



## ***QUARTERLY MEETING HIGHLIGHTS***

### **Delaware Valley Goods Movement Task Force**

**10:00 A.M., Tuesday, April 16, 2013**

**8th Floor—DVRPC Main Conference Room**

190 North Independence Mall West, Philadelphia, PA 19106

#### **1. Call to Order**

Co-chairs Barry Seymour of DVRPC and Gary DeBerry of PennDOT called the quarterly freight advisory committee meeting to order. Mr. Seymour welcomed all new and returning members. Following this brief recognition, all attendees were invited to introduce themselves and their affiliations.

The minutes from the prior Task Force meeting on January 16, 2013 were circulated and approved.

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

All PowerPoint presentations will be made available on-line at:  
<http://www.dvrpc.org/asp/committee/committee.aspx?p=DVGMTF>

#### **2. Philadelphia Energy Solutions**

Steve Herzog, Senior Vice President of Strategic Planning at Philadelphia Energy Solutions (PES) provided a brief history and discussed future plans for the energy company. The background of the formation of PES was explained by Mr. Herzog dating back to the initial closings of multiple Sunoco refineries in the region. The proposed closings were based on corporate decision to exit the production business. In the exit process, Eagle Point and Marcus Hook failed to garner interest for production and were converted to terminal operations. Through collaboration with the Carlyle Group, Sunoco evaluated several transaction scenarios with final consideration being focused on the Philadelphia Site.

The focus on the Philadelphia Site was based on several key factors. At its core, the vision was the desire to retain the capacity of the facility (330,000BPD, the largest on the Eastern Seaboard). In addition, unlike other facilities in the region, this site was fully compliant with regulatory requirements and had recently undergone over \$1 billion in improvements. The site itself is also well positioned for a diversity of operations, with the refinery occupying only one-half of the 1,400 acres of the site.

Key to the success of the deal that was reached were the various coalitions that formed in support of a deal at the refinery. This included various unions and labor groups as well as local, state and federal agencies and the White House. The joint venture that was formulated between Sunoco and Carlyle was enhanced by a unique financial structure with JP Morgan creating a healthier investment scheme. By offloading the purchasing and holding of crude to JP Morgan and retaining only the refining component of the operation, PES is able to keep \$1.5 billion of its balance sheet improving investor outlook.

The facility is operational bringing mid-continent (e.g., North Dakota) crude by rail and water. The current expansion work is focused on the development of a high speed unit train unloading facility capable of handling 14 trains per week at a rate of 140,000 BPD. Currently, crude is being sent via pipeline from the CSX Transflo facility at a low rate. While natural gas remains a viable option for production, the volume requirements dictate pipeline expansions that are not yet possible in the foreseeable future.

### **3. Improving the Efficiency of Urban Freight**

Dr. José Holguín-Veras of Rensselaer Polytechnic Institute is the Principal Investigator for TRB National Cooperative Freight Research Program 38: Improving Freight System Performance in Metropolitan Areas. Dr. Holguín-Veras discussed the project and efforts to develop a regional public planning guide that identified potential strategies and practical solutions for public and private stakeholders to improve freight movement system performance in diverse metropolitan areas. In highlighting the efforts that public agencies can do to impact goods movement planning, Dr. Holguín-Veras pointed to the reality that it is in fact the demand side that holds the power to change. The behaviors of shippers and receivers can influence the various factors that contribute to poor system performance (e.g., congestion).

The inefficiency of trucking, at the system level, is a target for improving the performance of the network. In New York City, the focus of the study, establishments were explored to estimate the trip generation of each and apply that number to the zip codes. These establishments can receive as many as 5 separate deliveries in a single day. The public sector can focus on issues of traffic management, pricing and taxation, demand management, and policy. In addressing demand management one of the easiest ways to access “free capacity” is to encourage off peak deliveries or overnight deliveries.

Dr. Holguín-Veras also presented the Off-Hours Delivery (OHD) Project that worked with a sampling of establishments to test efficiencies of overnight deliveries. The reason for the need is an apparent market failure through which the savings for carriers is not large enough to compensate for the receiver costs. The pilot project demonstrated how receivers could take manned and unmanned OHDs. While the OHD pilot improved reliability, the establishments receiving unmanned OHDs were the only ones to continue beyond the pilot period. It was concluded that OHD is more effective than freight road pricing models in improving system efficiency.

The economic impacts of an OHD system would be fairly widespread. Up to 3-5 minutes of trip time savings could be expected for all drivers in the NYC system. These savings could equate to between \$100-200 million/year.

#### **4. Pennsylvania Comprehensive Freight Movement Plan**

In conjunction with the update to the statewide Long Range Transportation Plan (LRTP), Pennsylvania is preparing an integrated Comprehensive Freight Movement Plan (the first of its kind). Ms. Suzann Rhodes, FAICP, of CDM Smith presented on various aspects of the planning process and current status. The LRTP will produce a set of scenarios to provide a cohesive investment strategy. The product will contain goals and objectives as well as needs, funding and priorities. The plan will assess projects based on goals and objectives and performance measures. The hope is to be able to compare projects across modes.

A primary component of the state effort is the Comprehensive Freight Plan that is not the result of MAP-21 guidance but rather the product of increasing state interest in freight system planning. This component will meet the MAP-21 guidance in order to maintain eligibility for federal state funding splits of 90-95%. The process is currently working through active engagement including interviews with the private sector. A webinar from 1-4 pm on April 25, 2013 will be offered in addition to the DVGMTF meeting and a similar committee meeting hosted in Pittsburgh. In addition to these inputs, a multimodal analysis will be performed utilizing TranSearch data, ATRI, FAF and PennDOT based data and studies.

The ongoing project timeline will be executed as follows: Stakeholder Participation, Project Website, Vision, Goals, and Objectives (Spring 2013), Existing Inventory (May-June 2013), Performance Measures (May-June 2013), Alternative Investment Scenarios (Jan 2014), Draft LRTP and Comprehensive Freight Plan (April 2014) and Final Plans (June 2014).

Committee members and attendees participated in a feedback session reviewing the goals and objectives and providing additional comments on the focus and process being utilized in the plan development.

#### **5. Two-Minute Reports**

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

**Gary DeBerry ..... PennDOT**

Announced the status of the Pennsylvania Rail Subcommittee.

**Rick Crawford ..... Norfolk Southern**

Announced the official release of *PhillyFreightFinder* to the committee. It is available online at [www.dvrpc.org/webmaps/phillyfreightfinder](http://www.dvrpc.org/webmaps/phillyfreightfinder)

**Bobbie Geier ..... Del DOT**

Work continues on the state rail plan and they will be holding a freight advisory committee meeting in the end of June.

**Donald Shanis..... Penonni**

Updates from Washington: there has been only one state plan submitted to date and the Administration is eager for more submissions.

**John Ward..... YRC Freight**

Emphasized the recent start of Horizon shipping operations at the port and the expansion of business it is bringing. YRC has already moved its first containers as a result of the new service.

**Will Gayle ..... Maryland State Highway Administration**

Updated the committee on the status of their freight plan which is continuing. Additional studies including truck parking are on the active work program.

**Jerry Conrad ..... US Coast Guard**

Announced the upcoming Coastal Zone Response Area Committee meeting. There is interest in rail transport and involving this community in the planning/response process.

**Talvin Davis ..... NJ DOT**

Announced rail freight assistance as well as recent grant to South Jersey Port to build on investment in South Jersey freight facilities.

**Nick Walsh ..... PRPA**

Updated the committee on the status of dredging of the Delaware River. The project continues and was recently approved for an additional \$50 million. Mr. Walsh also discussed the new horizon operations, emphasizing they are now active.

**Bill Goetz ..... CSX**

Announced that CSX has delivered its first oil train 7 hours earlier to the Transflo facility for transfer to PES. Mr. Goetz emphasized the employment impact of the PES deal, which is beyond the refinery as CSX is currently hiring operators to support the transport component of the oil deliveries.

**Bill Holloran ..... Traffic Club of Philadelphia**

Announced upcoming National Transportation Week Luncheon at the Chart House on May 15<sup>th</sup> at 11:30am.

**Dan Walston ..... FHWA**

Update on MAP-21 provisions: expecting decision on freight advisory committee by May for first freight network draft.

**6. ADJOURNMENT**

The committee was adjourned for lunch. The remaining meeting dates for 2013 are: July 17, and October 16.

## Meeting Participants

<u>Name</u>	<u>Affiliation</u>
Anderson, David	DVRPC
Atherton, Susan	CH2M Hill
Badgley, James L.	Eastman-Linnett Associates
Bandiero, Tony	Greater Philadelphia Clean Cities Program
Blevins, Dan	WILMAPCO
Borden, William	Specialty Freight Services
Ceballos, Tony	US Dept. of Commerce, Commercial Service
Cho, Shinjoo	City of Philadelphia, Office of Commerce
Coll, Edward	Emerson-Proconex
Conrad, Jerry	US Coast Guard, Sector Delaware Bay
Cooper, Tom	Tredyffrin Township Planning Commission
Coyle, Jerry	Evans Delivery Co.
Dahlburg, Ted	DVRPC
Daloisio, James	Railroad Construction Co. of S. Jersey, Inc.
Darby, Valincia	Dept. of the Interior
Davis, Talvin	NJDOT
Delp, Paul	Lansdale Warehouse Co.
Driemeier, Kale	DVRPC
Dub, Avri	Self
Duffy, Ed	Duffy Associates
Dunscumb, Mark	Schnabel Engineering
Esposito, Nick	Portfolio Associates, Inc.
Flaggs, Moreatha	Norfolk Southern
Freeh, Rich	Economy League of Greater Philadelphia
Gallagher, Kevin	KGC
Gayle, Will	Maryland State Highway Administration
Geier, Bobbie	DelDOT Planning
Goetz, William	CSX
Greenlaw, Robert	Emerson-Proconex
Guie, Kyle	GVF TMA
Halloran, William	The Traffic Club of Philadelphia
Harper, Frank	The Tioga Group
Heller, David	SJTPO
Herzog, Steve	Philadelphie Energy Solutions
Hogluin-Veras, Jose	RPI
Hontz, Brian	FRA
Jackson, Jerome	Nustar Asphalt
Jennings, Tom	Hill Wallack
Johnson, Anthony	Partnership TMA
Jones, Bill	U.S. EPA
Kardon, Roy	NAI Mertz
Katzenberger, Jim	Accelerx Group
Kopple, Jan	TranSystems

Ludasi, Andrew	NJ DOT
MacKavanagh, Kelvin	NJ Shortline RR Assoc.
McAuliffe, Daniel	DNM Logistics LLC
McCarthy, Barry	Manufacturing Alliance of Philadelphia
McCarthy, Leslie	Villanova University
McCreavy, John	SMS Rail
McKiernan, Drew	McMahon Associates Inc.
Meade, Kate	NJOPA
Michael Carroll	City of Philadelphia, MOTU
Oliver, Gregory	Delaware DOT
Phillips, Bill	PA NE Railroad
Prybella, John	WBCM
Ragozine, William	CCCTMA
Ratko, Wesley	Montgomery County Planning Commission
Rhodes, Suzann	CDM Smith
Rook, Randy	AECOM
Ruane, Mike	DVRPC
Seymour, Barry	DVRPC
Shanis, Donald	Pennoni Associates
Singer, Michael	UPS
Skeels, Kevin	Delaware River Joint Toll Bridge Commission
Strapp, Julia	DVRPC
Strauss-Wieder, Anne	A. Strauss-Wieder, Inc.
Strohecker, Alanna	AECOM
Tanner, Jennifer	CSX
Teelucksingh, Zabeth	Global Philadelphia Assoc.
Thompson, Jake	Penn
Turcich, Jim	PBLRR
Vizza, Erin	Select Greater Philadelphia
Wall, Brian	PennDOT
Walsh, Nick	PRPA
Walston, Dan	FHWA
Ward, John	DVRPC
Ward, John	YRC Freight
Weening, Ronald S.	A. Strauss-Wieder, Inc.
Weiner, Harvey	Dependable Distribution
Westergaard, Rick	Gloucester County Planning
Wise, Renee	DVRPC
Worden, Lisa	DCED
Xu, John	SBA