

MEMORANDUM

Date: June 3, 2021

Kittelson Project No: 25697

To: Eric Taylor

From: Holly Spoth-Torres, Huddle AK

Subject: Freight Advisory Committee Meeting Summary

FAC Meeting Summary

SUMMARY:

The Alaska Department of Transportation and Public Facilities (DOT&PF) held a Freight Advisory Committee (FAC) meeting on Thursday, June 3, 2021, from 2:30 to 4:30 p.m. using the virtual platform Microsoft Teams. A toll-free call-in number was available for those who couldn't join virtually, and the meeting was open to the public.

The purpose of the meeting was to discuss key trends that will help inform the Freight Plan element of the Statewide Long-Range Transportation Plan and discuss desired outcomes for the plan. The project team gave a brief presentation (attached) on the project process so far, key findings, and trends. Once the presentation was finished, the project team posed a series of four discussion questions for the FAC members to answer or share thoughts. FAC members were able share their answers verbally or by typing into the chat box. The discussion questions and FAC members' answers are below, categorized by question.

After the meeting, a recording of the meeting and the presentation were posted on the project website (www.alaskamoves2050.com). Members of the FAC were emailed to alert them that the meeting materials were available to view.

ADVERTISEMENTS:

The FAC members were invited to the meeting with an Outlook calendar invite. A public notice (attached) was posted on May 25, 2021, on the State of Alaska's Public Notices website (<https://aws.state.ak.us/OnlinePublicNotices/>) and the meeting information was posted on the project website (www.alaskamoves2050.com).

DISCUSSION QUESTION #1

Question #1: What are the key freight issues or challenges facing Alaska?

Agency	Answer
FAC Members	
Roads and Highways Advisory Board	There are multiple expectations of the highway system; it serves commuters, freight, etc. Each has their own needs and limitations and there are conflicting uses.
Alaska Trucking Association, UPS, Holland America	Bottlenecks are a challenge. Due to the lack of redundancy in the system if there is a backup/delay (bridge out, avalanche, bridge height/weight restriction), there is no alternative route. Having both alternate routes as well as reliable systems for keeping roads open is important.
Maritime Advisory Board	There is no economy of scale. Economic depression such as timber declines is making it more challenging. There is little to no backhaul which adds to complications and drives costs up.
Maritime Advisory Board	The Prince Rupert 2050 Plan should be on the radar.
Alaska Railroad	Link land use planning with transportation planning to support development.
Port of Alaska	Look at ports strategically or as a system. Neighborhoods do not like commercial traffic, particularly the traffic that must enter and exit major transportation hubs like seaports and airports, industrial noise in and around major transportation hubs. User conflict, e.g. cyclists. Freight should be more represented.
MARAD	Rural connectivity is very important.
DOT&PF	
	There has been an increase in freight on highways. Bridge weight restrictions are a limiting factor.

Agency	Answer
	There's been discussion about delivering freight via lighter than air blimps, but nothing has come of it. Changes in the technology could present challenges, such as piloted aircraft being replaced with drones or a similar technology.

DISCUSSION QUESTION #2

Question #2: What opportunities do you think DOT&PF and freight stakeholders should be addressing or pursuing?

Agency	Answer
FAC Members	
Maritime Advisory Board	Public-private partnerships.
Alaska Trucking Association, UPS	Bypasses of Anchorage and Wasilla. (2x)
UPS	Address congestion in Midtown Anchorage and the Glenn Highway.
Roads and Highways Advisory Board	Address heavy loads through Wasilla. Currently, there are small windows of time for freight transportation due to load restrictions.
Roads and Highways Advisory Board, FAST Planning	Intersection redesign needs. (2x)
FAST Planning	Reduced maintenance funding of DOT&PF; working with the Legislature to restore maintenance budgets.
Holland America – Princess	Infrastructure to support electric vehicles.

Agency	Answer
Alaska Trucking Association	Use funding to support big, game-changing transportation projects instead of a few small projects each year.
Port of Alaska	Port-to-rail freight handling to reduce drayage costs and trucking volumes, cleaner fuels for trucks, electrification of vehicles.
Fairbanks International Airport	One issue at FAI is that hangar development is extremely expensive. We could certainly handle more freight, but we do not have the infrastructure to support it and it is so costly to build here that companies don't invest.
Holland America – Princess	Improve safety of access to highways (frontage roads, turn lanes, etc.).
UPS	Changes in the way freight is delivered, increases in B2C (business to consumer) deliveries as opposed to B2B (business to business). More and more deliveries are made to a person's door rather than a retail or warehouse location. This has increased presence of commercial vehicles on residential roads which as it increases will lead to increased congestion in residential neighborhoods.
MARAD	Future of clean energy on market demand.
UPS	The largest aviation delays for freight in SE Alaska was when the AK Airlines freighters were taken out of service or limited for position weight.
MARAD	Maybe a focus should be on "regional corridors" and how they tie into regional clusters. Such as SE is really a long water highway, and with hub and spoke systems, how can the state prioritize interconnected systems within the state.
Alaska Energy Authority	Leveraging electrical grid inter-connectivity through transmission line build-out along state-owned transport corridors; this could allow for reduced energy costs as newly connected grids could have access to cheaper forms of electrical generation which exist along the rail belt (i.e. Bradley Lake hydro), for residential and industrial consumers alike. New freight corridors allow for opportunities to expand access to lower cost rail belt electricity.

Agency	Answer
DOT&PF	
	Maintaining airports: Some grant funding is dependent on certain metrics of maintenance.
	Improved or more reliable weather reporting at rural airports.

DISCUSSION QUESTION #3

Question #3: In what ways should there be greater public and private sector collaboration for freight transportation?

Agency	Answer
FAC Members	
Alaska Trucking Association, UPS	Combining funds from smaller projects to support larger, more needed projects that have a bigger impact. (2x)
UPS	As electric vehicles become more prevalent there will be less revenue from the gas tax, and new avenues of how to tap into revenue from EVs.
Alaska Railroad	Alaska's gas tax is among the lowest in the country. Explore weight/distance tax and user fees.
Maritime Advisory Board	Evolve to new funding models.
Totem Ocean Trail Express	Analyze historic spending on freight-related transportation.
Port of Alaska	Tax incentives to spur more private sector investment in cleaner commercial operations, infrastructure development, etc.

Agency	Answer
Holland America – Princess	No one mentioned Permanent Fund allocations and some legislative help on these projects that help all Alaskans.
Alaska Energy Authority	Perhaps attracting foreign direct investment? If S. Korea and some SE Asian countries are profiting by moving their exports across AK infrastructure, perhaps they would find it in their interest to invest in further improving existing infrastructure. ROI could be realized through user fees (i.e. other country/business flagged freight carriers would also be utilizing such infrastructure) or other means, have to get creative.
DOT&PF	
	Nationally, conversations on Road-Usage-Charges (RUC) with pilots are in place now.

DISCUSSION QUESTION #4

Question #4: What are the most important trends/forecasts we should be paying attention to in the development of the Freight Plan?

Agency	Answer
FAC Members	
FAST Planning	Workforce development? Are there issues with attracting and retaining a skilled workforce in freight transport?
Alaska Energy Authority	The potential for increasing damage to salmon populations due to stormwater runoff from roadways.
Alaska Energy Authority	Population trends, especially in remote communities, and how that impacts operations.
MARAD	3D printing could help alleviate issues with maintenance, parts, inventory, etc.

Agency	Answer
UPS	The expansion of Ted Stevens Airport for pass-through freight.
UPS	The expansion of e-commerce into rural areas and more truck traffic into residential areas.
Port of Alaska	Graphite One, Ambler Mine, Alberta-to-Alaska Rail link, and hydrogen fuel.
Holland America - Princess	Permafrost damage to highways.
Holland America - Princess	Military expansion or contraction in Alaska?
JBER	Military growth in Eielson and Ft Wainwright should be 3000-4000; slight growth at JBER.
Alaska Energy Authority	Climate change, as the earth warms, more and more agricultural land in the L48 will become less viable. There are studies which indicate that Canadian arable land could become the next North American breadbasket, and they will need a way to get their products to both domestic and international markets; AK could capitalize by investing in border-to-intermodal port corridors.
Holland America – Princess, Alaska Railroad	It's becoming harder to find skilled workers for the required jobs, such as maintenance, seasonal, and electrical positions. (2x)
MARAD	Could see climate change in Western Alaska demanding more funding to maintain communities as they adopt to sea level rise- implications for state budgets.
Alaska Energy Authority	Avoiding potential stranded assets.
UPS	It's getting harder to pass the physical for the DOT, and the technical requirements for licensing keep increasing as we struggle to find applicants.
DOT&PF	
	National conversations on Road-Usage-Charges. There are pilot programs happening now.

Agency	Answer
	Population trends based on 2021 census data showing population movement.
	Autonomous vehicles.
	Do any industry leaders expect that autonomous vehicles will play any role in the next 20 years?

ATTENDANCE

Name, Agency	Email	Role:
Jackson Fox, FAST Planning	jackson.fox@fastplanning.us	STAC/FAC
Aves Thompson, Roads and Highways Advisory Board	admin@RStreetStrategies.onmicrosoft.com	STAC/FAC
Craig Lyon, AMATS	craig.lyon@anchorageak.gov	STAC/FAC
Brian Lindamood, Alaska Railroad	admin@AlaskaRailroad.onmicrosoft.com	STAC/FAC
Annette Cole, Fairbanks International Airport	annette.cole@alaska.gov	STAC/FAC
Daniel Smith, DOT&PF	dan.smith1@alaska.gov	FAC
Joe Michel, Alaska Trucking Association	joe@aktrucks.org	FAC
Bruce Lambert, MARAD	bruce.lambert@ad.dot.gov	FAC
Mike Thrasher, Totem Ocean Trailer Express	mthrasher@totemocean.com	FAC
Richard Heath, UPS	rfheath@ups.com	FAC
EOC, Information Management Specialist		FAC
Connor Erickson, Alaska Energy Authority	cerickson@akenergyauthority.org	FAC
Robert Venables, Maritime Advisory Board	venables@aptalaska.net	FAC

Name, Agency	Email	Role:
Douglas Thompson, Holland America – Princess	dthompson@hagroup.com	FAC
Christel Burgess, Fairbanks Airport	christel.burgess@alaska.gov	FAC
Robert Sherrill, JBER	robert.sherrill@dla.mil	FAC
John Taylor, DOT&PF	eric.taylor@alaska.gov	DOT&PF Project Team
James Marks, DOT&PF	james.marks@alaska.gov	DOT&PF Project Team
Carolyn Morehouse, DOT&PF	carolyn.morehouse@alaska.gov	DOT&PF Project Team
Ben White, DOT&PF	ben.white@alaska.gov	DOT&PF Project Team
Todd Vanhove, DOT&PF	todd.vanhove@alaska.gov	DOT&PF Project Team
Judy Chapman, DOT&PF	judy.chapman@alaska.gov	DOT&PF Project Team
Roger Maggard, DOT&PF	roger.maggard@alaska.gov	DOT&PF Project Team
Chrissy McNally, DOT&PF	chrissy.mcnally@alaska.gov	DOT&PF Project Team
Brian Funkhouser, Michael Baker International	Brian.Funkhouser@mbakerintl.com	Consultant Team
Claire Dougherty, Kittelson & Associates, Inc	cdougherty@kittelson.com	Consultant Team
Holly Spoth-Torres, Huddle AK	Holly@huddleAK.com	Consultant Team
Marc Luiken, Michael Baker International	Marc.Luiken@mbakerintl.com	Consultant Team
Wende Wilber, Kittelson & Associates, Inc	wwilber@kittelson.com	Consultant Team
Michelle Fehribach, Huddle AK	michelle@huddleAK.com	Consultant Team
Patrick Whitesell, Michael Baker International	Patrick.Whitesell@mbakerintl.com	Consultant Team