

FREIGHT MOVEMENT TASK FORCE

December 16, 2021
1:00 to 2:30 P.M.
Virtual Meeting

SUMMARY

1. WELCOME & INTRODUCTIONS

Mr. Tom Madrecki, chair of the Freight Movement Task Force, kicked off the meeting by thanking everyone for the great collaboration and sharing some polls from key battleground states by registered voters and everyday consumers regarding the current state of freight and the supply chains.

- Six of ten polled have seen issues and shortages at grocery stores
- Seven of ten support some sort of government intervention
- Eight of ten are more likely to vote for candidates that could articulate solutions to supply chain issues

Everyday people are impacted by freight. We are enthused as a group to strengthen freight in the Baltimore region.

2. SUPPLY CHAIN CRISIS – NATIONAL PERSPECTIVE

Mr. Bill Eisele, TTI began with his insights. Ten years ago e-commerce accounted for 5.1% of total U.S. retail purchases. Now online sales account for 21% (as of 2020). Consumers spent \$861B online in the U.S. in 2020 which was a 44% increase from 2019. Implications of these increases include: 1) strains on supply chains and logistics, 2) strain on the multi-modal transportation system worldwide, and 3) bottlenecks in the system. This has created a need to identify the right transportation projects, programs and policies to mitigate impacts.

Challenges to truck delivery include: 1) increased demand and not enough trucks, 2) semiconductor shortages (silicon chips), 3) driver shortage is worse now since the start of the pandemic, 4) transportation costs are going up, and 5) the battle for curb space. Curbside use has tremendously high value in many urban areas and a lot of competition, including from the transportation network companies, short-term parking, loading and unloading, waste collection, buses and non-motorized vehicles and connected or automated vehicles.

What can be done to manage curb space? Typically three types of solutions, including: 1) relocate curb space, 2) convert curb space to different uses, and 3) convert curb spaces to flexible time-of-day zones.

There are considerable private-sector demands for curb space. Carriers must make their delivery windows, next-day or same-day deliveries means getting products closer to customers. Warehouses and distribution centers are moving closer to customers. This means more trucks on the road that need access to curb space. Retailers are looking for ways to get customers back into the stores which would help to lessen the impacts on transportation system.

A good gauge into the future is what Amazon is doing. They have looked at a variety of solutions including underground facilities, hives of drones, underwater warehouses, floating air facilities or mobile distribution such as trains.

In order to come up with viable planning and investment solutions we must understand system performance. With improved understanding, we can identify when, where and how goods are moving, identify congested locations and bottlenecks, inform policy and project prioritization, identify impacts of situations, and monitor the system.

Q: D.C. changed how they manage curbside loading. Are there other cities that have been successful with curbside management?

A: Not a lot of examples but some coastal cities such as Seattle, Santa Monica and Portland have had some success with scheduling curb times. Some companies in Europe have had some success as well.

Q: Are there any examples of promising practices for good policy? Is that part of the ITE Guide? What would you suggest as a first step in Maryland?

A: ITE is a good resource.

[PowerPoint: More stuff, more problems...but also Opportunities: Perspective on the Supply Chain Crisis]

3. SUPPLY CHAIN CRISIS – TRUCKING INDUSTRY PERSPECTIVE

Mr. Louis Champion, MMTA, shared that some of the causes of the supply chain demands tend to look at the ports first, but Maryland ports are not experiencing the problems like some of the other ports such as Los Angeles/Long Beach or Savannah. Some of the root causes are manufacturing levels are still only at about 50% in Asia, e-commerce growth, cargo bunching, west coast impacts are affecting the east coast, warehouse space, driver shortages and lack of availability to get equipment.

Impacts of the supply chain issues are contributing to inflation. Other impacts include less product availability, and longer wait times. There is some positivity as diversion from west coast to east coast has benefited the Port of Baltimore.

Driver shortages nationwide are around 80,000. Two years ago it was 60,000 and is projected to be 100,000 in 2023. Driver shortage is the top issue in ATRI's annual top list of issues. What is causing the truck driver shortage? Average age of drivers is 47 and the new driver average age is 35. Other issues include lifestyle, regulations, competition (such as Uber and Lyft, inability of 18-20 year olds to drive on interstates, and school shutdowns.

What is being done to help the driver shortage situation? Some of the solutions include salary increases, infrastructure investment (\$4.2B for Maryland), CDL school enrollments are up (CCBC enrollment almost doubled this year), Career and Technical Education legislative goals (Williamsport High School will now offer CDL training. Includes all Washington County high schools), and allowing drivers to park and rest at facilities they deliver to.

Q: Have you heard any more about truck marshalling in Maryland?

A: Not in Maryland yet.

[PowerPoint: Trucking Industry Update]

4. STATEWIDE FREIGHT PLAN UPDATE

Ms. Gladys Hurwitz, MDOT TSO, began with the purpose of the Freight Plan which is to examine existing and projected conditions, and identify policy positions, strategies, and freight projects to improve freight movement efficiency and safety. The last update was in 2017 with revisions and federal re-approval expected in fall of 2022. Highlights of the plan include compliance with federal requirements, a comprehensive overview of freight in Maryland, focus on freight supply chain, identification of policy needs and strategies, identification of freight project priorities and investment plans. The plan is intended to be a collaborative and coordinated effort amongst freight stakeholders.

The focus of the plan is to meet the federal FAST Act requirements. The Bipartisan Infrastructure Law (BIL) expands upon previous guidance and identifies 17 federally required elements for a state freight plan. New items that have been added include truck parking facility assessments, supply chain cargo flows, inventory of commercial ports, consideration of multi-state freight compacts, impacts of e-commerce on freight infrastructure, considerations of military freight and focus on enhancing freight resilience and reducing freight environmental impacts.

Milestone one was completed in spring of 2021 and established the plan's vision, goals, and objectives and also explored initial freight related strategies, needs and opportunities. Milestone 2 was completed in fall of 2021 and identified and compiled freight related projects and programs to address future trends, needs and opportunities. Milestone 3 is expected to be complete in spring of 2022. This update will compile the overall Maryland State Freight Plan for review, including the proposed freight investment plan and strategy details.

Freight needs in the plan were identified through outreach to freight transportation business units, state freight advisory committee, MPO's and public/private stakeholders. Hundreds of

comments received through surveys and live polls. Technology and Safety were the top issues identified.

The plan aims to assess key freight needs to reflect the uniqueness of the different regions in Maryland and balance the broader statewide priorities alongside regional relevancy and interests. Five regions were identified including Western MD, Eastern Shore, Southern MD, Baltimore Metro, and Washington Metro.

Key maps were developed to identify regional needs and projects. Maps include categories such as truck parking needs, congested routes, congested areas, funded and unfunded projects, and truck bottlenecks.

The plan identifies strategies being considered. Some of the strategies include Safety, Security and Resilience, Economic opportunity and efficiency, System preservation and modernization, Quality of Service, Environmental Protection, Fiscal responsibility, and Transportation Choices and connections. Most of the strategies have secondary strategies which help to define the main strategy further.

[PowerPoint: Statewide Freight Plan: Milestone 2]

5. AGENCY UPDATES

Howard Street Tunnel – Mr. Brad Smith, MDOT MPA, provided a brief update on the 2021 accomplishments As well as upcoming activities. He noted that the Environmental Assessment for NEPA was released in March for public review and comment. Final NEPA approval from the Federal Railroad Administration (FRA) was received in June 2021. Execution of grant agreements – one with FRA and one with CSX were signed in November 2021. A groundbreaking ceremony took place in November 2021.

CSX will finalize engineering and then move into construction. There are twenty two bridges between Baltimore and Philadelphia that require lowering of tracks to provide vertical clearance. As a result of differences in scope and geographic areas, the overall project is being broken into 10 smaller projects for engineering and construction. Construction is expected to begin in early 2022 with projects in Pennsylvania. Construction completion expected in mid-2025.

In a related project with Ports America, they will be upgrading a new berth and reconfiguring the intermodal yard to modernize the Seagirt Terminal. A grant application was submitted to FRA. Expecting FRA to make a decision in spring 2022. This will be a \$22M project. MDOT MPA is gathering support letters and may reach out to some in attendance.

ATTENDANCE:

Members and Guests:

Marlee Baucom, Norfolk-Southern (NS)
Daniel Blevins, WILMAPCO
Summer Bowman, U.S. DOT Federal Motor Carrier Safety Administration (FMCSA)
Louis Campion, Maryland Motor Truck Association (MMTA)
William Cawthorn, Baltimore Development Corporation
Dr. Bill Eisele, Texas A&M Transportation Institute
James Harkness, Maryland Transportation Authority (MDTA)
Gladys Hurwitz, Maryland Department of Transportation, The Secretary's Office (MDOT TSO)
Rick Johnson, Baltimore County Department of Economic and Workforce Development
Tom Madrecki, Consumer Brands Association
L'Kiesha Markley, MDOT State Highway Administration (MDOT SHA)
Armand Patella, MMTA
Nanette Schieke, MDOT Motor Vehicle Administration (MDOT MVA)
Bradley Smith, MDOT Maryland Port Administration (MDOT MPA)
Kip Snow, Community Colleges of Baltimore County (CCBC)
Jacqueline Thorne, MDOT
Aaron Tomarchio, Tradepoint Atlantic

BMC Staff:

Bala Akundi, Baltimore Metropolitan Council (BMC)
Cindy Burch, BMC
Blake Fisher, BMC
Debbie Groat, BMC
Zach Kaufman, BMC
Keith Kucharek, BMC
Brian Ryder, BMC