

2014 Governor's Freight Industry Summit

**A summary of the presentations and
attendee feedback**

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Overview of Presentation

- ▶ History
- ▶ Changes for 2014
- ▶ Who Attended
- ▶ Presentations and Engagement
- ▶ Themes That Emerged
- ▶ Next Steps



Governor's Freight Industry Summits: Historic Context

- ▶ First one held 2011 – goal of executive-to-executive dialog
- ▶ Subsequent years – more transportation / logistics executives attending rather than CEOs
- ▶ “Freight Action Agenda” – not just about talking, but about doing
- ▶ Key DOT initiatives
 - Harmonization of size/weight laws
 - Act 377 – Implements of Husbandry
 - STP-Freight Pilot



Changes at the 2014 Summit

- ▶ Shift to half-day for more focused exchange
- ▶ Topics – Site Selection; Logistics and Supply Chain
- ▶ More interaction
 - Pre-event polling of attendees
 - Dynamic table-top engagement process



Who Attended?

- ▶ 105 Total Attendees
- ▶ 58 New Attendees
- ▶ 56 Attendees from 2013 who did not attend in 2014



Who Attended?

Academia (5 attendees)
Local Government (10)
State Government (11)
Federal Government (9)
Manufacturers (8)
Mining (4)

Agriculture/Logging (3)
Transport/Warehousing (16)
Associations (12)
Economic Development (7)
Retail/Wholesale (8)
Service/Other (12)



Pre-Event Polling Process

- ▶ Registrants directed to answer brief on-line survey
 - Which panel(s) are of greatest interest to you?
 - Which theme(s) would you like to learn more about?
 - Which modal/operational area should receive greater focus?
- ▶ More voters had interest in Logistics / Supply Chain than in Site Selection (approx. 2:1 ratio)
- ▶ Pre-Polling helped shape content of panels and table discussions



Pre-Event Polling Results

- ▶ Site Selection theme areas – equal interest
 - How businesses choose sites (26 votes)
 - Important site selection criteria (26 votes)
 - What WisDOT can do to improve attraction (25 votes)
- ▶ Site Selection Focus Area Priorities:
 - Freight rail access (23 votes)
 - IH/XPR access; IH/XPR capacity (20 votes each)
 - Local road capacity; Intl Intermodal access (18 votes each)
 - Local road access (17 votes)
 - Freight rail capacity; Port/Harbor access; Domestic Intermodal Access (16 votes each)



Pre-Event Polling Results

- ▶ Logistics / Supply Chain - Top theme questions:
 - Role of Federal and State Government (53 votes)
 - WI's position in domestic and international supply chains (45 votes)
 - Elements of a successful supply chain (41 votes)
 - Tips for improving supply chains (38 votes)
 - Supply chain vulnerabilities (33 votes)



Pre-Event Polling Results

- ▶ Logistics / Supply Chain - Top focus areas:
 - Rail access/capacity (45 votes)
 - Highway access; highway capacity (42 votes each)
 - Oversize/Overweight access/capacity (38 votes)
 - First/last mile issues (36 votes)
 - Port access/capacity; domestic intermodal access/capacity (30 votes each)
 - Intl intermodal access/capacity; regulatory issues (28 votes each)



Presentations – Site Selection

- ▶ Jeff Zyglar, KTR Capital Partners VP – Development
 - Large pool of Fortune 500 tenants (incl. Amazon)
 - Success: engaged government agencies; streamlined processes; easy access to transportation information; single point of contact
- ▶ Tricia Braun, WEDC – VP of Econ/Community Development
 - Why Wisconsin? Talent, partnerships, pro-biz attitude, innovation/R&D, quality of life, industry clusters, growth, land/sites
 - Why not Wisconsin? More rural – not easy to access sites or workers, winters, union concerns, personal taxes, lack of diversity, staying put



Presentations – Site Selection

- ▶ Andy Lisak, Douglas County Administrator
 - Parkland Industrial Park, SE edge of Superior
 - Rail, highway options; harbor access – metals processing companies
- ▶ Dr. Richard Stewart, UW Superior
 - Intermodal growth – can WI capture some of the projected modal shift?



Presentations – Logistics/Supply Chain

- ▶ Ron Vincent, M.E. Dey – Director of Logistics
 - WI at disadvantage for air freight – faster with customs at ORD/MSP
 - Chippewa Falls also not a customs port; international through Chicago
- ▶ Steve Kranig, The DeLong Co. – Import Logistics Manager
 - 2013: 8th-largest Foreign Trade Ocean Exporter (93,400 TEUs)
 - Between 2,500 and 5,000 containers per day (of 35,000 total) go from Chicago into Wisconsin
 - Imports drive exports – I-39 is grain dividing line
 - Needs: Milwaukee IM terminal, better permitting, better OSOW route



Presentations – Logistics/Supply Chain

- ▶ Aaron Girard, Seneca Foods – VP, Transportation/Logistics
 - 8 WI plants; over 3.1 million sq ft; 1,929 boxcars, 17,578 truckloads
 - WI: #1 in green beans; #2 in corn and peas
 - Freight rail a major factor – esp. for canning facilities
 - Needs: Support natural gas, move OW ag loads off local roads, develop more rest areas, improve IOH permit access



Table Discussion

- ▶ Initial Response: What did you hear?
- ▶ Worksheets: 4 large theme-driven questions
 - Site Selection: Modal service options; Fitting development to system assets; Intermodal facilities; Development in non-metro areas
 - Logistics: Modal choice and diversity; Public/ private data coordination and roles; WI's position in national/international routes; Regulation
- ▶ Final overarching question: what should WI do to facilitate economic growth and the concerns of industry?



Themes That Emerged

- ▶ Trucking Labor Issues
 - Federal HOS regulations (including sharing of information)
 - Truck parking shortages / restrictions (state and private facilities)
 - Aversion to use of SWEFs as rest areas
 - Driver shortages / aging of workforce
 - Quality of life demands – little desire for long hauls



Themes That Emerged

- ▶ Intermodal / Multimodal Options are Desired
 - Reopen Milwaukee? Green Bay? Central WI (differences)
 - WisDOT should support? Or WisDOT should let market decide? (same)
 - Problems with Chicago drayage, container storage
 - Need balance of inbound and outbound, with enough volumes
 - About 1 in 7 inbound containers to Chicago are connected to WI



Themes That Emerged

- ▶ Relationships and Partnerships Should be Developed
 - State needs to facilitate constructive, informed conversation with expanded data collection, sharing and analysis
 - State needs to provide a point of contact; improve project information
 - Broader inclusion of industry needed, including regional freight groups, coordination w/ other states. Freight Advisory Committee a plus
 - WisDOT and local governments need better coordination on priority routes



Themes That Emerged

- ▶ Concerns for Rail Service/Access
 - WI needs more short-line rail options in rural areas
 - Railroads need better customer information to ID market potential
 - Rail companies can't act fast enough to increase capacity
 - Class 1s seem to not want to serve Wisconsin, even with demonstrated interest / demand (overhead model)
 - Site selection hindered by uncertainty of rail service



Themes That Emerged

- ▶ Trucking and Weight Limits
 - Raise limits across the board – uniform regulations – esp. IH and STH (also uniform with other states)
 - Shift OS/OW loads to more robust IH system and off local roads
 - Can infrastructure handle increased loads?
 - Ensure OSOW routes are identified and preserved
 - Need streamlined, 24/7 access to permitting



Themes That Emerged

- ▶ Compressed Natural Gas
 - Nationwide system needed; model partnerships exist
 - How much is saved?
- ▶ Port / Maritime Concerns
 - Good collaboration on M35 designation
 - Water level challenges (high and low)
 - Dredging needs are ongoing



Next Steps

- ▶ Creation of a Freight Advisory Committee
 - Directive from Governor Walker at the Freight Summit
 - Identified in MAP-21 under Section 1117
 - Will provide a structure for interaction between WisDOT and external stakeholders
 - Goal for initial meeting in first quarter of 2015



Next Steps

- ▶ Wisconsin State Freight Plan
 - MAP-21, Section 1118
 - Establish policies that support multi-modal freight options, opportunities
 - Freight Advisory Committee to offer guidance
 - Will build on freight policies in Connections 2030, and help identify areas to update



Contacts and resources

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- ▶ Tom Beekman, Supervising Freight Coordinator
(715) 836-4628; thomas.beekman@dot.wi.gov
- ▶ Freight Summit Web Page (includes ppts from Summit):
<http://www.dot.wisconsin.gov/business/freight/summit.htm>
- ▶ Multimodal Freight Network
<http://www.dot.wisconsin.gov/business/freight/network.htm>

