

**TRANSPORTATION RESEARCH BOARD**  
**The National Academies**

Executive Committee Meeting  
January 26-27, 2011  
Palladian Room, Omni Shoreham Hotel  
Washington, D.C

MINUTES

**PRIVILEGED INFORMATION**

Minutes of all TRB Executive Committee Meetings shall be regarded as privileged and not for public release, except by special action of the Executive Committee

**TRANSPORTATION RESEARCH BOARD**  
**Executive Committee Meeting and Policy Session Discussion Minutes**  
**January 26-27, 2011**  
**Palladian Room, Omni Shoreham Hotel**  
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**TRB Executive Committee Meeting Attendance**  
**January 26-27, 2011**  
**Washington, D.C.**  
**Attendance**

**EXECUTIVE COMMITTEE**

Michael Morris	Chair
Peter Appel	Ex Officio
Barry Barker	
Allen Biehler	
Rebecca Brewster	Ex Officio
Deborah Butler	
William Clark	
Eugene Conti	
James Crites	
Nicholas Garber	
Paula Hammond	
John Horsley	Ex Officio
Susan Martinovich	
Victor Mendez	Ex Officio
William Millar	Ex Officio
Debra Miller	
Neil Pedersen	
Peter Rogoff	Ex Officio
Sandra Rosenbloom	
Steven Scalzo	
Gerry Schwartz	
Beverly Scott	
David Seltzer	
Kumares Sinha	
Daniel Sperling	
Kirk Steudle	
Douglas Stotlar	
C. Michael Walton	

**MARINE BOARD CHAIR**

Michael Bruno

**TECHNICAL ACTIVITIES**

**COUNCIL CHAIRS**

Jeannie Beckett  
Robert Johns  
Edward Kussy  
Katherine Turnbull

**GUESTS**

Robert Bertini	RITA
William Bronro	FMCSA
Marc Carrel	SCAQMD
Genevieve Giuliano	USC
Dana Goward	USCG
John Gray	AAR
Lance Grenzebeck	Cambridge Systematics
William Grisoli	USACE
Arthur Guzzetti	APTA
Jim Jensen	National Academies
Walter Kemmsies	Moffatt and Nichol
Rajiv Khandpur	USCG
Kenneth Lichtman	USACE
Greg Nadeau	FHWA
Jeffrey Paniati	FHWA
Nan Shellabarger	FAA
Michael Trentacoste	FHWA
Vincent Valdes	FTA
Chip White	Georgia Tech.
Mark Yachmetz	FRA

**TRB STAFF**

Javy Awan  
Cindy Baker  
Ann Brach  
Stephen Godwin  
Neil Hawks  
Russell Houston  
Christopher Jenks  
Michael LaPlante  
Lisa Marflak  
Mark Norman  
Suzanne Schneider  
Robert Skinner

**TRANSPORTATION RESEARCH BOARD**  
**Executive Committee Meeting and Policy Session Minutes**  
**January 26-27, 2011**

**Washington, D.C.**

*Highlighted areas indicate Executive Committee action.*

**January 26, 2011**

## **Welcome**

Transportation Research Board Executive Committee Chair Michael Morris called the meeting to order at approximately 8:30 a.m. Chairman Morris welcomed everyone in attendance and recognized incoming and outgoing members of the Executive Committee. Self-introductions were made.

## **Bias/Conflict-of-Interest Discussion**

A bias/conflict-of-interest discussion was held, in which members of the Executive Committee were given the opportunity to disclose potential biases or conflicts of interest they could have related to areas that might be discussed at this or future Executive Committee meetings. No members reported any conflicts of interest related to the Executive Committee's duties.

## **Previous Meeting Minutes**

The minutes of the June 11-12, 2010, meeting of the Executive Committee were approved.

## **Executive Director's Report**

Robert Skinner provided a report on a number of items concerning TRB as detailed in the Executive Director's Report (Tab 2 of the agenda book). During his presentation, Skinner highlighted the following:

- The second Strategic Highway Research Program (SHRP 2) and growth in the Cooperative Research Programs (CRPs) have fueled increases in the overall scale of TRB, making 2010 a record-setting year in terms of total expenditures. The overall staff level of 162 full-time equivalents is also an all-time high. These numbers will decrease as SHRP 2 moves toward its March 2015 sunset.
- The "Dear Supporter" letter at the front of the 2010 Annual Report summarizes the highlights of TRB's programs in 2010.
- TRB is currently in the second year of the 2010-2012 budget triennium, which will end June 30, 2012, and we are now at the point in the budget cycle when TRB typically organizes a Finance Committee to consider the budget for the next triennium that will establish the level of contributions from state departments of transportation and the Federal Highway Administration. State and federal contributions to the core budget have not increased since July 1, 2006. Revenue "enhancements" and cost savings have helped TRB through this period.
- Many of TRB's programs are tied to federal funding, which has recently survived through short-term extensions. The continuing resolution for surface transportation programs expires March 4, 2011, and the aviation program authorization expires on March 30, 2011.
- As of this date, the advance registrations and hotel reservations point to a strong attendance at TRB's 90<sup>th</sup> Annual Meeting. *Subsequent to the meeting it was announced that 10,900 people attended the meeting--making it the largest Annual Meeting ever.*
- Data collection is now under way for SHRP 2's naturalistic driving field study, and the activities under the other three focus areas are shifting into report publication and "pre-implementation" activities.
- With execution of a memorandum of agreement and a grant agreement between the National Academies and the Federal Railroad Administration, the National Cooperative Rail Research Program is ready to commence.

- This year, the incoming chair of the Executive Committee will appoint a committee that will review nominations for the Sharon D. Banks Award and select a recipient. Last year the Executive Committee changed the name of the award to stress the humanitarian intent of the award and signal to nominators that the criteria go beyond managerial excellence.
- Since the Executive Committee met in June, TRB has released two special reports—one addressing highway safety in the United State compared with best international practices (Special Report 300), and another dealing with models used to forecast air traffic controller staffing requirements (Special Report 301).
- News from the National Academies:
  - the 2011 budget for the National Academies anticipates a 12 percent growth over 2010;
  - the Constitution Avenue building renovation is on schedule to be finished in the spring of 2012;
  - the current National Academy of Sciences president, Ralph Cicerone, completes his term on June 30, but is eligible for reelection (*Note: Dr. Cicerone was reelected to a second 6-year term in February 2011*); and
  - the National Academies has changed to a new financial system—PeopleSoft.

Subsequent to Mr. Skinner’s presentation, Neil Pedersen, the incoming Executive Committee chair, asked members to contact him if they are interested in serving on the Banks Award Selection Committee.

### **Subcommittee for NRC Oversight (SNO)**

Michael Walton described the role and background of the SNO and some of its oversight activities, including its efforts to support the broadening of the representation of minorities and women on TRB committees and panels as detailed in the SNO report (Tab 3A of the agenda book). During his presentation, Walton noted that:

- TRB has been making steady, incremental improvements on women’s and minorities’ participation in TRB.
- TRB is the largest and oldest division within the National Research Council and the SNO acts as the link between TRB and the parent organization.
- E. William Colglazier, the executive officer of the National Academies, will be retiring this year. Walton asked that the Subcommittee on Planning and Policy Review develop a resolution of appreciation for Bill on behalf of TRB, which the Executive Committee could adopt at its June meeting. Walton described Dr. Colglazier as a strong supporter of TRB’s activities within the National Academies.

Subsequent to Dr. Walton’s presentation, both Dr. Schwartz and Chairman Morris encouraged members of the Executive Committee to identify individuals within their organizations who would be good candidates to serve on TRB committees and panels, with special emphasis on minorities, women, and young professionals.

### **Subcommittee on Planning and Policy Review (SPPR)**

Michael Walton gave the report of the SPPR, on behalf of its chair Adib Kanafani, who was unable to attend the meeting. Walton described the role of the subcommittee (Tab 3B of the agenda book) as the group essentially charged with providing guidance and input to TRB between meetings of the Executive Committee.

- Walton referred members of the Executive Committee to the draft summary of the SPPR’s last meeting on October 26, 2010. During the meeting, the subcommittee received the Executive Director’s report, reviewed several concepts for policy studies, explored possible new approaches for self-initiated studies, approved several conferences and workshops for TRB sponsorship and cosponsorship, heard reports on activities of the different TRB divisions and high-profile studies, and provided input on development of upcoming Executive Committee policy sessions.

## Studies and Special Programs Division

Stephen Godwin noted that the Studies and Special Programs Division report (Tab 4B of the agenda book) provides an overview of pending studies, potential studies, policy studies under way, and reports completed in 2010. Highlights of Godwin's presentation include the following:

- Through the self-initiated policy studies program, the Executive Committee and SPPR have overseen development of a complete and diverse portfolio of reports offering policy advice to Congress. These studies, both completed and forthcoming, include:
  - *Special Report 285: The Fuel Tax and Alternatives for Transportation Funding*
  - *Special Report 288: Metropolitan Travel Forecasting: Current Practice and Future Direction*
  - *Special Report 290: The Potential Impacts of Climate Change on U.S. Transportation*
  - *Special Report 297: Funding Options for Freight Transportation Projects*
  - *Special Report 299: A Transportation Research Program for Adapting to Climate Change and Conserving Energy*
  - *Special Report 300: Achieving Traffic Safety Goals in the United States: Lessons from Other Nations*
  - *Special Report 30x: Equity of Evolving Transportation Finance Mechanisms*
  - *Special Report 304: How We Travel: A Sustainable National Program for Travel Data*
  - *Special Report 30x: Policy Options for Reducing Energy Use and Greenhouse Gas Emissions from U.S. Transportation*
- Other reports produced by the Studies and Special Programs Division that will also be relevant to the reauthorization discussions include:
  - *Special Report 295: The Federal Investment in Highway Research 2006-2009: Strengths and Weaknesses*
  - *Special Report 296: Implementing the Results of the Second Strategic Highway Research Program*
  - *Special Report 298: Driving and the Built Environment: The Effects of Compact Development on Travel, Energy, and CO2*
- While TRB always reaches out to Congressional staff whenever a policy report is released, this year we are going to be even more aggressive. Due to the large turnover on Capitol Hill and the change in leadership in the U.S. House of Representatives, TRB will be reaching out to new staff, particularly staff of the House Committee on Transportation and Infrastructure, to share results of past work.
- Godwin provided the Executive Committee with a revised draft prospectus for a potential study on intercity and high-speed passenger rail (HSR) that would focus on understanding the potential operating costs of new services. At its October 2010 meeting, the SPPR recommended that the scope be widened to cover a broader set of policy concerns that state and other policy makers might raise about intercity HSR Service.
- During the discussion, the Executive Committee requested that Godwin revise the prospectus to address the following five elements:
  1. Expand to include role of private sector in financing, including PPPs.
  2. Add information about multi-state compacts
  3. Add information about new business models for development around stations.
  4. Capture external costs and benefits as best as can be documented.
  5. Add early documentation of existing projects (largely on items 1-3 above).
- During the discussion Skinner noted that it is feasible to provide a bibliography of current information on the subject on the website.
- There was consensus among Executive Committee members that expanding the scope of the study would likely increase the cost.
- The Executive Committee approved moving forward with the project, incorporating the five elements identified during the discussion. Godwin will hold a conference call with the SPPR on issues related to financing the expanded project within three weeks.

## **TRB Minority Student Fellows Pilot Program**

Suzanne Schneider provided an update on the TRB Minority Student Fellows Pilot Program as detailed in her report (Tab 5B of the agenda book). Her presentation highlighted the following:

- The objective of the program is to help support the travel, lodging, and subsistence expenses for minority students from a selected group of historically black colleges and universities and Hispanic-serving institutions to attend the Annual Meeting and to present a student-authored research paper at a session at the meeting.
- The program appears to be a success. Four schools participated this year out seven schools that were approached.
- Reactions from those that participate in the program continues to be very positive, and we expect that we will want to continue the program.
- This year the North Central Texas Council of Governments and Parsons Brinckerhoff each sponsored a student and accompanying faculty mentor.
- TRB will continue to look for sponsors of the program. However, given the current economy, the time requirement for fundraising, and the need to inform prospective schools early in 2011 of the schedule for selection of fellows and paper submittal, it is likely that TRB will be obligated to cover half or more of the expenses for an additional year if the decision is made to extend the program.
- The Executive Committee approved funding for program at its existing scale for the 2012 TRB 91<sup>st</sup> Annual Meeting.
- Members should contact Schneider with suggestions of potential sponsors of the program.

## **Briefing by National Academies' Director of Congressional and Government Affairs**

James Jensen, the National Academies' Director of Congressional and Government Affairs, briefed the Executive Committee on the federal congressional environment. Highlights of his presentation include the following:

- Split control of Congress and the diversity of ideas/ideology within political parties will make it difficult to move legislation forward during the next two years.
- Transportation might be the only issue on which Republicans and Democrats can find common ground. No member wants to be seen by their constituents as blocking a transportation bill.

## **Technical Activities Division (TAD)**

### Technical Activities Division and Council Report

Robert Johns and Mark Norman reported on activities of the Technical Activities Council (TAC) and Technical Activities Division (TAD) as detailed in their report (Tab 4A of the agenda book). Their presentations highlighted the following:

- The Technical Activities Council (TAC) has made it a priority to help TRB standing committees address longer-term trends and issues, including TRB's Critical Issues in Transportation.
- At this year's Annual Meeting :
  - 3,875 papers were submitted for consideration—up from 3,700 last year.
  - 80 sessions and workshops are addressing the spotlight theme of “Transportation, Livability, and Economic Development in a Changing World.”
  - TRB's Annual Meeting Online is being launched. It will include the meeting's compendium of papers, PowerPoint slides or posters from more than 4,000 presentations, and about 40 recorded sessions.
  - *The following day it was announced that total attendance at the Annual Meeting was 10,900—a new record.*
- TRB is continuing to enhance its services to the states including:

- saving travel costs by combining the TRB State Representatives and the AASHTO Research Advisory Committee meetings,
  - providing free access to state employees to the TRB Annual Meeting Online portal,
  - holding meetings with every state DOT CEO, and
  - updating information regarding states' return-on-investments for their financial contributions to TRB.
- TRB is looking at additional revenue streams to help maintain a strong financial footing for TRB's core activities during these uncertain financial times.
  - The 2009 ISI citation impact factors were released in July 2010, and the Transportation Research Record recorded its highest impact factor ever, 0.298.
  - TRB's Technical Activities Division has two new Senior Program Officers—Jennifer Rosales, Public Transportation Engineer, who replaced Peter Shaw upon his retirement, and Ann Purdue, Rail and Freight, who replaced Elaine King upon her retirement.
  - TRB conducted several specialty conference from July 1 to December 31, 2010, and continues to look for ways to ensure state participation in these meetings or the convenient sharing of information developed at these meetings with state employees.

### Conference, Workshop, and Project Approvals

The Executive Committee approved TRB cosponsorship of the following conferences:

- Conference on Performance Measures for Transportation and Livability
- International Symposium on Geotechnical Engineering for High-Speed Transportation Infrastructure
- 6<sup>th</sup> International Conference on Bridge Maintenance, Safety, and Management (IABMAS 2012)

At the conclusion of the presentations on TAD activities, Neil Pedersen commended Bob Johns for his three years of service as chair of the Technical Activities Council and expressed his appreciation on behalf of the states for the electronic dissemination efforts that have been undertaken by the TAD during the last three years.

### **International Activities**

Sandra Rosenbloom provided a report to the Executive Committee as the Committee's International Secretary (Tab 3C of the agenda book). She noted that:

- TRB's Technical Activities Division committees have four spots reserved for international membership. Many of these slots are filled. Martine Micozzi has developed a list of committees that don't yet have all their spots filled and is sharing that list with international members in order to identify people to fill the outstanding spots. Members of the Executive Committee who would like a copy of that list should contact Rosenbloom.
- Members of the Executive Committee were reminded about the Sunday International Reception and encouraged to attend the reception next year.
- The National Cooperative Highway Research Program is exploring possible participation in the European Road Association (ERA) ERA-NET Road Research Program.
- TRB and the Joint Transport Research Centre of the Organisation for Economic Co-operation and Development and the International Transport Forum have launched the Transport Research International Documentation (TRID) database.

At the conclusion of the presentation, Kumares Sinha noted that he was an original member of the International Activities Committee and is pleased with the progress it has made. He also suggested that TRB participate in more international meetings and that TRB consider an international speaker to keynote the Chairman's Luncheon.

## **Chairman’s Luncheon**

The Committee recessed at approximately 11:45 p.m. so that members of the Executive Committee could attend the Chairman’s Luncheon.

## **Afternoon Session**

The Executive Committee reconvened at approximately 2:30 p.m.

## **Policy Session: Multimodal Freight Policy, Corridor-Level Priorities, and Funding Strategies (Part 1 of 2)**

Chairman Morris welcomed the policy session panelists and expressed the committee’s appreciation for their participation in the session. Members of the panel included Chelsea “Chip” White, Schneider National Chair of Transportation and Logistics, H. Milton Stewart School of Industrial and Systems Engineering, Georgia Institute of Technology; Walter Kemmsies, Chief Economist, Moffatt and Nichol; Lance Grenzeback, Senior Vice President, Cambridge Systematics, Inc.; and Genevieve Giuliano, Professor and Senior Associate Dean, School of Policy, Planning and Development, University of Southern California.

Morris noted that this session was designed to explore multimodal national freight policy, including corridor-level priorities and funding strategies.

### Chelsea “Chip” White Comments

Key points from Dr. White included the following:

- Supply chain systems
  - In a push logistics system, suppliers deliver materials to an integrated manufacturer, whose manufacturing process pushes products to a distributor or retailer and then to the customer. To dampen swings in demand and supply, suppliers, manufacturers, distributors, and customers maintain large inventories of critical materials and products.
  - By contrast, a pull logistics system depends heavily on timely and accurate information about customer demand to track market movements and fast and reliable transportation to meet customer demand. Point-of-sale data tell the distributor, manufacturer, and supplier how much product is needed when and where.
  - But the process is growing more complicated as products flow back up the supply chain for recycling; second- and third-tier global suppliers are added; integrated manufacturers give way to virtual companies; and suppliers, manufacturers, and distributors are added to manage the freight flows.
  - The complexity and interconnectedness of a “neuro-logistics” system is both its strength and its weakness.
- Background – Supply chain design
  - Focused on minimizing cost and maximizing customer service
    - Direct costs – tariffs, tolls, fuel, personnel
    - Indirect costs – lead time mean and variance (affects how much buffer inventory/holding cost needed to satisfy customer service)
  - All modes of interest are linked
  - Supply chain re-design:
    - Results in modal and intermodal shifts
    - Due to changes in energy costs, infrastructure, regulations, mode availability, etc.
  - Implication: All modes and their interfaces are part of a system
- System of systems – externalities and constraints
  - Energy cost and availability, labor cost and availability, regulation (EPA, size and weight, safety, and security),

- Changing demographics – corridors, super regions, changing freight transportation infrastructure – 3<sup>rd</sup> set of locks, Panama Canal, and congestion
- Trends – near shoring
  - “Reverse globalization” - supplier footprints moving closer to assembly and destination markets
  - Cause: rising fuel costs, rising labor costs, and buffer inventory holding costs associated with long supply chains
  - Large buffer inventories due to supply chains with large means and variances larger than expected (growing realization)
  - Note: ratio of lead-time variance to lead-time mean in ‘high velocity’ supply chains particularly large
  - Implication: A need to increase focus on improving border-crossing efficiency with NAFTA countries/Caribbean
- Trends – beyond lean just-in-time
  - Beyond lean – resilient supply chains needed to mitigate the risk of major disruptions (e.g., weather, accidents, strikes, fuel shortages, terrorist acts and threats, etc.)
  - Remark: lean supply chains are very fragile
  - Expected economic impact of a major disruption affected by:
    - Disruption likelihood (frequency of occurrence, related to investment in prevention)
    - Rapid recovery
    - Implication: the importance of investment in both prevention and rapid recovery from major disruptions
- Trends – real-time supply chain control
  - Real-time supply chain control, based on real-time data – the next level of supply chain efficiency
  - Enabled by public and private investments in IT
  - Multiple sources of data in a supply chain: inventory levels; production rates; vehicle, vessel, or trailer: position, speed, direction, engine temperature, oil or air pressure; driver alertness; traffic congestion; weather, and freight status and visibility
- Trends – real-time supply chain control
  - Examples, based on real-time congestion information:
    - Route determination in real-time: re-route in-route
    - Tour determination in real-time: dynamic tour determination
    - The value of information:
      - How to assess this value?
      - How to extract this value in real-time operations?
      - Is the value always positive?
      - What is the impact of data delay on this value?
  - Implication: A need for research and development investment and innovation

### Walter Kemmsies Comments

Key points from Walter Kemmsies, Chief Economist, Moffatt and Nichol included the following:

- We have economic problems and the wherewithal to solve them. As the baby boomers retire, there will be a labor shortage and manufactured goods demand will have to be increasingly sourced from other countries.
- There seems to be a lack of funding and political support for bulk exports while scarce capital is allocated to infrastructure to support containerized imports. Lack of will may change when the consequences of insufficient investment/support become clearer.
- Given that the United States already has a substantial trade deficit, increased importation of manufactured goods is not economically viable unless there is a reduction in energy imports and increased exports of goods where the United States has a comparative advantage.
- The United States has abundant water and capital, which gives it a competitive edge in the global agricultural market place.

- Oceangoing freight is classified by the means in which the cargo is handled. Bulk cargo means it is not shipped in containers and therefore generally requires specialized handling equipment.
- Grain and oilseed production is concentrated in the United States. Most production takes place around the Mississippi watershed and has traditionally been shipped via barge to New Orleans to be loaded onto bulkers to carry the cargo to locations around the world.
- United States grain exports have grown on average 2% per year between 2003 and 2010. New Orleans had a 60% share of United States grain exports in 2003, but this declined to 48% by 2010. While some of the loss of New Orleans' volumes can be attributed to fluctuations in the relative rates of containers, bulkers, rail and barges, it is likely that insufficient maintenance of the Mississippi watershed is a main cause.
- Mississippi watershed issues aside, the United States is in no position to neglect investment in infrastructure to support exports. And there are no shortcuts.
- The Census Bureau's forecast for regional population growth indicates that areas where agricultural production occurs will lose population over the next few decades. Fewer containers will be accessible to shippers who wish to containerize their product. Nonetheless, it is important to make sure that United States agricultural exports are able to serve the world market—be it through bulk or container shipments.
- To support containerization, ports need to have trans-flow facilities. Rail or barge can bring the product near the container terminals or inland locations where empty containers are collected and trans-flow facilities can move the product into containers.
- It is fairly clear that the United States has to increase its exports and fortunately has the ability to be a competitive supplier of many products to the world market. The bad news is that the infrastructure is not in place in the United States to support this, most likely because the freight movement industry is myopically focused on containerized imported goods.
- In terms of policy framework, there needs to be a better balance of infrastructure investment to support both imports and exports. And for the exports, United States producers need to be able to access world markets by both bulk and container means. Doing so would not only help the trade imbalance, but also generate employment.
- Some recommended potential action items.
  - It is worth reviewing the conditions of locks, maintained dredged depths versus required depths, accidents, and other factors that may cause congestion in the inland waterways.
  - An inventory of bulk-handling and trans-flow facilities as well as their locations relative to where production occurs would also help in terms of identifying where infrastructure improvements are needed to support the bulk producers. This would help determine the extent to which infrastructure investments could support bulk exports.

### Lance Grenzeback Comments

Key points from Lance Grenzeback, Senior Vice President, Cambridge Systematics, Inc., included the following:

- Freight system economic structure influences what goes out and logistic involves how the commodity is transported. The weak link in the industry logistics patterns is the supply chains or distribution networks.
- There are several pieces that make up freight corridors.
  - Local
  - Metro
  - State
  - Mega-Region
  - National/International
- We seem to understand the local, state, and national/international corridors; however, we ignore or seem to skip thinking about corridors from the metro and mega-regional perspectives.
- We have a good idea how much freight we are going to be generating and how much transportation will be needed and where freight is going. We can map out truck flows nationally, but when we map

mega-regions we see different corridors and we can look deep into the process and get an idea of bottlenecks.

- We can also map rail corridors, identify areas of congestion, and rail bottlenecks as well.
- Freight policy issues at the national level include:
  - Weak policy mandate to maintain and improve freight corridors and connectivity.
  - Limited ability to trace the benefits, costs, and risks of investment in freight corridors up the supply chain to the economy and jobs.
  - No sustained program to finance freight projects of national and regional significance.
- Freight policy issues at the state level include:
  - Mismatch in scale between private-sector and public-sector planning and investment in freight transportation systems: the private sector thinks about multi-state markets and trade blocs, while the public sector thinks in terms of single jurisdictions.
  - Dearth of freight transportation planning expertise within state departments of transportation and state economic development agencies.
- Freight policy issues at the metropolitan level include:
  - Little data and less knowledge about urban goods movement.
  - Increasing tension between the demand for more freight transportation to support population and economic growth and the demand for less freight transportation to support livable communities.
- We are doing a good job of understanding the flow side, but we don't know how to relate that back to the economy.

#### Genevieve Giuliano Comments

Key points from Genevieve Giuliano, Professor and Senior Associate Dean, School of Policy, Planning, and Development, University of Southern California, included the following:

- United States foreign trade grew from \$1.6 trillion in 1998 to \$3.4 trillion in 2008 and from 26% of the gross national product in 1998 to 30% of the gross national product in 2008.
- Challenges related to the concentration of trade include:
  - Top 10 international gateways account for 44% of all trade.
    - Los Angeles region is #1
    - New York region is #2
  - Top five port complexes account for 53% of all waterborne trade.
  - Top five container port complexes account for 70% of all container trade.
    - Los Angeles/Long Beach accounts for 35%
- Policy challenges include:
  - How to distribute federal funds on merit.
  - The shrinking highway trust fund, the competition between freight vs. passenger needs, and issues of fairness between modes and regions.
  - How to determine the appropriate federal concerns and how to achieve consensus.
  - How to predict future demand.
  - How to avoid distorting competition.
- Past federal legislation created a collection of grant and loan programs, not a national policy agenda. They included grants vs. credit systems and extensive earmarking that was mostly ineffective. Legislation at the federal level has never answered the question of what constitute freight corridors or systems that have a “national significance.”
- Federal resources can potentially thwart efficient goods movement when they are used by state and local officials to promote local economic development efforts.
- There are some difficult questions that need to be answered in order to maximize the national benefits of freight investments. For example:
  - Who benefits and who pays? Should federal funds be used to generate private benefits? Are economic benefit and mobility arguments persuasive? What is the payoff in national economic competitiveness, or national system efficiencies?
  - Should federal funds be allocated on the basis of political influence?

- Is there a national policy rationale for influencing regional competition?
- Possibilities for the future federal role in freight transportation policy include addressing market failures such as monopolies, competition problems, and externalities; the promotion of cooperation and coordination; and as the last-resort funder. The goal of the federal government should be to increase efficiency and performance of the national system.
- What would an effective federal freight policy look like?
  - Promote performance-based decisions.
  - Support/enhance private-sector investments.
  - Provide research and development, and technical capacity
- Recommendations from TRB *Special Report 297: Funding Options for Freight Transportation Projects* included:
  - Establish guidelines for federal assistance in freight infrastructure development.
  - Establish freight infrastructure discretionary program.
  - Provide credit assistance and tax incentives.
  - Establish incentives for new local and project-specific revenue sources.
  - Invest in system monitoring, planning, and project evaluation.
- Implementation of these recommendations would require:
  - Agreement on national system efficiency and productivity as legitimate policy goals, and the use of performance criteria for fund allocation.
  - More emphasis on credit assistance, less on grants, and the use of user fees.
  - More investment in planning and research, and project evaluation.

### Policy Session Discussion

General themes and key issues addressed during the discussion included the following:

- Logistics is a complicated system of systems - modal, levels of government, private-sector reach
- Trends analyses are important, but also need analyses based on different scenarios
  - What are the modal implications of moving higher-value/lower-weight goods vs. lower-value/higher-weight goods?
  - Will near-shoring, reverse globalization overcome trends of last ten years, i.e., off-shoring and long supply chains?
  - If we had developed a national freight policy in 1990 based on past trends before internet, GPS, China/India modernizing, etc., we would have been way off base.
  - Will newer institutional models such as I-95 Corridor Coalition help to build new structures to advance goals?
- Does a national freight “policy” imply a national freight “program”? Not necessarily.
- Analytical tools – where do we go next?
  - Hard to get data (or at least the type of data that are needed) from the private sector
  - Data needs should be linked to goals, and therefore tailored for a specific purpose
  - Goods movement data for planning purposes are hard to come by
- Operations – where do we focus?
- Market vs. regulatory approaches to address externalities?
- Project evaluation/prioritization – How do we evaluate a multi-modal systems approach? How can we market such an approach?
- While China is doing many things well, many of their models are not appropriate for, or not as good as in, the U.S. (i.e., freight rail system)
  - Our costs for freight movement/mile average about half that for China.
- The U.S. freight system has much strength, despite this session’s focus on challenges.

### **Break for Evening**

Morris called a recess to the meeting at 5:30 p.m.

January 27, 2011

Morris called the Executive Committee back in session at 8:30 a.m.

**Policy Session: Multimodal Freight Policy, Corridor-Level Priorities, and Funding Strategies (Part 2 of 2)**

Policy Session Rapporteur Summary

Summary conclusions drawn by Eugene Conti, Secretary of Transportation, North Carolina Department of Transportation, from the previous day's presentations included the following:

- Concepts
  - System of Systems – modal/levels of government/private-sector reach
  - Institutional Arrangements – national/regional/state/metro/local
  - Markets/Regulations/Externalities
  - Costs/Benefits
  - Trends/Scenarios
- Questions
  - What are the modal implications of higher-value/lower-weight goods vs. lower-value/higher-weight commodities?
  - Is it possible that “near-shoring,” “reverse globalization” will overcome trends of last 10 years, i.e. off-shoring, long supply chains?
  - What would we have done in 1990 to formulate a national freight policy (pre-internet, pre-GPS, pre-China/India modernizing efforts)? Would we have been way off base using the then “current trends?”
  - Are there institutional models (I-95 Corridor Coalition) that might help us build new structures to advance economic/transport goals?
  - Does a “national freight policy” imply a “national freight program(s)”?
  - Didn't we have an Office of Intermodalism? What happened?
- Future Actions
  - Analytical Tools – Where do we go next?
  - Institutional Structures – How do we develop effective models?
  - Operations – Innovations/investments – where do we focus?
  - Marketing vs. Regulatory Approaches to Externalities
  - Project Evaluation/Prioritization – Modal/System/Multimodal - Where do we start? How do we “market” this approach?

Policy Session Rapporteur Summary Discussion

General themes and key issues addressed during the discussion included the following:

- Because of the complexity of the system and the ability of the supply chain to change based on any number of externalities, an overall national freight policy may not be possible; however, there are roles the federal government might be able to take on that would help freight movement issues. Examples of those roles include:
  - data collection
  - vehicle efficiency
  - development of freight issue experts within the federal government
  - corridor by corridor
    - develop examples of successes
    - explore the institutional structures that are necessary to address corridor-related issues
    - address corridor bottlenecks in order to let the logistics industry do what they do best—get products to market as quickly and cheaply as possible

## Future Policy Session Topics

Russell Houston provided an overview of the SPPR's suggested topics for the January 2010 policy session (Tab 6B of the agenda book).

The Executive Committee decided for the June 2011 policy session in Woods Hole, Massachusetts, to focus on identifying the motivation/rationales for opposing transportation funding with the goal of discovering potential points of confusion or misunderstanding that might help the transportation community, or the modes that make up that community, better tailor messages about the need for transportation investments. Houston was asked to solicit ideas from Executive Committee members on the potential structure and speakers for the session.

## Miller Center Report on Transportation Policy

Miller Center Director Governor Gerald Baliles and former U.S. Department of Transportation Under Secretary for Policy Jeff Shane briefed the Executive Committee on the Miller Center of Public Affairs report, *Well Within Reach: America's New Transportation Agenda*. Recommendations in the report include the following:

1. Congress must address the immediate crisis in transportation funding.
2. Specifically, future funding mechanisms should not depend primarily on fossil-fuel consumption—which the government is actively seeking to discourage through a number of other policies—to keep up with transportation investment needs.
3. Future stimulus spending should be directed to those transportation projects that will deliver the greatest returns in terms of future U.S. competitiveness, economic growth, and jobs.
4. Clarify decision-making power and enhance the effectiveness of states, localities, and metropolitan planning organizations.
5. The federal government should adopt accounting methods that recognize expenditures on transportation infrastructure as investments (rather than consumption) and take into account future returns on those investments.
6. Adopt an integrated approach to transportation planning that includes freight and goods movement and stresses intermodal connectivity.
7. Find more effective ways of reducing urban congestion.
8. Encourage public-private partnerships while also improving oversight of such partnerships.
9. Reform project planning, review, and permitting processes to speed actual implementation.
10. Better and timelier data are essential to measure progress toward defined goals and objectives and to improve the performance of the nation's transportation systems.

## Administration and Finance Division

Michael LaPlante summarized the Administration and Finance Division report (Tab 4C of the agenda book). During his presentation he reported that:

- The total activity level for all TRB program activities is projected to increase from \$99 million in calendar year 2009, to \$113 million for 2010, and a projected \$125 million in 2011. These increases are mainly due to expected growth in SHRP 2 subcontractor activity and billings.
- For the current triennium the states collectively are financing about 46 percent of TRB's Core Program. At present, the Federal Highway Administration, TRB's largest and original sponsor, contributes about 14 percent, other agencies finance about eight percent, and TRB self-generated income covers the remaining 32 percent.
- TRB's growing private revenue and steady-state costs will result in an increase to the TRB Reserve Fund of more than \$15 million, which represents slightly more than one full year of Core expenditures.
- TRB's current reserves total approximately 94 percent of its annual Core operating expenditures, and should rise to slightly more than 100 percent of an operating year by the end of this triennium.
- TRB is investigating several options for improving how we deliver our publications to TRB Sponsor organizations.

## **Second Strategic Highway Research Program (SHRP 2)**

Neil Hawks, director for SHRP 2, directed members of the Executive Committee to the SHRP 2 report (Tab 4E of the agenda book). During his presentation, Hawks highlighted the following:

- SHRP 2 is making the transition from research to implementation. The last research project has been initiated.
- The last extension of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) included language that provides the Federal Highway Administration with the ability to play a more significant role in SHRP 2 implementation efforts.

Ann Brach, the deputy director for SHRP 2, provided an update on the Naturalistic Driving Study:

- The naturalistic driving study installs inconspicuous cameras and sensors in vehicles, and participants engage in normal driving. The goal is to collect data to help determine the relative crash risk for different factors and to develop crash surrogates.
- Project will include some 3,000 drivers, last for 2 years, take place in 6 different geographic regions, include the collection of roadway data, help in the development of analytical techniques, and offer long-term access to the data collected. The cost of the project is approximately \$50 million.
- The first 90 vehicles are on the road in 4 of the eventual 6 sites where the study is being conducted (New York, North Carolina, Florida, and Indiana). The first accident (in a parking lot, with no injuries) was recently recorded.
- Currently, 477 drivers have been recruited, data downloads look good, roadway data collection begins this summer, and analysis projects begin this summer.
- The first SHRP 2 analysis projects will focus on road departure, intersections, driver behavior, and advanced vehicle technology.
- Currently working on addressing challenges related to recruitment and data access.
- A looming long-term challenge will be the stewardship of the data that are collected. The goal is to have the data available to researchers for 30 to 40 years.

## **Cooperative Research Programs (CRP)**

Christopher Jenks provided a status report on the National Cooperative Highway Research Program (NCHRP), Transit Cooperative Research Program (TCRP), Airport Cooperative Research Program (ACRP), National Freight Cooperative Research Program (NFCRP), Hazardous Materials Cooperative Research Program (HMCRP), and the new National Cooperative Rail Research Program (NCRRP), as detailed in the Cooperative Research Programs report (Tab 4D of the agenda book). In addition, he highlighted the following items:

- The Cooperative Research Programs Division administers six programs with an annual expenditure of \$75 million.
- During 2010 the division produced a total of 136 reports, 13 of which included accompanying CD-ROMs.
- Collectively, the division oversaw 270 panel meetings, coordinated the efforts of 3,128 volunteer panel members, processed 600 contracts or amendments to contracts, considered 400 problem statements, processed 2,000 travel reimbursement forms, processed 2,600 contractor invoices, and reviewed more than 500 responses to requests for proposals.
- Program Updates
  - NCHRP - FY 2011 projects have been selected and approved. NCHRP is exploring possible participation in the European Road Association (ERA) ERA-NET Road Research Program. Staff is now processing the 130 suggested problems statements for the FY 2012 program.
  - TCRP – FY 2011 projects have been selected. Panel member solicitations for the new projects are due January 28, 2011. FY 2011 synthesis program topic solicitations have been issued and are due March 31, 2011. FY 2012 problem statement solicitation has been issued with a due date of June 15, 2011.

- ACRP – FY 2011 projects were selected in July and panels have been formed and requests for proposals have been issued. FY 2012 problem statements solicitation was issued in December with a due date of March 4, 2011.
- NCFRP –Legislative and administrative issues delayed the FY 2010 portion of the program, but not significantly All FY 2010 contracts for individual research projects are expected to have been signed by early 2011. FY 2011 projects have been selected.
- HMCRP – Legislative and administrative issues delayed the FY 2010 portion of the program, but not significantly All FY 2010 contracts for individual research projects have been signed. FY 2011 projects have been selected. Several projects are coming to a conclusion within the program, and the first report has been published as *HMCRP Report 1: Hazardous Materials Transportation Incident Data for Root Cause Analysis*.
- NCRRP – The Federal Railroad Administration and National Academy of Sciences Memorandum of Agreement on the program has been executed. The FY 2010 grant has been approved and the U.S. Department of Transportation appointment of the governing board for the program is in progress. Solicitation of potential research topics is under way through the Federal Railroad Administration and relevant American Association of State Highway and Transportation Officials, American Public Transportation Association, and TRB committees. The first meeting of the NCRRP governing board is expected to take place during the first quarter of 2011. Its first task will be to select the FY 2010 and 2011 research projects.

#### **New Business**

There was no new business.

#### **Next Meeting and Adjournment**

- The next meeting of the Executive Committee will take place June 10-11 (Friday and Saturday), at the Woods Hole Study Center in Woods Hole, Massachusetts.
- Morris adjourned the meeting at 11:45 a.m.