

29<sup>th</sup> meeting of the  
**IOWA FREIGHT ADVISORY COUNCIL**

June 19, 2020  
10:00 AM to 11:00 AM  
Online - Microsoft Teams

**Meeting input objectives**

1. Gather input, recommendations, and action items from members on improvements that can be made by Iowa DOT to better prepare for major supply chain disruptions.
2. Gather feedback from FAC members on how Iowa DOT should be identifying multimodal freight bottlenecks to be addressed in future projects.

**10:00 AM Welcome**

**Mike Steenhoek, Chair  
Soy Transportation  
Coalition**

**Comments from the Director**

Opening comments from Director Scott Marler on his vision for the DOT and the FAC.

**Scott Marler, Director  
Iowa DOT**

**10:15 AM COVID-19 Response and Impacts Discussion**

Overview of Iowa DOT's response to the pandemic and ongoing initiatives.

**Scott Marler, Director  
& Chief Dave Lorenzen  
Iowa DOT**

**10:30 AM Iowa DOT update**

An update on current activities and initiatives.

- 2020 Iowa Legislative session
- Federal transportation bills
- Other

**Stu Anderson  
& Susan Wallace  
Iowa DOT**

**10:50 AM Freight Bottleneck Identification**

Overview of previous efforts by DOT/FAC and request for input on a current effort to identify freight-related bottlenecks.

**Sam Hiscocks  
Iowa DOT**

**11:00 AM Adjourn**

**2020 meetings:**

- Friday, March 27 (*cancelled*)
- Friday, June 19 (*virtual*)
- Friday, September 18
- Friday, December 18

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**IOWA FREIGHT ADVISORY COUNCIL**

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**Members**

	Andy Cernin	x	Delia Moon-Meier
x	Tom Determann	x	James Niffenegger
x	Greg Dickinson	x	Kelli O'Brien
x	Don Egli		Joe Parsons
			Dan Sabin
	Calean Kokjohn	x	Mike Steenhoek
	Ron Lang	x	Reilly Vaughan
	Jody Sandy	x	Ron White
x	Don McDowell	x	Tim Woods

**Ex-Officio Members**

x	Todd Ashby	x	Mike Norris
	Mike Hadley	x	Paul Ovrom
x	Tim Marshall		Robert Palmer
x	Michael Kober	x	Joseph Rude
x	Sean Litteral	x	Andy Barnes for Col. Steven Sattinger
x	Scott Marler		Louis Vander Streek
	Shirley McGuire		Jennifer Wright

**Iowa DOT**

x	Stu Anderson	x	Justin Meade
	Phou Baccam	x	Phil Meraz
	Mikel Derby	x	Tammy Nicholson
x	Sam Hiscocks	x	Garrett Pedersen
x	Laura Hutzell		Charlie Purcell
x	Alex Jansen		Angel Robinson
x	Renee Jerman		John Selmer
x	David Lorenzen		Melissa Spiegel
x	Craig Markley	x	Jeff von Brown
			Andrea Henry
x	Amanda Martin		Susan Fenton

**Guests**

x	Milly Ortiz (Iowa DOT)	x	Andrea White (Iowa DOT)

### Meeting input objectives

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**10:00 AM Welcome**

**Mike Steenhoek, Chair  
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#### **Comments from the Director**

Opening comments from Director Scott Marler on his vision for the DOT and the FAC.

**Scott Marler, Director  
Iowa DOT**

Chair Mike Steenhoek opened the meeting by thanking the group members for attending the first virtual meeting of the Freight Advisory Council and stressed the importance of continued engagement. Mr. Steenhoek then made announcements related to meeting logistics and completed roll call before introducing the first speaker.

Iowa DOT Director Scott Marler provided opening remarks to the group. Director Marler provided background information on his career, updates on the COVID-19 pandemic and DOT response, and his thoughts on past and future utilization of the Freight Advisory Council. A few of the highlights include:

- Iowa DOT has transitioned almost all the central complex staff to full-time teleworking while keeping a focus on “business as usual.”
- Director Marler commended everyone for their remarkable efforts to keep freight flowing.
- Iowa DOT is happy to have the opportunity to reengage the group and continue moving forward with our initiatives. The DOT sees the Freight Advisory Council as a crucial partner in our efforts to enhance the competitiveness of Iowa’s business and industry by continually focusing on a common goal of providing the most efficient freight transportation in the state.
- This group is an invaluable source of input, guidance, and advice on the state’s freight mobility planning, policies, programs, and investments that has already made significant impacts on the development of the current State Freight Plan and State Rail Plan by providing input on goals, critical trends and issues, multimodal freight bottleneck locations, identification of a state freight network, performance measures, and improvement strategies.
- Iowa DOT will continue to rely on this advisory body for quality input on all things freight and we will continue to evolve and adjust how the group interacts and operates in order to achieve the most beneficial outcomes for both Iowa DOT and the freight industry.

**10:15 AM COVID-19 Response and Impacts Discussion**

Overview of Iowa DOT’s response to the pandemic and ongoing initiatives.

**Scott Marler, Director  
& Chief Dave Lorenzen  
Iowa DOT**

Director Marler and Chief Dave Lorenzen provided an update on Iowa DOT’s response and ongoing efforts relating to the COVID-19 pandemic. On the freight side, DOT has focused on implementing the governor’s and

US DOT's regulatory relief to continue providing CDL's and streamlining the flow of essential products. Efforts are now focused on analyzing revenue impacts and working to minimize the negative impacts to state transportation funding. DOT has also been instrumental in setting up Test Iowa sites and transporting samples to the state hygienic lab each night.

The DOT has been explicit about being open for business. There haven't been any major issues or delays with construction projects, the Transportation Commission approved the next Five-Year Program, and alterations have been made to certain processes to minimize face-to-face contact. The DOT will continue to adapt as different federal and state proclamations expire or are extended over the next few months.

**10:30 AM Iowa DOT update**

An update on current activities and initiatives.

- 2020 Iowa Legislative session
- Federal transportation bills
- Other

**Stu Anderson  
& Susan Wallace  
Iowa DOT**

Stu Anderson provided an update on Iowa DOT activities and initiatives. Highlights included:

- COVID-19 has had significant impacts on transportation. This includes declines in rail carloads, passenger air enplanements, and vehicle traffic.
- COVID-19 will most likely have a significant impact on transportation funding. Figures were provided for the current status of the Aviation Improvement Program, Rebuild Iowa Infrastructure Fund (RIIF), and the Road Use Tax Fund. Iowa DOT will continue to track and work to minimize impacts.
- The Iowa Senate and House have passed a file relating to the State Variable Tax Rate which would shift the fuel tax incentive to E15 and greater blends.
- The Transportation Commission has approved the next Five-Year Program, which includes \$3.6 billion of state and federal funding to be invested on road and bridge projects.

Susan Wallace provided an update on federal legislative issues and activities. Highlights included:

- Current transportation topics in Congress include the transportation reauthorization, the response to COVID-19.
- The current surface transportation bill (FAST Act) expires September 30, 2020. There are currently two proposals to replace – ATIA from the Senate and INVEST from the House.
- INVEST includes an extension of the FAST Act through FY2021 and then a reauthorization for FY2022 to FY2025. There are also several proposals relating to highway, freight rail, commercial motor vehicles, multimodal, and discretionary programs.
- INVEST would require \$140 billion

**10:50 AM Freight Bottleneck Identification**

Overview of previous efforts by DOT/FAC and request for input on a current effort to identify freight-related bottlenecks.

**Sam Hiscocks  
Iowa DOT**

Sam Hiscocks provided a brief introduction to the DOT's effort to update the State Freight Plan. The DOT relied heavily on the Freight Advisory Council for developing the last State Freight Plan, and will do so again

for this update. The first major area of input being requested is relating to the identification of highway freight bottlenecks. Mr. Hiscocks gave an overview of the process utilized to identify these bottlenecks last time and requested any feedback on potential improvements that could be made.

The first step in the process was to utilize INRIX historical speed data to identify initial locations. Essentially, this involves tracking traffic speeds on roadways and flagging when speeds dip below certain thresholds for extended periods of time. Only locations that had such slowdowns in each quarter of that year were used to account for seasonal bottlenecks due to planting, harvest, construction, etc. Once these initial bottleneck locations were identified statewide, truck traffic thresholds (30% truck traffic or 5000 trucks per day) were used to separate the freight bottlenecks from bottlenecks impacting all traffic. Finally, this list was taken to the freight advisory council, metropolitan planning organizations and regional planning affiliations in Iowa, and the Iowa DOT district offices for input and additions.

Within the last few months, Iowa DOT has begun updating these lists by utilizing a similar process. The first step is currently being completed – using INRIX 2018 historical speed data to get an initial list of bottleneck locations in the state.

Due to time restraints, Freight Advisory Council members were then asked to provide any input on this approach to DOT staff following the meeting.

**11:00 AM Adjourn**

**2020 meetings:**

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# Iowa DOT Update

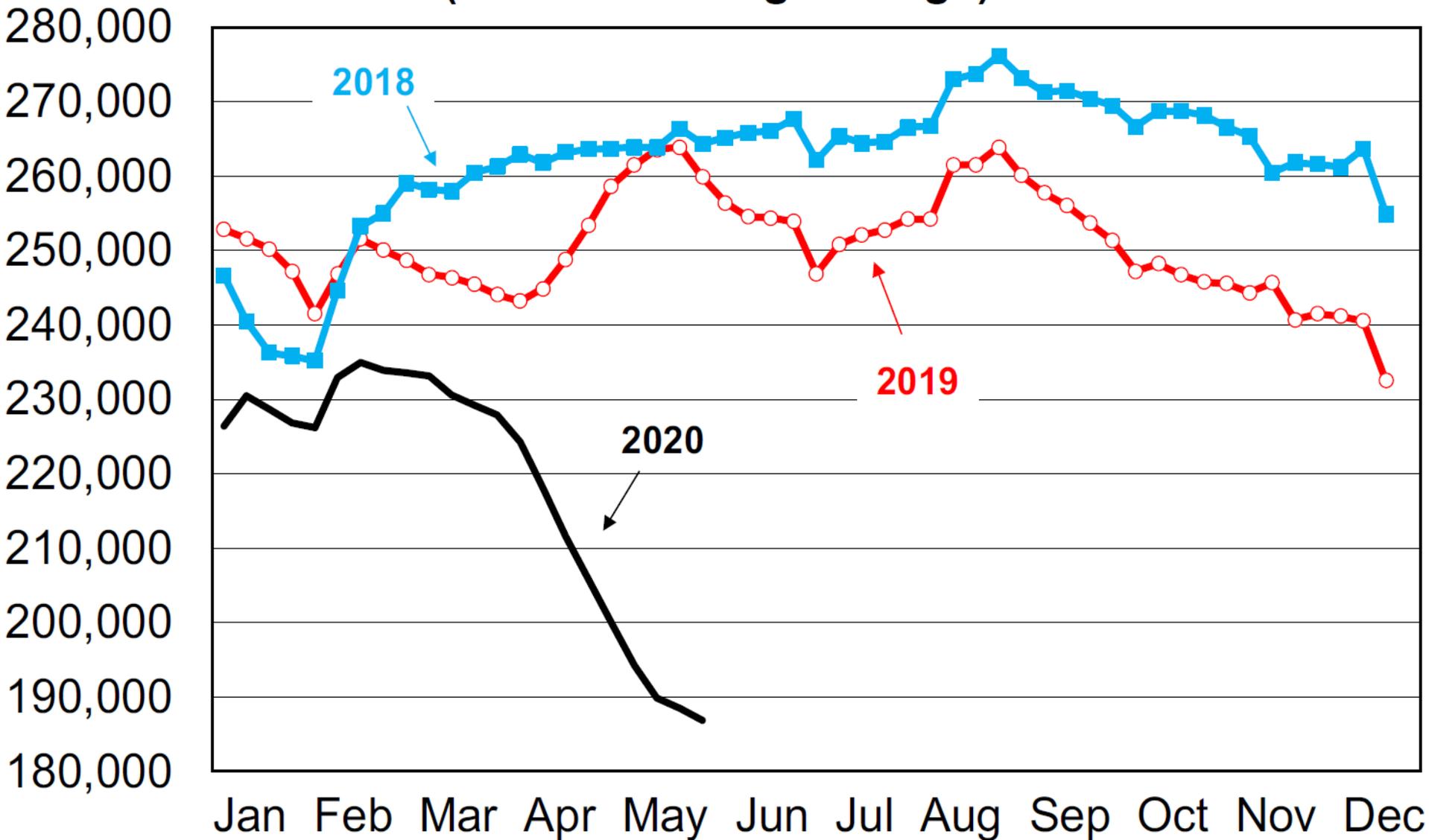
Iowa Freight Advisory Council

June 19, 2020

# Summary

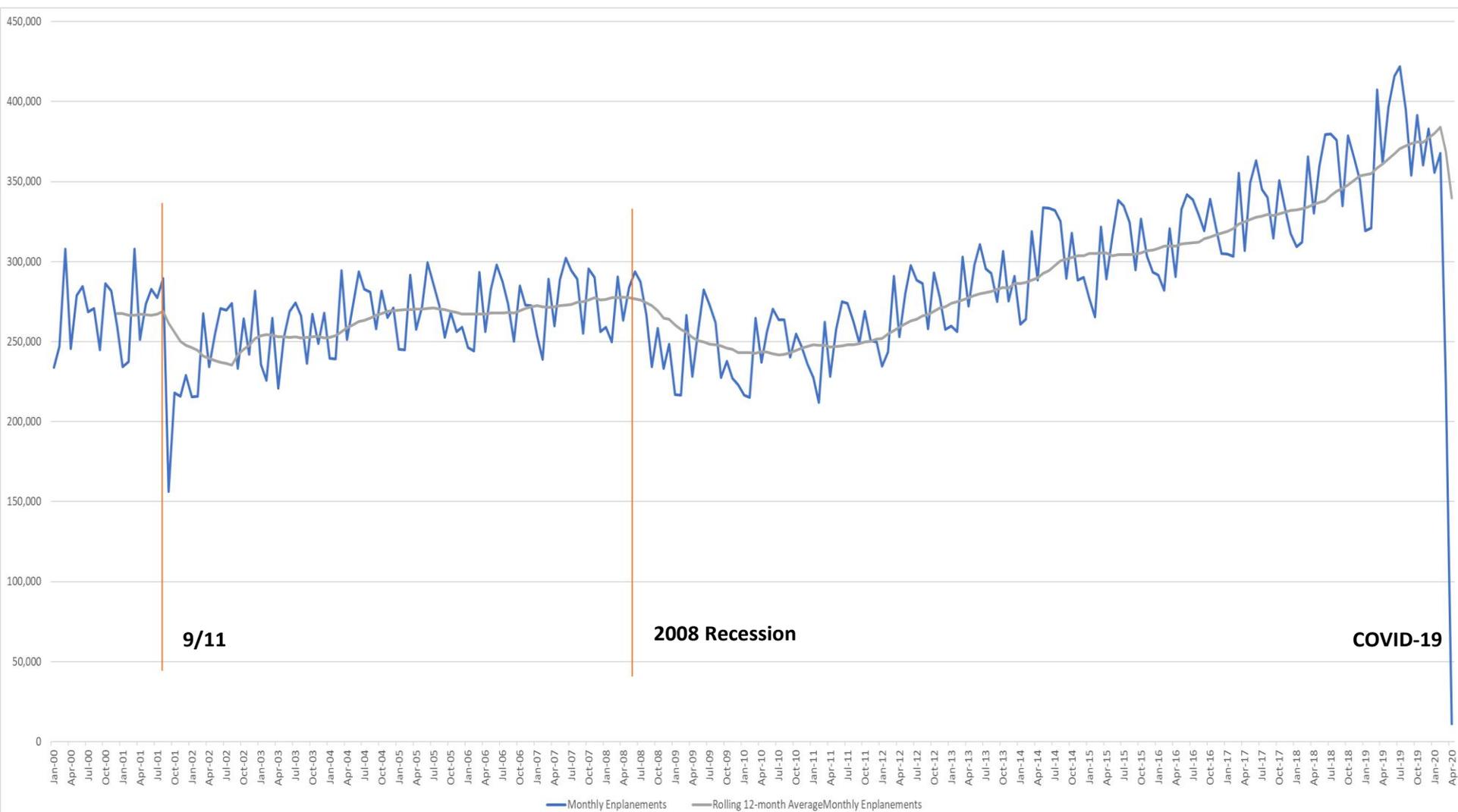
- ▶ COVID-19 Impacts
- ▶ 2020 Iowa Legislative Session
- ▶ 2021–2025 Iowa Transportation Improvement Program

# U.S. Total Rail Carloads (6-week moving average)

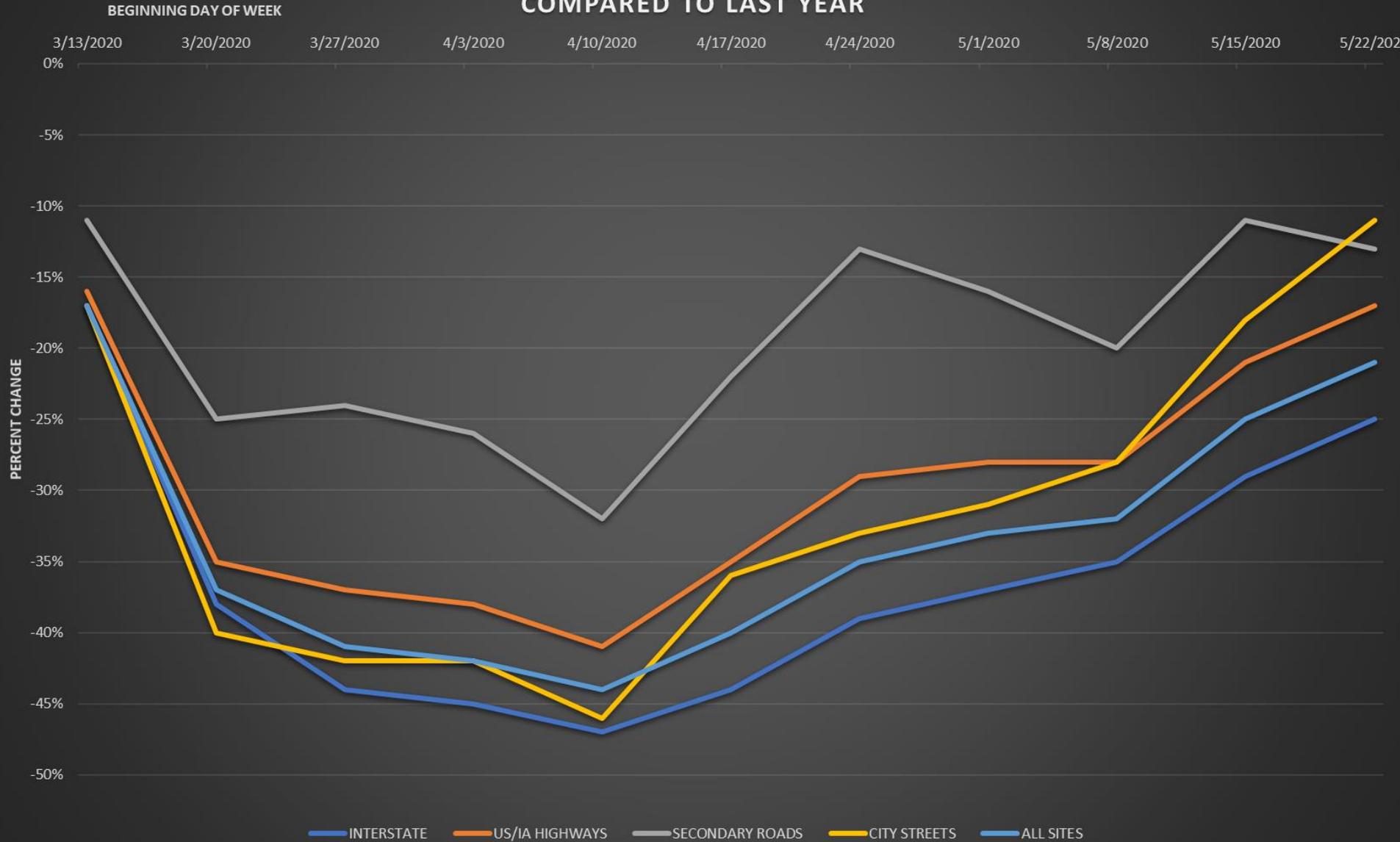


Data are 6-week moving average originations, do not include intermodal, and do not include the U.S. operations of CN, CP, and GMXT. Source: AAR *Rail Time Indicators* <sup>2</sup>

# Passenger Enplanements at Iowa's Eight Commercial Service Airports



# WEEKLY PERCENTAGE CHANGE IN TRAFFIC COMPARED TO LAST YEAR



# Aviation Improvement Program

- ▶ Funding sources
  - Aviation fuel taxes: \$2.23 m (FY 21 estimate, pre-COVID-19)
  - Aircraft registration fees: \$1.62 m (FY 21 est., pre-COVID-19)
- ▶ Fuel tax revenues are likely down significantly
- ▶ Currently assessing impacts

# Rebuild Iowa Infrastructure Fund (RIIF)

- ▶ RIIF revenue comes from gambling taxes
- ▶ Legislative appropriations from RIIF support:
  - State Recreational Trails
  - Commercial Service Aviation Vertical Infrastructure
  - General Aviation Vertical Infrastructure
  - Public Transit Infrastructure Grant
  - Railroad Revolving Loan and Grant Program
- ▶ FY 2020 and FY 2021 RIIF revenue impacted by casino closures and reduced sports wagering

# FY 2021 Modal Appropriations from RIIF

(\$ 000 omitted)

Program	FY 2020 Appropriation	FY 2021 Governor's Request*	FY 2021 House Bill (HF 2642)	FY 2021 Senate Bill (SF 2417)	Final FY 2021 Appropriation
Commercial Service Vertical Infrastructure	\$1,900	\$1,500	\$900	\$1,200	\$1,000
General Aviation Vertical Infrastructure	\$1,000	\$1,000	\$450	\$750	\$650
State Recreational Trails	\$1,500	**	\$1,000	\$750	\$1,000
Public Transit Infrastructure	\$1,500	\$1,500	\$500	0	\$500
Railroad Revolving Loan and Grant Program	\$1,000	\$1,000	\$500	\$500	\$500
<b>Total</b>	<b>\$6,900</b>	<b>\$5,000</b>	<b>\$3,350</b>	<b>\$3,200</b>	<b>\$3,650</b>

\*Appropriations requested from Rebuild Iowa's Infrastructure Fund (RIIF)

\*\* Trails were to be funded through the Governor's Invest in Iowa Initiative

# Road Use Tax Fund

- ▶ Funding sources
  - Fuel tax revenue down with reduced travel
  - Fee for New Registration revenue down with reduced vehicle sales
  - Annual vehicle registration revenue down slightly
- ▶ Initial estimate was 25 percent reduction (\$35 m per month)

# Road Use Tax Fund (cont.)

## ▶ Revised estimates

- June allocation of RUTF (est.): –\$25 million
  - Generally reflective of April collections
- July allocation of RUTF (est.): –\$1 million
  - Estimate a minor reduction because the COVID–19 impact is offset by a fuel tax deposit timing situation.
- August allocation of RUTF (est.): –\$30 million
- September allocation of RUTF (est.): –\$25 million
- October allocation of RUTF (est.): –\$20 million
- **June through October Impact: –\$100 million**

# State Variable Tax Rate

- ▶ Senate File 2403 passed by Senate and House on June 3, 2020.
- ▶ Pending Governor review/action
- ▶ Shifts the fuel tax incentive to E15 and greater blends
- ▶ Requires the use of more accurate ethanol usage reporting to determine fuel tax rates
- ▶ Estimated to initially generate an additional \$8 m per year in RUTF

# State Variable Tax Rate (cont.)

- ▶ Current tax rates:
  - Ethanol (all ethanol blends): 29.0 cents per gallon (cpg)
  - Unblended gasoline: 30.5 cpg
- ▶ New tax rates (if signed into law):
  - E15 blends or greater: 24.0 cpg
  - Unblended gasoline and E10: 30 cpg
- ▶ Rates will continue to adjust every July 1 based on the amount of E15 or greater blends that are sold in the previous calendar year.

# 2021–2025 Iowa Transportation Improvement Program

- ▶ Approved by Commission June 9, 2020
- ▶ \$3.6 billion of state and federal funding to be invested on road and bridge projects on state highway system.
- ▶ Funding forecast prior to COVID–19
- ▶ May need to make adjustments later this year



# FEDERAL UPDATE – Freight Advisory Council

JUNE 19, 2020



# CURRENT TRANSPORTATION TOPICS IN CONGRESS

## **Reauthorization**

Multi-year bill authorizing surface transportation programs and setting funding levels

Also WRDA?

## **COVID-19 response: revenue**

To help state and local governments cope with revenue loss and costs of the pandemic

## **Stimulus**

Extra funds for infrastructure

# SURFACE REAUTHORIZATION STATUS

<b>Current bill</b>	<b>Senate proposal</b>	<b>House proposal</b>
FAST Act	ATIA (S 2302)	INVEST (now HR 2)
Expires Sept. 30, 2020	Passed EPW July 2019	To the floor next week?
All modes	Highway only, so far	All modes
5 years	5 years	5 years*

*\*FY 21 extension, FY 22-25 reauthorization*

## “INVEST” WOULD COMBINE:

- **Extension** of the FAST Act through FY 21, and -
  - Provides highway funding at current levels but with 100% federal share
  - Adds \$14.7 billion extra, with eligibility for operating expenses
- *PLUS*
- **Reauthorization** for FY 22-25 - re-establish/remake programs, policies, funding levels for:
  - Surface programs: Highway, Transit, Safety, Motor Carrier
  - Hazardous Materials
  - Rail

## “INVEST” - HIGHWAY

- Formula highway funds top FAST Act by ~31 percent (\$56.8 billion per year 21-25)
- Throughout: emphasis on resilience, GHG reduction, etc.
- National Highway Freight Program – repeals 10% limit on intermodal/port project
- Authorizes Automated Vehicle research on improving safety and expanding accessibility
- Establishes a national VMT pilot program for passenger and CMVs in all 50 states

## “INVEST” – FREIGHT RAIL

- Prohibits LNG transport by rail pending extensive safety evaluations
- CRISI funds top FAST Act by nearly 90 percent, with expanded eligibility
- Nearly doubles the highway-rail grade crossing program funding
- Requires studies on trains longer than 7,500 feet, and impacts of the precision scheduled railroading model
- \$150 million to help certain borrowers pay the Credit Risk Premium in the RRIF program

## “INVEST” - CMVs:

- Would suspend changes made to HOS rule
  - require FMCSA to review impacts of the current HOS rules
  - prohibit proposed expansion of on-duty time from taking effect until 60 days later
- Would create a task for to examine truck lease agreements, incl. impact on pay
- Increase funding for state truck safety oversight

## “INVEST” - MULTIMODAL

- Establishes a multimodal freight research program to make freight movement greener, safer and more efficient
- Establishes a deadline for designating a **final** National Multimodal Freight Network
- Establishes a Joint Task Force with the IRS to study a fee on multimodal freight

## “INVEST” - NEW DISCRETIONARY PROGRAMS

- “New” Projects of National and Regional Significance’ (revised INFRA, adds rail)
- Community transportation investment grants – highway and transit
- EV charging and hydrogen fueling infrastructure (on Alternative Fuel Corridors)

### One-time only:

- Gridlock Reduction Grants (UZAs of one million or more)
- Parking for Commercial Vehicles
- Rebuild Rural Grants (FY 21 only) – includes off-system grants

## THE COST OF “INVEST”

*Not counting revenue changes due to COVID-19:*

\$75 billion (to keep HTF solvent through FY 25 at FAST Act levels)

\$65 billion (to pay for increases proposed in INVEST)

**\$140 billion** in additional revenue or transfers required if INVEST enacted

# HIGHWAY TRUST FUND OUTLOOK – HIGHWAY ACCOUNT

- Due to coronavirus impacts on travel, etc. and the resulting loss of revenue, without new revenue or other funds, ***USDOT now projects:***
  - May 2021 – potential impacts to reimbursements to state DOTs
  - July 2021 - significant impacts to reimbursements (balance down to zero)

## NEXT COVID-19 RESPONSE - STATUS

- Senate – may or may not write a “narrowly crafted” bill
- House – passed “Heroes Act” May 15

# COMPARING “CARES” AND “HEROES”

	Enacted	Proposed
	<b>CARES (HR 748) ~\$2 T</b>	<b>Heroes (HR 6800) ~\$3+ T</b>
State and local govts: <b>general purpose incl. replace lost revenue*</b>	0	\$915 B
Roads/bridges	0	\$15 B (STBG plus operations)
Transit	\$25 B	\$15.75 B
Airports	\$10 B	Funds necessary for AATF solvency
*\$150B was included for state/local gov for <b>costs</b> resulting from the pandemic		

## “HEROES” (AS PASSED HOUSE) – DETAIL:

### **\$915 B for state and local governments would consist of:**

- \$540B for **states, territories, etc.**
- \$187.5B directly to **counties** – allocated via population
- \$131.25B for **cities** - allocated via HUD Community Development Fund formula
- \$56.25B for local gov other than counties, in areas not covered by CDF – alloc. via population

**House approps estimated total to Iowa: \$5.8 billion**

## “HEROES” (AS PASSED HOUSE) – DETAIL CONT.

### Funds for specific modes:

**Highways** - \$15B (100% federal share) via STBG plus eligibility for operations, etc.

### **Transit –**

- \$11.75B (100% federal share) for UZAs over three million
- \$4B for transit at 100% federal share – discretionary (NOFOs by mid-June?)

**Aviation** - automatic backfill of the AATF if it becomes insolvent

**All modes: hazard pay for frontline workers**



QUESTIONS?



Multimodal Freight  
**Bottleneck Identification**



# State Freight Plan (2017)

## Next Version (2022)

Approach to freight  
bottleneck identification  
and prioritization



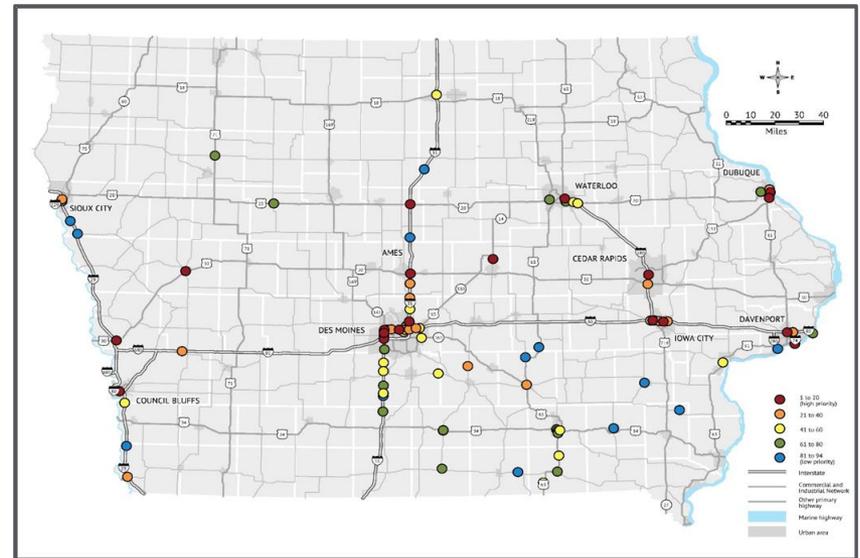
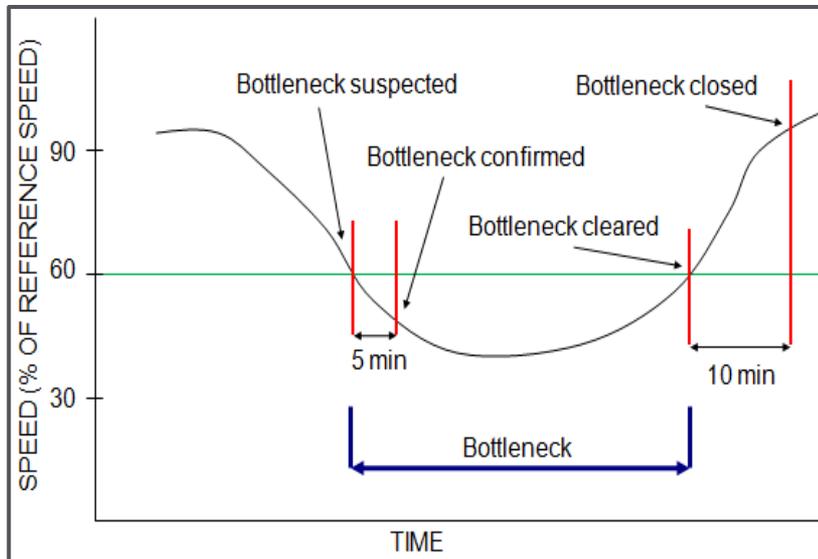
### IOWA STATE FREIGHT PLAN FAST ACT UPDATE



# Input on Approach

## HIGHWAY

- (1) Utilize INRIX historical speed data to identify initial locations
- (2) Use truck traffic thresholds to identify freight locations
  - at least 30% truck traffic or more than 5,000 trucks per day
- (3) Finally, survey the FAC, MPOs, RPAs, and the Iowa DOT's districts.



# Input on Approach

## AIR

The Iowa DOT Aviation Bureau was contacted, along with the two largest air cargo airports (DSM, CID) in the state, to determine locations. It was determined that major air freight mobility issues do not currently exist in the state.

## PIPELINE

Locations with freight mobility issues were not identified for pipelines.

## RAILROAD

Surveys and exercises to identify locations were carried out on multiple occasions with the railroads operating in Iowa. Surveys were then sent to the MPOs, RPAs, and the Iowa DOT's districts for additions.

## WATERWAY

Data from the U.S. Army Corps of Engineers was gathered and reviewed. Due to age, delay, and unavailability, each lock along Iowa's border was identified. All swing-span bridges were also identified.



THANK YOU FOR YOUR TIME AND ATTENTION



**Sam Hiscocks**  
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