

FREIGHT MOVEMENT TASK FORCE

June 23, 2022
10:00 to 11:30 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 attending and continuing to provide support in fostering some of the great projects we have underway.

2. FREIGHT AND PORT FUNDING

Ms. Amanda Rutherford, Gateway Director Mid-Atlantic, Maritime Administration (MARAD) of USDOT explained the Strategic Goals of the Maritime Administration. Goals include Cargo, which develops domestic and international transportation opportunities to modernize and sustain a competitive U.S. Fleet that ensures Nations economic and national security. Readiness, which ensures availability of a capable U.S. Merchant Marine fleet with modern U.S. flag vessels and to meet maritime transportation requirements in peacetime emergencies and armed conflicts. Infrastructure that supports the development of America's ports, shipyards and intermodal infrastructure and advocacy that advances awareness of strong U.S. Maritime Transportation System.

Some of the Maritime Grants that have been given out in the region include Maryland Port Administration (MPA) projects for the Port of Baltimore Export Expansion (\$10 million TIGER grant) and the Seagirt Marine Terminal Berth 3 Modernization P3 Project (\$6.55 million BUILD grant). The MPA also received a \$10 million BUILD grant for critical flood mitigation improvements at the Dundalk Marine Terminal.

A few P3 awards went to Tradepoint Atlantic including a \$20 million TIGER grant for infrastructure upgrades and a \$9.88 million PIDP grant for the Sparrows Point Bulk Expansion Modernization and Berth Rehabilitation Mid-Atlantic Multi-modal Transportation Hub.

Ms. Rutherford provided an overview of grant program and available funds. Port Infrastructure Development Program Grants (PIDP) has \$450 million available. America's Marine Highway

Program Grants (AMHP) has \$40 million available and Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants (formerly TIGER, BUILD) has \$1.5 billion available. Other grants include Mega Grants, known statutorily as the National Infrastructure Project Assistance Program, INFRA Grants, known statutorily as the Nationally Significant Multimodal Freight Highway Projects Program and Rural Surface Transportation Grants.

The Draft 2023 transportation bill provides \$105.4 billion in budgetary resources for DOT. The maritime portion of the bill features \$775 million for National Infrastructure Investments (RAISE/TIGER/BUILD). Also included is funding for research and technology on ways to create more equitable access to transportation systems, combat climate change, and reduce greenhouse gas emissions. The bill also includes \$987 million for the Maritime Administration including \$328 for the Maritime Security Program, \$60 million for the Tanker Security Program, and \$300 million for the Port Infrastructure Development Program.

Ms. Rutherford provided general grant rules of thumb for eligibility. For most USDOT funding opportunities, eligible applicants include State and/or local governments, MPOs/Planning Councils, Port Authorities, tribes, or collaboration of entities.

Eligible projects include Infrastructure inside & outside terminal gates and loading and unloading of goods; movement of goods into, out of, around or within a port such as highway or rail infrastructure, intermodal facilities, freight intelligent transportation systems, and digital infrastructure systems; Operational improvements, including projects to improve port resilience; or Environmental and emissions mitigation measures.

Most grants require a 20% match (80% federal share). However, adding additional match could improve chances of receiving grants. In addition to the match requirements, NEPA must be completed before the Grant Agreement is signed. And finally, Buy America/Buy American is required for all grants.

There are three steps to obtaining Marine Highway grants. Applicants must submit a business case for the project and supporting benefit/cost analysis. Projects must be located on a designated marine highway and Grant Applications can only be submitted if steps one and two are approved.

Eligible applicants include applicants of designated projects or private entities (tribes, MPOs, RPO, etc). Private entities must have a public sponsor.

Marine Highway grants can be used for Port and Landside Infrastructure, cargo handling equipment, new or used vessel purchase, lease or modification, or planning, preparation and design efforts in support of marine highway projects. They cannot be used for market related studies.

MARAD can convey Land & Buildings for Port purposes. The Port Conveyance Program is designed to temporarily transfer the use and management of excess Federal property to States and local governments for the purposes of port development, port expansion, and

operation of port facilities. The program can also transfer surplus Federal real property to states and local governments at no cost for the development and enhancement of port facilities and intermodal terminals. The program is designed to create jobs and revitalize communities impacted by military base closures or other Federal actions, support the provision of port capacity and U.S. port infrastructure, improve goods movement, and meet future national defense needs. Uses of transferred properties include development of intermodal transfer and warehousing stations to expedite intermodal cargo transfers at U.S. ports, enhancement of commercial boating and recreational facilities, and expansion of administrative office space.

Public-Private Partnerships (P3 or PPP) are long-term contractual agreements between a public agency and a private sector entity that allow for greater private sector participation in the delivery and financing of transportation projects. The use of P3s marks a shift away from traditional ways of procuring and financing transportation projects. Unlike traditional procurement processes, in a P3, a private partner may participate in some combination of design, construction, financing, operations and maintenance, including collection of user fees.

P3s may be delivered more quickly than traditional procurement approaches, reduce the burden on public funding, and provide budget certainty for the public agency. They can also provide opportunities to optimize lifecycle costs and encourage innovation to achieve better quality of service. The Build America Bureau can connect project sponsors and private partners with in-house technical expertise to help explore if a P3 might be worth considering and to identify and share best practices in P3s nationwide.

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides direct loans, loan guarantees, and standby lines of credit to projects of national or regional significance. Eligible Applicants include State and local governments, Transit Agencies, Railroad Companies, Special Authorities, and Special Districts.

Eligible Projects for TIFIA funds include public or private highways and bridges, Intelligent Transportation System Projects, Intermodal Connectors, Transit Vehicles and Facilities, Intercity Buses and Facilities, Freight Transfer Facilities, Pedestrian and Bicycle Infrastructure Networks, Transit-Oriented Development, Rural Infrastructure Projects, and Passenger Rail Vehicles and Facilities.

Other FHWA grants that can help Ports include Advanced Transportation Technologies and Innovative Mobility Deployment (ATCMTD) which has \$100 million available funding, Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) with \$7.3 Billion in Formula funding and \$1.4 Billion Discretionary Grant funding and Reduction of Truck Emissions at Port Facilities Program with \$250 million in Contract Authority and \$150 million in advance appropriations.

[PowerPoint: Maritime-Administration-MARAD]

3. SUPPLY CHAIN TASK FORCE & FREIGHT LOGISTICS OPTIMIZATION WORKS (FLOW)

Mr. Andrew Petrisin, Supply Chain Advisor, Office of the Undersecretary for Policy began with an explanation of what FLOW is and what the benefits are. FLOW is a voluntary, secure exchange of operational freight information and is available only to stakeholders who participate in data share. FLOW is sustained by benefit to commercial operations of stakeholders.

FLOW is focused on the optimal balance between capacity and demand of the National Logistics System (NLS) through an independent indicator of health in the supply chain, and is a preview of performance for improved operational planning

FLOW does not track where individual cargo is. All information is aggregated and de-identified. FLOW does not set industry standards for container movement events. It is an independent indicator of operational health for decision makers.

FLOW aggregates demand over aggregate supply at a node. (terminal/port). FLOW includes three calculations; Waterside Index = aggregate demand at node over aggregate terminal supply, Landside Index = aggregate demand at node over aggregate drayage/chassis supply at node, and Regional Index = aggregate demand at node over aggregate warehouse/OTR supply at node.

Indicators of the health of a supply chain on the demand side, BCOs sending purchase orders and bookings from Ocean Carriers. Indicators of the health of a supply chain on the supply side include available and total terminal yard slots for containers, total chassis serving a terminal, total trucks serving a terminal, available warehouse space in the region around the terminal, and total trucks in the region around the terminal.

Current partners include many familiar names such as FedEx, UPS, Werner, Target, Albertsons, Land O'Lakes and many others. USDOT supports this effort as a trusted independent steward of information housed at a central location for a national view of supply and demand. Historically, performance is a proxy for capacity. FLOW aggregates units of supply in near-time.

From a performance standpoint, start with historical information to build out indices. Simultaneously, build data submission infrastructure and provide daily or weekly reporting.

The Bureau of Transportation Statistics is working with sample data from participants and signing MOAs. Additional participants will be added and a pilot website has been set up. The long-term goal is to manage demand and capacity model the success of FAA's Collaborative Decision Making (CDM).

[PowerPoint: FLOW Index Overview]

4. PORT OF BALTIMORE – FEDERAL FUNDING TO IMPROVE RAIL OPERATIONS

Mr. Bennett Creighton, Director, Planning and Terminal Development, Ports America Chesapeake (PAC), briefed the FMTF on a recent grant that was awarded to PAC and MDOT MPA to modernize rail infrastructure at the Seagirt Marine Terminal (SMT). By way of background, Mr. Creighton noted that PAC operates the Intermodal Container Transfer Facility (ICTF) at SMT, under a public-private partnership with MDOT MPA. The ICTF is a dual-access facility between Norfolk Southern and CSX that is currently serviced by CSX.

PAC/MDOT MPA were recently awarded a \$15.68 million grant through the Federal Railroad Administration's (FRA) Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program in order to begin work on modernizing the terminal. There is an additional \$6.72 million in private funding for a total project cost of \$22.4 million.

The project scope includes construction of four new railroad tracks totaling 17,670 feet. Two existing tracks will be demolished. Also included will be the construction of two crane rail beams, totaling 7,160 linear feet.

The objective of the project are as follows:

- **Safety:** Upgrades infrastructure to achieve a higher level of safety.
- **Equitable economic strength, improving core assets:** Invests in vital infrastructure assets, addresses capital needs to connect farms, factories, and shippers to the rail network.
- **Resilience, addressing climate change:** Reduces emissions, promotes energy efficiency, redevelops existing infrastructure.
- **Racial equity, economic inclusion:** Reduces the safety risks and detrimental quality of life effects that freight movements can have on communities.
- **Transformation of our nation's transportation infrastructure:** Adds capacity to congested corridors by aligning with the completion of the expansion of the Howard Street Tunnel Project and the ability to double stack containers by rail.

International intermodal volumes are expected to ramp up to 10% (from less than 2% currently) following the completion of the Howard Street Tunnel Project in 2024. It is further projected to increase to 12% by 2026 and 15% by 2027 which makes this project vital for operations at the Port of Baltimore. Some of the projected benefits of the project include:

- Increased capacity and efficiency for containerized cargo to be shipped by rail, bypassing critical, congested roadways of the northeast U.S.
- Improved road safety

- Reduced Emissions from Over the road truck (OTR) and Container Handling Equipment (CHE) in the port.
- By allowing double-stack trains to access the Port, the Howard Street Tunnel Project will increase efficiencies and capacity for commercial train traffic and facilitate business growth

Construction is scheduled to begin in the second quarter of 2023 and is expected to be complete by the second quarter of 2024. For additional details, refer to the attached presentation.

[PowerPoint: PAC Freight Movement Task Force 6.23.22]

5. EQUITY IN FREIGHT PLANNING

Dr. Mamie Parker and Ms. Cece Donovan, Ecologix Group explained federal funding covered by Justice 40 has a goal of delivering 40% of overall benefits of relevant federal investments to disadvantaged and underserved communities. Maryland House Bill 1200 requires applicants for permits with a public participation requirement to conduct an EJ screen of the address of the permit location and submit to MDE. This bill takes effect in October 2022.

This screening includes transportation grants – specifically the Bipartisan infrastructure law. Other federal investments and spending will be looked at through an EJ lens. EJ screening tools are GIS based and are used to identify marginalized and underserved communities and those overburdened by pollution.

Screening tools include EPA EJScreen v2.0, White House Council on Environmental Quality (CEQ) Climate and Economic Justice Screening Tool (CEJST), Environmental Defense Fund, Electric Vehicle Charging Justice40 Map Maryland EJ Screen Manager, and MDE EJ Screening Tool.

MDOT, MDE, and MPA meet monthly to discuss transportation and air quality in Maryland as part of a voluntary air agreement to work cooperatively to identify and implement projects to improve air quality. Ecologix facilitates those meetings.

Enforcement actions led by the state police are planned this summer to help reduce idling by trucks.

How can you be prepared?

1. Ways to validate commitment to disadvantaged and underserved communities through actionable partnerships:
 - Identify disadvantaged and underserved communities in your area of responsibility
 - Identify screening tools and become familiar with their characteristics and limitations
 - Apply an equity gap analysis to your existing community outreach programs
 - Ensure you can leverage your relationships for success in federal funding and permitting decisions
2. Understand the emerging guidance in real time

3. Evaluate all underway and planned projects to identify what can be included for disadvantaged and underserved communities
4. Document current activities in terms that resonate with current policymakers and decision makers

Community agreements are vital in understanding the needs of disadvantaged and underserved communities. Community agreements should:

- Recognize the burden people with marginalized identities endure
- Embrace discomfort
- Practice empathy
- Accept imperfection from yourself, others and the process
- Know your intent/own you impact/ assume good intentions
- Practice “both/and” thinking
- Embrace non-closure and commit to the work to get closure
- Stay engaged
- W.A.I.T. – Why am I talking? Why aren’t I talking
- Be easy on people
- Be hard on yourself to make time for priorities

Some of the services Ecologix has provided include sharing a network of connected organizations, making connections to HBCU’s and black women organizations, assisting clients in understanding Justice40 – Environmental justice and developing communication and community engagement programs. Other services include performing gap analysis, outreach and interviews with black and brown community leaders, assessing and preparing grant applications attending white house EJAC and NEJAC meetings and sharing information and assisting with selecting running EJ Mapping tools.

Ms. Donovan provided example resources that are available such as the EPA Ports Initiative, Ports Primer for Communities, Community Action Roadmap and EJ Primer for Ports, including the Good Neighbor Roadmap.

Some of the principals of equitable collaboration conversations are to be adaptive, inclusive, responsive, deliberative, truth-seeking, and trauma-informed.

[PowerPoint: EcoLogix-Equity-in-Freight-Planning]

ATTENDANCE:

Members and Guests:

Kwame Arhin, FHWA

Louis Campion, MMTA

William Cawthern, Baltimore Development Corporation

Bennett Creighton, Ports America Chesapeake

Cecelia Donovan, Ecologix Group

Rick Johnson, Baltimore County Department of Economic and Workforce Development

Tom Madrecki, Consumer Brands Association
Parto Mazdeyasni, MDOT MPA
Dr. Mamie Parker, Ecologix Group
Andrew Petrisin, Office of Undersecretary for Policy
Amanda Rutherford, MARAD
Nanette Schieke, MDOT MVA
Mark Schmidt, Ports America Chesapeake
Bradley Smith, MDOT Maryland Port Administration (MDOT MPA)
Daniel Spack, Ecologix Group
John (JT) Thomas, MDOT
Aaron Tomarchio, Tradepoint Atlantic

BMC Staff:

Bala Akundi, Baltimore Metropolitan Council (BMC)
Regina Aris, BMC
Debbie Groat, BMC
Keith Kucharek, BMC