

Kansas Freight Advisory Committee



Meeting Summary

April 2, 2014 – Topeka, KS

Observations From The Full Committee

- Kansas is a business friendly state
- KDOT does a good job of supporting rail and rail customers and the state rail service improvement fund has been very successful
- While Kansas has well maintained roads and state of the art intermodal facilities, Western Kansas needs additional investments including intermodal/transload options
- Tremendous East-West corridors in the state. North-South corridors need to be identified and improved.
- Kansas has more outbound freight versus inbound freight on North-South corridors.
- While progress has been made during the last 10 years there are still gaps on the short line infrastructure (rail line and bridges) to accommodate 286,000 pound rail cars
- A major shift in container flow via ship is unlikely with the widening of the Panama Canal. It can, however, create an increase in overseas shipment of Kansas agricultural products.
- Manufacturing sector jobs are beginning to “re-shore” or “near shore” – unproductive plants in China and other parts of the world are being shuttered while new plants are opened in North America – improving transportation logistics (less time) and lower production costs and costs of goods sold (COGS).
- Velocity, or “through put,” is vital to freight transportation – just in time delivery, truck/train car turn time and back hauls, etc.
- Need for both motor carrier and rail backhaul opportunities for economic development
- The Kansas City metro (multi-county) area provides great multimodal freight transportation logistics and connections (rail, highway, pipeline, water and air cargo)
- Due to its central geographic location Kansas is a freight hub

- Need to investigate increased truck weight limits Gross Vehicle Weight (GVW) and axle weights
- Need to investigate special vehicle combinations (SVC) total length and routes allowed to travel on highway system
- Federal freeze on interstate weight limits has reduced motor carriers' options. One option is to increase the weights allowed on non-interstate state highways.
- Lack of national policy as well as state-to-state uniformity of permitted truck weights is a big challenge
- The truck driver shortage is a major challenge to the industry
- Adding environmental systems to equipment (semi tractors) to meet mandatory federal regulations is taking away from cargo...anything added is taking net weight of cargo away (smaller payloads).
- There should be additional fueling options (CNG/LNG) or other alternative fuels available for those companies that use or will be using these alternative fuels.

Industry Specific Notes

- Agriculture, beef and support/ancillary industries are very important to the Kansas economy
- Manufacturing industry in Wichita is vital to the state economy
- High tech manufacturing is in high demand
- Bulk and hazardous materials don't work well at intermodal facilities. Need to service refineries in Kansas. Production, pipelines, tank trucks in the oil/hazmat supply chains need to be separate from general intermodal
- North-South rail lines parallel to I-35 expect to see continued growth in the future
- Short line railroads are critical to keeping local grain elevators operational, competitive and connected to the national rail system
- While there are needs for improving rail, infrastructure investments by railroads must earn an adequate return to be justified.
- LPKC can present opportunities for Kansas farmers. Potential handling of frozen and refrigerated loads from truck to rail for overseas shipment.
- Less feed grain is being grown in southwest Kansas for cattle feed (feed lots). Corn will need to be imported via unit train from other states/regions, off-loaded at transload facilities and then trucked to final destinations.
- Kansas grain crops are collected (various numbers of grain cars per elevator) and then moved via short line to gathering points such as Wichita, Hutchinson or Salina for transport by Class I railroads to points outside of Kansas
- The Port of Catoosa (Tulsa, OK) provides a unique freight transportation value (outbound and inbound) to various Kansas agricultural and industry sectors.

Improvements at, and expansion of, the Port can provide potential future freight shipping opportunities for Kansas businesses

- Kansas shippers need multiple freight transportation options...balanced business strategy helps to keep freight rates competitive
- Source materials for Kansas ethanol production facilities is too far away and must be shipped in, thus increasing production cost...several ethanol plants have been closed
- Oil industry is dependent on rail transportation (unit trains of crude oil)
- Pipelines are important to the movement of various energy supplies in Kansas
- Truck and rail connections at oil terminal facilities are important
- Local connections - "the last mile/the first mile" via local roadway and short line railroad is critically important in the freight transportation logistics chain
- Need more separate highway bypasses to improve freight flows (less congestion and improved velocity)

Small Group Break Out Sessions

Highways/Roadways

- Kansas has diverse sources of transportation funding: Federal Highway Trust Fund; State gas taxes; State sales tax; vehicle registration
- Lack of "overall" (perceived) congestion is a positive but creates a perception of no real need (don't overlook potential future congestion)
- Congestion specific areas such as I-35 in Kansas City metro and the southern leg of I-435) are issues
- Travel time predictability (avoid congestion, bypasses around cities) is an important freight transportation issue
- Geometric impediments (such as roundabouts, lack of passing lanes, etc.) have negative impact on freight transportation flow (efficiency, velocity and throughput) and are not freight friendly
- Need for better/earlier communication to freight industry stakeholders about transportation projects in stakeholder's regions
- Important to keep industry stakeholders involved early and often in the planning and development stages of transportation projects
- KTA has reputation for efficiency and safety
- Trucks on local roads (city and county) cause excessive damage to the roadway infrastructure as those roads are not designed to handle larger/heavier loads
- Air quality in metro areas may affect ability to do projects in the future (if MSAs are out of attainment and have to address air quality mitigation)

- Good East-West freight corridors, but the state lacks sufficient North-South corridors
- Arterial highway connectors routing traffic North and South need to see strategic investments going forward
- Kansas has well maintained roadways. Preserving existing infrastructure is an important priority while using remaining funds for capacity improvements.
- User based fees such as tolls or vehicle miles travel (VMT) fees are the funding model of the future but if the state moves toward more toll facilities the expense should be offset with higher weight limits for truck and freight traffic
- Safety – shoulders and shoulder width; longer and more passing lanes (U.S. 50 and U.S. 54 given as examples); bypasses around cities
- Truck driver shortage creates challenges for the industry
- U.S. 50 at I-135 in Newton slows down freight flows by having to “go south to go north”

Rail

- The state’s rail service improvement program has helped improve short line railroad infrastructure, operating efficiencies, customer service and helped to avoid abandonments
- Rail infrastructure distance (from the railhead to distribution center) is a key freight component
- In some agricultural areas of Kansas adequate rail service is lacking
- Increased rail traffic is a positive but continued increase will likely mean a need for more highway/rail grade separations at crossings (safety and quality of life issues)

General

- Transportation priorities have been well balanced over the last several decades
- Agricultural industry needs are important to help the “farm to market” system stay efficient for the economy
- Need for increased “real-time” information about freight movement for customers
- Need to reevaluate priorities to consider new freight transportation technologies and trends to help focus limited funding to projects that address needs of all users of freight
- Kansas must consider multi-state freight corridors to leverage our freight infrastructure investments to ensure we make it easier to ship Kansas products to statewide, regional, national and international markets

- Don't overlook freight needs in rural areas of the state regarding the shipment of agricultural products. There should be a "rural bonus" to allow these areas of the state to compete with urban area freight needs.
- Focus on freight density, frequency and efficiency (private industry model) that KDOT and KTA can look at as a component of future freight infrastructure investment analysis
- Private sector is moving toward designated fleets to close gaps in freight movement
- As technology continues to improve the private sector will drive the increase in shipping convenience while decreasing cost. Existing and future technologies should be used at weigh stations so that goods can be shipped more efficiently.
- "Depopulation" of western Kansas has/will cause a negative impact
- Increased use of CNG and LNG by motor carrier industry
- Future need for more truck parking (private sector freight transportation logistics will help define and direct) with amenities and security
- Need for multi-state coordination for Oversize/Overweight (OSOW) permitting and routing
- KDOT should not stray too far from federal TIGER grant criteria for analysis of freight needs as they are incorporated into state project analysis. Additionally, this would allow for a more seamless transition to completing project applications for federal funding (TIGER or others) with little duplication.
- Intermodal connections need to be improved
- Federal motor fuels tax – limited funding ability
- Need more state funding for local freight infrastructure improvements
- State regulations and taxes in Kansas are competitive with other states
- KDOT Economic Development Program is a positive
- Need a balance between outbound and inbound (back haul) shipments
- On board scanners (containers) for tracking shipments from train to truck to final destination
- Future multimodal (truck, rail and pipeline) freight transportation needs of the energy sector
- Need to have ability to build unit trains at oil pipeline terminal facilities
- Need to examine Special Vehicle Combination (SVC) and Longer Vehicle Combination (LVC) regulations
- Class I railroads have been making record capital investments in their systems over the past several years
- It is important for KDOT to continue to improve and preserve the short line rail system in Kansas using the State Rail Service Improvement Fund (SRSIF)

- Need to investigate the potential/opportunity for intermodal or transload facilities outside of the metro Kansas City area

Strengths, Weaknesses, Opportunities, Threats

Strengths

- Kansas highways are in good repair/well maintained
- Kansas has diverse sources for transportation investments over three major programs (CHP, CTP and T-WORKS)
- Kansas has made long term transportation system investments
- State programs for unique projects – KDOT’s Economic Development Program and State Rail Service Infrastructure Improvement Program
- Kansas has little “perceived” congestion
- Geographic center of United States
- Freight connectivity
- Relative stability of economic drivers
- Truck registration costs are reasonable (compared to other states)

Weaknesses

- Funding for local road maintenance is very limited
- Highway geometric impediments (such as roundabouts, no shoulders, line of sight, etc.) are not always freight friendly...especially for OSOW loads
- Not enough communication with freight stakeholders...early on and throughout the planning and development process...regarding transportation projects
- Imbalance between outbound freight transportation (more) and inbound/back haul freight transportation (less)
- Lack of intermodal facilities in western Kansas
- Lack of alternative fuel (CNG/LNG) refueling facilities
- Regulations (federal hours of operation)
- Portions of the short line rail system (main lines and bridges) are not 286K compatible
- Truck driver shortage
- Limited number of improved North-South highway corridors

- Large number of at-grade rail crossings and limited number of grade separated highway-rail crossings

Opportunities

- Interoperability of the KTA with other toll systems (multi-state, regional) using K-TAGS or similar devices
- Opportunities to build truck/train intermodal and/or transload facilities (in Wichita, western Kansas, and other strategically located cities)
- Technology – real time tracking of freight movement (via scanners) along the multimodal transportation system for customers
- Oil/energy development in Kansas
- Modal cooperation/interconnectivity
- Business climate – business development opportunities
- Workforce availability
- Community collaboration

Threats

- Inflation
- Cost of materials/availability
- Federal reauthorization and federal funding
- Jobs moving to cities from rural areas
- Potential threat of poor air quality (“out of attainment”) in the metro KC area and possibly Wichita

Freight Trends

- Electronic tolling
- Incident management – real time traffic information
- Communication (laptops, cell phones, etc.) on trucks
- More modal cooperation (improved multimodal networks and connections)
- Consideration of heavier truck load limits (GVW and axle weights)
- Safety focus
- Need to minimize freight barriers (geometric impediments, SVC guidelines, truck weight [GVW and axle])

- “Curfews” regulating when trucks can deliver products in major metro areas (potential need for more truck parking)

Action Items

- Information for the Committee about the I-95 Corridor Coalition
- Information for the Committee about Connect Oregon