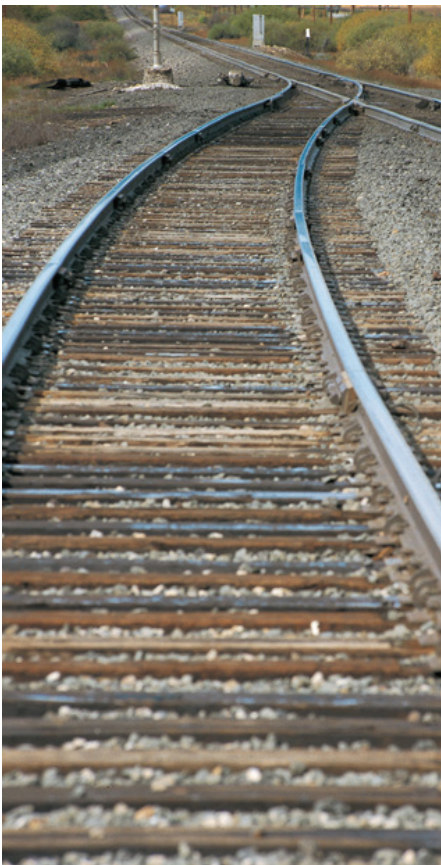




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MVFC Conference and Annual Meeting a Success

The 2010 Mississippi Valley Freight Coalition (MVFC) Conference and Annual Meeting was held on April 27-29 at the Millennium Hotel in the Queen City of Cincinnati, Ohio.

This three-day conference brought together more than eighty representatives from the ten states of the Mississippi Valley Freight Coalition, as well as attendees from diverse Metropolitan Planning Organizations (MPOs), academia, and the private sector. The conference was hosted by the Ohio DOT, the Indiana DOT, and the Kentucky Transporta-

tion Cabinet and was organized and run by the staff of the National Center for Freight and Infrastructure Research and Education (CFIRE).

This year's conference included a full round of workshops on MVFC research projects, a panel discussion about freight in the national perspective, panel discussions on rail transportation, water transportation, and economic development, a net-working dinner for state and MPO representatives, and a half-day meeting to discuss coalition business.

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Hosted by the Wisconsin Transportation Center
August 19-20, 2010, Madison, WI
mruetc.org/midcon

The Sorry State of Public Discourse

Ernie Wittwer, MVFC Facilitator



I recently made a trip to Washington, DC to attend the annual meeting of the Coalition for America's Gateways and Trade Corridors (CAGTC), an organization dedicated to improving the flow of freight throughout the nation. We heard from all the types of people that one would expect at a meeting of a transportation organization in Washington, DC: one senator, a number of congressmen from the various committees and subcommittees that deal with highways, staffers from three of the senate committees with some jurisdiction over highways, the Under Secretary of Commerce, and Under Secretary for Transportation Policy, several local officials, and several more representatives from the private sector.

We learned that our nation's transportation system is in crisis. The word *crisis* was used so often that I began to wonder whether I'd mistakenly wandered into a press briefing about the oil spill in the Gulf of Mexico. Because of this crisis in the transportation system, we are in danger of losing the global economic race to China, India, Canada, and the countries of the European Union—who have all managed not to be in a state of crisis. To deal with this crisis and maintain our position of economic competitiveness, we must invest soon and wisely. And whatever investments we make must be merit-based and dedicated to projects of national significance. But we cannot raise the fuel tax because (pick one): 1) any tax increase will hinder economic growth; 2) if we raise any tax the other party will beat us up with it in the press and at the polls; 3) the fuel tax is no longer a useful tool for raising transportation revenues; or 4) we must leverage our public investments with private capital.

Not every speaker made all of these points, but they were the dominant themes of most of the talks at the CAGTC annual meeting. On the trip home, I had time to ponder what I'd heard and decide that these themes each deserve some comment.

Are we in crisis?

The US made a huge investment in transportation in the 1960s. Most interstate highways are fifty or more years old. Pavements are rough and failing in many places. Bridges need to be repaired or rebuilt. Demand often exceeds capacity. We have under-invested in highways and allowed rail to assume a narrow but important role as the hauler of heavy commodities over long distances. We have also neglected our water resources. There's no question that we have huge transportation needs, but it does not seem that we've reached the state of crisis, which implies the collapse of bridges and the failure of the transportation system. With reasonable, prudent actions

we can solve our current transportation problems—but actions are required. Additional investments are needed. Improved policies are a must.

Are we still competitive?

Since the end of World War II, the US has held a huge competitive advantage over the rest of the world because of our transportation system. The rail and water systems in the US were not damaged by the war. We built the best highway system in the world. Now the rest of the world—especially China, India, Canada, Brazil, Argentina, and the countries of the European Union—are beginning to close the gap by investing in improvements to their transportation systems. As their transportation systems improve and if ours continue to decline, the US will lose a key competitive advantage in the world economy. We need to invest so that our transportation system does not become a competitive disadvantage—but we also need to accept the simple fact that transportation alone will not give us the same edge that it provided in the latter half of the 20th century.

Is it impossible to raise the fuel tax?

The most puzzling of these themes is the notion that it's not possible to raise the fuel tax. It's true that the fuel tax—which is also a highway tax as it's now administered—is nearing the end of its useful life as a proxy for highway use. If we want to invest in other transportation modes (and we do), we should find other, more broadly based taxes. A vehicle miles traveled (VMT) tax, sales taxes on fuel, an oil tax, or a carbon tax are all possibilities. However, if a well-understood and generally accepted tax like the fuel tax cannot be adjusted, it seems unlikely that we will be able to establish a new tax.

If this is true, we are left with but one option for raising revenue: leverage. Leverage means debt, either publicly issued debt or debt issued by private companies who invest in public/private partnerships. Debt must be serviced and repaid, which requires a revenue stream of tolls or some other kind of user fee. Leveraging private money creates two major problems. First, when a private company assumes significant risk, as they often do in public/private partnerships, they demand a higher rate of return, which in turn means that more money is being extracted from the economy than is perhaps necessary. Second, few routes in the country will support themselves purely from tolls. One senate staffer who spoke at the CAGTC annual meeting asked us to consider Montana, a state of very long distances and very low population. If we want a national transportation network, many parts of the network will have to be subsidized. Private capital and tolling are valuable tools that should be available for the development of transportation

infrastructure—but they don't even come close to solving the entire problem. Public/private partnerships are not a silver bullet.

Merit-based project selection?

The notion of selecting projects based on merit has permeated the discussion of reauthorization of the surface transportation bill for the past two years. It is usually touted as an alternative to congressional earmarking, which has been widespread in recent transportation bills. Merit-based project selection uses performance metrics to evaluate projects based on their contribution toward defined objectives. While no one will argue with doing meritorious projects, the practical application of these ideas, as they now stand, requires a great deal of expansion and refinement before they can be implemented. Selecting projects based on merit or performance requires several factors:

- Defined, accepted, and agreed-upon goals.
- Some data and analytic processes to define a direction.
- Strategies for attaining these goals.
- Output metrics that can measure the extent to which the strategy has been implemented.
- Outcome metrics that can measure whether the strategy is having the desired effects.
- An evaluation and adjustment process to make corrections in the strategy as needed.

For example, consider the goal of reducing highway freight bottlenecks. We would analyze data to define the major causes and locations of bottlenecks. Perhaps we conclude that many bottlenecks are the result of poorly designed acceleration ramps on freeways and the data suggests that redesigning these ramps to make them longer will provide a reasonable countermeasure. In this case, the number of ramps rebuilt is the output measure; the outcome measure is the change in the reliability of the highway system for trucks. A performance-based evaluation of this project would consider whether the reliability of the system increased where the ramps were rebuilt.

We certainly have goals. After thirty years working in transportation, it's clear to me that we want a transportation system that is safe, reliable, environmentally sound, sustainable, and that provides mobility, protects and enhances our communities, provides choice, and stimulates economic growth. Unfortunately, such a broad and often contradictory range of goals is very much like going to an ice cream shop, looking at the 33 flavors, and saying yes. We need a rational method for deciding how much safety to buy at the expense of the other goals. Most states do not have such tools, and they are certainly not available nationally.

We have lots of data, but we do not have the analytical tools that will allow us to select strategies for improving the trans-

portation system. Without these tools, there can be no meaningful strategies and no output measures. We can still measure outcomes—crashes, fatalities, emissions, congestion, etc.—but we will not have a way of knowing whether a project or a set of investments will further even one goal, much less whether a total investment package will address several goals.

Merit-based project selection is becoming increasingly important as a greater share of the national transportation funding is apportioned through competitive national discretionary programs. A number of speakers at the CAGTC annual meeting used the TIGER grant program as a model of how future merit-based discretionary programs should be administered. The TIGER program relied heavily on benefit/cost analysis to weigh the merits of diverse projects, while providing little guidance to applicants to help them select projects that would further national goals. This resulted in an enormous number of projects—each of which had to be developed, documented, justified, and evaluated—chasing a limited amount of money. Most projects did not receive funding and a good deal of effort and taxpayer funds was wasted in the process. If we are to have a merit-based system, it must have clearly defined goals, strategies, and analytic tools so that it's clear what projects will fit within the national framework and how they can be measured rationally, making the process more efficient while also funding a higher percentage of projects.

Where do we go from here?

My trip to Washington, DC for the CAGTC annual meeting made the state of our national discourse clear to me. I heard a lot of people explaining their views of the issues, a lot of people outlining the political calculus of what is doable, and a lot of people focused on funding. But what really struck me was what I did not hear. I did not hear new perspectives on existing issues. I did not hear the calculus of investment and policy, instead of politics. And I did not hear anyone who was willing to take the courageous steps of providing the leadership needed to move these issues forward.

We as transportation professionals might want to consider our role in this public policy dilemma. We have certainly made our contributions to the hyperbole of crisis, but we have not communicated the consequences of inaction. Nor have we suggested realistic policy options that would more clearly define the role of the federal government and reduce the need for national tax increases. And, we have embraced the notion of merit-based project selection while neglecting the tools and processes that would make it work.

As transportation professionals—and citizens—we need to do better.

MVFC Conference and Annual Meeting

Continued from Page 1

Mark Policinski, Director of the Ohio-Kentucky-Indiana Council of Governments, and Jolene Molitoris, Director of the Ohio Department of Transportation, gave lunchtime keynote addresses on the first and second days of the conference, respectively.

At the opening session, CFIRE Director Teresa Adams and Deputy Director Jason Bittner welcomed attendees and talked about both the MVFC and CFIRE. MVFC Facilitator Ernie Wittwer reviewed the agenda and got attendees out of their seats to introduce themselves to their peers.



When not in session, conference attendees also had the opportunity to participate in a transportation-oriented tour and mingle at the conference reception.

Workshops

The first day of the conference included four workshops in two parallel sessions that focused on current MVFC research projects.



Peter Lindquist from the Intermodal Transportation Institute at the University of Toledo gave a presentation on Midwest FreightView, which aims to provide a single, comprehensive repository of geospatial freight data in the Midwest that can in turn be used for freight modeling by federal, state, and local governments, MPOs, transportation-related associations, university researchers, and other public-sector stakeholders.

Teresa Adams, with CFIRE project assistant Kaushik Bekkem, gave a presentation entitled *Critical Sections and Resiliency of Freight Corridors in the MVFC*, in which they talked about measures of freight resiliency, the use of resiliency triangles to model the robustness and rapidity of a corridor's response to disruption, and the criteria derived from these resiliency triangles for use as freight resiliency performance measures. They then considered the example of the resiliency of the I-90/94 corridor during two severe weather events.

Peter Lindquist joined Kazuya Kawamura and Jane Lin from the Urban Transportation Center at the University of Illinois-Chicago to discuss their work on the generation and analysis of commodity profile data for freight in the Mississippi Valley.



Ernie Wittwer teamed up with CFIRE researcher Bob Gollnik to conduct an interactive workshop that focused on freight outreach materials. The results of the role-playing and brainstorming activities in this session will inform the creation of forthcoming freight-related outreach materials for the MVFC.



Keynote Addresses

Mark Policinski, Director of the OKI Regional Council of Governments, gave the conference's first keynote address, in which he talked about freight policy from the perspective of a large Metropolitan Planning Organization. In particular, he

emphasized the importance of investing in transportation—specifically in freight facilities—for economic well-being.



Ohio DOT Director Jolene Molitoris gave the conference's second keynote address, in which she talked about Ohio's many transportation initiatives. Director Molitoris stressed the need to address all transportation modes and the need for intermodalism, as well as the importance of regional cooperation in transportation planning in general and freight planning in particular.

"I was particularly impressed with the challenges issued by ODOT Director Molitoris," said Jason Bittner. "Her enthusiasm for and dedication to freight is obvious."

A National Perspective on Freight



The first panel discussion of the 2010 MVFC Conference examined freight from a national perspective, and focused specifically on issues of funding freight. Chris Smith from AASHTO talked about the upcoming reauthorization of surface transportation legislation. Adrienne Gildea provided the perspective of CAGTC on funding

freight infrastructure in the context of reauthorization. Dennis Faulkenberg from Appian, Inc. gave a presentation about the impact of reauthorization on freight in the Midwest.

Both Gildea and Faulkenberg spoke about the possible demise of the national highway fund.

"This would have a profound impact on the way that national transportation policy is formed and how



transportation is funded," noted Ernie Wittwer. Wittwer also left this session with more doubts about whether national policy makers would be able to address the needs of transportation in the coming years.



CFIRE Director Teresa Adams talked about her experience working at the US DOT on one of the TIGER grant selection teams. She addressed the methods used for evaluating and awarding TIGER funds, providing valuable insights into a funding mechanism—discretionary grants based on a benefit/cost analysis—that is likely to become more common in the future.

State and MPO Working Dinner and Peer Exchange

Representatives from state DOTs and MPOs convened for a working dinner to discuss the impacts for freight in their jurisdictions and how they are addressing and planning freight movements. More than twenty people representing nearly every public agency in attendance at the conference participated in this working dinner. MVFC Facilitator Ernie Wittwer kick-started the discussion by proposing that attendees answer the following questions: "What success have you had in incorporating freight-related criteria into you agency's programming process? How have you dealt with the non-highway modes? How have you dealt with cross-border issues in programming?"

This led a lively discussion about freight planning in the public sector that continued for the duration of the dinner and beyond.

Panel Discussions

The second day of the 2010 MVFC Conference and Annual Meeting was devoted panel discussions about different aspects of freight transportation: water transportation, rail transportation, and economic development.

Freight & HazMat Problem Statements

The National Cooperative Freight Research Program (NCFRP) and Hazardous Materials Cooperative Research Program (HMCRP) have issued a **request for problem statements** to identify research needs for NCFRP's and HMCRP's FY 2011 program. Statements due July 30, 2010.

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The panel on water transportation was moderated by Rich Cooper from the Port of Indiana, who also gave a presentation about the Indiana Model and "Highway H₂O".



Bob Goodwin from the US DOT Maritime Administration talked about America's Marine Highway program. Rick Morgan from the US Army Corps of Engineers talked about



the aging infrastructure of the Ohio River system and the need for investment in locks and dams. Patrick Donovan from the West Virginia Public Port Authority spoke about the place of maritime transportation in a truly intermodal transportation system.

The panel on freight rail was moderated by Matt Dietrich from the Ohio Rail Development Commission.



Greg Levy from the Wheeling & Lake Erie Railway gave the perspective of a class II railroad that works closely with the steel industry and relies on intermodal connections with maritime shippers. Christopher Luebbers from Norfolk Southern talked about the Heartland Corridor and the CREATE project, as well as other infrastructure projects, noting that 25 percent of their capital expenditures go to new rail services. Carl Warren from CSX spoke about the National Gateway and the Ohio Intermodal Terminal.

"The Ohio Intermodal Terminal could serve as a model for how truck-rail intermodal terminals should work in the future," said Ernie Wittwer. "CSX really seems to be thinking about side the box on a number of issues."



In a larger context, it was clear that the panelists on both the water and rail transportation panels agree that a successful and efficient transportation system requires the effective use of all of the transportation modes with intermodal connections—but that significant barriers need to be overcome before this can become a reality.

After lunch, attendees gathered for a panel discussion economic development and transportation, moderated by Joanna Pinkerton from the Ohio DOT.



David Holt from Conexus Indiana spoke about the work of the Conexus Logistics Council Executive Committee, which is working to foster Indiana's economy by taking advantage of its location at the crossroads of the US. Ed Wolking talked about his work with the Detroit Regional Chamber, the Great Lakes Manufacturing Council, and the Great Lakes Metro Chambers Association. Dan Ricciardi from the Columbus Region Logistics Council spoke about the council's work to foster the growth the local economy by encouraging the growth of logistics-based businesses.



MVFC Business Meeting

The third day of this conference was devoted entirely to the MVFC business meeting. Ernie Wittwer facilitated a discussion about the current state and future direction of the MVFC.

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In preparation for this session, Wittwer asked that participants review a number of documents about MVFC projects, the Oberstar Bill, and the future of interstate coalitions.

This session's discussion revolved around the problems and opportunities of freight-specific funding and how to make the case for this funding to the public, the policy makers, and politicians at the state and federal levels.

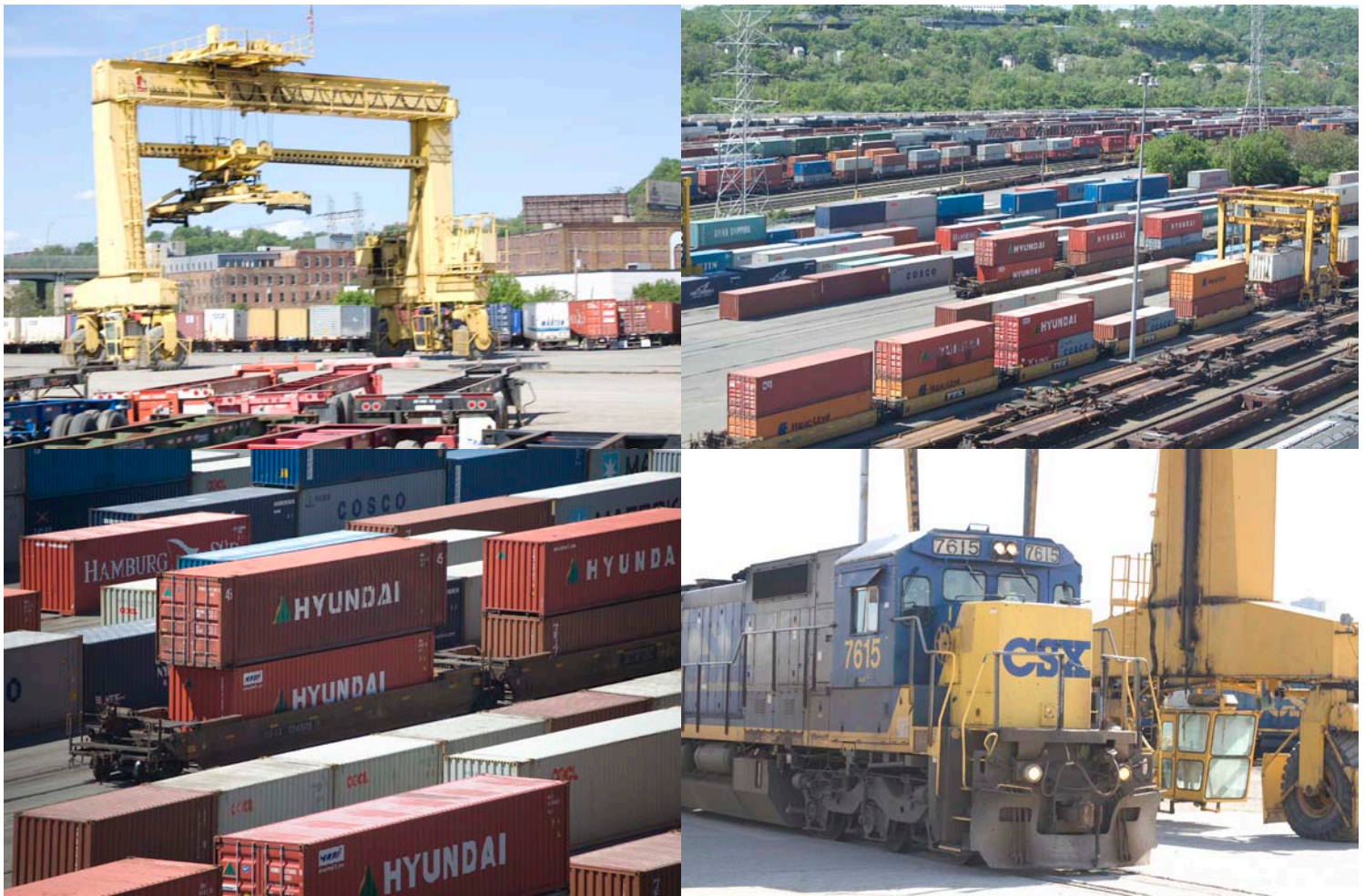
One attendee suggested that the freight community might consider looking to bicycle-pedestrian advocates for examples of ways to "tell the story of freight" and its benefit to the economic

Queensgate yard, where attendees viewed intermodal container movements.

A Success

"The conference was great. We got good participation from both the private sector and from state agencies. The speakers were very good and their messages were on point," commented Wittwer.

"Overall, I was very satisfied with the conference—I thought the panelists offered interesting and insightful observations



and social well-being of the US. The group also considered whether a strategic freight plan might be appropriate for the MVFC. The ideas generated in this session will form the basis for an ongoing discussion of the direction of the Coalition.

Tour and Reception

The second day of the conference was rounded out by a tour of the historic Union Terminal Tower A museum and the CSX

and that the dialogue between the states was valuable," said Jason Bitter. "The inclusion and participation of a wide variety of MPOs was a new phenomena for us—I think that it worked."

For more information about the 2010 MVFC Conference and Annual Meeting, visit mississippivalleyfreight.org.

The conference program, speaker presentations, and other documents are available for viewing and download.

New MVFC Website Now Live

The website of the Mississippi Valley Freight Coalition recently underwent a major overhaul, just in time for the 2010 MVFC Conference and Annual Meeting.

The centerpiece of the new MVFC website is a new blog, which the CFIRE and MVFC communications staff uses to provide updates about events, research, and news relevant to the ten coalition states and the freight community. You can read this blog on the website itself, or subscribe to the RSS feed. Updates to the blog are also automatically pushed to the CFIRE Twitter time line.



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Mississippi Valley Freight Coalition

Regional Solutions for a Regional Issue

The Next Step Forward for the I-39/90 Expansion

by STEVE WAGNER on JUNE 2, 2010 [EDIT]

At a press conference today, Wisconsin DOT Secretary Frank Busalacchi and Assembly Speaker Mike Sheridan announced the completion of the environmental impact statement required for a project to widen I-39/90 to six lanes from Beloit to Madison. Now that the environmental impact statement is complete, the State can apply for federal funds to complete the expansion of this stretch of Interstate.

Busalacchi said that he expects the federal government to sign off on the environmental impact statement in the next 30 days and that he hopes that the project will be complete by 2015. There are several more approvals required before the project can begin construction.

This project is expected to cost \$1 billion. Supporters claim that expanding this stretch of highway will increase safety and boost the regional economy.

Tagged as: Highway, Interstate, Wisconsin

US DOT TIGER Seminar

by STEVE WAGNER on MAY 10, 2010 [EDIT]

The US DOT is holding an online seminar to assist TIGER II grant applicants.

The U.S Department of Transportation (USDOT) is sponsoring an educational seminar pertaining to the TIGER II Discretionary Grant program. Entitled "Lessons on How to Compete For a DOT Discretionary Grant," the seminar will be held on Tuesday, May 18, and will also be simulcast through the DOT web site at <http://www.dot.gov/>. *There is no registration fee, however, online registration for in-person attendance is required by May 12.*

The purpose of the seminar is to identify the key elements of competitive

MISSISSIPPI VALLEY

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ABOUT MVFC

The Mississippi Valley Freight Coalition (MVFC) is a regional organization that cooperates in the planning, operation, preservation, and improvement of transportation infrastructure in the Mississippi Valley region. The ten states of the The Mississippi Valley region share key interstate corridors, inland waterways, and the Great Lakes.

COALITION MEMBERS

Illinois
Indiana
Iowa
Kansas
Kentucky
Michigan
Minnesota
Missouri
Ohio
Wisconsin

SEARCH

To search, type and hit enter

ARCHIVES

June 2010
May 2010
April 2010
March 2010
February 2010

In addition to the new blog, the website has a simpler design that both makes more readable and easier to navigate. You can also easily search the entire website.

If you have thoughts about the new design of mississippivalleyfreight.org or a news item to suggest for the blog, send us an email at cfire@engr.wisc.edu.

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Content for this edition of the MVFC Freight Notes was contributed by Jason Bittner, Bob Gollnik, Steve Wagner, and Ernie Wittwer.

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