



Freight Advisory Committee (FAC)

Meeting 1 - March 6, 2014



HDR

**PARSONS
BRINCKERHOFF**



Welcome

Safety Moment

Meeting Purpose

- Introduce the purpose and role of the LRTP
- Identify current and emerging concerns about freight transportation and movement to address in LRTP



Agenda

- Welcome and introductions
- Plan purpose and overview
 - *Role of the group*
- Group discussion
 - *Vision: plan value*
 - *Current conditions*
 - *Transportation system vision for 2035*
 - *Opportunities*
 - *Risks*
- Next steps

Ground Rules

- Stay on topic, stay present in the moment
- Look for the donut, not just the hole
- Everyone has an opportunity to speak
- Share the air
- Save electronics for the break
- Honor the author and respect the speaker
- Avoid “bar discussions”
- Have fun, and enjoy the process



Plan Purpose and Overview

Plan Purpose and Overview: *Governor's Priorities*

- Live within our means
- Focus on our priorities
- Maintain what we have
- Finish what we started
- Keep Alaska Moving to Keep Alaska Strong

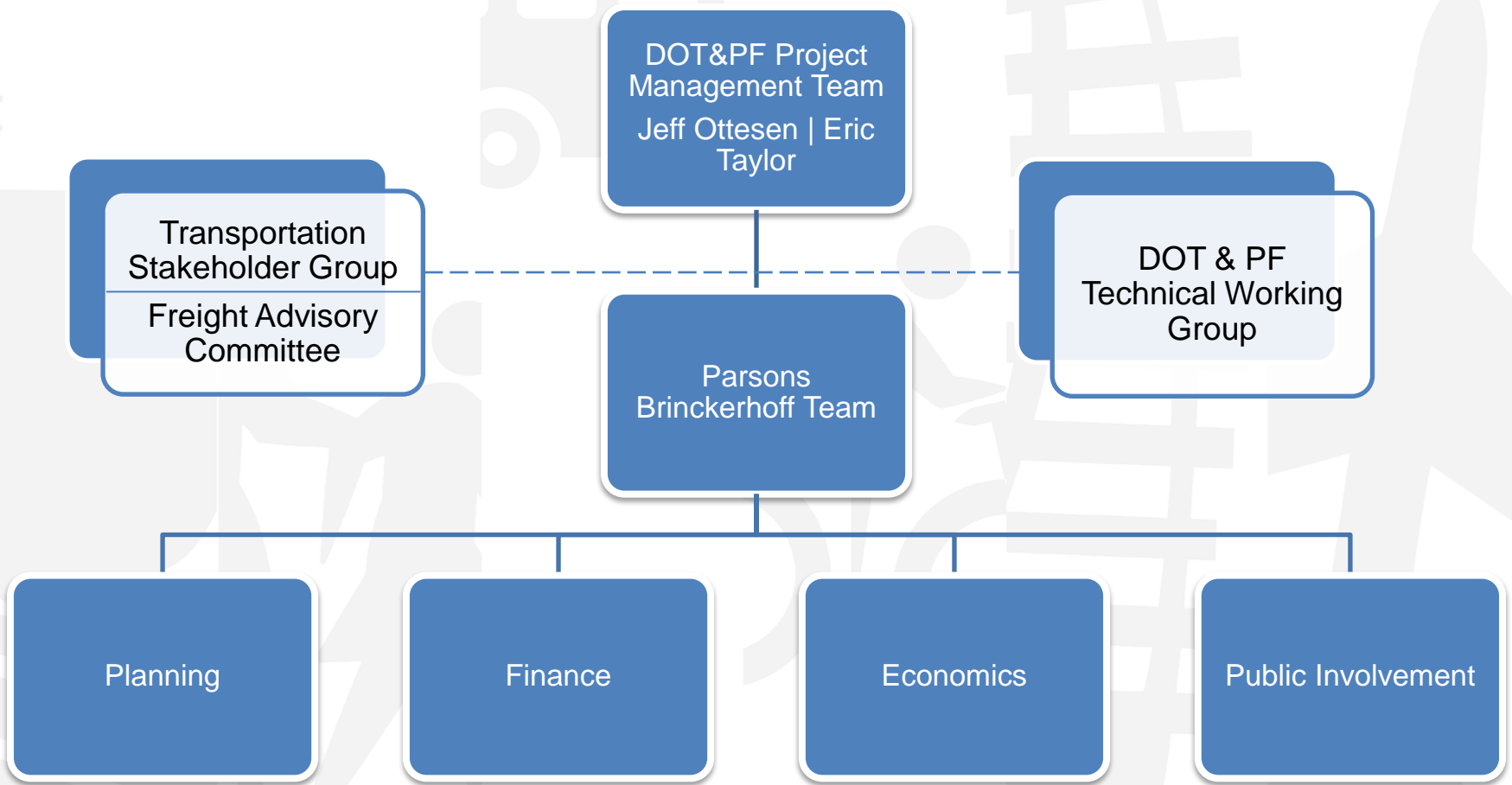
Plan Purpose and Overview

- Address state's role in transportation statewide
- Address MAP-21 requirements
- Align with policy direction for the state
- Don't revisit decisions made
- Provide strategies and actions to link the plan to other detailed plans/goals
 - *e.g. regional plans, strategic plan, performance measures*
- Address all modes
- Address DOT&PF's responsibilities as the owner
Realistic | Specific | Guide for other plans

Plan Purpose and Overview: *Process*

- Build on and improve prior process and analysis approach
 - *More forward-looking trends analysis*
- Address MAP-21 requirements
 - *Performance measures, targets and asset management*
- Establish agreed upon investment priorities
 - *Identify a strategy for funding them*
- Prepare a 10-year capital improvement plan
- Provide mechanisms to better link the plan to implementation

Plan Purpose and Overview: *Organization*



Plan Purpose and Overview: *Roles*

Role of Transportation Stakeholder Group

- Provide input to all aspects of the plan
- Enable coordination and collaboration among units of government, owners and operators of Alaska's transportation system
- Help with clear communication strategy for plan
 - *current conditions, funding, strategies, etc.*
- Composition
 - *Cities, Boroughs, MPOs, Municipal league, FHWA, others*

Plan Purpose and Overview: *Roles*

Role of Freight Advisory Committee

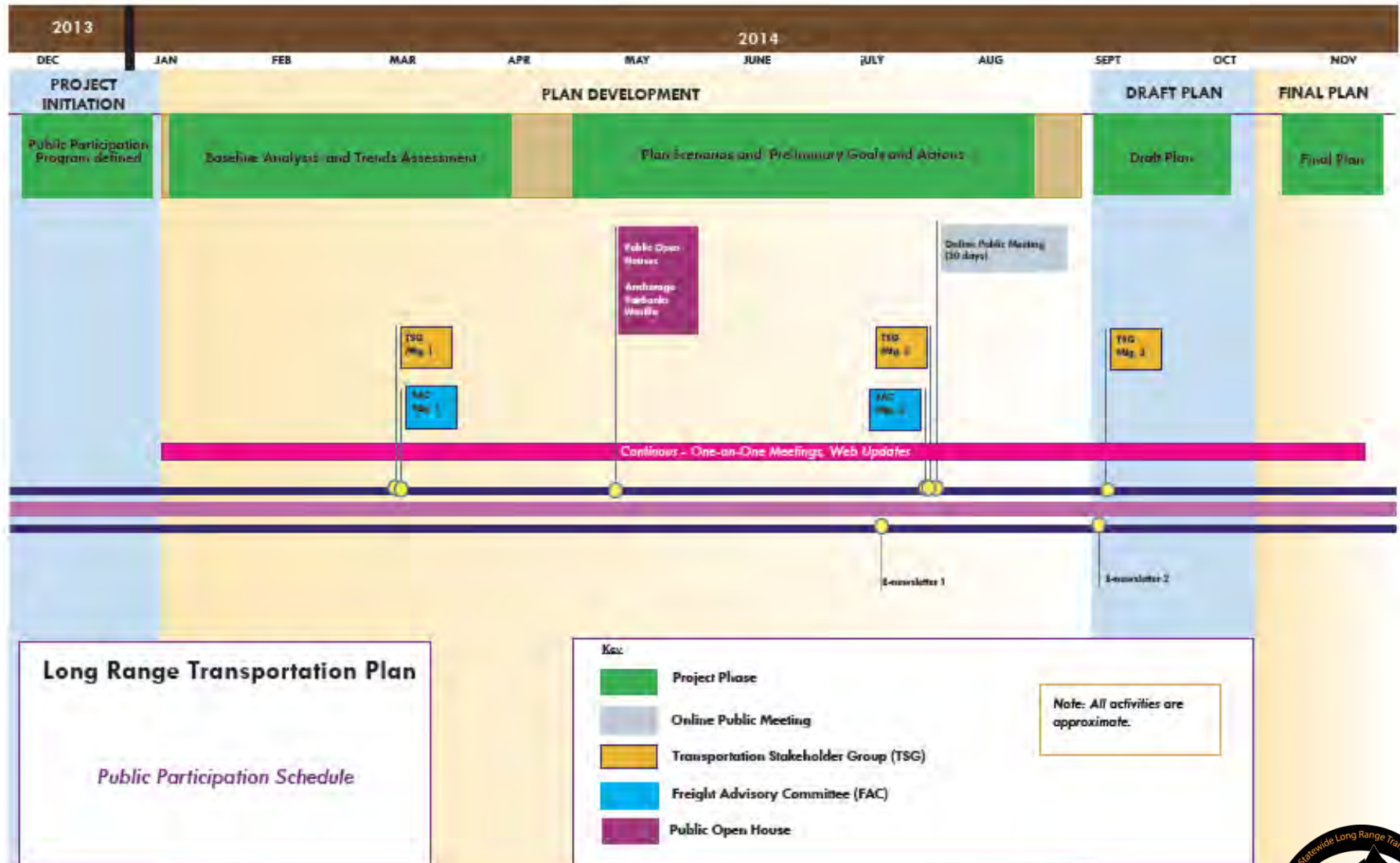
- Provide input to freight plan and integration with LRTP
- Enable coordination and collaboration among units of government, owners and operators of Alaska's freight transportation system
- Help with clear communication strategy for the plan
- Composition
 - *Trucking, Railroad, Air Freight, Miners Association, others*

Plan Development and Public Involvement

Outreach Tools

- Transportation Stakeholders Group (TSG) Meetings
- Freight Advisory Committee (FAC) Meetings
- On-line Open Houses
- E-newsletters
- Website & Communication Materials
- Small Group Meetings and Stakeholder Interviews
- Public Open Houses
 - *Fairbanks, Wasilla, Anchorage*

Plan Development and Public Involvement



Plan Purpose and Overview: *Plan Components*

Discussion of planning process and factors

Guiding principles and vision

Policies

Strategies

Actions

10-year
investment
priorities

Critical
statewide
needs

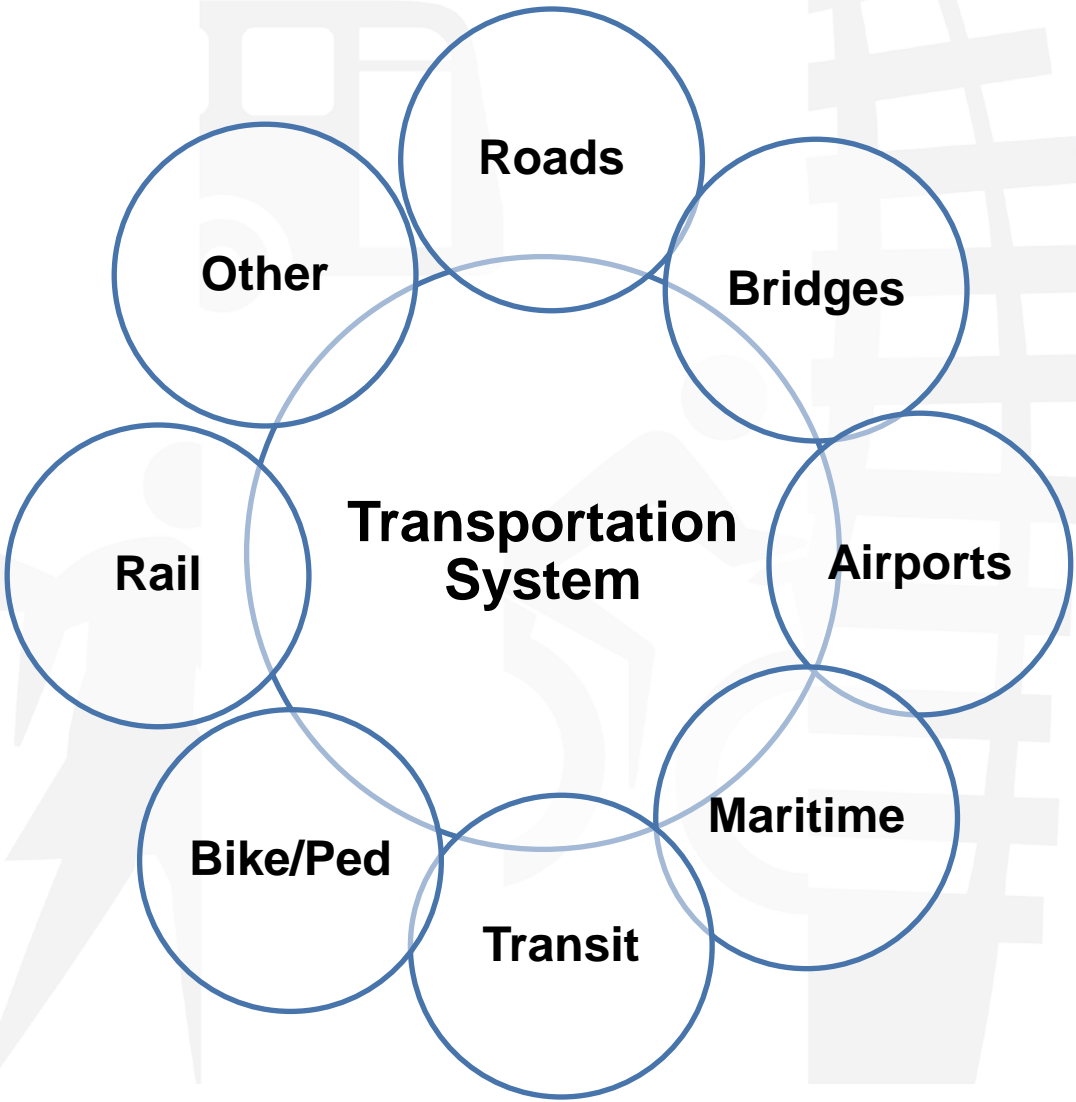
Trends

Current
conditions

Integration
with other
plans

MAP-21
compliance

Plan Purpose and Overview: *Integrated Transportation System*



Why a Freight Plan Element?

- LTRP enhancement
 - *Economic effects of transportation*
 - *Integrated performance across modes, geographies*
 - *Private stakeholders and partnerships*
- MPO and regional planning support
 - *Freight Plan will incorporate MPO and regional inputs*
 - *Freight Plan will be a key resource for MPOs and regions: data, forecasts, condition and performance, policy, projects, funding*
- MAP-21 opportunity
 - *Inform the: National Freight Network; National Freight Strategic Plan; National Performance Measures*
 - *Freight Plan can establish projects eligible for higher match*

Freight Plan Components from MAP-21

- Planning should be multimodal, even though the National Freight Network is highway-only
 - *All the “should” components are important to the LRTP process, so we suggest addressing them*

State Freight Plans <u>Must</u> Address (from Legislation)	State Freight Plans <u>Should</u> Address (from Guidance)
Support for national freight goals	Economic context
Policies and strategies	Assets, Condition, and Performance
Trends, needs, issues	Freight Forecasts
Bottlenecks and improvements	Strengths, Weaknesses, Opportunities, Threats (SWOT)
Performance measures	Investment Process and Implementation

Freight Plan Work Products

Elements	T + C (Underway)	Future Products
Economic context	●	T+C report is basic planning data, at the state and regional level, to support LRTP and freight project/policy identification
Assets, Condition, and Performance	●	
Freight Forecasts	●	
Trends, needs, issues	●	
SWOT	●	
Bottlenecks and improvements	Future products address policies and implementation steps/responsibilities, at the state level and optionally at the regional level	●
Policies and strategies		●
Investment Process/Implementation		●
Performance measures		●
Support for national freight goals		●

Freight Plan: *Inputs*

- **Plans**
 - *State transportation plan, state rail plan, other state plans*
 - *Regional and MPO plans*
 - *Modal facility operator plans (airports, seaport, railroad)*
 - *Carrier plans (Alaska Railroad, Alaska Marine Highway System, TOTE/Crowley/Horizon, trucking)*
 - *Business plans (pipelines, offshore leases, mines, refineries)*
- **Studies and Data**
 - *Arctic Port, Dalton Highway, new initiatives*
 - *Economic and commodity data*
- **People**
 - *“Beneficial cargo owners,” freight carriers, terminal operators, state and regional governments, communities*
 - *TAC, FAC, interviews*

Trends and Conditions Report: *Analytical Framework*

Sections	Metrics and Sources
1. Freight Economy	Jobs and wages in freight-dependent industries, current and forecast (<i>Alaska Employment and Workforce and other data</i>)
2. Commodity Flows	Tons and value of freight moving to, from, and within Alaska, current and forecast (<i>FHWA Freight Analysis Framework</i>)
3. Freight Drivers	Demand-side inventory of key drivers, quantitative/qualitative evaluation of importance, and known or anticipated changes (<i>Economic/commodity data and past/ongoing studies</i>)
4. Infrastructure and Operations	Supply-side inventory of networks (highway, rail, waterway, pipeline) and facilities (ports, airports, rail terminals), addressing: location, attributes, traffic handled (tons, units, truck percentages, etc.), and known or anticipated changes (<i>State and facility data</i>)
5. Issues, Needs, and Choices	Inventory of critical-path questions to be addressed as next steps in the Freight Plan (<i>Early assessment, pending stakeholder input</i>)
6. MAP-21 / LRTP / Regional Integration	Links between T+C and , MAP-21, LRTP, and MPO Planning (<i>Consultant assessment</i>)
7. Borough-Level Snapshots / SWOT	All items above, focused at borough level

Freight Plan: *Outputs*

- LTRP Integration
 - *Freight Trends and Conditions Report (draft March 28)*
 - Baseline and forecast conditions and issues
 - *Full Freight Plan Element (draft June 27)*
 - Bottlenecks, policies, projects, implementation
- External Use
 - *MAP-21*
 - Input to National Freight Strategic Plan and Performance Measures
 - *MPO and Regional Planning*
 - Incorporating MPO and regional inputs
 - Key resource for MPOs and regions: data, forecasts, condition and performance, policy, projects, funding



Discussion



Vision Plan Value



Current Conditions Moving Freight



North to the Future Freight Transportation in 2035



Opportunities Solutions and the Big Picture



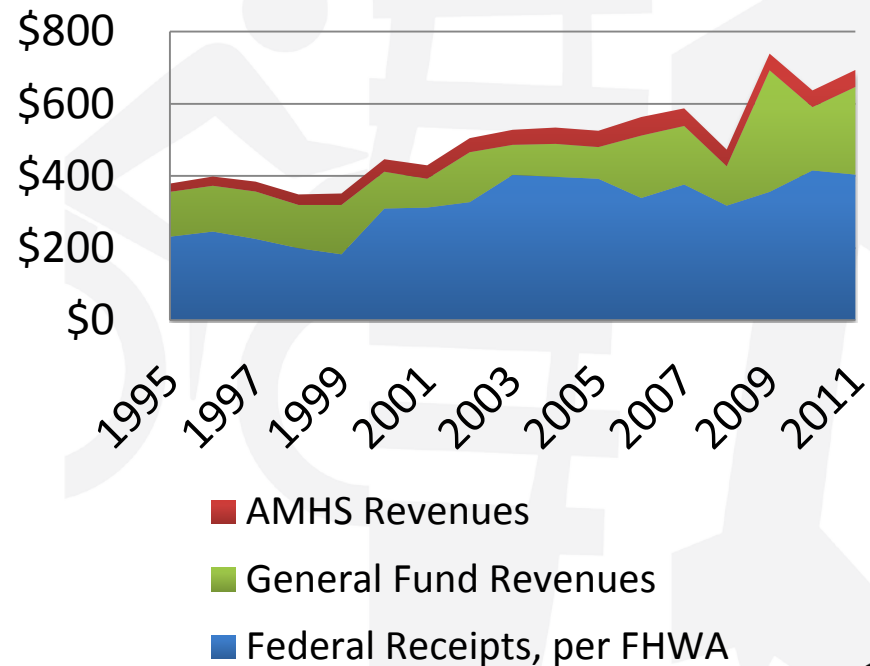
Risks The Funding Future

Funding: *Historical Revenues*

- Historical dependence on Federal funds
- Followed by General Funds
- Small fraction from AMHS farebox revenues

Motor fuel taxes not dedicated to highway funding (no dedicated source for highway funding)

Petroleum revenues make up over 90% of Alaska's GF revenues

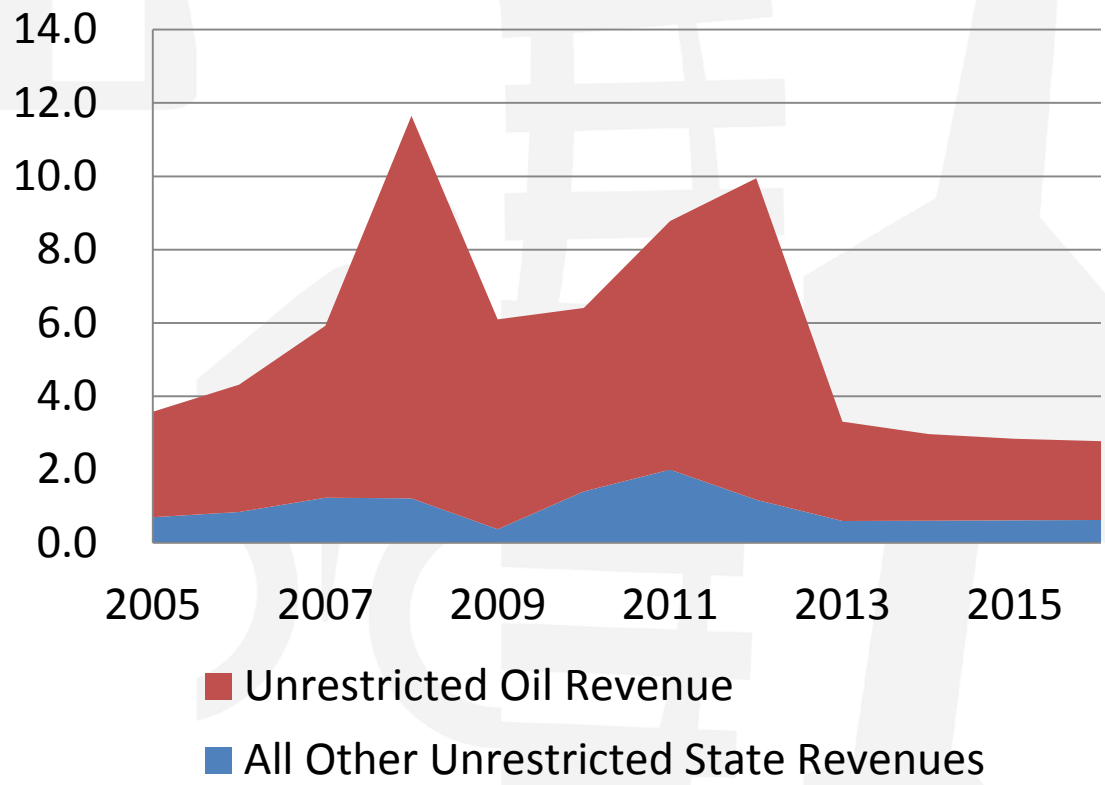


Funding: *State General Fund Forecast*

The largest component of unrestricted oil revenues is the Oil & Gas Production Tax

The Alaska Department of Revenue forecasts Oil & Gas Production Tax will fall from \$4.6 billion in fiscal 2013 to \$1.7 billion in 2015

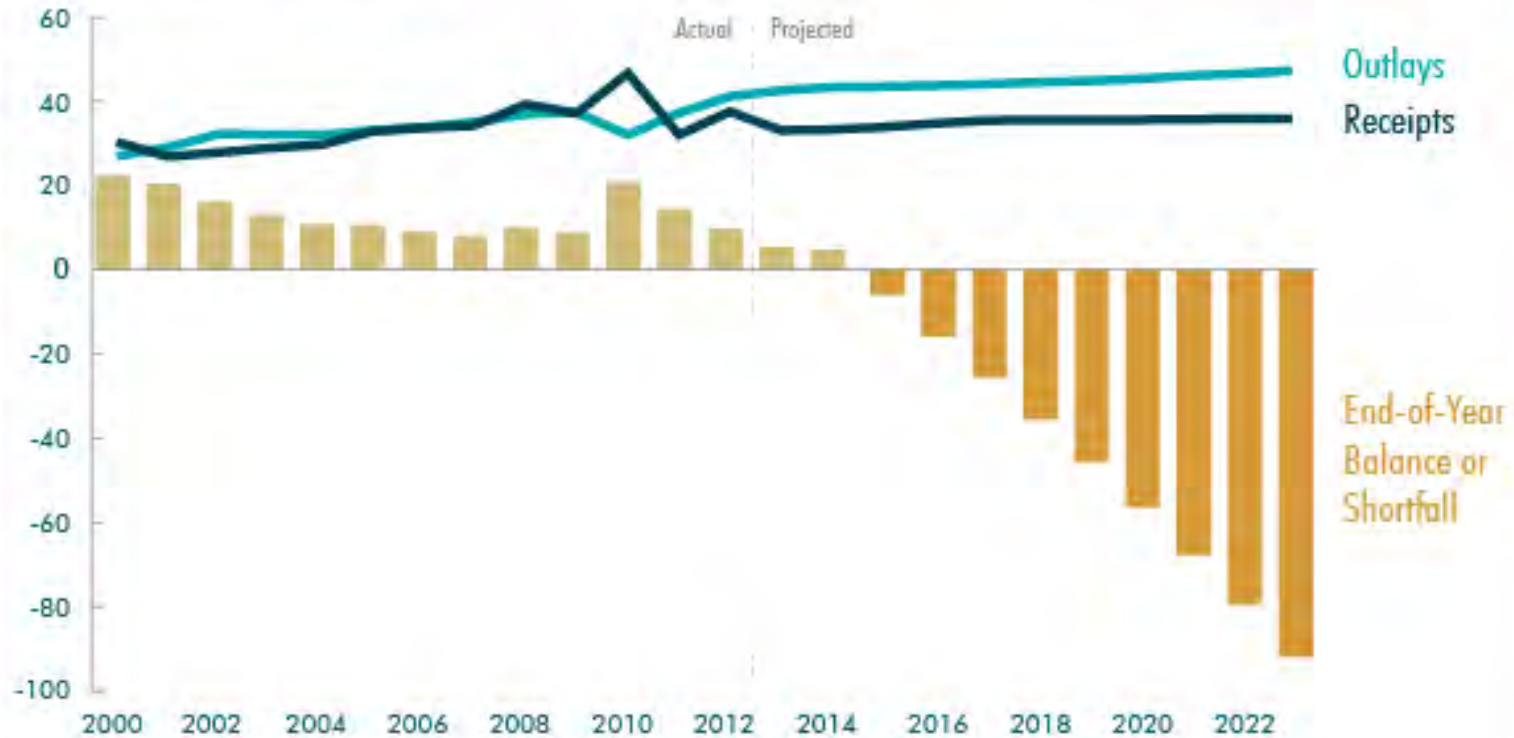
Overall, total unrestricted revenues are predicted to fall from \$6.9 billion in fiscal 2013 to \$4.1 billion in 2023.



Funding: *Highway Trust Fund Forecast*

Cash Flow of the Highway Account of the Highway Trust Fund

Billions of Dollars, by Fiscal Year



CONGRESSIONAL BUDGET OFFICE

MARCH 2013 • WWW.CBO.GOV/PUBLICATION/43884



Funding: *Highway Trust Fund Forecast*

- Under CBO's baseline projections, the highway and transit accounts of the Highway Trust Fund will have insufficient revenues to meet obligations starting in fiscal year 2015
- Under current law, the Highway Trust Fund cannot incur negative balances and has no authority to borrow additional funds
- The US Department of Transportation has indicated that it needs at least \$4 billion in cash balances available in the highway account and at least \$1 billion in the transit account to meet obligations as they are due
- As a result, under CBO's baseline projections, the highway account may have to delay some of its payments during the latter half of 2014

Source: CBO, February 2014





Risks The Funding Future

Next Steps

Plan Development

1. Finalize Work Plan

3. Conduct Policy Analysis

5. Prepare Preliminary Plan

Systems Analysis

2. Conduct System Analysis Update

2.1 Analyze Socioeconomic Trends

2.2 Conduct Data Analysis by Mode

2.3 Prepare Freight Analysis

2.4 Conduct Financial Analysis

4. Conduct Needs Analysis and Evaluate Plan Scenarios

6. Prepare Draft and Final Plan

Public Involvement

7. Public Involvement



Questions/Comments
