sheppard, Bill	Southern Railroad of New Jersey
Siebeneicher, Bob	Camden Iron & Metal
Smith, Maurie	PIDC
Sorbello, Fred	Mullica Hill Group Companies
Stangfeld, Jesse	DVRPC
Sutch, Jeff	SMS Rail Lines
Thomas, Carol	Burlington County
Throwe, Joanne	University of Maryland
Timmins, John	Penn Terminals
Toaso, Les	PennDOT District 6
Torres, Coral	FHWA PA Division
Turcich, Jim	Philadelphia Belt Line Rail Road
Walston, Dan	FHWA PA Division
Ward, John	DVRPC
Westergaard, Rick	Gloucester County Planning Division
Winkler, Fred	Winchester & Western Railroad
Wisneski, Rich	NJ Transit
Zaidan, Kate	Clean Air Council
Zarriello, Joe	KS Engineers, P.C.