

APPENDIX D

Supply Chain Task Force Meeting Summaries







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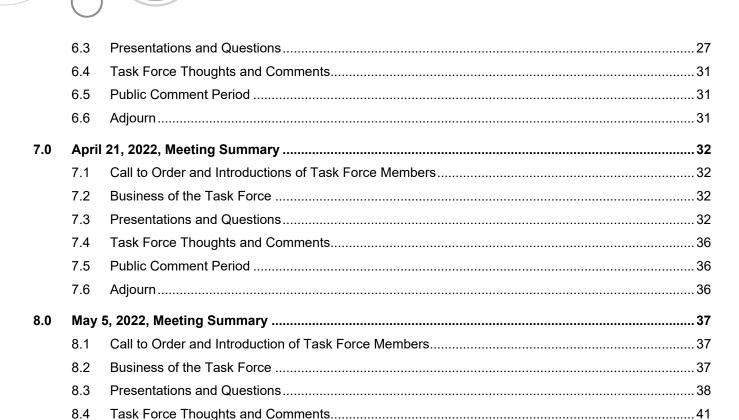












Public Comment Period41

Adjourn41





8.5

8.6

















1.0 Overview

Appendix D contains all power point presentations used during the Missouri Supply Chain Task Force meetings. Presenters used the power point slides to as an aid to their presentations to the Task Force. Below are the Task Force meeting dates, times and locations:

Meeting Date	Meeting Time	Meeting Location	Page Number
January 20, 2022	9:30-11:30 AM	Jefferson City, MO	1
February 10, 2022	12PM – 3PM	Jefferson City, MO	7
March 10, 2022	1PM – 4PM	Chesterfield, MO	15
March 24, 2022	12PM - 3PM	Sikeston, MO	21
April 7, 2022	12PM - 3PM	Lee's Summit, MO	27
April 21, 2022	12PM - 3PM	St. Joseph, MO	32
May 5, 2022	12PM - 3PM	Hannibal, MO	37

There was a meeting scheduled for February 17, 2022, that was canceled due to weather. Meeting minutes follow the agenda of the meeting and consist of all questions, comments and answers presented during the meeting by the Task Force and the public.













2.0 January 20, 2022, Meeting Summary

Missouri Supply Chain Task Force Meeting Summary

This meeting was livestreamed and is available for viewing at: https://www.modot.org/supplychaintaskforce

Department of Transportation Building 105 West Capitol Avenue Jefferson City, MO

> January 20, 2022 9:30 a.m. – 12 p.m.

2.1 Call to Order and Task Force Introductions

Call to Order

- Patrick McKenna (Director, Missouri Department of Transportation, MoDOT) and Task Force co-chair, called the meeting to order. Mr. McKenna provide opening remarks and details on the importance of the task force.
- Mardy Leathers (Director, Office of Workforce Development, Missouri Department of Higher Education and Workforce Development) will also serve co-chair.

Task Force Members

- Todd Spencer (President, Owner-Operator Independent Drivers Association, OOIDA)
- Chris Gutierrez (President, Kansas City SmartPort, Inc.) Not present
- Mary C. Lamie, P.E. (Executive Vice President of Multi Modal Enterprises Bi-State Development) Not present
- Caitlin Murphy (CEO, Global Gateway Logistics)
- Dustin J. Quesenberry (Vice President of Operations, Contract Freighters, Inc., CFI)

A safety minute and update were provided in case of any emergency.

2.2 Business of the Task Force

Patrick McKenna provided an overview and read aloud the Executive Order 21-13 passed by Governor Mike Parsons. The Task Force will help coordination and collaboration between the government and supply chain distribution stakeholders. The agenda for this meeting and proposed dates for all Task Force meetings were discussed.

C: (Caitlyn Murphy) Look at including a maritime industry presentation as part of the future meetings.

C: (Patrick McKenna) The Task Force members could break into working groups as well if desired.





2.3 Presentation and Questions

Draft of Freight Multimodal Network

Cheryl Ball (Administrator of Waterways and Freight, MoDOT) presented the Missouri freight multimodal network based on the recent work completed as part of the Missouri Statewide Freight and Rail Plan. The analysis was data driven and stakeholder informed.

Questions

Q: (Todd Spencer) Are the waterways navigable 12 months of the year?

A: (Cheryl Ball) Most portions are available, but sometimes weather impacts the river. We rely upon the trucking industry to move freight from the river to around the country. Moving freight on the river allows for multimodal connections of freight that connect to the rail and highway/ trucking systems in the state.

C: (Patrick McKenna) This is where multimodal system collaboration comes into effect.

C: (Cheryl Ball) Every other week there is a standing call with MoDOT and the waterways to discuss status updates of the waterway, if everything is working, and what can be worked on to improve

Q: (Mardy Leathers) Some rail lines on the map are no longer utilized but maintained. Is this correct?

A: (Cheryl Ball) All rail lines on the map are operational and moving cargo. A lot of the rail lines currently being used are at or over their level of capacity. The rail lines that currently are not being used due to low capacity are being taken out in some cases. This hurts small businesses as these businesses may currently not be using rail but having this option would help them in the future. This would also help strengthen economic development in the state by providing opportunities for businesses that would like to move here.

C: (Mardy Leathers) That is an excellent point. It's about the assets that are available to be used in the future.

Q: (Caitlyn Murphy) Since everything on the map of this network is active, do we have the potential to add new, futuristic sites?

A: (Cheryl Ball) There is always the opportunity to add them. Everything on this map (besides the rail lines) are publicly owned. As the container on barge moves forward, we'll have to look at if it makes sense to spend them on private ports or locations.

C: (Patrick McKenna) There was a grant application for a port to do some advanced technology work for Agri-Services and MoDOT.

C: (Cheryl Ball) The grant was approved, and the funding helps improve technologies for the maritime industry to move projects forward. This will help the container on barge movement on the Missouri and Mississippi rivers.

Q: (Dustin Quesenberry) What is the difference in percentage of freight moving on the rivers that stay in Missouri vs leave Missouri for other destinations?

A: (Cheryl Ball) Missouri's tonnage from the public ports is in the 50–60-billion-ton range of primarily agricultural products. The primary destination is the Gulf of Mexico to be put on ships for export.

Q: (Todd Spencer) Is it primarily agricultural products that are being exported?

A: (Cheryl Ball) It is primarily metals and agricultural goods. As container on barge and container on vessel increases, we will have the capacity to have other products moved up and down the river. Walmart and Lowe's have been reached out to about moving products on the river. European markets have container on vessel up and running and have for a number of years. They've been moving furniture and other goods. In St. Joseph, where they move a lot of goods to international destinations by rail or truck, there may be the option move the products on a faster barge.

Q: (Todd Spencer) What would a faster moving barge look like?





A: (Cheryl Ball) That's what the container on barge or vessel is. It's a self-propelled product that cuts the time of travel. The American Patriot container on barge or vessel is quicker taking about seven days to get to the Gulf instead of three weeks like other goods from St. Louis using existing river travel methods.

C: (Patrick McKenna) This is where the multimodal connectivity comes into play. This could make the Mississippi almost a third coast for the country to go up and down the waterway.

C: (Caitlyn Murphy) I have been working with the American Patriot Holding team and am an advocate of the container on vessel industry in Missouri as it provides a lower cost of the transport of goods and is quicker. It may be helpful to fund a study on small to medium distributors for machinery, raw materials and finished products to see if a city built out the infrastructure to container on vessel and how that would help the industry. In the Midwest, we have all the resources to use multimodal networks to our advantage. The Walmart's, Targets, and Lowe's of the world are nowhere near experiencing the same issues the small and medium exporters are. I think we need to cus on the small to medium distributors and how this could help them and be most beneficial.

C: (Todd Spencer) The last two years has been the 'Amazon Prime' state of mind and there are lots of ways to move cargo.

Workforce in Crisis

Mardy Leathers (Director, Office of Workforce Development) presented on the economic and workforce development crisis in Missouri. The demand for labor was discussed. Missouri could have the quickest infrastructure but it's the people that make the system what it is. The work force in Missouri job postings were reviewed by type of job and level of the position. The effect of the work force on moving freight is significant. Annually 22,000 CDLs are issued in Missouri. This is more than the jobs available and the majority of people carrying these CDLs then go out of state.

FHWA is enacting a new requirement for CDL drivers that Missouri will have to enforce. The is requirement, the Federal Modal SCA entry-level driver training rule, is effective on February 7, 2022.

Questions

Q: (Patrick McKenna) What is the cost for an 18-year-old that wants to get into the industry and what is the time to go through the process?

A: (Mardy Leathers) It takes about 4-5 weeks to go through the approved training process and take the skills test in total costing around \$5500. Companies sponsor some drivers, and Missouri provides funding options.

C: (Todd Spencer) For the entirety of the commercial trucking industry, there has been no requirements for training for drivers in the past. We need to fix the workplace issues. There is a relationship between age and safety and experience and safety.

C: (Dustin Quesenberry) We need to look out how this will affect schools around the state and other factors of adding in additional requirements for drivers. We also need to look at how to get people back in the industry that left for treatment. Drivers will be let go for traffic or drug related issues and leave for a treatment program. Once the program is complete, they are not being rehired. There is an exception in the FMCSA rule that says once you've left the industry for an approved treatment program and completed the treatment then you can re-enter the industry. A lot of companies are not re-hiring though. This could be an opportunity as it has eliminated a number of drivers from the industry. If there was more research and work done around treatment and substance abuse protocols, could we offer treatment at the same time putting them back in the work force?

Q: (Todd Spencer) Do you re-hire what you just described?

A: (Dustin Quesenberry) We do not. There are not a lot of approved treatment programs that exist to help and that's the reason we don't do that. It's an area that needs to be looked at further.

C: (Mardy Leathers) The state highway patrol is preparing for less exam providers and more people who want to take the exam. The schools are challenged with finding instructors and equipment.











Q: (Caitlyn Murphy) Has a study been done regarding why people are trained and then leave the industry?

A: (Mardy Leathers) Yes. Studies have been completed for when people enter the industry and where they are into their career. A survey was done at the national level and then we do surveys for people who have completed trainings. Leaving the industry is largely due to the lifestyle of long hours on the road and a long time away from home. It could also be due to getting into trouble or an accident. The industry understands it's a challenge.

Crisis Response

Questions

Jerica Holtsclaw, P.E (Motor Carrier Services Director, MoDOT) presented on the current crisis response regulations in Missouri. These regulations include special permits for load weight on highways and Presidential declared emergencies. There has been collaboration across the Mid America Association of State Transportation Officials (MAASTO) states to set a minimum weight of 88,000 lbs. if a Presidential emergency is declared. Other crisis response measures (hours of service and trip/fuel permits) were discussed.

Q: (Caitlyn Murphy) If there is not a Presidential emergency, is there a way the states can come together to set a unified limit?

A: (Patrick McKenna) We don't have authority on that as interstates are federally regulated. There are regulatory recommendations to streamline the process. MoDOT can regulate the weight limit on US and State highways though.

C: (Patrick McKenna) The meeting was at the scheduled 2 hours so Mr. McKenna asked if there were any members of the public that wanted to make a comment. There were no public comments stated.

Emergency Response

Chris Engelbrecht (CSP – Assistant to the Chief Safety and Operations Officer, MoDOT) presented on the Traffic Incident management (TIM) program within MoDOT. This program focuses on clearing the roadway in 90 minutes after a crash has occurred. MoDOT partners with emergency services and police departments to accomplish this goal. Many secondary incidents are more severe than the first incident. Therefore, it is important to get on location as quick as possible and help divert traffic from the incident and clear the road as quick as possible. The Open Roads Agreement focuses on restoring roadways to full capacity following an incident. The highest priority is to get traffic moving to avoid the secondary crashes that are often worse than the first event.

Questions

C: (Patrick McKenna) It's tough because who makes the determination between private entities trying to get their job done.

C: (Chris Engelbrecht) This is tough especially if it's during a rush hour.

C: (Mardy Leathers) Thank you for the work that is done. It is great to see the visibility around incidents with MoDOT vehicles directing traffic and everyone keeping everyone safe.

2.4 Task Force Thoughts and Comments

Patrick McKenna thanked the team for their time and contributions.

C: (Caitlyn Murphy) There are a lot of issues surrounding drayage on weight limits on rail and water cargo are different than trucking volumes. An example is moving freight from rail to trucking lost a customer in Missouri. I would be happy to help provide data numbers for that presentation in February.

C: (Todd Spencer) Are you saying that the containers arriving on the Missouri river were so heavy they couldn't be moved on the road once off loaded?





- C: (Caitlyn Murphy) Yes.
- C: (Todd Spencer) That is a major concern with roads and bridges. Majorly over weighed containers not being able to be used on roads and bridges has been an issue for a long time.
- C: (Mardy Leathers) Is it the location or is it the restrictions.
- C: (Patrick McKenna) With the increase in the gas tax, we've been able to invest in the state which is exciting. Say we wanted to go up to 100,000 lb, it is a giant investment to harden the infrastructure to handle that and I don't think our taxpayers are ready for that. It is how we work across modes and utilize the network.
- C: (Patrick McKenna) We will look into the technology for Task Force members to participate online because that takes a lot of coordination. We will see what is available for to use for the technologies and facilities. We will look into that.

2.5 Public Comment Period

There were no public comments asked at this time.

2.6 Adjourn

The next meeting of the Missouri Supply Chain Task Force is scheduled for February 10, 2022 at 9:30 a.m. in Jefferson City, Missouri.

The meeting was adjourned at 12 p.m.













3.0 February 10, 2022, Meeting Summary

Missouri Supply Chain Task Force Meeting Summary

This meeting was livestreamed and is available for viewing at: https://www.modot.org/supplychaintaskforce

Department of Transportation Building 105 West Capitol Avenue Jefferson City, MO

February 10, 2022

3.1 Call to Order and Task Force Introductions

Call to Order

- Mardy Leathers (Director, Office of Workforce Development, Missouri Department of Higher Education and Workforce Development, and Task Force co-chair) called the meeting to order.
- Patrick McKenna (Director, Missouri Department of Transportation, MoDOT) also serves as co-chair.

Task Force Members

- Todd Spencer (President, Owner-Operator Independent Drivers Association, OOIDA) -Present Virtually
- Chris Gutierrez (President, Kansas City SmartPort, Inc.) Not Present
- Mary C. Lamie, P.E. (Executive Vice President of Multi Modal Enterprises Bi-State Development) -Present Virtually
- Caitlin Murphy (CEO, Global Gateway Logistics) -Present in Person
- Dustin J. Quesenberry (Vice President of Operations, Contract Freighters, Inc., CFI) -Present in Person

A safety minute and update were provided in case of any emergency.

3.2 Business of the Task Force

Patrick McKenna (MoDOT) overviewed the meeting agenda and provided a brief description of the presentations for the day.

3.3 Presentation and Questions

Commodity Flows and Network Level of Service

Katie Kirk (Cambridge Systematics) discussed the Missouri Statewide Freight and Rail Plan, which analyzed the Missouri Freight Network, commodity flows, directional splits, levels of service, and trends and disrupters to freight movement in the state. The Missouri Freight Network includes highways, ports, rivers, and rail lines. A few





highways in the state have large quantities of commodities hauled on them. The state is well positioned for all markets due to its central location.

Results of the level of service (LOS) analysis showed that metropolitan areas have worse levels of service in the P.M. peak hours. Review of modal profiles The air cargo modal profile showed that the three major airports (Kansas City, St. Louis and Springfield) have capacity to increase their air cargo. The rivers and ports profile indicated that many locks and dams on the Mississippi River are over 100 years old and require on-going maintenance. E-commerce trends have changed the way freight moves. Consumer demand for e-commerce has surged since March 2020 after years of steady growth.

Scenario planning along with the Missouri Freight Analysis System (MoFAS) tool was the last part of the Plan. The tool houses all the freight data discussed on a local to state level and to adjust forecasts on the freight network. The scenario planning indicated future changes in the volume flows, value of goods and types of goods as well as changes in outbound, inbound and interstate flows in the state. For freight in Missouri, this can help predict how certain scenarios will affect freight industries in the state. Stakeholders were involved in identifying which scenarios and if any additional scenarios would impact the future of freight in Missouri.

Questions

Q: (Mardy Leathers) There are projections from 2018, to 2030 to 2045. Why is it the trend is leaning toward less rail and more truck movement?

A: (Katie Kirk) A lot of it has to do with commodity shifts we're expecting. Take coal for example, energy sources are shifting. With demand of coal going down, less coal will be transported via rail. At the same time, there is also an increase in consumer goods that travel via truck.

C: (Patrick McKenna) It may be nice to do a stacked bar chart here where we can see the mode of the directional split inbound and outbound and if it's moved by air, truck, rail, or barge.

C: (Katie Kirk) We can make that graphic and would be happy to share this with the committee.

Q: (Patrick McKenna) When looking at the agricultural products in the state, how does the inter and intra state movement of goods work together?

A: (Katie Kirk) There are data gaps with agricultural products that we're aware of. There are points like moving from a barge to grain elevator that are difficult to capture. Being able to understand where the freight is generating specifically is a lot of steps. It's not always well captured in the data.

C: (Patrick McKenna) It's interesting that the data confirms what we believe we see on the networks every day. A lot of the flow from rural Missouri ends up moving through Kansas City and St. Louis. We need to make sure we're benefitting and capturing the rural areas as well.

Q: (Caitlin Murphy) Missouri shows that thirteen percent of roads are unreliable in the P.M. peak hour. Is this similar data to other surrounding states?

A: (Katie Kirk) We haven't compared this specific data to other states. This trend is typical since P.M. peak hours generally only occur in the urban cores. We currently don't have the additional data, but we would be happy to loot into this.

Q: (Caitlin Murphy) How many rail segments are exclusive to that rail track?

A: (Katie Kirk) With Class I there is not much sharing of data. Usually, you enter a contract with that rail line to share track. Passenger rail does share all tracks they operate on in the state.

Q: (Dustin J. Quesenberry) For the Class I carriers, is there shared infrastructure?

A: (Katie Kirk) Typically not, but it depends on the agreement or contract with a Class I carrier and a Class II or III carrier.

C: (Patrick McKenna) A failure in a lock and dam system could dramatically affect the auto industry in Missouri. This could also affect jobs in Missouri and other surrounding areas. It is important to consider the failure points.













- C: (Katie Kirk) The freight will always find a way to move but it may be delayed.
- C: (Mary C. Lamie) I am interested in some of the data and trends for the near-shoring scenario that support this presentation.
- C: (Katie Kirk) We would be happy to share that.
- Q: (Caitlin Murphy) Did you look at data or trends that affect stakeholders? Some companies are looking to move elsewhere. How do the rising prices affect multimodal trends in Missouri?
- A: (Katie Kirk) We have numbers on those points. We also have a data set on corridor costs and cost of shipping on corridors. That is something I can share. In terms of business retention and attraction, it is important to understand that.
- Q: (Mardy Leathers) How much of the freight movement is coming from the small businesses in e-commerce? Is this mainly from the Amazon and Walmart's of the world? If people can see that selling online is a percentage of the commodity flow, this might be helpful information. On the workforce side, what is the impact of that regarding freight movement?
- A: (Katie Kirk) I think the plan discussed some of this. As far as the small business data is concerned, sometimes it's difficult to differentiate because small businesses typically go to local post offices or send goods to an Amazon warehouse. The data is a little hard to parcel out due to the small volumes. A lot of the smaller parcels are moving on air cargo. Air cargo is an important link for small businesses.
- Q: (Patrick McKenna) Will it put more pressure on the secondary network if goods stay in the state more? Due to using highways more when goods stay in the state, will we need to make improvements on the secondary network then?
- A: (Katie Kirk) If the goods don't travel through the state and they stay in state, this means that they will have to leave the interstates at some point and use the secondary network. We looked at this in the Plan. It is expected to increase the volume in urban areas on the secondary network as there are already established businesses there.
- C: (Mary C. Lamie) I appreciate the discussion. I am on a future Task Force meeting agenda and am looking at locations that are not developed already but meet criteria for the near-shoring scenario. This analysis helps support these sites that have been vacant and underutilized industrial land.
- Q: (Caitlin Murphy) Does the MoFAS tool have the capability to analyze container on vessel improvements? A: (Katie Kirk) Yes. We could ramp up a specific commodity and see how it flows with use and mode choice. The tool is not as good as what happens with new facilities but looks at the overall commodities.
- Q: (Todd Spencer) We see and hear reports of new site developments made with no consideration to multimodal connectivity. Sometimes how to connect rail to the site is an after-thought that comes too late. Is there a way to get those considerations made or decided earlier in the process?
- A: (Katie Kirk) It was a separate part of the study where we drilled into those hotspots and why this happens. We have some information we can share.
- C: (Dustin J. Quesenberry) Todd's point is crucial. It's how do we plan and accommodate for that in the future.
- C: (Mardy Leathers) If we see a shift from using rail to using highways in the future, we need to inform legislators of their options for plans that could affect the future.

Regional Truck Driving

Meghan Sheets, presenting for Logan Sheets from Central Transport in Missouri. The presentation focused on Central's hiring requirements for drivers and the challenges and adjustments they have made during the year. Some of the recent challenges and changes:





The company will now allow 90 days to obtain a Hazmat certification which the company pays for. No experience is needed prior to starting. With the relaxed restrictions, they have been able to open their pool of candidates. The wage as also increased from \$20.50/ hour to \$23.50/ hour during the day or \$25.50/ hour on the road with an additional pay increase after four years of being with the company.

Keeping employees after they have gained experience. The company now provides extra benefits to retain employees.

There are currently not enough dock workers. There is an apprenticeship program for working as a dock worker while in school. Central is partnering with local job centers to get them into jobs. A recommendation is to increase the training schools in the state. The metropolitan hubs have schools but there are not a lot in the rest of the state. This means that people must leave their families to attend the schools in the bigger cities.

Questions

C: (Dustin J. Quesenberry) You did a fantastic job on such short notice. The highlighted constraints are what we are seeing on the labor part of the industry. It's the creativity and understanding of what we can do differently that will help move the needle.

Q: (Caitlin Murphy) Is there any framework around an apprenticeship program for any mode in Missouri? A: (Mardy Leathers) We have had a lot of success with the current frameworks. It is an earn-and-learn model where people are working and learning at the same time. The idea is getting people to work and keeping them in work while investing in them.

C: (Dustin J. Quesenberry) That is also the practice we do at CFI. We recruit new drivers and give them training prior to going out on their own.

C: (Patrick McKenna) Our HR team is trying to do that as well. We have a department of labor designation to try to incentivize veterans in the work force.

C: (Todd Spencer) Central Transport is a good-sized company. There should be consideration for doing your own driver training program that could be part of the apprenticeship. The comments about people staying awhile and leaving is common about people that chose truck driving careers. The biggest problem is we attract plenty of people, we just can't retain them. Companies themselves must step up.

C: (Megan Sheets) Central does have their own trucking CDL certification in other states but not Missouri. With the terminals that don't have that ability, having one closer and partnering with those nearby jobs centers will help recruit and keep people in the system.

C: (Mardy Leathers) The new CDL program will help the industry think about vertically integrating training into their programs and framework. The industry could take a good lead here.

Over-the-Road Truck Driving

Tom Crawford (Missouri Trucking Association) presented on trucking in Missouri. The Missouri Trucking Association employs 1 in 14 truck drivers in the state. Around 72% of the communities in the state are exclusively served by trucks. ATRI data showed bottlenecks on freight corridors nation-wide. Two of the top 100 bottlenecks are in Missouri- number 25 in St. Louis (I-64/I-55 at I-44) and number 75 in Kansas City (I-70 at I-670 at US71).

Demand for trucking continues to be strong for the foreseeable future and costs continue to rise rapidly. There is increased discussion of three lanes on I-70 for the addition of a dedicated truck lane.

A growing concern of the industry is with non-conventual towing. This is towing where roadside enforcement (highway patrol or local law enforcement) calls the tow company and the bill is paid by the trucking company. The tow truck companies think the state is paying therefore they up-charge, but it is the trucking companies that pay the bill. The document signing by the DOT, highway patrol and the towing industry from last fall looks at ways to clear





















the roadway quickly as this is a growing concern of the industry. This is something the state should investigate further.

Questions

- C: (Patrick McKenna) As we're working through the Infrastructure Investment and Job Act (IIJA), we're getting guidance from partners at the national level.
- C: (Patrick McKenna) It would be useful to get together to make sure the data sets are the same and lining up for percent of trucking goods across multiple plans and companies.
- C: (Dustin J. Quesenberry) For the data our company is looking at, some is counted differently when it is brought in vs how the data is counted by a private carrier.
- Q: (Mardy Leathers) If autonomous trucks are right around the corner, why should we invest in driver school if the data presented on the future increase of autonomous vehicles is real?
- A: (Tom Crawford) I agree but we want people who know what they're doing. We are still quite a way away from an autonomous fleet. When and if this happens, we are looking at moving forward with truck only lanes on I-70 to potentially help with autonomous vehicles. I-44 is another road for truck only lanes in the future. This also presents some issues we saw on I-95.
- C: (Mardy Leathers) Thank you. We want to make sure we're addressing problems today but that the solutions would also help in the future.
- C: (Dustin J. Quesenberry) A lot of the conversation is we needed this ten years ago. We now not only need to redo I-70 but tear it down to help with the future loads that are coming.
- C: (Patrick McKenna) There is a new federal program to encourage a nation-wide network of electric fueling stations. The point of the electrification is not to stop investing in infrastructure but to be lighter on the environment while we're moving around. I believe there's some way to work in a stranded fee to add in on a fuel equivalency basis. We are looking at it as a transition, not a loss.
- C: (Todd Spencer) The numbers indicate there is no driver shortage, but that the drivers don't stay in trucking for lots of reasons. The state can't address all issues. The lifestyle issues and places to park is something the state can play a role in. This should be a priority. There is no reason that states can't move ahead in addressing parking issues that drivers are currently facing.
- Q: (Caitlin Murphy) Is the state doing anything for marketing or development to bring more women into the trucking industry?
- A: (Tom Crawford) In the Missouri Trucking Association that is a driving force. One of the pushes in the industry is to the facilities. The state and companies need to be reaching out to the truck stops to make them more female friendly, open to everyone, and being as inclusive as we can be.
- C: (Caitlin Murphy) The Women in Trucking Association is a big advocate in bringing forward the voices of female truckers. This is something we should look at in our future Task Force meetings.
- C: (Patrick McKenna) We (MoDOT) could help bring someone in for a presentation.
- C: (Mary C. Lamie) We are applying for a grant where part of it is working with women and minorities and some of those groups that are under-utilized. Making the career opportunity more aware to people would help bring people to the industry.
- C: (Mardy Leathers) If we can increase access in awareness in any sector, we know we can pull more people in to be more reflective of our population. It has improved since I started in 2005 but it can progress even further.





C: (Tom Crawford) On our end, we have heard that we don't have enough female trainers to help start a program. On the government side, being a little flexible to help develop and grow a program would help.

Truck Parking in Missouri

Cheryl Ball (MoDOT) presented on truck parking in the state. As part of the truck parking project, MoDOT partnered with Women in Trucking and has had the opportunity to have conversations with them and start to understand how to help with truck parking.

Truck parking is a public issue due to the safety of people driving and safety of the truck drivers. Roadway shoulders and ramps are not safe to park on and were not meant for that type of traffic. The five types of truck parking and the challenges behind each was discussed. MoDOT owns around 10% of the truck parking spaces in the state with the other 90% being privately-owned spaces. Publicly owned spaces are located at rest areas, weigh stations and truck parking designated sites. This is a public and private issue. Across other states, we see the public stepping in to help find spaces. When truck drivers can't find truck parking spaces, they typically park is business parking lots, on ramps or the sides of the roadway. The peak time of trucks parked on the interstate right-of-way is 5-6am.

Questions

C: (Dustin J. Quesenberry) What we have found is as we educate and promote shippers of choice (appropriate facilities, parking, etc.). This is something for consideration as we continue to discuss this topic. We should also look at opportunities to engage private businesses and facilities. This would help them long term.

Q: (Patrick McKenna) Does this influence drivers?

A: (Dustin J. Quesenberry) Yes. We don't want to put a driver in a situation where they don't know where to park because it comes down to safety.

C: (Patrick McKenna) We have rules in place for safety reasons. During a weather event, all of these are a disincentive for good behavior. There probably isn't a driver that would keep driving because of the incentives. In the ice and snow events, we find out we end up with freight semis in incidents driving where it's not safe to drive because there's no incentive to stop. We may need to be a little more flexible during emergencies and weather events.

C: (Cheryl Ball) Agree. Electronic logs may have hindered drivers making these decisions that help them in the end.

Q: (Mardy Leathers) How does Missouri rank regarding truck parking availability compared to other states?
A: (Cheryl Ball) We may be average or a little above average for truck parking spaces available. What we're hearing from other states is we have done as much as we can to get as many spots as possible out of one site and to be innovative. Our reputation has been that we are doing everything we can. We keep rest areas open specifically for truck parking.

C: (Patrick McKenna) We're looking at former rest areas where there still may be some truck parking capacity improvements for the future.

C: (Todd Spencer) We appreciate MoDOT's support, taking on this issue and everything they've done and plan to do. Truckers would prefer parking at truck stops. We have been supportive of truck stops to expand and make more parking available. The areas that can be expanded without tremendous expense would be helpful. We should make it clear that truck parking is permitted at Missouri weigh stations.

C: (Cheryl Ball) We had a conversation with Kentucky, and they were having some of the same weigh station issues we have had. They have added signs and marketing which has helped.







Economic Incentives in the Supply Chain

Jeff Davis (BNSF Rail) presented on BNSF's supply chain Mr. Davis discussed BNSF across the nation and the jobs in Missouri. More than 10% of BNSF's workforce is in Missouri out of the 28 states BNSF runs through. The BNSF economic development team works in more than one state with local economic development officials.

Transportation often makes up 50-60% of the costs involved in the supply chain. Better connecting the supply chain will help decrease transportation costs and make everything as efficient as possible. BNSF doesn't have the capital to connect new customers to rail service unless they have a customer who can pay for it. The biggest problem is establishing the first and last mile of rail connectivity. Mr. Davis presented on a few of Nebraska's and Kansas's rail improvement programs that have helped fund rail projects. In Missouri, BNSF needs programs that help the last and first mile connection. The programs should also help move along the rail line building process when businesses need rail connections quickly.

On the work force development side, BNSF has a program designed for veterans. BNSF needs a drug free workforce and that is a big problem they face. It is getting more difficult in this day in age.

Questions

- C: (Patrick McKenna) This is a unique aspect of rail a private enterprise being part of our nation's infrastructure.
- Q: (Mardy Leathers) What happened in 2019 to double the investment
- A: (Jeff Davis) There was major flooding and repairs needed. We had infrastructure investments that others faced as well.
- Q: (Mardy Leathers) Do you see the expansion funding coming out of the IIJA?
- A: (Jeff Davis) Most of the funding comes from the IIJA or other federal money coming down. There are states that put more into the funding than we do.
- C: (Patrick McKenna) The Missouri Highway and Transportation Commission re-instated a program for cost-sharing 50/50 on projects with communities. Some types of projects are 100% paid for by the fund. We are working with developments to try to get additional funding.
- C: (Patrick McKenna) This helps us understand where we can best help. With nearby states, this should be viewed as helping all modes to be competitive in the coming years to make Missouri a place business can thrive.
- C: (Jeff Davis) Trucking is around 70% of our business and who we hand the freight off to.
- Q: (Caitlin Murphy) How do the rail and the steam ship lines work together to move freight across the country and transport it via ocean liners?
- A: (Jeff Davis) We can get someone else in to speak on that. BNSF has someone whose responsibility is to work with the shipping process from here to the ocean. I can get someone to come back later and respond to that.
- C: (Mardy Leathers) For the investments we're making on the work force or infrastructure side, what it comes back to is urban and rural communities don't have the support they need. Tying it back to this as an economic development investment is important.
- C: (Jeff Davis) Sometimes in urban areas, we must move further and further out from cities because the closer locations are already built on.
- Q: (Dustin J. Quesenberry) Rail and trucking go hand in hand and I see it as non competitiveness because one can't work without the other. We have had cases where we go to a customer along with rail and explain how we both can help the customer in shipping goods. I've heard the same issue with getting the customer's goods to the hubs. There is more we can do to help with that piece.





Q: (Caitlin Murphy) Is the subject of environmental practices or processes ever brought up where there is a new site? Such as making rail ties out of recycled plastics.

A: (Jeff Davis) Yes. People want to know what the environmental issues are, and some customers want to reduce their carbon footprint. Sometimes they want to accomplish this by locating a site where there is as little drayage as possible

3.4 Task Force Thoughts and Comments

The Task Force discussed how the public could submit comments in real time during the task force meeting. The Task Force also discussed utilizing white papers for different topics and focus areas of the group.

3.5 Public Comment Period

There were no public comments made virtually. A few comments were submitted in writing.

3.6 Adjourn

The next meeting of the Missouri Supply Chain Task Force is scheduled for February 17, 2022 at 12 p.m. in Springfield, Missouri. In case of weather events, there is a WebEx option for the Task Force to conduct the meeting virtually.

After this meeting, the 2/17 was cancelled due to impending weather. It has not been rescheduled yet. The meeting was adjourned at 3 p.m.



















4.0 March 10, 2022, Meeting Summary

Missouri Supply Chain Task Force Meeting Summary

This meeting was livestreamed and is available for viewing at: https://www.modot.org/supplychaintaskforce

Missouri Department of Transportation District Office 1590 Woodlake Drive Chesterfield, MO

> March 10, 2022 1 p.m. – 4 p.m.

4.1 Call to Order and Task Force Introductions

Call to Order

- Patrick McKenna (Director, Missouri Department of Transportation, MoDOT, and Task Force co-chair) called the meeting to order. Mr. McKenna provided opening remarks and details on the importance of the task force. - Present in Person
- Mardy Leathers (Director, Office of Workforce Development, Missouri Department of Higher Education and Workforce Development) - Present Virtually

Task Force Members

- Todd Spencer (President, Owner-Operator Independent Drivers Association, OOIDA) -Present Virtually
- Chris Gutierrez (President, Kansas City SmartPort, Inc.) Present Virtually
- Mary C. Lamie, P.E. (Executive Vice President of Multi Modal Enterprises Bi-State Development) Present in Person
- Caitlin Murphy (CEO, Global Gateway Logistics) Present in Person
- Dustin J. Quesenberry (Vice President of Operations, Contract Freighters, Inc., CFI) Present in Person

A safety minute and update were provided in case of an emergency.

4.2 Business of Task Force

Mary Leathers (Missouri Department of Higher Education and Workforce Development) provided opening remarks to the group. Patrick McKenna (MoDOT) opened the floor for Task Force members to discuss agenda.

4.3 Presentations and Questions

Successfully Making the Short List of Site Selectors

Subash Alias (Missouri Partnership) provided background on Missouri Partnership and discussed how companies are brought into Missouri. Missouri Partnership focuses on marketing, business development and project management to bring businesses to sites in Missouri. The general process is desktop screening, request for





information, site visits, final stages and project location. Site selection factors were discussed. Sites that have recently located to the state were discussed with the Task Force.

Questions

- C: (Patrick McKenna) You can see the parallels with things we have talked about already with the factors that go into attracting a corporation to the state.
- C: (Subash Alias) It is a process from start to finish. It depends on the type of operation and what they look at for factors to pick a site location. Sometimes it depends on if we're competing with other states. It usually comes down to competing with neighboring states.
- Q: (Caitlin Murphy) Does the factor of nearby distribution centers and the cost associated with the proximity to these centers play a factor in site selection?
- A: (Subash Alias) Yes, that is looked at in the location discussion aspect of selecting a site. Each mile is a cost penalty if they're far away from distribution centers or proximity to an interstate.
- Q: (Patrick McKenna) Companies probably look at incentives Missouri and nearby states provide. How does Missouri compare?
- A: (Subash Alias) We do well compared to other states. It isn't just the state level of incentives, locals play a role as well. We work with the local level and local partners and put together a package with local partners to help draw businesses to their community.
- Q: (Mary C. Lamie) How does Missouri compare to adjacent states for first mile and last mile connections for different modes of transportation? The key is modal connectivity and to get in and out of a site.
- A: (Subash Alias) We do well compared to other states. We have certain programs around the state that help contribute federal funds to projects and communities. For example, Community Development Block Grant Programs (CDBG) is a federal program mostly focused on rural public infrastructure.
- Q: (Mardy Leathers) What is the percentage of impact on the supply chain and workforce when bringing new businesses into the state? Do we have data behind some of this?
- A: (Subash Alias) Regarding the work force, because we're working on business attraction, the businesses are not focusing on doubling work force numbers but looking for a site.
- Q: (Caitlin Murphy) Do you think it would be helpful if there was a collaborative logistics group that would help Missouri in the request for information stages of selecting a site?
- A: (Subash Alias) There is an element of trying to have the conversation with the Missouri Partnership to show us those items. They would not expect us to have that expertise. Our approach is sales.
- C: (Caitlin Murphy) Technology may be able to help and be a tool to help the Missouri Partnership to calculate potential costs of new sites.
- C: (Subash Alias) We've had some success calculating the tax compared to other states in an area. I like the idea to be able to offer it if they allow it. Construction cost is another thing to potentially price out.
- C: (Chris Gutierrez) When we're working on freight-based projects, most of the time the client has either internally conducted these types of studies or they're hiring a national consultant to do that study for them. Most of the time they don't give us data to analyze due to confidentiality.
- Q: (Mardy Leathers) Are we losing business to Canada or is it the way the map is labeled? A: (Subash Alias) It is the way the map is labeled.
- C: (Patrick McKenna) We heard from the freight industry Class I railroad at our last meeting. They discussed that when they're looking to move to an industrial site, the railroads have a business model fit to what they do now. To





put millions of dollars of rail capacity into a site is a big ask. That's when the state has to step in and help out. We have a \$1 million a year fund in Missouri that would help fund one mile of rail track. There are connections at multimodal points in most places and this revenue helps support the economy in our state.

Q: (Mary C. Lamie) When American Foods Group located to Missouri, how important was the proximity to interstate access near the site they chose?

A: (Subash Alias) Interstate access was crucial. American Foods Group needs to be near the interstates for employees. They also needed a large site located not too close to the metro area but still within a certain distance. This location was great for bringing in products from around the country.

Q: (Mary C. Lamie) We understand the role of the Missouri Partnership is to attract new companies to the state. If we focus on retention and expansion, how can we attract more companies like this? What is the importance of I-70 for attracting business and expansion?

A: (Subash Alias) I-70 is critical. A lot of businesses are located near or along I-70, I-44 or I-55 in Missouri. The main transportation components businesses look for are rail connections, site availability, and if the site is for sale.

Growing Air Cargo

Rhonda Hamm-Niebruegge (St. Louis Lambert International Airport) presented on cargo operations at St. Louis Lambert International Airport (STL). Air cargo is a key component of STL. One area of cargo the airport is expanding in is live animal charters. This entails transporting animals to other countries to grow their live animal stock.

Questions

Q: (Dustin J. Quesenberry) There was a considerable increase of air cargo from 2020 when the previous five years were consistent. Are customers choosing to ship items via air when those goods would usually be shipped by truck?

A: (Rhonda Hamm-Niebruegge) That is a component of the data. During the pandemic, more people shopped online and wanted products quicker. Air gets cargo there quicker. Due to St. Louis having a great road system and being centrally located, you can have a package come in on an airplane, unloaded, and put on a truck in under an hour whereas it would take a day in Chicago.

Q: (Caitlin Murphy) I didn't know the state had access to a livestock center. In St. Louis, we must compete with Chicago. What is the airport able to do for air freight cargo? What do you need more support on from the government?

A: (Rhonda Hamm-Niebruegge) We have a new cargo team starting this summer. Moving some of the traffic from Chicago to St. Louis with this cargo service will be helpful. Adding international flights will help provide more cargo space in the belly of the planes, even in passenger planes. Our facility is currently full. The northern tract of our airport facility could be updated to aid in more air cargo facilities. If we put out an RFP, there will be people that come to the table to help.

Q: (Patrick McKenna) What do you anticipate the cost of the expansion site at the airport being?
A: (Rhonda Hamm-Niebruegge) We will have that information next week. If we pay someone to tear down the current buildings and take the steal, they can use the steal and that lowers the cost.

Q: (Mary C. Lamie) Are there specific freight forwarders making the decision?

A: (Rhonda Hamm-Niebruegge) It's the individual that has been contracted to move the product from the U.S to wherever it's going.

Q: (Patrick McKenna) What percentage of animal cargo is coming from the roadways to be moved out via coming air?

A: (Rhonda Hamm-Niebruegge) Around 10% comes from the road and the remaining is air. It comes via air and then gets on a truck to go somewhere. Inbound is via air and outbound is mainly via truck. There is not a lot of livestock air to air movement.















Q: (Dustin J. Quesenberry) What is the percentage of air cargo today that is international?

A: (Rhonda Hamm-Niebruegge) It is a small percentage. 747's are the most common international planes. Most of the air cargo we see is domestic. Once we start bringing in bigger planes, our international capacity will grow with that.

Supply Chain from a Beneficial Cargo Owner View

Frank and Michael Jacobs (Jacobs International) presented on their company. Jacobs International manufactures pedestal table bases for companies such as McDonald's and KFC. Regarding the transportation system, the market for Jacobs International has changed due to the economy becoming a global economy. Freight Rail Connections

Asim Raza (Terminal Railroad Association of St. Louis (TRRA)) presented on the rail connections of the Terminal Railroad Association of St. Louis. The current state of TRRA was reviewed. Terminal infrastructure that crosses the Mississippi River and nearby rail yards were presented to the Task Force. Mr. Raza discussed how partnering with others for success of the railroad has helped modernize the infrastructure and increased their impact on Missouri.

Questions

- C: (Mary C. Lamie) Regarding the Merchants Bridge, we went through a study asking barge companies which is their most important infrastructure project along the river. They discussed the importance of the Merchant's Rail Bridge. To have competitive barge rates, there needs to be competitive rail rates. The construction project is a public-private partnership. This shows the importance of multi-modal connectivity and how rail and other modes tie together.
- C: (Patrick McKenna) Trying to operate multiple modes costs a lot. We are at about a 400-year cycle for replacing at-grade crossing structures for necessary on the ground basic improvements. It used to be at a 600-year cycle, so we have made an impact, but the cycle is still large.
- C: (Mary C. Lamie) At a national level, St. Louis and Kanas City serve as an alternate route during supply chain disruption. An example is a time when products were moved from Long Beach and the Pacific northwest. The goods were originally bound for China but then switched to Egypt. If you ship items to St. Louis, we can send it on a barge down to the Gulf and out to the sea.
- C: (Asim Raza) That is a good example. During times like this, freight traffic increases by around 30-40% in St. Louis. We help move and connect traffic when big events occur. This is because we have the capacity and infrastructure here.
- Q: (Caitlin Murphy) Companies are typically bringing cargo into the Port of Los Angeles or the Port of Long Beach and then use rail lines to move the goods to St. Louis. Recently, something happened last year where there was confusion between the multiple modes of transportation. They were struggling at making those connections of the supply chain between port, rail and truck. Does Terminal Railroad Association work amongst the importers and exporters?
- A: (Asim Raza) We hear the concerns. As an industry, we don't have a seat at the table on the larger supply chain level that you're discussing. When the need increases so much that you don't have the available equipment, that's the tough situation with no simple solution.
- Q: A question was brought to the Task Force. Due to audio connection, the comment was not heard on the live
- A: (Patrick McKenna) That has not typically been the state role on the efficiency standpoint. The owner-operators are private companies. There is a balance of not getting in their way and being helpful.
- Q: A comment was brought to the Task Force. Due to audio connection, the comment was not heard on the live stream.
- A: (Caitlin Murphy) I like the point of nodes needed for intermodal interchange.





- C: (Asim Raza) Intermodal connectivity is essential. It's hard to motivate people for certain types of lifestyles for certain modal industries. It's a dynamic that we're all trying to find a solution to.
- C: (Patrick McKenna) This is true. It will take all of us. It takes a long time to have the trust and look at the risk as to whether the investment will pay off.
- Q: (Mary C. Lamie) It's an industry wide problem. We don't have a surplus of people right now, which is a challenge of work force development. Through all bipartisan infrastructure money, say we were able to buy a lot of switches and pay for some infrastructure. If funds were available for first mile and last mile investments, where would we put them and how would we decide where they go?
- A: (Asim Raza) We would look at it as we agreed to put a certain number of infrastructures in place. The railroad wouldn't put this in, but the private side would. Those would be the potential connections to look at.
- Q: (Mary C. Lamie) Where can we invest today to be better set up for the future?
- A: (Asim Raza) If we look at places to develop by industry, we can see what their needs are. We need to have roads and rail in place. We could look at places as current connections, build there and look at investing in sites. We could be getting ready to prepare to bring sites to the market.

Regional Rail in the Supply Chain

Jeff Van Schaick (Missouri Eastern Railroad, Jaguar Transport) presented on Jaguar Transport in Missouri. Jaguar has been in Missouri since 2018 and works with the supply chain components of rail companies. The last mile of rail track is a priority right now. Mr. Van Schaick overviewed programs and grants that could help fund rail improvements and expansions. These state infrastructure investments would help improve the first and last mile connections of rail freight.

Questions

- Q: (Mary C. Lamie) In the discussion on the Missouri Eastern Railroad, you talked about incentives. I think your termini is in Union. Are there any high growth alignments? Are there some locations throughout the alignments? A: (Jeff Van Schaick) Yes. Some of the grants and programs offset some of the costs.
- Q: (Dustin J. Quesenberry) How many employees does your company have and how did you choose Joplin, Missouri?
- A: (Jeff Van Schaick) We have about 300 employees across the country. Our CEO and chairman started the company and loved Joplin.
- C: (Patrick McKenna) Thank you for the very helpful presentation. Understanding incentives and what other states are doing is helpful and can inform the Task Force.
- C: (Jeff Van Schaick) In looking at federal grants, the key to winning a grant is a state DOT and multiple companies backing the grant to be submitted as a package.

4.4 Public Comment Period

- C: A comment was brought to the Task Force. Due to audio connection, the comment was not heard on the live stream.
- C: (Caitlin Murphy) From my view of it, a lot pertains to the freight equipment matching and working together. Kansas has a lot more export rail bookings. When equipment comes to the Kansas City terminal, the equipment will go right back out. Kanas City does more exports out of their terminal than St. Louis.





4.5 Task Force Thoughts and Comments

C: (Patrick McKenna) Thank you for the informative presentations. This will help us create our report that is due at the end of our time on the Task Force.

C: (Mary C. Lamie) Thanks to the presenters today and in previous meetings. The information will be helpful for our initiative and to our report.

C: (Dustin J. Quesenberry) Thank you for your time with us this afternoon.

4.6 Adjourn

The next meeting of the Missouri Supply Chain Task Force is scheduled for March 24, 2022, at 1 p.m. in Sikeston, Missouri.

The meeting was adjourned at 4:06 p.m.















5.0 March 24, 2022, Meeting Summary

Missouri Supply Chain Task Force Meeting Summary

This meeting was livestreamed and is available for viewing at: https://www.modot.org/supplychaintaskforce

Department of Transportation District Office 2675 North Main Street Sikeston. MO 63801

> March 24, 2022 12 p.m. – 3 p.m.

5.1 Call to Order and Task Force Introductions

Call to Order

- Patrick McKenna (Director, Missouri Department of Transportation (MoDOT, and Task Force co-chair) was present in person and called the meeting to order. Mr. McKenna provide opening remarks to the Task Force.
- Mardy Leathers (Director, Office of Workforce Development, Missouri Department of Higher Education and Workforce Development, and Task Force co-chair) was present in person and provided opening remarks as well.

Introduction of the Task Force Members

- Todd Spencer (President, Owner-Operator Independent Drivers Association, OOIDA) Not Present
- Chris Gutierrez (President, Kansas City SmartPort, Inc.) Present Virtually
- Mary C. Lamie, P.E. (Executive Vice President of Multi Modal Enterprises Bi-State Development) Present In Person
- Caitlin Murphy (CEO, Global Gateway Logistics) Present Virtually
- Dustin J. Quesenberry (Vice President of Operations, Contract Freighters, Inc., CFI) Present Virtually

5.2 Business of Task Force

Members of the Task Force expressed excitement for the presentations and to learn more about the multi-modal connectivity factors in the state.

C: (Mardy Leathers) I was in Washington D.C. last week for a conference and this Task Force is being talked about and recognized at a national level. People are excited to see what comes out of our time on the Task Force. Keep up the good work.

C: (Patrick McKenna) All meeting minutes and feedback received will be located on our website and will be appendices in our final report.













5.3 Presentations and Questions

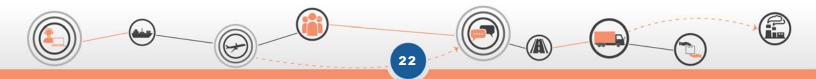
Waterbone Freight Transportation

Mandi Brink (Assistant Director, SEMO Port) discussed SEMO Port's operations and projects. SEMO Port services ports all over the world and is looking at potential expansion opportunities for multi-modal connectivity. There are plans for additional tracks, ramps and lifts at the port. The port's tenants have not experienced significant supply chain issues to date, but there are signs for issues in the future. Steel used to construct the expansion of the port site is in short supply right now. The SEMO Port is currently constructing a loop track around the site.

Mandi Brink discussed state funding for ports and the criteria that goes into requesting state funds. There is a discrepancy between the construction season of Mississippi River ports (April to October) and when the state's annual funds expire (state allocated funds run July 1 – June 30). The allocation of funding with a two-year or more time frame would be greatly helpful.

Questions

- C: (Patrick McKenna) This is a real issue of the state's timeline and the port's timeline and has come up a lot when construction season hits. In recent years, this has been a struggle with construction of the ports. When inflation is put into the equation, this adds fiscal constraint in the budget process. It is not possible to commit the resources to drop a project out of the air on July 1st and have the capital behind it to complete the project a certain time. As part of the Task Force, I would like to see a recommendation we could make on dealing with the finances and multi-year capacity for capital construction of critical projects.
- C: (Mandi Brink) With the state funding, not all ports get a piece of the funding pie of that total budget for port projects. Completing projects in the ports is at the mercy of nature. If there is a bad flood one year and the river is high from January to August, we miss a whole construction season. A two-year allocation of the funds would be greatly beneficial.
- C: (Patrick McKenna) We have a capital budget that doesn't function like a capital budget. In aviation, the money goes into a trust fund that is a base line that can be counted on. I would think the same could happen here. It would make sense that all modes of transportation have their own trust/operating fund.
- Q: (Mardy Leathers) Regarding the Delta Regional Authority (DRA), which supporting funding opportunities do they help the port with?
- A: (Mandi Brink) We have sought grants from DRA, but they want a number of jobs attached to that money request.
- Q: (Patrick McKenna) Have you seen opportunities for Missouri to look at a bigger port grant application?
 A: (Mandi Brink) Yes. We've looked at a multi-port grant, which is a bigger grant to go after. Other ports have done a multi-port grant for security and that was well received.
- C: (Patrick McKenna) As a state, we must make it easier for all modes of transportation to add infrastructure that helps the economy of our state and at the same time be cost effective and efficient.
- Q: (Dustin J. Quesenberry) How many goods go through the port (volume) and what is SEMO Port's ranking in the state?
- A: (Mandi Brink) Our barge tonnage is around 1 million to 1.5 million tons a year. When considering truck and rail as well, it's about 2 million tons a year. For ranking of the ports within the state, SEMO Port is one of the top three public ports in the state. For public and private ports across the state, SEMO Port is in the top 10% of the state's tonnage of good moved.
- Q: (Patrick McKenna) Do you see there being a role for inland ports in Missouri? This might allow us to have multiple options for moving items off the river and away from more congested areas.





A: (Mandi Brink) If you were to look at the 70 trucks that fit on a barge, adding more barge capacity helps lessen congestion on the roadway. We know of people looking at leaving the St. Louis area and coming to SEMO Port to get rail products on the river because it is overly congested in St. Louis.

C: (Patrick McKenna) We all must look at projections of freight movement and keeping all modes functioning and working together. This will help create seamless freight movement.

Q: (Caitlin Murphy) What is the average annual dredging cost? What season or time of year does the annual dredging of SEMO Port occur?

A: (Mandi Brink) Typically, dredging costed around \$500,000/year before this year and inflation. Dredging will cost around \$600,000 to \$700,000 this year. It will likely cost more with more flooding events which brings in more silt to the port. SEMO Port is typically dredged in the fall around Labor Day.

Q: (Will Ryan, Do-It-Best) Does SEMO Port do container on barge or which modes do you offer?

A: (Mandi Brink) We could do container on barge and container on rail. We can discuss more about these shipping options.

Q: (Mary C. Lamie) In your presentation, there was a discussion of the criteria used when submitting for funding. How would you suggest the state to differentiate who could get funding if they don't use the number of employees factor?

A: (Mandi Brink) Look at the vitality of the improvement or project to the economy once the infrastructure is in place. I know it's hard to put a value on this. I know some grants come back in three years to see the benefit and what has happened since. Once the SEMO Port loop track is complete, we will have around 60 million dollars of public funds invested in the port. We stretch the dollar as much as we can.

C: (Mary C. Lamie) It is market confidence and the track record experienced. Projects show that freight volumes will be increasing.

C: (Mandi Brink) Exactly. If we could alleviate congestion on the east and west coast via the Mississippi River, this would help immensely.

Supply Chain for Rural Industry

Chris Peters (Logistics Managers, Nestle Purina) overviewed the Nestle Purina site in Bloomfield, MO. Nestle Purina uses trucks and rail to distribute their goods and receives supplies from Europe, Egypt and southeast Asia. In the Bloomfield location, they have a small sign at the entrance. A lot of trucks pass this sign and miss the turn off. Under the current law, the sign is all that they can have. From a railroad standpoint, Nestle Purina has a great relationship with the local Union Pacific Railroad (UP). Due to occasional railroad at grade crossing closures, the highway can get backed up with trucks waiting to leave or get into the site. For truck drivers, there is a struggle for trained drivers. Ordering new trucks and trailers, due to a shortage in parts, has become difficult. With fuel prices raising, this has added an additional problem as well. Road maintenance is important to Nestle Purina.

Questions

Q: (Patrick McKenna) How are you responding in real time to some of the challenges you mentioned? For example, you mentioned 33% rejections in tender rejections.

A: (Chris Peters) There is a level of profitability you must maintain. We keep contacting carrier after carrier. We are really at the mercy of the carriers, and we have some great partners.

C: (Dustin J. Quesenberry) I am on the carrier side and Nestle Purina is a partner of ours. Thank you for being a shipper of choice. On the shipper's side, we are trying to gather data from customers for what we do good and could improve. We are trying to understand why our customers consider themselves a shipper of choice. Improving the Nestle Purina sign is a great addition and shows that you're actively striving to be a shipper of choice. As a Task Force, we are looking to understand (from the carrier and shipper side of the supply chain) how they can be a shipper of choice. One of the easiest and best things to do is educate people on how to help the carrier industry with these minor changes.





Q: (Caitlin Murphy) One of the slides talked about Bloomfield transportation and noted it ships to international destinations. I'm a freight forwarder and steamships are rejecting export freight. Ocean carriers are now extremely selective. Does this fall within your team's responsibility in the global/ international sense of transporting goods?

A: (Chris Peters) One of the biggest challenges is getting the containers and volume needed which is currently in short supply. Dana would know more, and we can get back to you. Container volume itself is tough.

Q: (Mary C. Lamie) Regarding the work force and truck drivers, in your opinion, do you think is it a lack of funding in training, insurance or people wanting to be truck drivers? We want to see if there is a transformation, we can make in Missouri to change this trend.

A: (Chris Peters) There are a lot of different motivations to join the truck driver industry- pay, time at home, time away, model of the truck, etc. The need of truck drivers is immense.

C: (Dustin J. Quesenberry) Your company is on the right path, and it helps to implement things that would help truck drivers. On the shipper side, if there are things to implement that help driver's, some shippers will partner with carriers for a lesser rate if they are driver friendly. The right track is to stay on the 'shipper of choice' mentality.

C: (Chris Peters) Thank you. We do have a scale on site and the top three quickest carriers each month get to use the scale for free for a month. And if they have a dog with them then we give them treats as well.

Global Distribution from Rural Missouri

Will Ryan (Do-It-Best) overviewed the company. The construction hardware supplier industry has grown exponentially during the pandemic. Labor has been difficult to hire and retain people. The Missouri warehouse location serves twelve states and a handful of international locations. For logistics, Do-It-Best does not have their own fleet but instead partners with Ryder. Finding, recruiting and retaining drivers is the biggest challenge right now. Since the pandemic, Do-It-Best has less stock on the shelves. Do-It-Best competes with a larger stores, such as Lowes and Walmart, for supplies. When the pandemic started, everyone was home and wanted to do home projects. This is when the supply chain issues hit, and demand was not lining up with the supplies Do-It-Best had. Clearing highways quicker during snowstorm events would be helpful to make road conditions better. This would help get more people to work in weather events. The line of products Do-It-Best sells helps people in weather events (busted pipes, repairing roofs, etc.). Rail access to a major port in Sikeston would help bring more businesses to Sikeston. The road dead-ends where the Do-It-Best warehouse is located. Extending the road and adding the access would help trucking.

Questions

Q: (Caitlin Murphy) It was great that you talked about demurrage. It is something we see every day. In my presentation in April, I'll be speaking about retention and demurrage. It is great to talk about inventory that came in a season later than expected and how that effects the business. Are you able to fight any detention or demurrage that you're being charged?

A: (Will Ryan) We're working with our partners on the west coast. If it was something on their end, they'll help with it. If it was beyond our control and theirs, then we will have to take it.

C: (Caitlin Murphy) The federal supply chain task force is looking at working with transparency of why things were charged on invoices and bills. At a minimum the transportation community needs to be collaborative and more transparent on reasonings for things. I made a public flowchart on which fees you should challenge that I can share with you.

C: (Will Ryan) We currently are paying around \$2,000 a week for demurrage. It is sometimes cheaper to send products here and back to the coast to our warehouse then to pay more fees.

Q: (Caitlin Murphy) If a port was in New Orleans that could send products to and from this region, would that help move products that way instead of into the west coast?

A: (Will Ryan) We have talked about that with managers, and I can get back to you. We have talked about who has access to rail spurs and other modal forms in this region. We will discuss if it makes sense to use another form of





















transportation.

Q: (Dustin J. Quesenberry) Are you partnering with Ryder to support freight transportation and storage? Are all drivers who are involved in that portion of the business dedicated/ have work hour predictability?

A: (Will Ryan) Yes, that is a big retaining factor for our drivers. It helps that they know when they'll be home. They drive our orange trucks and trailers and wear our uniforms. Some of our suppliers request certain drivers.

Q: (Dustin J. Quesenberry) Do you have an idea of turnover percentage? The model you're putting forward for drivers works when they know their schedule and when they'll be home.

A: (Will Ryan) I don't know off the top of my head. It is a lot higher now than it has been in the past.

Container Opportunities at New Madrid County Port

Timmie Lynn Hunter (Executive Director, New Madrid County Port) discussed container opportunities at New Madrid County Port. The port is serviced by two airlines and the county airport is within two miles of the port. Timmie Lynn Hunger overviewed recent port expansion projects and project funding. With the new expansions, container on barge will be a huge boost to the economy of southeast Missouri and will provide more multimodal connections for businesses.

Questions

- C: (Mary C. Lamie) Thank you for your forward thinking on the container on barge system.
- C: (Caitlin Murphy) We love the steps you're taking and would love to provide support.
- C: (Patrick McKenna) I attended a great presentation on this a few weeks ago from Representative Rone. Container on vessel or barge will be a great investment and help propel us forward as a state. This will help us long into the future to have additional logistical capacity. American Patriot Holdings has put out the request for proposal (RFP) to make these vessels. This type of forward thinking by the ports and Representative Rone can help this region.

5.4 Task Force Thoughts and Comments

Commissioner Dustin Boatwright provided remarks to the Task Force. Mr. Boatwright thanked the Task Force and presenters for listening to industry and what they are seeing every day in real life. This region of the state is the top of the delta of the Mississippi River and has its roots in the river and moving commodities.

- C: (Patrick McKenna) Thank you for being on our commission and bringing your expertise. Our next meeting is April 7th in Kansas City. Mr. John Ross is here in the audience and is running for state representative. It is important to have people step up and serve our communities. Best wishes to you. Mr. Donny Brown is also here and running for a position as well.
- C: (Dustin J. Quesenberry) Thank you to all the presenters and technical team that helps set up these meetings every time.
- C: (Mary C. Lamie) Along with the great topics discussed today, we need to put an emphasis on infrastructure and attracting new tenants. Another key component is jobs. We need to think about the added value that can come to this part of the state with the potential for additional processes and container on vessel.
- C: (Patrick McKenna) Adding refrigerated containers on vessels would add great value.
- C: (Caitlin Murphy) Thank you to all the presenters. We had a good mix of cargo owners and ports. It is important to look at the next two or three steps of what will be needed for an infrastructure side. Love to see opportunity from freight not destined for MO to be transload at MO ports and move on to another state.





Public Comment Period

There were no public comments asked at this time.

5.6 Adjourn

The next meeting of the Missouri Supply Chain Task Force is scheduled for April 7, 2022 at 12 p.m. in Kansas City, Missouri.

The meeting was adjourned at 2:02 p.m.













6.0 April 7, 2022, Meeting Summary

Missouri Supply Chain Task Force Meeting Summary

This meeting was livestreamed and is available for viewing at: https://www.modot.org/supplychaintaskforce

Department of Transportation District Office 600 NE Colburn Road Lee's Summit, MO

> April 7, 2022 12 p.m. – 3 p.m.

6.1 Call to Order and Introduction of Tasks

Call to Order

- Patrick McKenna (Director, Missouri Department of Transportation, MoDOT; Task Force co-chair) called the meeting to order. Mr. McKenna provided opening remarks and was present in person.
- Mardy Leathers (Director, Office of Workforce Development, Missouri Department of Higher Education and Workforce Development; Task Force co-chair) was present virtually.

Task Force Members

- Todd Spencer (President, Owner-Operator Independent Drivers Association, OOIDA) Present Virtually
- Chris Gutierrez (President, Kansas City SmartPort, Inc.) Present in Person
- Mary C. Lamie, P.E. (Executive Vice President of Multi Modal Enterprises Bi-State Development) Present Virtually
- Caitlin Murphy (CEO, Global Gateway Logistics) Present Virtually
- Dustin J. Quesenberry (Vice President of Operations, Contract Freighters, Inc., CFI) Present in Person

A safety minute and update were provided in case of any emergency.

6.2 Business of the Task Force

C: (*Mardy Leathers*) Thank you for hosting in this region of the state. We are continuing to look for feedback outside of these meetings on https://www.modot.org/task-force-comments.

C: (Chris Gutierrez) Excited for all the presentations today.

C: (Caitlin Murphy) Excited for all the presentations.

6.3 Presentations and Questions

Director McKenna overviewed the presentations for the day.





Overview of ITS, EV and AV

Liz Prestwood (MoDOT) presented on intelligent transportation systems (ITS), electric vehicles (EV) and automated vehicles (AV) in the state and the ways these technologies are evolving and transforming transportation and freight delivery. ITS improves the roadway safety and operations. EVs reduce emissions and user operating costs. AVs provide safety and economic benefits. ITS, EV and AV can also be used to move goods. Freight ITS applications would include truck parking availability systems (TPAS) and freight advanced traveler information. MoDOT has also studied dedicated truck lanes (managed lane) for I-70 as an option for improving safety and managing congestion, particularly truck congestion, with this alternative there are several ways to incorporate ITS, EV and AV. These innovative applications have funding opportunities through the Infrastructure Investment and Jobs Act (IIJA). Heavy truck electric vehicles and funding opportunities through grants was also discussed. Personal delivery devices (PDD) would allow for efficient delivery of goods to homes and businesses. Drones/ unmanned aircrafts and funding opportunities was overviewed as having the potential to reach more rural areas.

Questions

Q: (Todd Spencer) What are the differences between the truck parking system notifications you mentioned? A: (Liz Prestwood) I do not know the specifics. We will find out some more information to send your way. It is a public private partnership.

C: (Patrick McKenna) The notifications are pushed out to help the drivers route around issues or incidents on the roadway.

Q: (Todd Spencer) So truck parking availability would not be in the form of road signs? What is the name of the paid app?

A: (Liz Prestwood) The new app is more plugged into a traveler information map with real time updates directly to the user. We will get you more information on the paid app.

C: (Patrick McKenna) The public expectation vs the willingness to pay are two distinct things to consider regarding the movement of goods and managed lanes.

Q: (Dustin J. Quesenberry) For the heavy vehicles, do we have data that speaks to the difference for cost of ownership from electric to gas vehicles?

A: (Liz Prestwood) We have that information for passenger vehicles. We can investigate those numbers as to how it pertains to freight and get back to you.

C: (Patrick McKenna) We have looked through these new emerging technologies at MoDOT. There is always a discussion of which comes first – the private sector technology or the public sector implementation. It is probably not the best practice for the government to select where these new technologies are located. Partnering with the private companies and letting them lead is a good initial step. It is tough for experimentation of technology on the public side because we don't want to eat through public funds. This will be an interesting partner development. There are a lot of changes coming. From the supply chain standpoint, we need to look at how to move goods efficiently for people.

Q: (Todd Spencer) We have EV charging stations currently around the state. Who selected those locations? A: (Patrick McKenna) Those locations are generally private. There could be municipalities that put them in parking garages but those are typically privately owned enterprises. The private network (specifically Tesla) is what is driving the implementation.

The livestream skips roughly 5 minutes of discussion.

C: (Caitlin Murphy) This could be beneficial for truck drivers throughout the state to find places to park and help with safety and congestion on roadways around the state.





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Ben Jones (Union Pacific) introduced John Gray (Association of American Railroads, AAR) and discussed supply chain issues in the state. John Gray (AAR) overviewed the trends that influence the United States' current supply chain issues. The demand on the supply chain spiked in March 2020 when the pandemic started. Demand then went down until spiking again in January 2021. Since then, the demand has been decreasing as people have been spending money elsewhere (traveling, vacations, etc.). The warehouse stockpile of goods has diminished meaning more freight needs to be moved to get goods to destinations sooner since suppliers can't rely on a fuller warehouse. The resiliency of the rail network and the backup of containers in the ports of Los Angeles and Long Beach was discussed. It is predicted that at current levels, the inventory will bounce back toward the end of 2022.

Questions

Q: (Patrick McKenna) Thank you for the presentation. Will the recovery be delayed if people keep spending money and wanting to have more inventory in their homes in case of economic changes?

A: (John Gray) I agree that people may want to spend more to have bulk products in uncertain economic times. Having the inventory fixed by the end of the year is a best guess based on what we are seeing now. There are still other factors that could continue and push the return to pre-pandemic inventory out further into the future – such as inflation and the war in Ukraine.

C: (Caitlin Murphy) The supply chain is an interconnected cycle. Regarding the back up in the ports in California, if a train in booked to get products from one place to another and the ports have too much inventory, the carriers get backed up and the cycle continues. I applaud UPS for their efficiency. One thing we're looking at is getting into the shipper owned container market which could be a huge help to businesses.

C: (John Gray) It is not a blame game. It's everyone trying their best to move individual pieces to make things work. There was about 20% more cargo in the national system in the past two years that was trying to get through the system. I'm amazed that it has worked as well as it has.

Q: (Todd Spencer) Have you seen any efforts underway to see companies move to other nearby ports?

A: (John Gray) Nearby routes are backed up and cargo would have to travel a long distance to be offloaded. What is important in Los Angeles and Long Beach is that steamships can be turned in 6 weeks from port to port. If steamships go through the Panama Canal to the east coast, they can turn a ship around in about 10 weeks.

Regional Efforts in AV

Amanda Graor (Mid America Regional Council, MARC) first discussed how Kansas City has been anticipating the implementation of electronic vehicles. Evergy helped determine locations of charging stations in Kansas City via outreach campaigns with vehicle manufacturers and dealers. Companies can have locations wired for charging stations without having the stations there at the time a piece of infrastructure is built.

Amanda Graor then discussed MARC's regional efforts in AV. MARC looked at a multitude of factors to understand the region. A stakeholder working group, made up of people from all industries that AVs would reach, was utilized in this study. Autonomous usage discussions and considerations revolved around data the vehicle collects; land use policies; data management opportunities; and job loss or new jobs that come with AVs. The Heartland Freight Technology Plan was overviewed. Additional regional efforts and plans for AVs can be viewed on MARC's website.

Questions

Q: (Dustin J. Quesenberry) The discussion of EVs comes up frequently with customers. What is your take on when EVs would be used from a freight standpoint?

A: (Amanda Graor) From a freight standpoint, there are a few manufactures building and delivering electric trucks that are on the road now. There are still key pieces (how these trucks react in extreme weather, battery technology, etc.) that are being worked on. Currently, the discussion for EV is on local trips, not yet longer distances. A study we conducted anticipated that in the next five years, more EVs will come to market and be available.





C: (Dustin J. Quesenberry) This has been a long time coming. The investment up front for infrastructure is monumental. The more we talk about this, the more we can educate interested parties on the benefits of EVs.

C: (Amanda Graor) On the autonomous vehicle side, we hear every time there is an AV crash, yet we don't hear every time a human crash a car. There is a lot of education that will need to take place.

Container of Vessel

Sal Litrico (American Patriot Holdings, APH) discussed APH's Midwest Logistic Alternative project. This is a gateway terminal in Plaquemines, LA on the Mississippi River. APH is partnering with inland port strategic partners. The Midwest Logistic Alternative project improves the time for accessing and navigating the Mississippi River via container on vessel. The container on vessel goes twice as fast as a container on barge and can navigate in fairly shallow water requiring the river to have to be dredged less for navigation but also ports have to be able to accept them. These vessels are built to go through all tributary rivers and structures along the river. Studies were conducted to understand the feasibility of the project. Project milestones were overviewed.

Questions

Q: (Caitlin Murphy) Thank you for your presentation. APH has had tremendous progress in this endeavor. Getting containers in and out of the United States has been harder and has costed more recently, so the container on vessel will be extremely helpful. What can Missouri do to help the container on vessel industry?

A: (Sal Litrico) For the cargo side, it depends on the situations and sizes based on each individual port. All warehouses and box stores are interested in what we are doing to help their business. These types of stores are going to provide the cargo coming in on the container on vessels. The project is funded by mostly private dollars with some public dollars. Any ports in Missouri that get money to help their infrastructure will help bring these vessels to more ports thereby helping the local communities. Improving infrastructure from truck terminals to ports will help move more goods faster and more efficiently on land to and from ports. The container on vessel system is a carbon free option that will help the environment as well.

C: (Caitlin Murphy) I wanted to make a note that House bill 30:20 recently added \$50 million for port infrastructure in Missouri.

C: (Patrick McKenna) Yes, that is a great bill. That is about five times the investment we have seen in the past 20 or so years.

C: (Sal Litrico) We (APH) are not asking for any dollars but are asking for ports to be ready to handle the vessels and then we will bring the rest.

C: (Patrick McKenna) Thank you. This will be a tremendous help for the entire Midwest.

Port KC

Mark Coulter and Richard Grenville (Port KC) overviewed the Missouri River Terminal project. This project focuses on how to make the Port of Kansas City more efficient. The Port of Duisburg, Germany (the largest inland port in Europe) has been a model of what the Port of KC can aspire to be and achieve. A public/private partnership has helped expand the port and plan for the future of the port via multimodal connectivity. Freight movement opportunities for economic, social and environmental reinvestment were presented. Direct connection to I-435 will help multimodal connectivity to the port.

Questions

C: (Patrick McKenna) Kudos to focusing on funding for infrastructure improvements and bringing funding issues to the legislature. It is the perfect time to incorporate some of these investments.

C: (Mark Coulter) Thank you. The one-to-one dollar match is a little difficult for our port being a smaller port.





C: (Patrick McKenna) I've talked the Missouri commission this week about planning for next year. I want to be more aggressive in representing what the industry need is and work backwards from there to lay out a plan of how we can meet the industry's needs. We need to look at how to fund multi-year projects in the port community. It is difficult with single fiscal years that don't span a whole port construction year. We must have a public conversation about this topic.

C: (Mark Coulter) That would be fantastic from our point of view. It is difficult to fund projects with a single year limit.

Sharing Scarce Resources

Derrick James (AMTRAK) overviewed AMTRAK's history and routes across the United States. AMTRAK is currently in a growth period for an increase in passengers and tracks. Current infrastructure improvements and AMTRAK investments were discussed. AMTRAK has been adding additional train services across the country between major cities.

Questions

C: (Mardy Leathers) A challenge we have is workforce and connecting people in Missouri to both sides of the state.

C: (Derrick James) Employees have more flexibility when returning to work than they were before the pandemic. Having quality rail service to smaller communities allows people to live where they want which is not necessarily in bigger cities. Peak hours will also shift due to job time flexibility. The Missouri House just added more funds to the AMTRAK program. We're hoping that will also pass on the Senate side.

C: (Patrick McKenna) We are thrilled about that as well. This will help communities everywhere.

Q: (Todd Spencer) What is the annual ridership from Kansas City to St Louis and vice versa?

A: (Derrick James) Pre-pandemic annual ridership was just under 200,000 passengers a year. We are currently working on adding a through train from Kansas City to Chicago via St. Louis. This will lessen passengers' wait time at the station in St. Louis. Union Pacific (UP) recently partnered with us to do this, and this new route will be monumental.

C: (Patrick McKenna) We see this as a significant potential gain to the state and the region. People in Chicago will be able to experience Missouri using an efficient mode of transportation. The ease of commuting aspect also helps people. The River Runner is a critical link to help disabled people access the state capital. I appreciate your patience and working with us through the funding process. We both benefit from the partnership between AMTRAK and the state. We appreciate you being with us today.

6.4 Task Force Thoughts and Comments

There were no Task Force comments at this time.

6.5 Public Comment Period

There were no comments made at this time.

6.6 Adjourn

The next meeting of the Missouri Supply Chain Task Force is scheduled for April 21, 2022, at 12 p.m. in St. Joseph, Missouri.

The meeting was adjourned at 3:08 p.m.





7.0 April 21, 2022, Meeting Summary

Missouri Supply Chain Task Force Meeting Summary

This meeting was livestreamed and is available for viewing at: https://www.modot.org/supplychaintaskforce

Department of Transportation District Office 3602 North Belt Highway St. Joseph, MO

> April 21, 2022 12 p.m. – 3 p.m.

7.1 Call to Order and Introductions of Task Force Members

Call to Order

- Patrick McKenna (Director, Missouri Department of Transportation, MoDOT; Task Force co-chair) called the meeting to order. Mr. McKenna and was present in person.
- Mardy Leathers (Director, Office of Workforce Development, Missouri Department of Higher Education and Workforce Development; Task Force co-chair) was present in person.

Task Force Introduction

- Todd Spencer (President, Owner-Operator Independent Drivers Association, OOIDA) Not Present
- Chris Gutierrez (President, Kansas City SmartPort, Inc.) Not Present
- Mary C. Lamie, P.E. (Executive Vice President of Multi Modal Enterprises Bi-State Development) Present Virtually
- Caitlin Murphy (CEO, Global Gateway Logistics) Present Virtually
- Dustin J. Quesenberry (Vice President of Operations, Contract Freighters, Inc., CFI) Present in Person

A safety minute and update were provided in case of any emergency.

7.2 Business of the Task Force

Mr. McKenna asked the Task Force for any opening remarks.

C: (Mary C. Lamie) I am excited for the presentations today.

7.3 Presentations and Questions

Goals and Strategies for MoDOT Freight Plan

Liz Prestwood (MoDOT) presented on the MoDOT Freight Plan. The plan includes categories of performance measures: maintenance, safety & security and economic growth & competitiveness. The plan also identifies four





multimodal strategies and 49 implementable actions for planning and investing for success. The strategies include expanding the agricultural coast in Missouri; efficient and intelligent multimodal freight corridors; Missouri manufacturers; and expand freight and passenger rail market opportunities.

The online audio connection was lost for a few minutes.

Questions

C: (Patrick McKenna) The house committee added funding to extend passenger rail in Missouri and this week the senate approved it. This is another example of what can happen when information and policy makers make decisions at the same time. This can also help secure federal grants.

Global Supply Chain

Caitlin Murphy (Global Gateway Logistics) presented on global logistics disruptions, risks and remedies. Global Gateway Logistics is a freight forwarder headquartered in Missouri that ships goods around the world. Freight forwarders arrange transportation services for goods to move around the world. Most freight forwarders do not own the assets used to transport goods but work to schedule the movement of goods. Caitlin Murphy overviewed the shipment journey that freight forwarders go through, how COVID-19 affected global shipping and how to mitigate risks in the future. She discussed the current status of shipping and acknowledged that prices have risen due to demand and the ability to meet that demand.

Questions

Q: (Patrick McKenna) Thank you for your presentation. This week, the senate approved more funds for port investments in the state. This brings the total to \$25 million with another specific \$25 million to invest in the Jefferson Port. Are you suggesting that there should be a US owned merchant fleet to help with the supply chain or more of a P3 where private investors and venture capital makes it easier to private investors to come in or is it a combination?

A: (Caitlin Murphy) It is more a combination of the two. The federal government will regulate it and it will be United States owned companies. The more carriers, the more companies we can bring into the market and the more diversified the market will become. If the United States had our own fleet, that would help drive down prices.

C: (Mardy Leathers) Great presentation. It helps some of us not as familiar with freight forwarders understand more of what is and has been going on.

Workforce

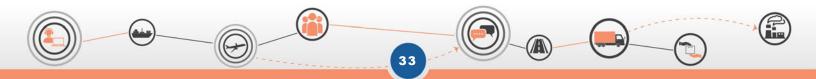
Gregg Roberts (Hillyard) presented on Hillyard's workforce, supply chain management and talent. Hillyard manufactures hand sanitizer, soap products and cleaning products in St. Joseph. Hillyard has re-evaluated shift hours, increased wages, expanded duties, increased vacation days and added an addition holiday per calendar year as a response to the labor shortage and COVID-19 pandemic. Wages have increased four times in the past year to year and a half equating to a roughly 7% increase overall for all positions at Hillyard. Hillyard has also mapped career paths at the company, created opportunities for training for employees and investing in technology to overcome workforce challenges.

Questions

Q: (Dustin J. Quesenberry) Is remote work a permanent part of your strategy going forward?

A: (Gregg Roberts) It will remain going forward. It is a necessity as many companies are offering a more flexible schedule and remote work. We are offering different types of remote work for remote work locally, remote work part time not locally and other options to be flexible and retain employees.

Q: (Dustin J. Quesenberry) You mentioned your driver wages had increased by roughly 13%. Is that correct?





A: (Gregg Roberts) That is correct. They increased by 13.5% since the start of the pandemic. We are our own delivery drivers. We also added about four different pay bonuses on top of that -safety bonuses, retention bonus. recruitment bonuses, etc.

Q: (Dustin J. Quesenberry) Have you been able to fill driving positions and retain staff with the increased pay? A: (Gregg Roberts) Filling positions and retaining staff is a work in progress.

We have been adding drivers but based on the current market, we have had to go back multiple times to update pay. An issue we have run into is drug testing. The competition of Uber, Lyft and other services has affected the over the road driver market as well. They can choose their work hours, remain local and be home every night if they work for Uber, Lyft and other car services.

C: (Cailin Murphy) Kudos for thinking outside the box to overcome some of these challenges.

C: (Gregg Roberts) Thank you. We have utilized a program in Missouri called Shared Work. This program allows employees to cut back hours, stay employed and go on partial unemployment in the state. Employers are raising wages but when more people come back into the labor market, employers will be in a bind.

C: (Patrick McKenna) When everyone stopped driving during the first few months of the pandemic, we utilized the Shared Work program because we weren't getting as much funding with less people driving. We utilized the shared work program over a 12-week period with a 20% reduction in labor during that time. The federal incentives helped us, and no one received a pay decrease during that time. With the diversifying of strategies to help a company, it's easy to see how your company has been around for over 100 years.

C: (Mardy Leathers) Gregg and I were in Washington D.C. last week. The restaurants there have less wait staff. The restaurant said it's due to increased wages and wanting to significantly increase food prices. Restaurants have had to implement technological advances to fill the gap. They now have QR code menus and ordering and paying using your phone.

Waterborne Commerce on the Missouri River

Bill Becker (TransPort 360) presented on commerce that moves along the Missouri River. Mr. Becker overviewed how water is released down the river to control flooding. Inefficiencies on the river were discussed as were investment opportunities. Good moved on the river use less gas than goods moved via truck. Yet, once the goods get to port, they must be moved and unloaded via truck. Nature plays a big role in the productivity of the inland waterway system. Public and private funds are needed to support new projects along the river to build infrastructure. Water is the major resource used on the river and is tough to predict the amount of water in the river each year. TransPort 360 is working on a building in an average demerge and additional costs into their pricing structure to include the highs and lows of river productivity.

Questions

Q: (Mardy Leathers) What type of investments would we need to increase the fleet service? A: (Bill Becker) We would need more crews and more flexible schedules which means more funding. The boats hold their value very well. Some are 50 years old and still have many years of service left.

Q: (Mardy Leathers) To clarify, equipment and staffing would help and everything else is taken care of? A: (Bill Becker) Yes, that is correct.

Q: (Patrick McKenna) Would further state investment help the river?

A: (Bill Becker) Yes, a lot of our projects won't happen without state funding. There are a lot of opportunities to invest in the infrastructure. Many of our current investors are agriculturally based but we move more than just agriculture services to offer. We are looking at accessing capital wherever we can, and the state has been one of our strongest supporters.













Workforce for Global Exporters

Josh Kleinlein (Triumph Foods) overviewed Triumph Foods and how they contribute to the state of Missouri. Triumph Foods is a pork producer in St. Joseph. Triumph Foods and Seaboard Foods are separate entities but have marketing agreements and contracts with each other. Tom Blumbart (Seaboard Foods) discussed continued investments in St. Joseph by Seaboard Foods and Triumph Foods. Both companies have faced labor shortages since the start of the COVID-19 pandemic. At Triumph Foods, starting wages have increased by nearly \$4/hour to try to combat the labor shortage. A limiting factor of relocation is the availability of daycare and housing in the area. Additionally, public transportation in St. Joseph does not currently run to locations where employees live to get them to work and back. Both companies have employees that live within a 100-mile radius of St. Joseph (including Leavenworth and Kansas City). The companies are also working to legally bring in refugees and offer them jobs.

Questions

Q: (Mardy Leathers) Is the 500 employees you say you are short of, the union employees or in leadership roles? Have you seen opportunities for Afghan refugees?

A: (Josh Kleinlein) We need more employees on the line. The talent pool here that is so limited that we've had to rely on talent in other countries.

Q: (Mardy Leathers) Would it make sense to have a train from St. Joseph to Kansas City to help the labor force commute and move?

A: (Josh Kleinlein) A lot of our workforce from Kansas City is using 15 passenger vans and commuting together. Some employees have started their own transportation van businesses to help this.

Q: (Mardy Leathers) Would the corrections department be a population you would want to work with?

A: (Josh Kleinlein) We run background checks on everyone to make sure they wouldn't harm others. We accept all people and populations.

C: (Patrick McKenna) The senate appropriations committee just raised the assistance fund for transportation providers in roughly 15 years. They added another \$7 million to the budget. This could help add additional transit from your facilities to employee's homes.

Q: (Mary C. Lamie) At our last meeting, we had a presentation on adding container on vessel services on the inland waterway. What are the foreign export volumes you are shipping out per year and would you be interested in talking with the Kansas City Port?

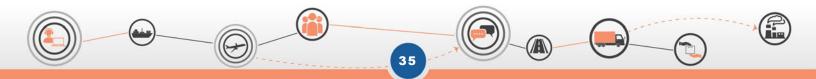
A: (Josh Kleinlein) Yes. We do around 30% by volume of exports out of the United States. The limiting factor is how quickly we can do that. Right now, we are trucking that from St. Joseph to the Port of Los Angeles. The timing is the critical piece because the products need to be refrigerated.

Q: (Dustin J. Quesenberry) Did you find that significant adjustments improved production of the movement of goods?

A: (Josh Kleinlein) Seaport does all our logistics. We have seen some speedbumps along the way with finding drivers to move products.

Distributions and Packing

Corey Shue (BMS Logistics and Rite Pack) overviewed BMS Logistics and Rite Pack – both of which are headquartered in St. Joseph. BMS Logistics is a contract packaging, warehousing and logistics company. Rite Pack is in the agricultural side of distributing products. Both companies focus on storage and fulfillment distribution and handle large scale, nationwide projects destined for major retailers and businesses worldwide. Lonnie Welter (BMS Logistics) discussed the supply chain and employment challenges in office around the country. Employment levels are nearly back to normal since the start of the pandemic. For supply chain, the challenge has been connecting one mode to another to transport goods. Rite Pack has carried about 20-30% more goods in the last year to help meet supply chain demand.





Questions

Q: (Patrick McKenna) Have you encountered any supply chain challenges in the past few years? A: (Corey Shue) Like everyone the past couple year, we have been struggling to find people. There were a lot of incentives for people to not work. We still had the demand from our customers but less work force. We have worked through most of it now.

Q: (Patrick McKenna) Is most of the raw material you have coming in domestic?

A: (Corey Shue) Yes, most of it is domestic. We do have a large amount of product coming in from China and Europe. We don't have a problem getting it to the United States. The problem is once it gets here, it sits on the coasts for 4-5 weeks on the east coast.

Q: (Mardy Leathers) It is interesting that the Missouri location was the last one to catch up with labor. Is there any reason why?

A: (Lonnie Welter) We are not sure why but they're coming back to work in other states and not for us. It may be our region in St. Joseph with fewer amenities since we never had that problem in our Kansas City location/ region.

Task Force Thoughts and Comments 7 4

There were no Task Force comments at this time.

Public Comment Period 7.5

C: (Michael Castle with AlTech) The challenges we heard today are very similar to the challenges we're facing. My role is in engineering, but I deal with the manufacturing side as well. Almost everything AlTech builds goes on a truck. We need technicians that know how to keep trucks on the road. Some of the things we're considering doing in AlTech to help work force development is being done by others and has had success. We need to have infrastructure improvements to keep trucks going. We appreciate the time today. We believe a change is coming with electric work trucks in the coming years. We expect 5% of our trucks in 2026 to be electric.

Q: (Mardy Leathers) That is great to hear in the state. Is anyone in other states working on using EVs? A: (Michael Castle) Some people ahead of us are on the coasts – such as California.

7.6 **Adjourn**

The next meeting of the Missouri Supply Chain Task Force is scheduled for May 7, 2022 at 12 p.m. in Hannibal, Missouri.

The meeting was adjourned at 2:45 p.m.













8.0 May 5, 2022, Meeting Summary

Missouri Supply Chain Task Force Meeting Summary

This meeting was livestreamed and is available for viewing at: https://www.modot.org/supplychaintaskforce

Department of Transportation District Office 1711 South Hwy 61 Hannibal, MO

> May 5, 2022 12 p.m. – 3 p.m.

8.1 Call to Order and Introduction of Task Force Members

Call to Order

- Patrick McKenna (Director, Missouri Department of Transportation, MoDOT; Task Force co-chair) called the meeting to order. Mr. McKenna and was present in person.
- Mardy Leathers (Director, Office of Workforce Development, Missouri Department of Higher Education and Workforce Development; Task Force co-chair) was present in person.

Task Force Members

- Todd Spencer (President, Owner-Operator Independent Drivers Association, OOIDA) Present Virtually
- Chris Gutierrez (President, Kansas City SmartPort, Inc.) Not Present
- Mary C. Lamie, P.E. (Executive Vice President of Multi Modal Enterprises Bi-State Development) Present Virtually
- Caitlin Murphy (CEO, Global Gateway Logistics) Not Present
- Dustin J. Quesenberry (Vice President of Operations, Contract Freighters, Inc., CFI) Not Present

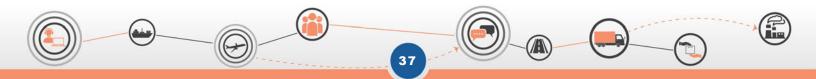
8.2 Business of the Task Force

- Mr. McKenna asked the Task Force for any opening remarks.
- Dr. Mardy Leathers welcomed everyone to the meeting. The focus of today's meeting is the workforce. Dr. Leathers thanked everyone on the Task Force and all the presenters.

C: (Mary C. Lamie) I am excited for the discussion today and as we go into one of our last Task Force meetings.

C: (Todd Spencer) Glad to be part of the group and provide input where it's relevant. We have a lot of hard work to do.

A safety minute and update were provided in case of any emergency.





8.3 Presentations and Questions

Food Product Supply Chain

Chris DeMoss (MFA (Made for Agriculture) Incorporated) discussed the agriculture supply chain in Missouri. MFA buys and sells commodities to farmers. Infrastructure also plays a critical role in freight and the movement of goods. The cost of freight plays into the price of the goods MFA sells. Mr. DeMoss also discussed how the level of investment of funds to the infrastructure has not kept up since the late 1970s to handle the increased capacity of freight.

Questions

C: (Patrick McKenna) The investments in infrastructure trends is very interesting. In the 1970s and 1980s, we invested the same amount of dollars into the infrastructure, and it did not change with inflation or the aging of the system. The infrastructure for road, river and rail has not kept up since then. The investments in rail have kept up the most mainly due to private investments. The increase in the gas tax last year (the first time since 1996) has been debated this year to be repealed since prices of goods everywhere keep increasing. This would set us back even further. The policies and the infrastructure funds are not lining up to keep our agricultural goods at a market competitive level.

C: (Chris DeMoss) We are going to have to focus on this moving forward. For the private side of rail, they have focused on more efficient routes in single car rail businesses. These are pushing some freight off the rail networks and onto trucks. With advances in technology, we have become more efficient at growing crops which increases the number of supplies and products to be moved.

Q: (Patrick McKenna) For the rail companies, they're not going to make the investment in the last mile if there is not already a contract in place to do so. Do you think the state could help with the last mile connections to help agriculture and take some of that capital risk away?

A: (Chris DeMoss) I think it needs to be explored. When we de-regulated rail, this came at a cost to the general economy because we didn't see or feel the change and benefits immediately. We need to have an interstate system style network for rail and barge too to help move people and goods. Private and public sectors need to come together.

C: (Patrick McKenna) That is true. Sometimes a bank needs to help with the interest levels and take away some of that burden.

C: (Chris DeMoss) It's also not just about the assets and the location. The equipment and employees need to be there as well. It is a multi-faceted problem and solution.

Q: (Mardy Leathers) I appreciate the comments. How does Missouri rank on the number of bushels of corn we're bringing to market every year?

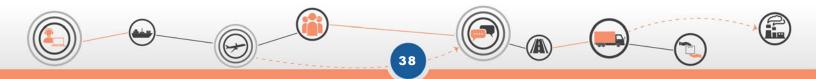
A: (Chris DeMoss) We are significant but not as significant as other areas. We are doing good with the number of soybeans we bring to market. The fertilizer we produce and move helps grow the grass that feeds cattle.

Q: (Mardy Leathers) Are we at capacity? What it is that gives us a step up compared to other states? Who is going to feed Europe now and how do we play a role?

A: (Chris DeMoss) It's not just bringing crops to market but how we move them once they're on the market. We can help out more if we can maximize the amount of goods we are able to move.

Q: (Todd Spencer) What would be the greatest investment to help move crops?

A: (Chris DeMoss) I think it depends on where you are in the state. Improved road infrastructure will help. Focusing on the water system would be the quickest benefit we can see. Bulk vessels and bulk barges can move many types of commodities (fertilizers, grains, gravel, etc.).





- C: (Mary C. Lamie) The Army Core of Engineers is conducting a study like this. Great presentation on how to maximize the system.
- C: (Chris DeMoss) Thank you. We are engaging with that group to help think of how to maximize the system. There are commodities that could be moved more efficiently to help our economy.
- Q: (Mardy Leathers) Have there been other advances to help the movement of goods?
- A: (Chris DeMoss) Technology is improving to produce more products therefore the number of trucks has increased to move the increased amount of product.
- Q: (Mardy Leathers) Are there a lot of trucks sitting idle since we don't have enough drivers?
- A: (Chris DeMoss) Everyone has a shortage of drivers now. We had several trucks that we couldn't find drivers for.
- C: (Patrick McKenna) A farmer I was talking with said the price of anhydrous has tripled this year so they're planting different crops.
- C: (Todd Spencer) There is an infrastructure issue when drivers sit idle at places too because the infrastructure, they're waiting on to have the goods move is not efficient.

National Workforce Priorities

Dr. Mardy Leathers (Co-Chair) discussed the state of the workforce crisis. There are currently over 161,000 job openings in Missouri and there are more jobs available in Missouri than people who want jobs in the state. There are factors that cannot be helped directly that contribute to the crisis. Groups are working together to brainstorm and implement policies to bring people to the state and develop the workforce. As funding is coming down the pipeline, the state is seeing that counties are not using all funds allocated to them due to all the paperwork and managing complex projects. Some counties also do not have the staff to see the projects through because they have their own staffing shortages. Dr. Leathers discussed the Infrastructure Investment and Jobs Act (IIJA or BIL) implementation resources available.

Questions

- C: (Patrick McKenna) A lot of what happened with IIJA was around discussions to send resources directly to local communities and not the state level first. We will have to work together to figure this out.
- C: (Mardy Leathers) These are good points. Having the cover of distributing funds at the federal level is a great part of this bill.

USDOT and USDOL Partnership

Paige Shevlin (USDOT) presented on the IIJA. The RAISE grant, which was due April 14, 2022, was the first grant program that used IIJA criteria. When the RAISE grant awardees are released this summer, we will see how this will benefit communities. To improve the workforce at a state level, states can focus on recruiting people, expanding on-the-job training, identifying what is already working. The IIJA also includes state highway workforce funding.

Questions

Q: (Patrick McKenna) Do any of these strategies have potential for retention? At the state and municipal level, we are having severe issues with retention.

A: (Paige Shevlin) Yes. I would suggest looking at where the retention issues are happening. Through different studies, we have seen that retention falls off after the first three to four years. Adding supportive services and transportation would help retain people.





- Q: (Mardy Leathers) As states, cities, and counties are competing for these new grants, we don't have the people to do the new project even if we get the grant. Can incoming staff be considered in these grants and negotiations? A: (Paige Shevlin) Yes absolutely.
- C: (Patrick McKenna) When we looked at advanced planning, we saw a federal infrastructure bill coming down the pipeline. We are putting all our money into capital investment. As we look at grants, these will provide us opportunities that we can work with going forward.
- C: (Mardy Leathers) Knowing that Missouri must put all their money on the table for capital projects, it is nice to hear that Missouri is number two for apprentices in the country (second to California). We lead the country in public sector apprenticeships. All of this helps put Missouri at a competitive advantage. We want to be able to leverage some of the funds available. The partnership with MoDOT helps both of us leverage out funds in new ways.
- C: (Mary C. Lamie) Great job. We continue to work with Mardy's office to introduce new programs and connect people.

Supply Chain Resilience and Pharmaceutical Stockpile Efforts

Marian Benz (AmerisourceBergen) discussed how transportation affects the movement of medicines around the world. AmerisourceBergen transports goods from the manufacturer to the hospitals and doctors. COVID-19 brought a lot of issues in the pharmaceutical supply chain to the forefront. The United States stockpiles around 1-3 months of pharmaceuticals and relies on China to fill the gap. No antibiotics are produced in America. There are three solutions: stockpiling, transparency, and domestic manufacturing.

Questions

Q: (Patrick Mckenna) Are there opportunities for public-private partnerships?

A: (Marian Benz) The current administration is trying to foster partnerships and put money behind the executive orders. In pharmaceuticals, they are doing batch manufacturing because it is cheaper, but advanced manufacturing keeps the lines always going and is more expensive. Retail pharmacies are always going to switch to the lowest costs of the same item available. There are some mask companies that are closing because of the demand and the cost to make them here than overseas.

- C: (Mardy Leathers) We are getting into a lot of the infrastructure and workforce pieces but not supply chain pieces like microchips and products. Missouri lags in innovative manufacturing.
- C: (Marian Benz) Thank you all. I live in Kansas City so what you all do is important to me.
- C: (Patrick McKenna) Thank you for bringing this information forward.

Supply Chain and Workforce Challenge

John Komor (General Mills) discussed how labor and logistics are their top two products. General Mills focuses on products being on time and in full and is averaging around 67% as being on time and in full. Issues of getting certain ingredients due to the supply chain have affected the company. General Mills stockpiles materials when they can. Labor shortages have also occurred. The night shifts have 6% of positions that need, and the production team has around 15% of jobs available. Cost of childcare, transportation, and the time of shifts affects General Mill's ability to fill these positions.

Stacy Giltner (General Mills) discussed how General Mills is working to try to overcome the labor shortage. They have looking at local partnerships with colleges and career pathways with high schoolers. General Mills is bringing back some retirees to the workforce to cover staffing shortages and provide more flexibility to schedules. They also use a temporary program where they hire people temporarily, train them, and then hire for full time. They are working on how refugees in the community (if the refugee population grows) could be trained and work at General Mills.





Questions

Q: (Mardy Leathers) It is a 45-to-60-day time from applying through the whole process to start working? Do you hire all individuals?

A: (Stacy) Yes, through interviews, background checks, and assessments that is about how long it takes. Our process is all electronic and can be done on a cell phone or tablet. We hire based on background checks of individuals.

Q: (Patrick McKenna) Are transportation issues problematic or does your workforce live here?

C: (Stacy Giltner) Most people live here, but some come from St. Louis. The childcare is usually the biggest issue.

Q: (Mardy Leathers) Are there rideshare programs to the General Mills facilities?

A: (Stacy Giltner) Not currently. We could use if it's locally available. We would help people take advantage of it if it is available

C: (Mardy Leathers) Vehicles are hard to find right now to transport goods.

C: (Mary C. Lamie) On behalf of St. Louis, we feel your pain and thank you for the great presentation.

Workforce Barriers

Dr. Mardy Leathers (Co-Chair) presented on barriers to employment: workforce readiness, childcare, workforce housing, and transportation. Workforce readiness involves people having certifications, trainings, and educations needed for the open jobs. Childcare availability, price and hours childcare facilities are open has affected people's jobs. Housing costs and supply and demand have been rapidly changing. There is also less affordable housing available. For transportation, vehicles are becoming harder to find and more expensive to buy and maintain. Transit services opportunities have also been decreasing. Potential government solutions for affordable housing and transportation were overviewed.

Questions

C: (Patrick McKenna) Labor is the number one issue of many of the companies we've heard from. We know there are people out there and we need to remove barriers to get them back into the workforce. This will round out our supply chain Task Force report very well.

8.4 Task Force Thoughts and Comments

There were no Task Force Comments at this time.

8.5 Public Comment Period

There were no public comments at this time.

8.6 Adjourn

The next meeting of the Missouri Supply Chain Task Force is scheduled for June 15, 2022, at 12 p.m. in Jefferson City, Missouri.

The meeting was adjourned at 2:32 p.m.





APPENDIX E Supply Chain Task Force Meeting Presentations







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1.0	Overview	. 1
	January 20, 2022, Meeting Presentation Slides	
	February 10, 2022, Meeting Presentation Slides	
	March 10, 2022, Meeting Presentation Slides	
	March 24, 2022, Meeting Presentation Slides	
	April 7, 2022, Meeting Presentation Slides	
7.0	May 5, 2022. Meeting Presentations	. 7













1.0 Overview

Appendix E contains all power point presentations used during the Missouri Supply Chain Task Force meetings. Presenters used the power point slides to as an aid to their presentations to the Task Force. Below are the Task Force meeting dates, times and locations:

Meeting Date	Meeting Time	Meeting Location	Page Number
January 20, 2022	9:30-11:30 AM	Jefferson City, MO	1
February 10, 2022	12PM – 3PM	Jefferson City, MO	2
March 10, 2022	1PM – 4PM	Chesterfield, MO	3
March 24, 2022	12PM - 3PM	Sikeston, MO	4
April 7, 2022	12PM - 3PM	Lee's Summit, MO	5
April 21, 2022	12PM - 3PM	St. Joseph, MO	6
May 5, 2022	12PM - 3PM	Hannibal, MO	7

There was a meeting scheduled for February 17, 2022, that was canceled due to weather. Meeting minutes follow the agenda of the meeting and consist of all questions, comments and answers presented during the meeting by the Task Force and the public.













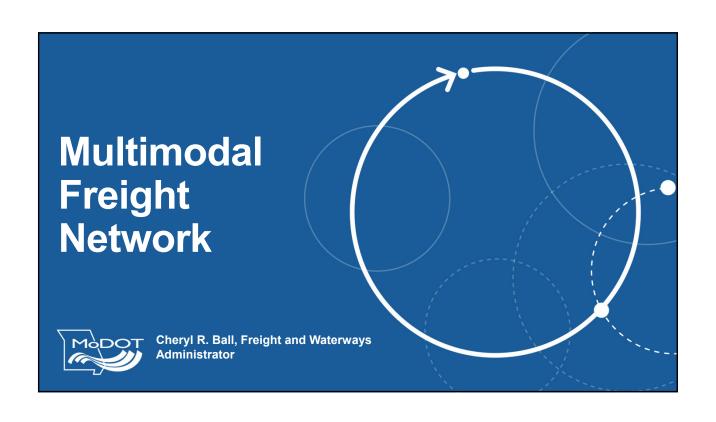
2.0 January 20, 2022, Meeting Presentation Slides

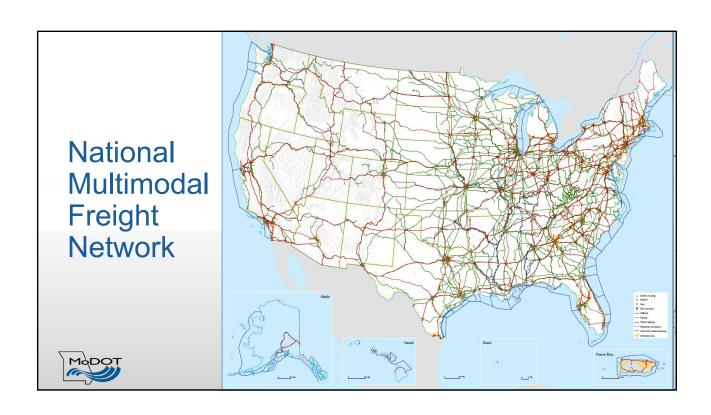


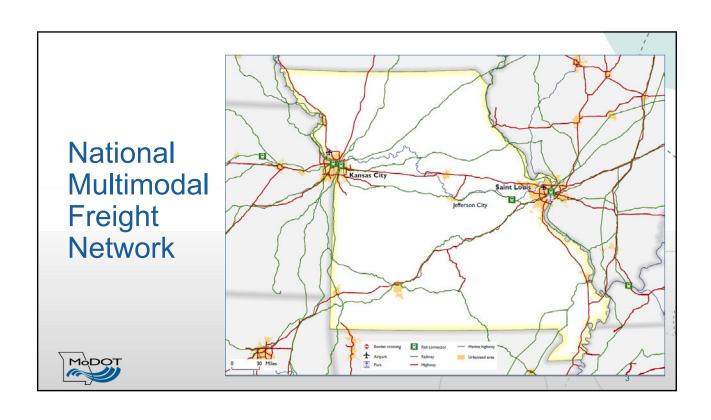


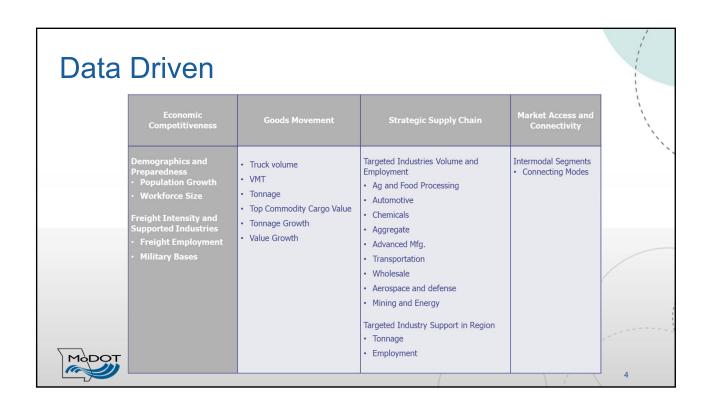


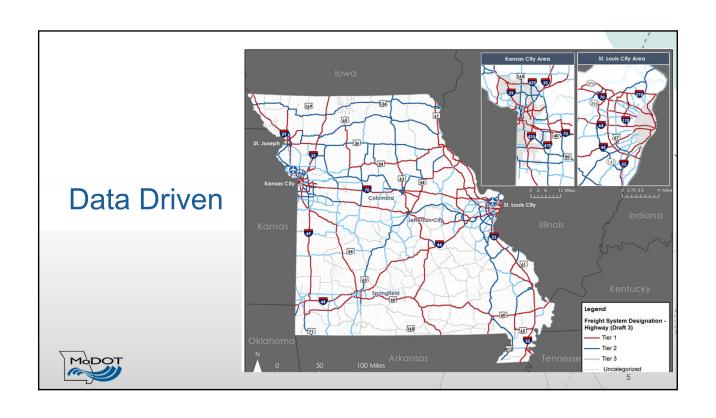


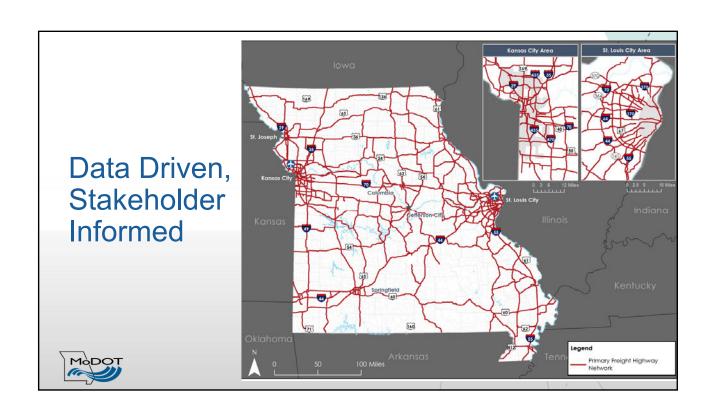


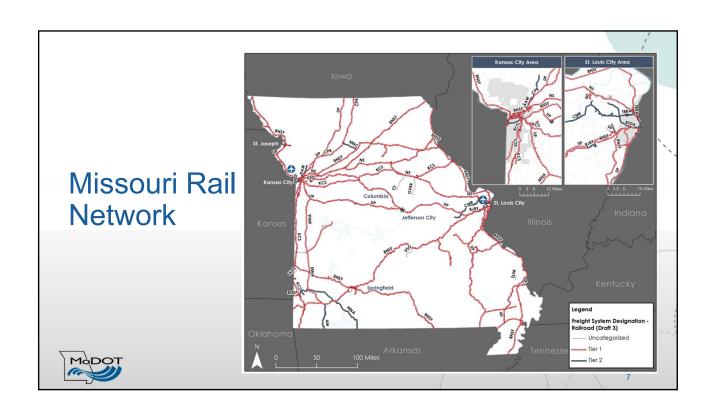


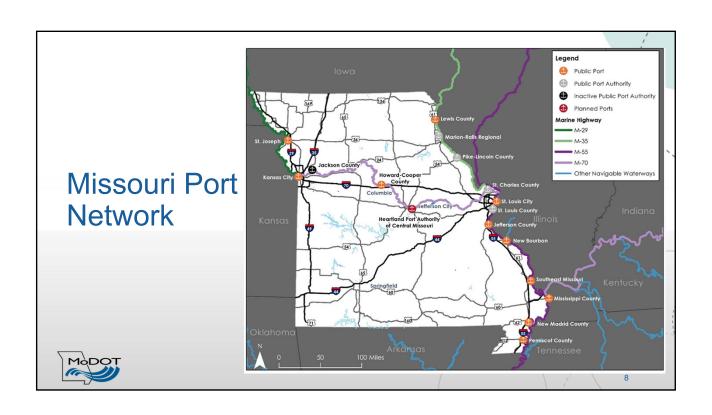






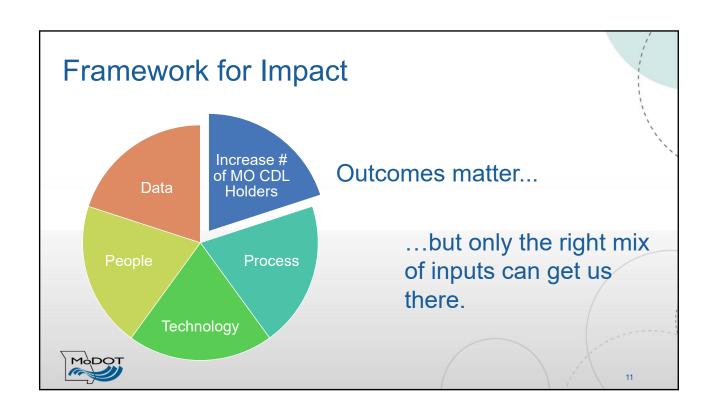


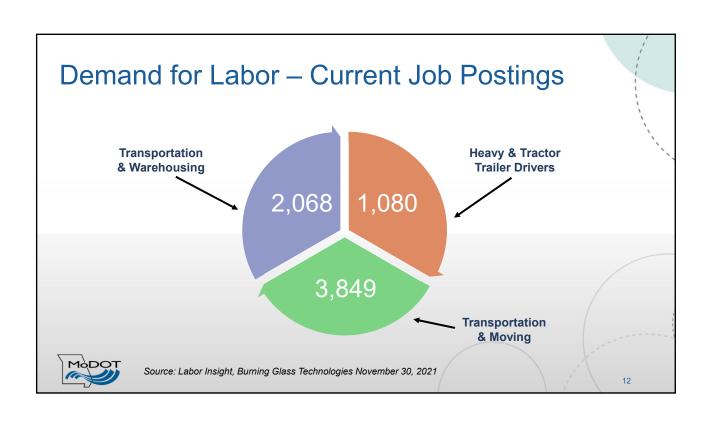


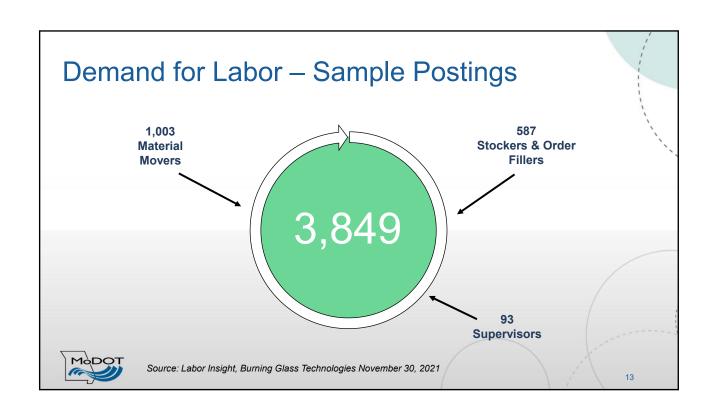


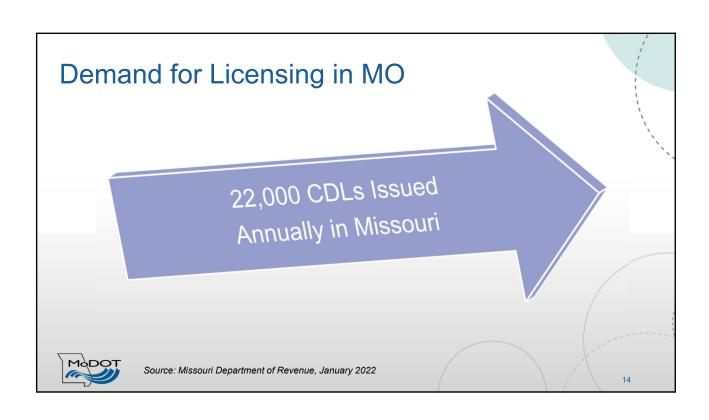












FMCSA Entry-level Driver Training Rule

- ➤ Effective February 7, 2022
- New drivers must attend training program listed on Training Program Registry prior to CDL Skills Test
- All CDL Skills Tests and Endorsements for first time
- Includes upgrades from CDL B to CDL A and over 16 passengers
- Knowledge (Theory) and Behind-thewheel (BTW) components – no hour requirement



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FMCSA Entry-level Driver Training Rule

- > Existing CDL exemptions still apply
- If CDL issued prior to 2/7/22, even if expired, exemption of re-obtaining CDL of same class
- Must be complete within 1 year of start
- BTW must be delivered by same Training Provider
- Theory & BTW can be delivered by 2 different training providers
- https://tpr.fmcsa.dot.gov/content/Resources/Provider-Guide/story.html



Relaxed Hiring Standards

- Relaxed standards for OTR experience (specifically for LTL)
- Relaxed standards for at fault accident timeline and MVR points max
- Relaxed standards for Drug/Alcohol related offenses (2-5 years vs. 10 years)
- Relaxed standards of DOT Physical requirements (6 months vs. 2 years)
- Could pose safety concerns



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CDL Training Investments

393 Trainees in 2021

\$1,800,000 Invested

5 Week Avg. Program

59% Employment Rate

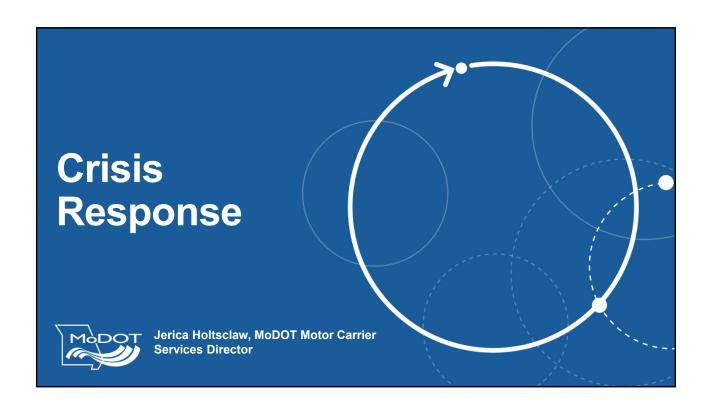


Noted Concerns

- > Tight labor market continues to pressure trucking industry
- ▶ ELDT impact likely significant, especially in near-term
- Demand across all logistics industry occupations (nondriving) to outstrip supply for foreseeable future
- Relaxed standards of hiring could increase workplace hazards and liabilities







Regulations for Weight on MO Roadways

- Current Regulations
 - » RsMO Chapter 304
 - » 7 CSR 10-25
 - » Specifically, weight regulations 7 CSR 10-25.020
- MoDOT Motor Carrier Services
 - » Issues permits for all **NON-Divisible** loads in excess of legal limit
 - Legal weight limit = 80,000 lbs.



Load Types and Permits

Non-Divisible Loads

- Cannot be broken d
 - Ex: Bulldozer
- Can be issued a per

Divisible Loads

- · Can be broken down into smaller loads
 - Ex: Canned goods
- Cannot be issued permits in excess of 80K lbs. regularly



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Exceptions for **Divisible Load Weight**

- Special Permits
 - » RsMO 304.200
 - » MoDOT can permit in excess of length, height, width and/or weight for:
 - Single Trip
 - Defined Period
 - » State Routes only <u>NOT ON INTERSTATES</u>
 - » Past exceptions for weight under Special Permits— 10% overweight (88k lbs.)
 - Propane shortages in winter
 - Hauling rock/sand for levee repair during flooding



Exceptions for **Divisible Load Weight**

- Presidential declared emergencies
 - » Stafford Act MAP 21 Section 1511
 - » Allows states to issue permits for DIVISIBLE loads in excess of 80K lbs. on INTERSTATE.
 - » Allowed for 120 days following the declaration only
 - » States can choose the weight limit
 - Carriers must still abide by load postings
 - » During onset of COVID-19 Missouri issued 100k lbs. permit
 - For both INTERSTATE and STATE routes
- MAASTO Region Weight Harmonization during Presidential declared emergencies

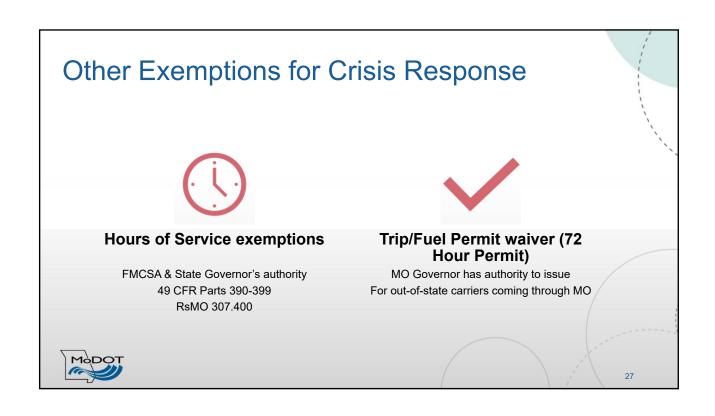


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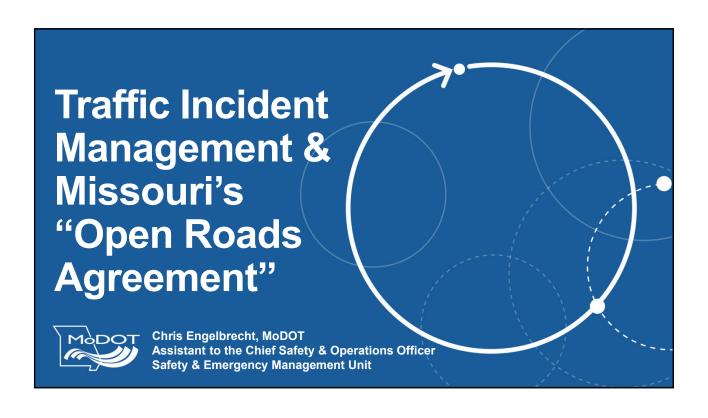
Heavy Weights & Infrastructure

- Federal Highway Administration
 - » State Enforcement Plan (SEP)
 - 23 CFR Part 657, Certification of Size and Weight Enforcement
 - Federal weight standards to preserve our Nation's infrastructure
- Infrastructure condition
 - » Impact of increasing weight limits for longer periods
 - Only on State Routes
 - More load postings on bridges
 - Quicker pavement deterioration









Quality of life in the State of Missouri is heavily dependent upon the free movement of people, vehicles, and commerce

- Congestion is a growing problem in Missouri
- Increases costs, labor hours, fuel, missed schedules, late deliveries, increased air pollution and road rage
- 60% of all congestion is related to incidents
- 20% of all collisions are "secondary", attributable to earlier incidents
- Responders are at risk on high-speed, high-volume roadways



Traffic Incident Management (TIM)

Planned and coordinated multi-disciplinary process to detect, respond to, and clear traffic incidents and restore traffic flow as safely and quickly as possible.

- Resolve issues associated with congestion and incidents
- > Focus on controlled-access roadways
- ▶ Emphasize <u>urgent and safe clearance</u> of highway incidents



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Open Roads Agreement

- Safety of emergency responders and the public
- Restoring roadways to full capacity as soon as possible following an incident
- Using clear communication between responding parties
- Utilizing strategies and tactics that support the National Unified Goal (NUG)



Open Roads - Shared Responsibilities

- Multi-Agency Coordination
- ▶ 90 Minute Clearance Goal
- Quick Clearance of Damaged Vehicles, Spilled Cargo, and Debris
- Minimize Traffic Impacts
- Promote Responder Safety

- Special Incident Coordination
- After-Action Reviews
- Traffic Diversion Planning
- > TIM Training
- Communication



33

January 6, 2021 I-55 Southeast MO

Multiple crashes Numerous locations

12-hour closure

Bypass routes activated State EOC Coordination

- ESF-1 Transportation
- ESF-6 Mass Care
- ESF-13 Law

Local Emergency Mgmt

- Wellness checks
- Warming center





Public Safety Must be Maintained

State and local agencies have the responsibility to do whatever is reasonable to reduce the risk to responders, secondary crashes, and the delays associated with incidents, crashes, roadway maintenance, construction, and enforcement activities.



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Roadways must be cleared of damaged vehicles, spilled cargo, and debris when it is safe to do so

- Damage to vehicles or cargo may occur as a result of clearing the roadway on an urgent basis
- Reasonable attempts to avoid such damage will be taken, the highest priority is restoring traffic to normal conditions
- Incident caused congestion has an enormous cost to society
- This cost is significantly greater than the salvage value of an already damaged vehicle and its cargo



Noted Concerns

- Not all incidents can be cleared in 90 minutes
- ▶ Lack of trust between towing and trucking industries
- ➤ Substantial or unreasonable tow/clean up costs
- > Preferred tow may not be allowed due to circumstances
- Recovery times may be delayed/restricted due to traffic volumes



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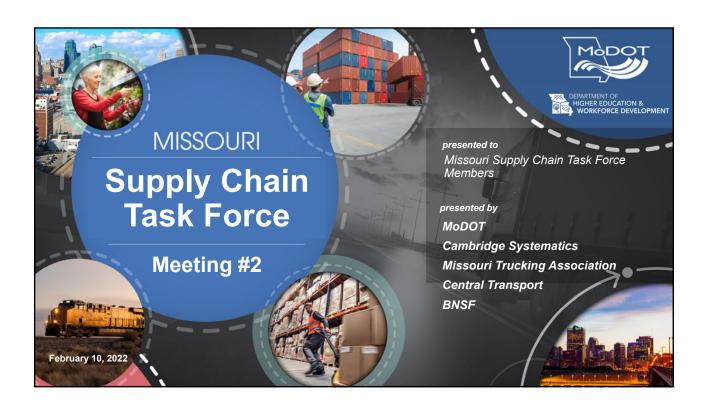
3.0 February 10, 2022, Meeting Presentation Slides

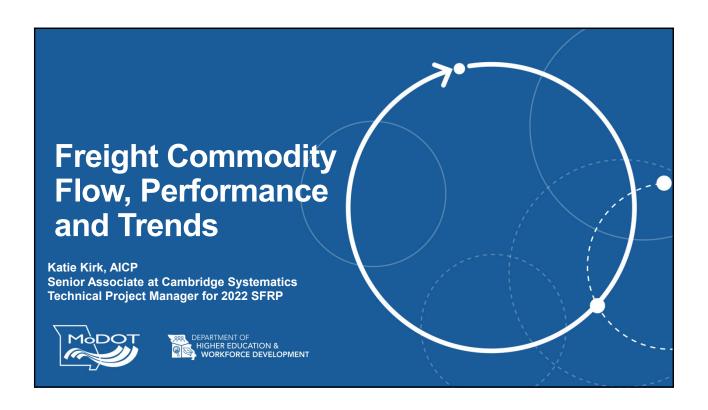


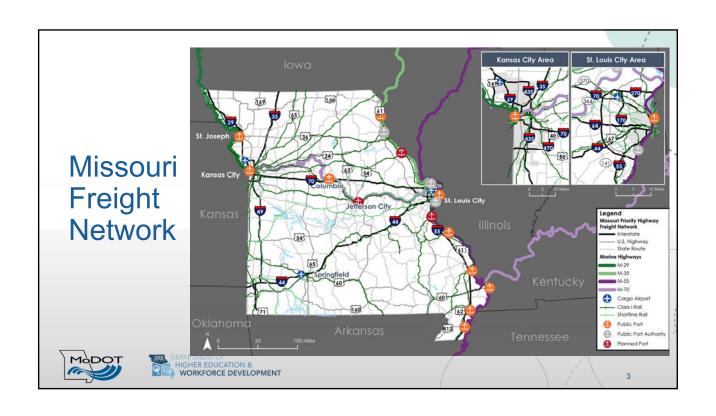


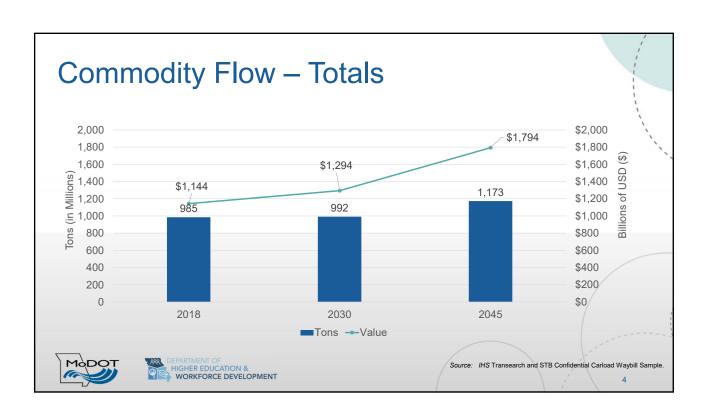


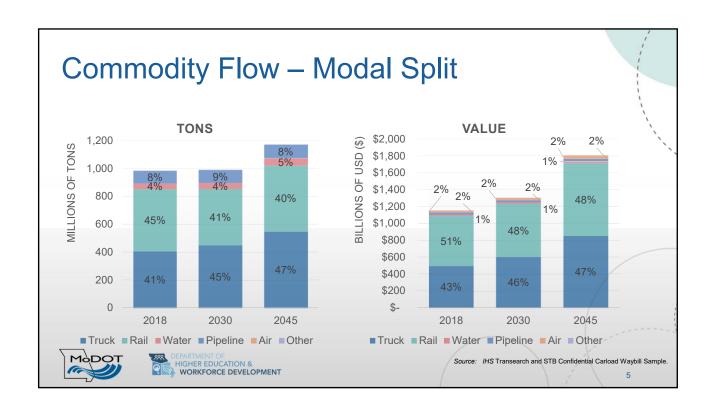


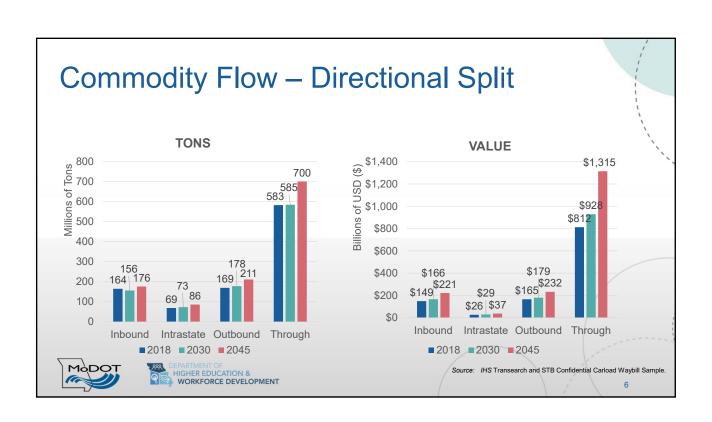


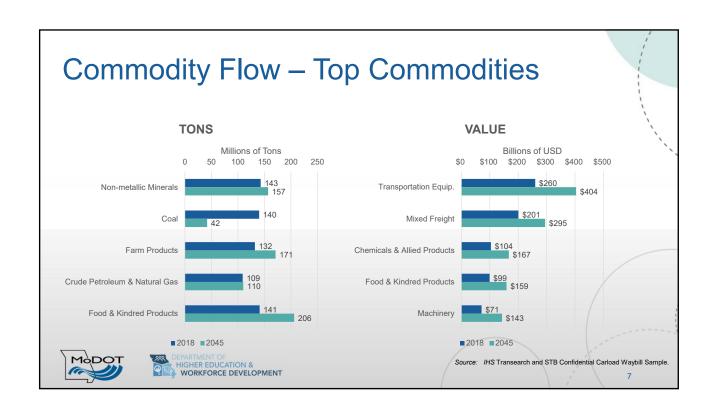


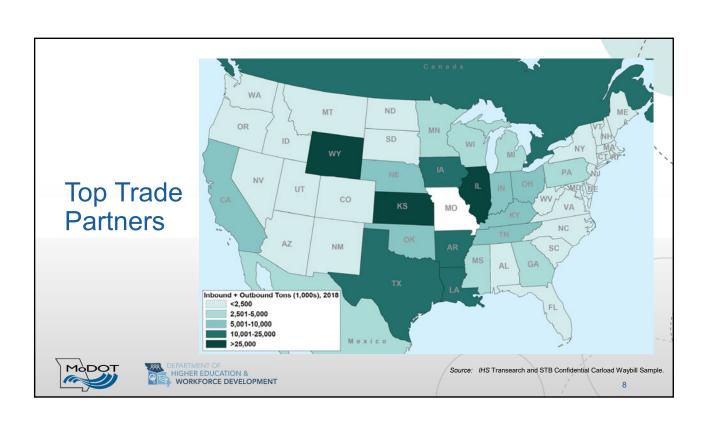


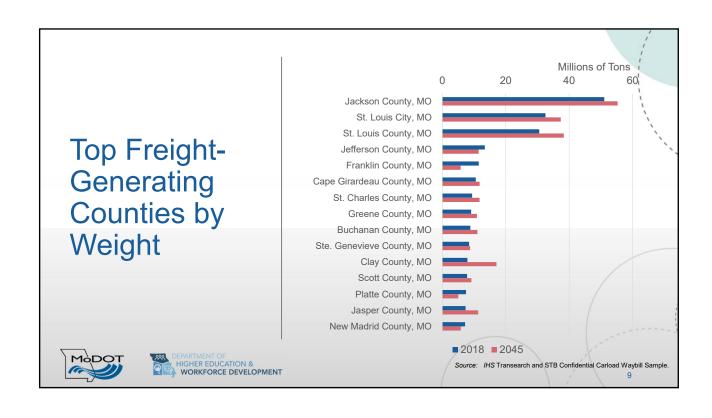


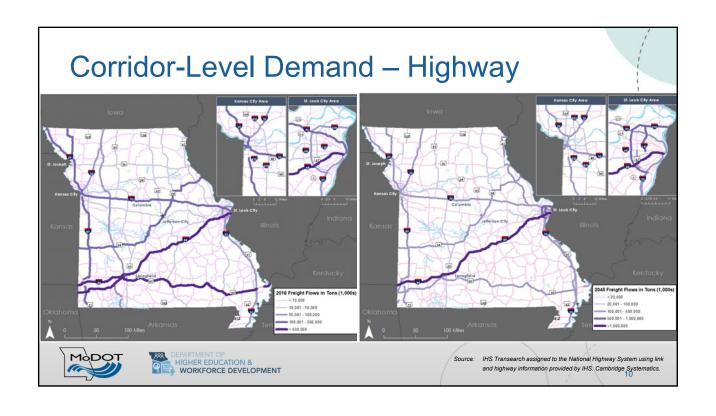




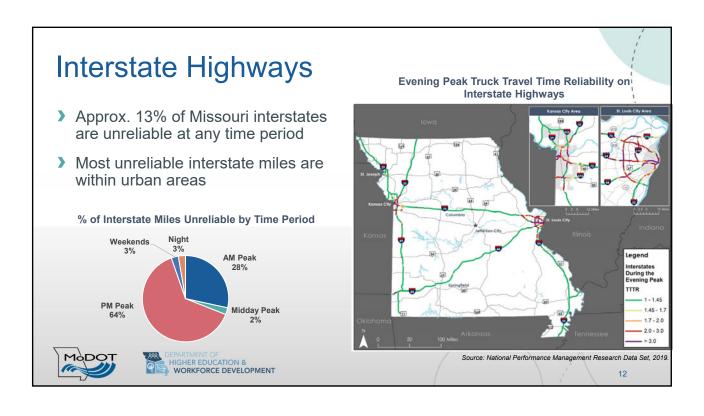








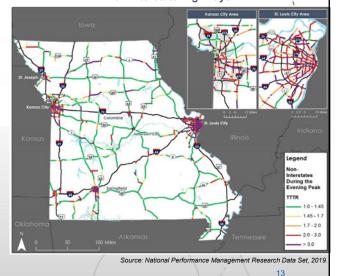




Non-Interstate Highways

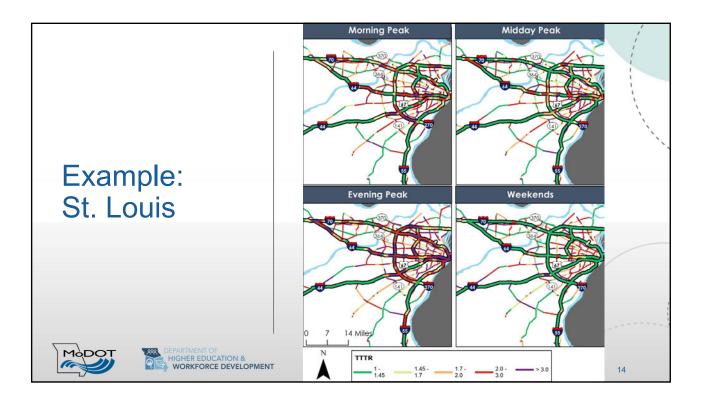
- Less reliable than interstates due to design & functional classification
- Reliability higher in rural areas and lower in urban areas

Evening Peak Truck Travel Time Reliability on Non-Interstate Highways



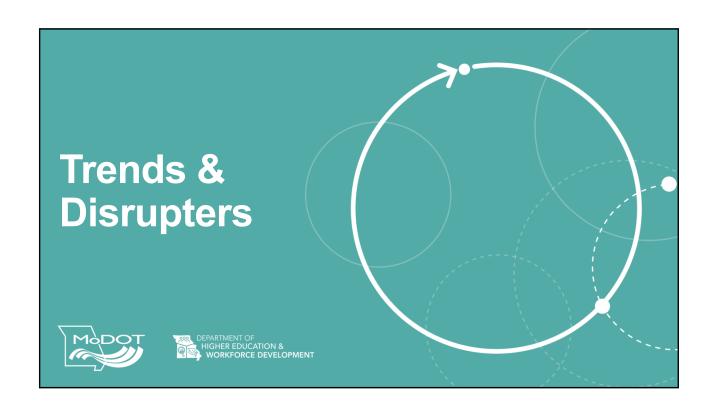


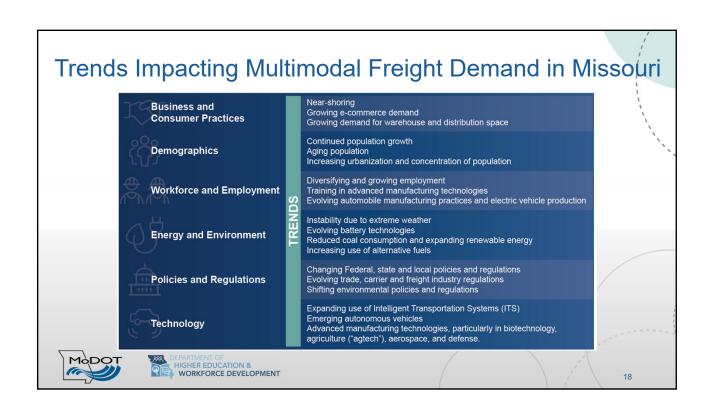




Freight Rail Level of Service Capacity constraints on Tulsa-Springfield-Memphis route Coal volumes down 33% since 2012 Class I RRs interviewed had low concern with LOS Concern with LOS Concern with LOS Concern with LOS Freight Rail Level of Service Freight Rail Level of







E-Commerce

- Consumer demand for ecommerce has surged since March 2020 after years of steady growth
- Proximity to consumers allows e-retailers to deliver goods as fast as possible
- > W&D space is at a premium

Governor Parson Touring new Amazon Fulfillment Center in Republic, Sept. 2021



Image Source: KY3





Scenario Planning: Near-shoring

By 2045, Missouri freight flows under this scenario are expected to:

- REDUCE the volume of through-state flows, and INCREASE the volume of outbound, inbound and intrastate flows.
- INCREASE the value and volume of freight flows in Missouri's urban areas, including Kansas City and St. Louis
- INCREASE carload & intermodal rail and air cargo volumes, and slightly DECREASE truck volumes.

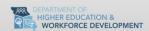
Key considerations for MO:

Intermodal connectors to support increased inbound/ outbound flows vs. through flows.

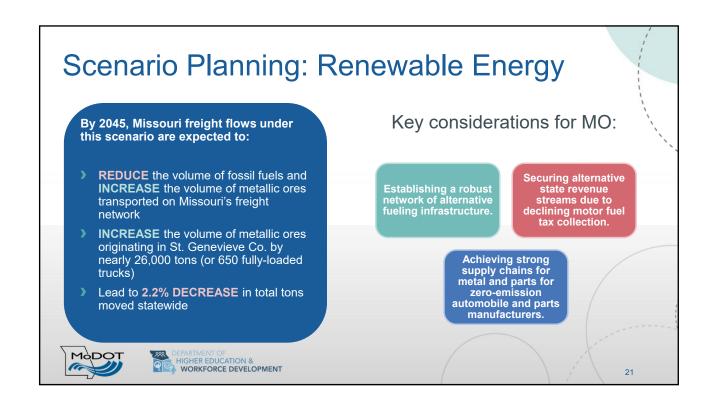
Continued need for modern facilities.

Workforce training and development.





20







Central Transport – Regional LTL

- Hiring Requirements (Then)
 - » 21 years of age
 - » Valid Class A with tanker and hazmat endorsement
 - » 6 months verifiable tractortrailer experience
 - » No DWI/DUI
 - » No at fault accidents
 - » 2-year DOT medical card

- ➤ Hiring Requirements (Now)
 - » 21 years of age
 - » Valid Class A endorsement
 - » 90 days to obtain Hazmat
 - Company pays Hazmat certification
 - » No experience
 - » May still be considered if:
 - No DUI/DWI within last 5 years
 - As long as traffic incident wasn't a rollover
 - » 1 year DOT medical card





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Central Transport - Regional LTL

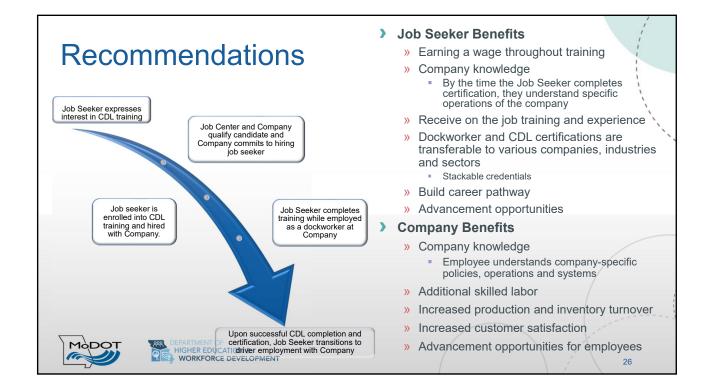
- Onboarding
 - » Difficulty finding qualified candidates
 - » Wage increases
 - » Decreased hiring requirements
 - » 15 open driver positions across the state
 - » 18 open dock worker positions





- Incentives
 - » Local, reliable routes
 - » Increased sign-on bonus
 - Statewide up from \$3,000 to \$5,000
 - KC and STL up from \$5,000 to \$10,000
 - » Wage increases
 - Statewide up from \$20.50 to \$23.50 (day) or \$25.50 (road)
 - Pay increase \$4/hour over 4 years

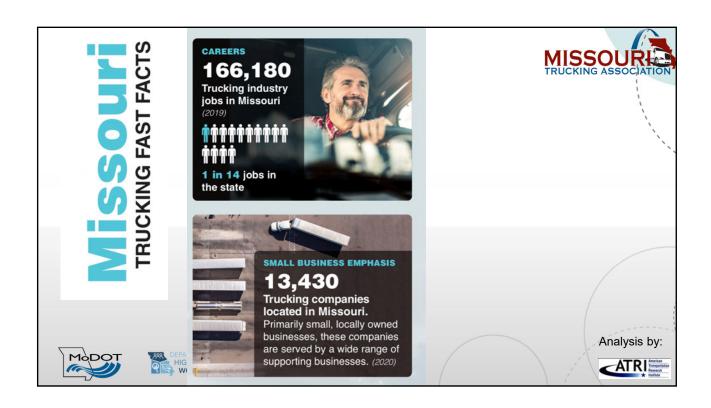
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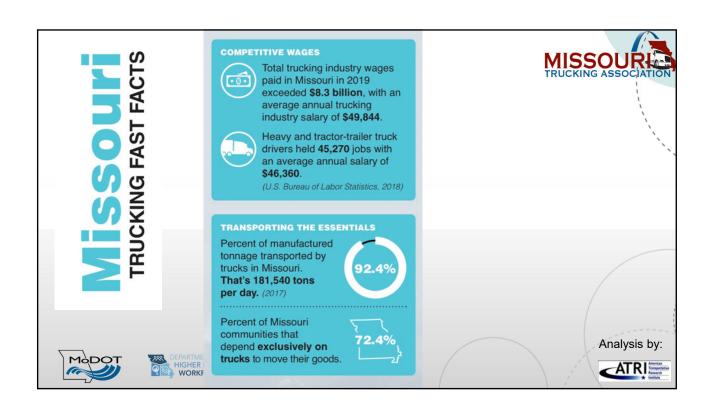


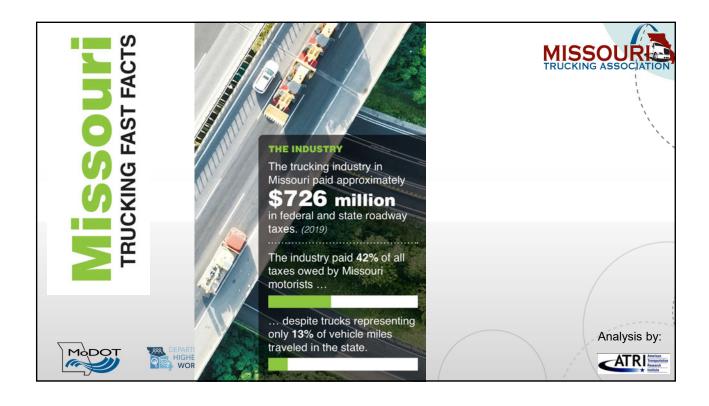


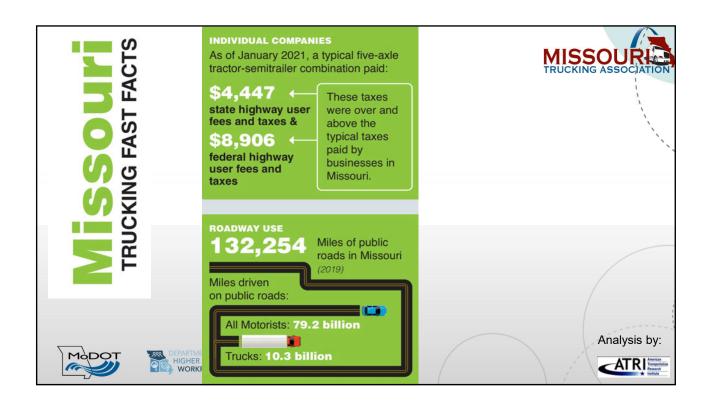




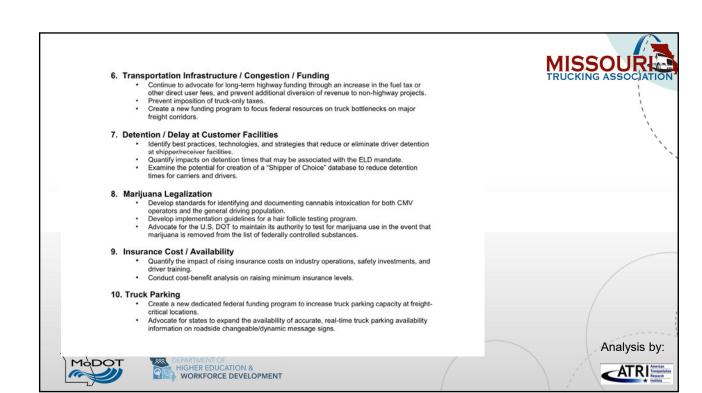


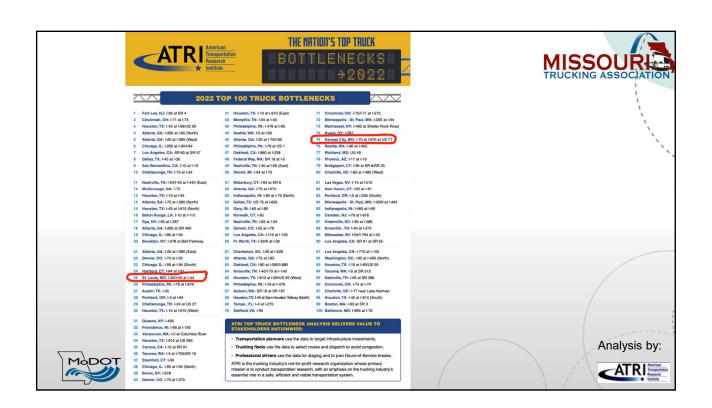














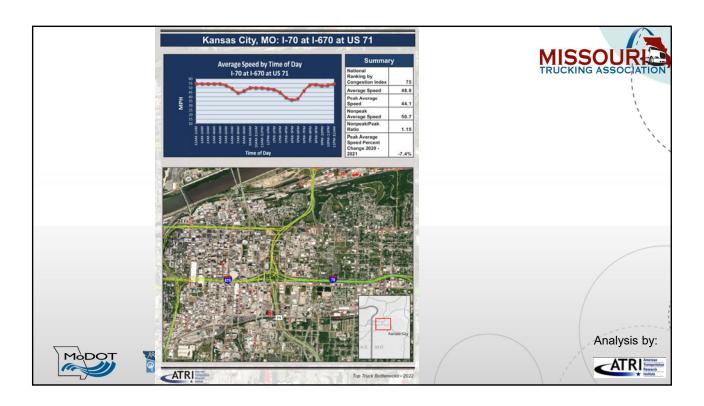
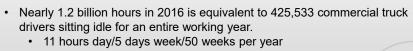


Table 1: Average Congestion Cost per Truck and VMT Changes, 2015-2016

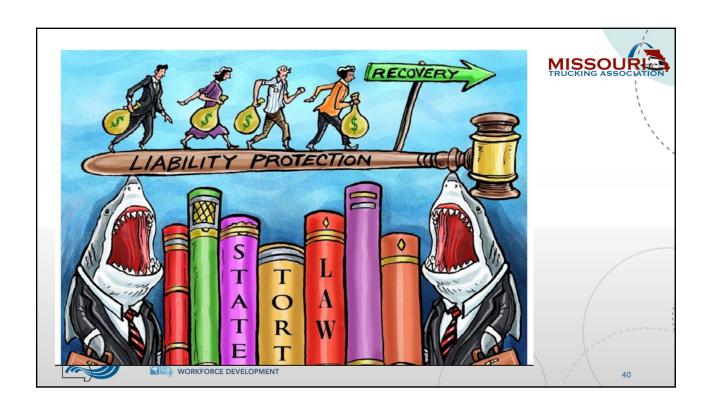
M TRI	ISSO	URI

	2015	2016
Hours of Delay (billion hours)	1.177	1.170
Total Cost of Congestion (\$Billion)	\$74.115	\$74.493
Truck VMT (million miles)	279,843.6	287,894.9
Registered Trucks	11,203,184	11,498,561
Average Congestion Cost per VMT	\$0.26	\$0.26
Average Congestion Cost per Truck	\$6,616	\$6,478









Top 10 States by Average Litigation-Related Payment Size

Rank	State	Number of Cases	Sum of Payments	Average Payment Size
1	California	27	\$15,882,234	\$588,231
2	New Jersey	50	\$28,451,099	\$569,022
3	Missouri	47	\$23,185,398	\$493,306
4	New York	30	\$14,471,500	\$482,383
5	Virginia	38	\$17,953,804	\$472,469
6	Illinois	58	\$25,868,713	\$446,012
7	Washington	27	\$11,451,471	\$424,129
8	Texas	90	\$35,249,410	\$391,660
9	Florida	24	\$8,921,254	\$371,719
10	Louisiana	35	\$10,084,659	\$288,133





MISSOUF TRUCKING ASSOC





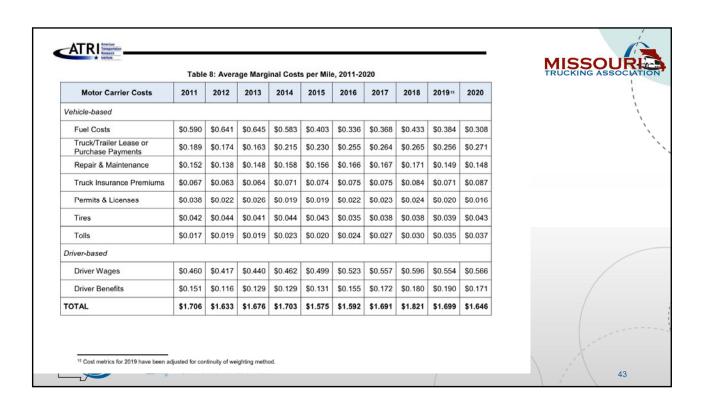
Predicting Litigation-Related Payments by State

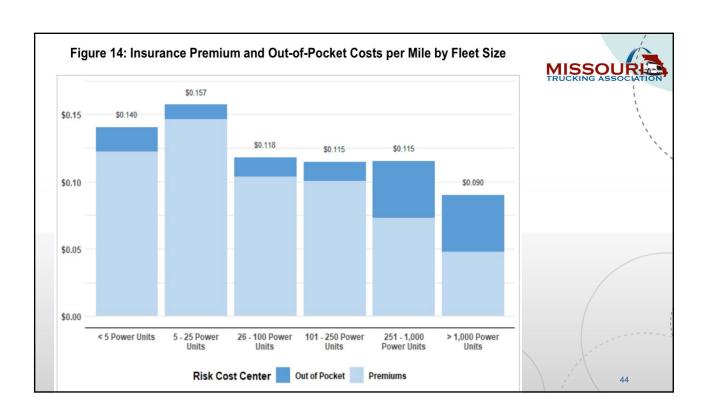
State	Estimated Average Payment Size	Percent Difference from National Average	
National Average	\$376,757		
New Jersey	\$569,022	51.0 %	
North Carolina	\$640,529	70.0 %	
California	\$588,231	56.1 %	
Michigan	\$621,517	65.0 %	
Missouri	\$493,306	30.9 %	
Tennessee	\$228,090	-39.5 %	
West Virginia	\$985,000	161.4 %	
New York	\$482,383	28.0 %	
Virginia	\$472,468	25.4 %	

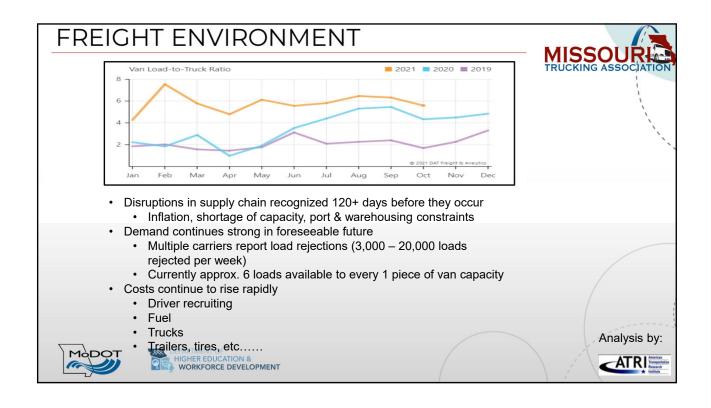


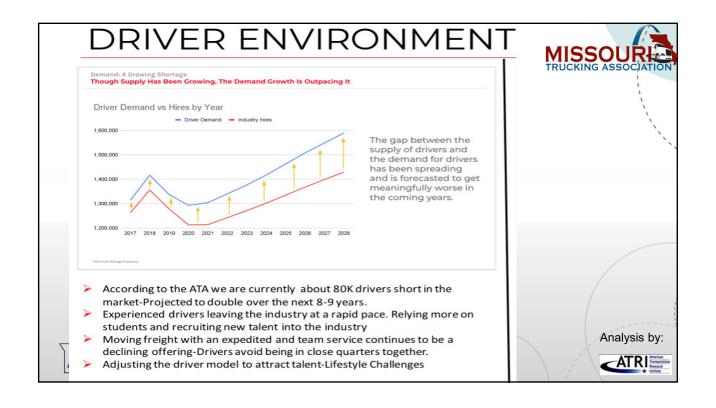


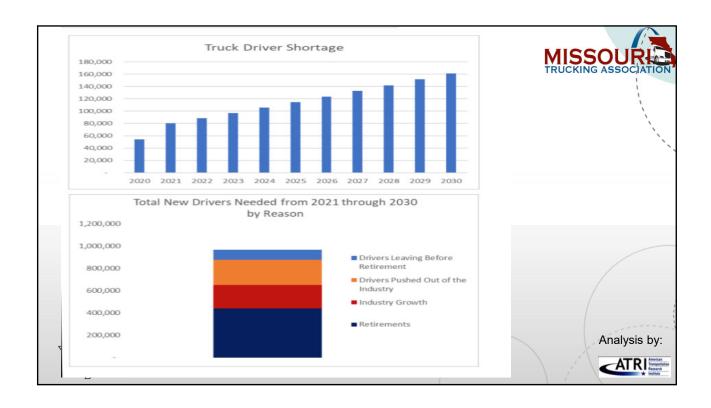


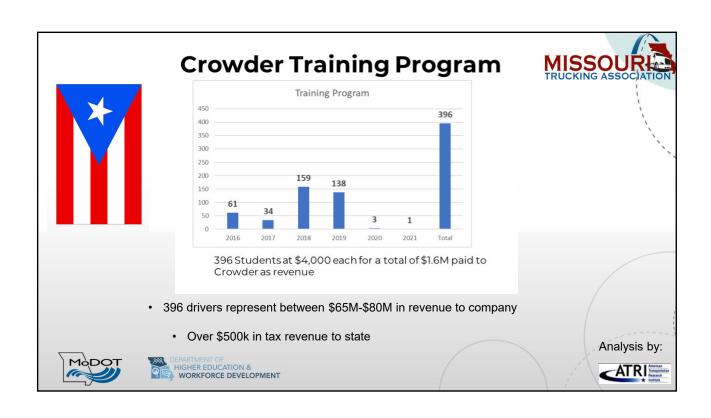


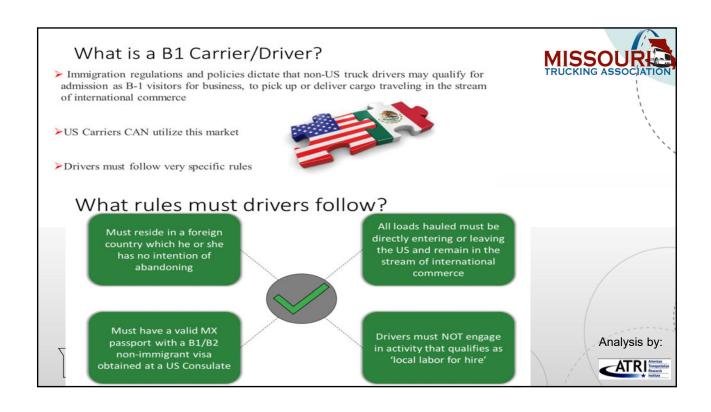


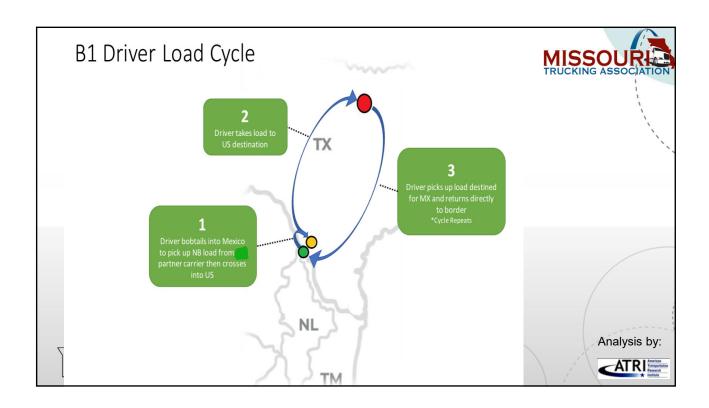










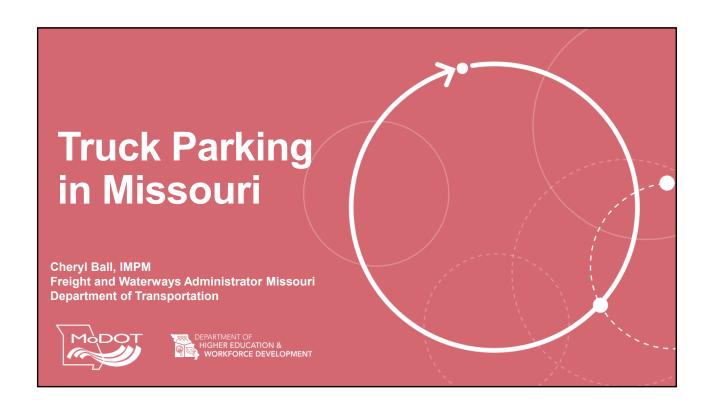


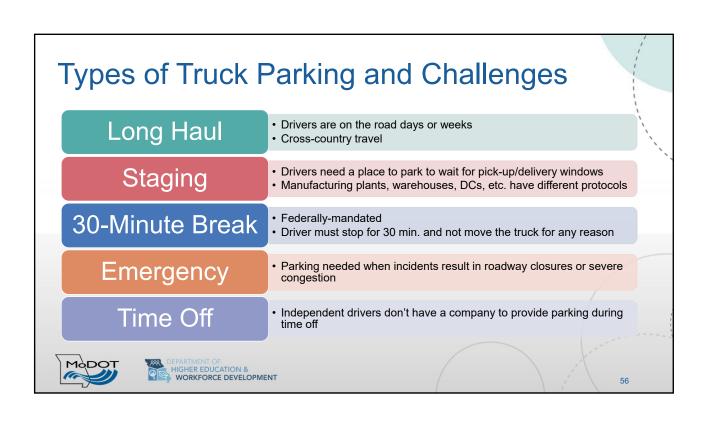


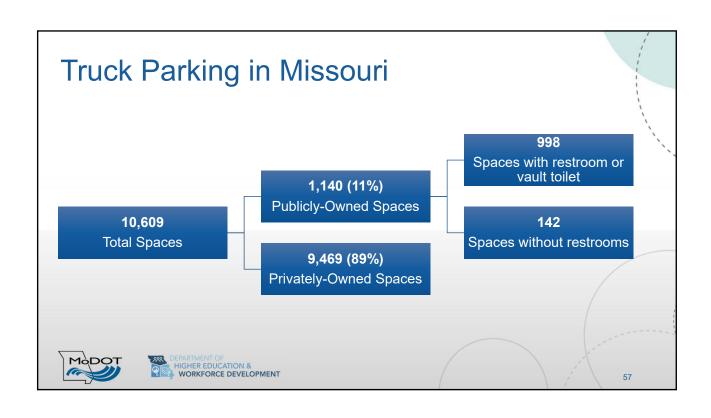


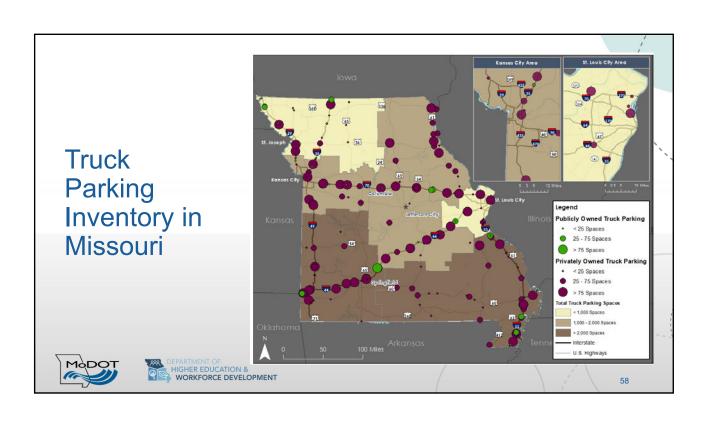


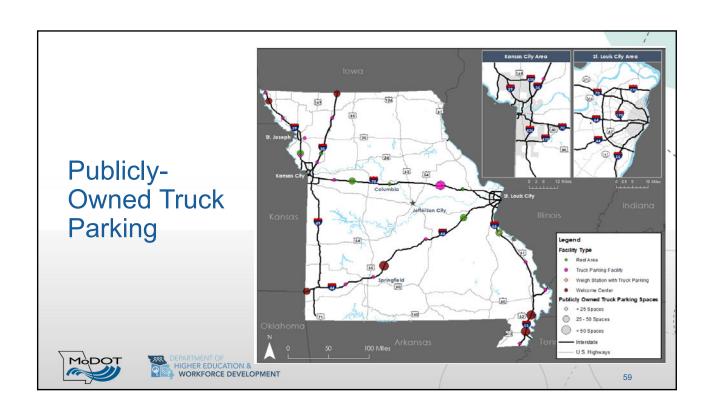




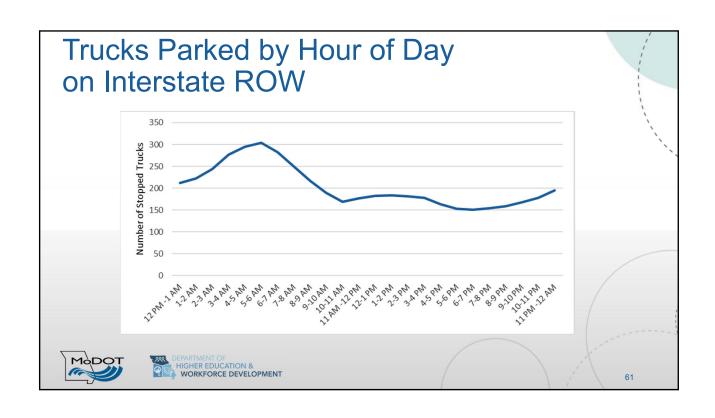








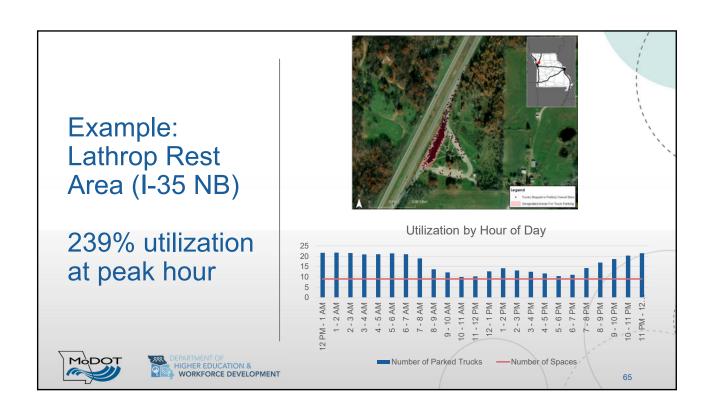




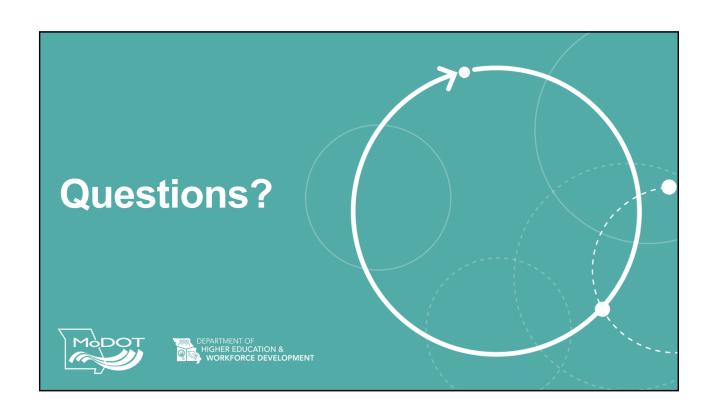




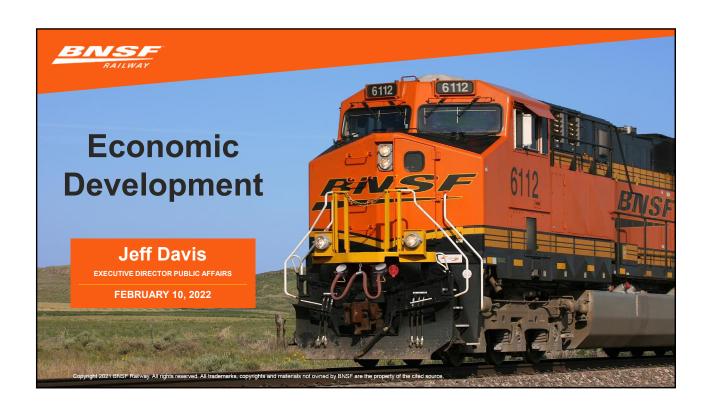




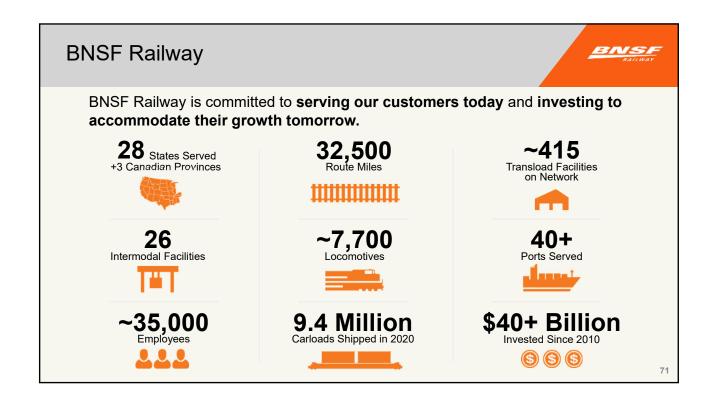
	g Decision	7110			1
Principal Agent	Truck Company/ Driver	Origin/ Receiver	Infrastructure/ Parking Provider	Regulator or Enforcement	Other Public Entities
Key Objective	Manage operational costs and reduce under-utilized miles (empty or non-revenue producing trips)	Manage inventories with logistical solutions	Provide parking for safety reasons (public) or for profit (private)	Improve traffic safety	Community safety
Potential Areas of Control	The truck route, equipment, in-transit parking decisions	Time of pick-up/ delivery	Build and maintain parking, signage, driver notifications concerning parking slots	Safety inspections, citation authority, operational allowances, time	Land use, truck routes, restricting truck operations
What They Do Not Control	The truck destination, last mile parking, zoning issues, truck operational bans	Smaller sites -near site parking (larger sites may provide some parking areas or could provide space)	Demand for parking by location or time	Hours of pick- up/delivery	Shippers need to receive cargo

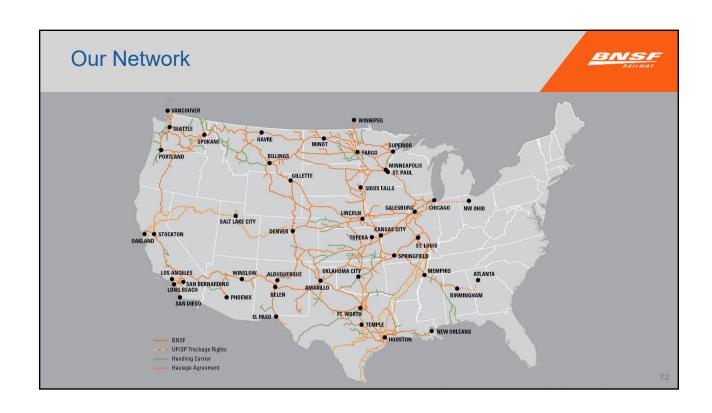


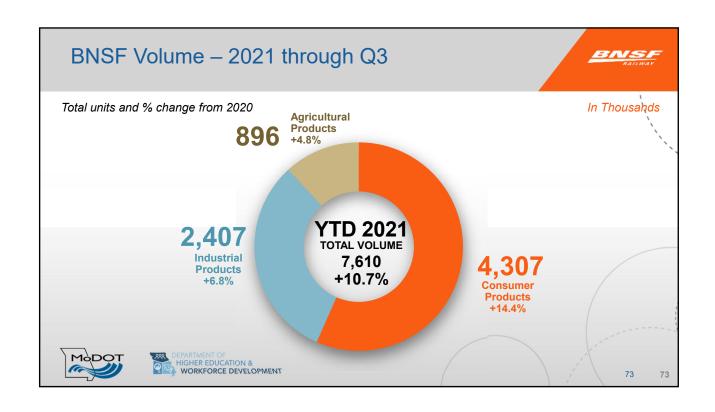


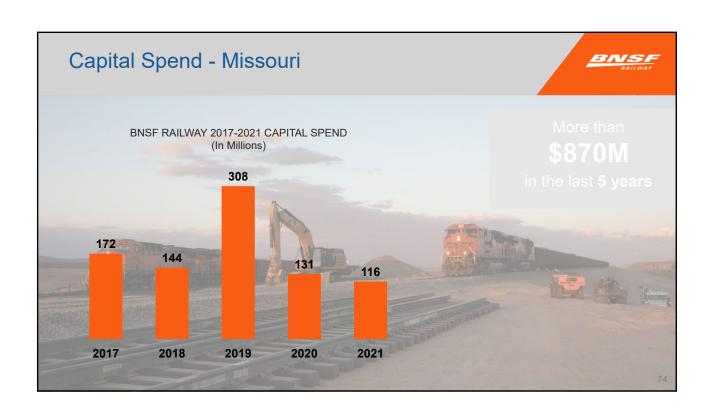






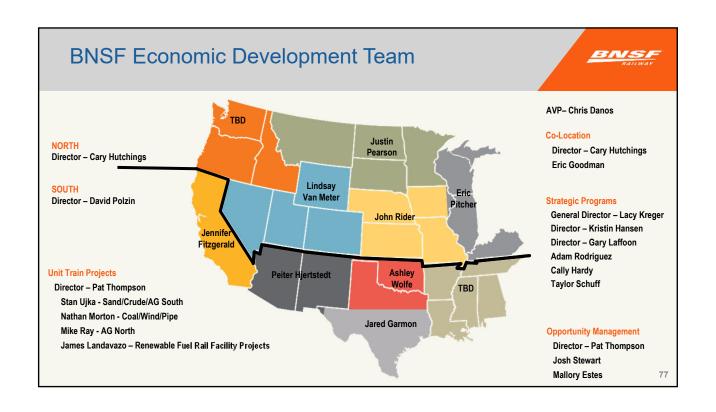


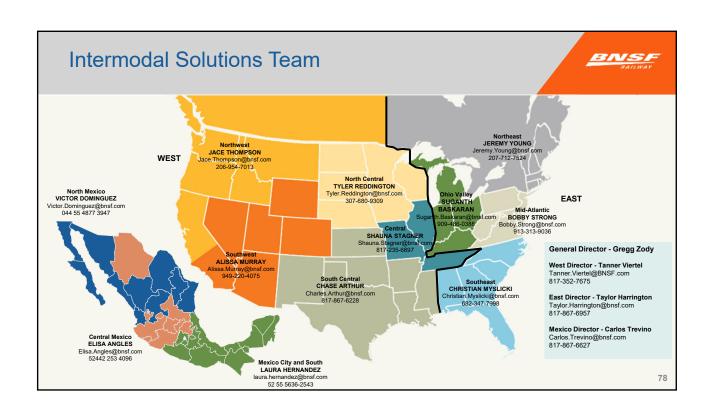




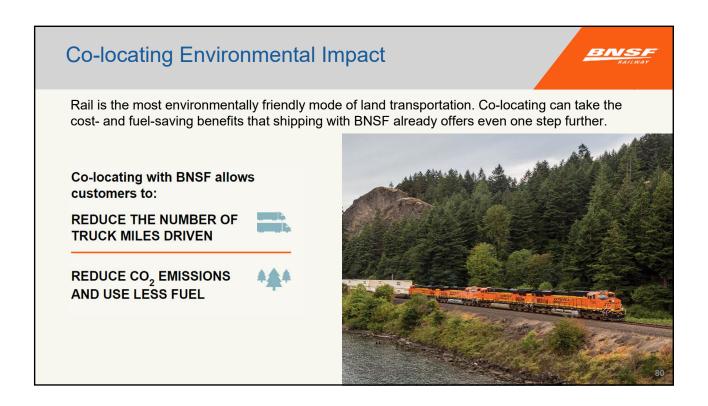


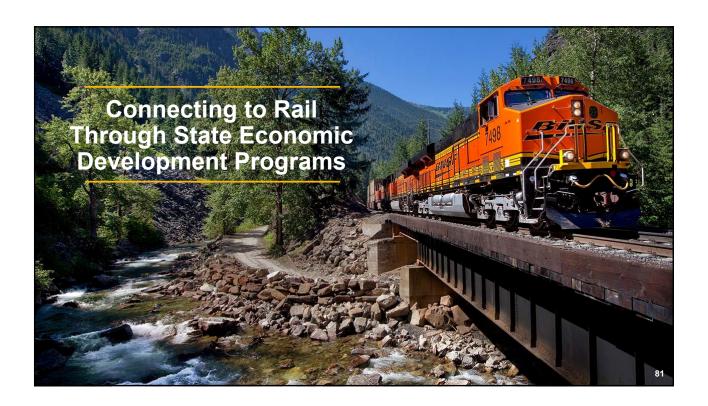






Real Estate Planning & Transportation Transportation costs will drive future warehouse & distribution development. 57.5% LOGISTICS COST BREAKDOWN *Does not include incentives Transportation is the most expensive cost in the supply chain Linking transportation 24.7% requirements with real estate planning as early as possible can significantly reduce transportation costs 7.2% 6.3% 4.3% Transportation Warehouse Labor Inventory Warehouse Non-Admin





Connecting New Locations to the "Supply Chain"



- > Railroads are "common carriers" and have an obligation to serve.
- ▶ U.S. Railroads spend billions of dollars every year to maintain and enhance our infrastructure, but don't have the capital to connect new customers or communities seeking rail service.
- > We work with local and state economic development officials to help customers to take advantage of existing programs offering economic incentives.
- The biggest challenge, particularly in rural areas, is paying for the first/last mile of rail connectivity.





Missouri's Freight Enhancement Fund



- > \$1 million a year in awards since 2014.
- Maximum grant is \$500,000.
- > Requires 20% local match.





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Nebraska DED's Rural Projects Act



- Created by Nebraska Legislature in 2021, the bill authorized \$10 million for industrial rail parks.
- > \$73 million in requests plus more interest.
- ▶ LB 788 would expand funds available to \$50 million.
- The bill was heard in committee on Tuesday and there was no opposition.





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Kansas Economic Development Incentives



- ➤ Kansas Department of Transportation (KDOT) has a \$10 million/year <u>Economic Development (ED) Fund</u> designed for transportation investments to recruit new businesses and encourage growth of existing businesses.
- KDOT has a separate <u>Rail Service Improvement Fund</u> dedicated to improving rail access and preserving the condition of the state's short-line rail network. This program gets \$5 million/year for loans and reimbursable grants.





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Kansas Economic Development Incentives



- In December 2021, Kansas approved up to \$100 million in grants for economic development projects.
- The <u>Building A Stronger Economy</u> (BASE) grant program covers infrastructure investments associated with economic development projects including new business park development; development of infrastructure required to support business expansions; renovation of existing business parks to bring them up to modern standards, including rail spurs; and other projects designed to expanded the state's business employment base.





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4.0 March 10, 2022, Meeting Presentation Slides













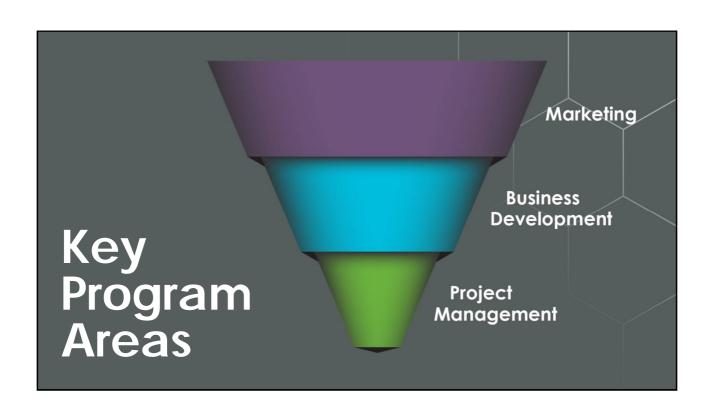






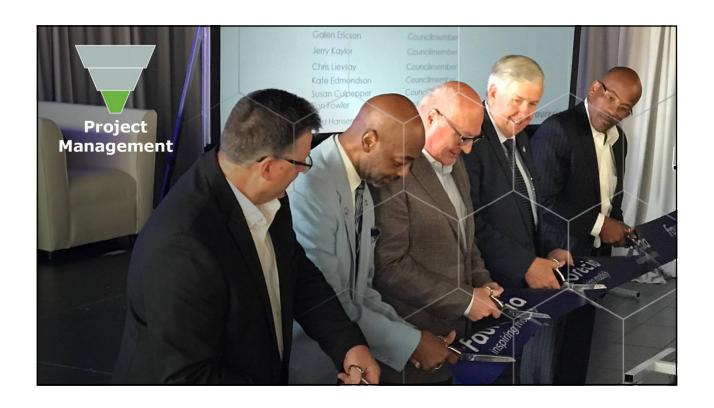






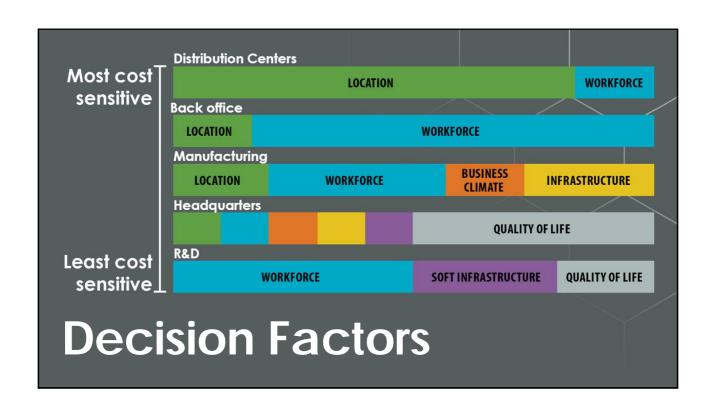


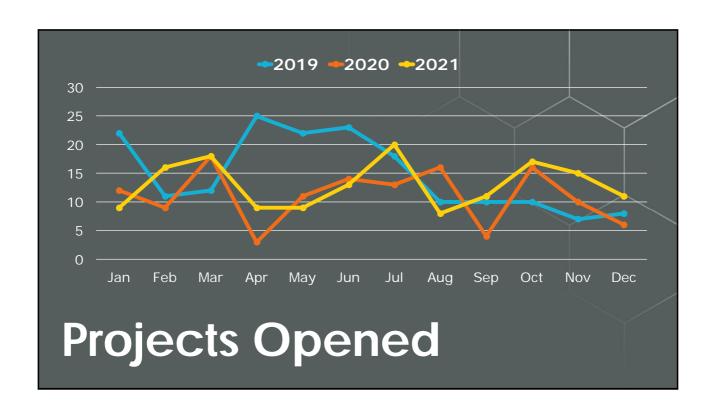


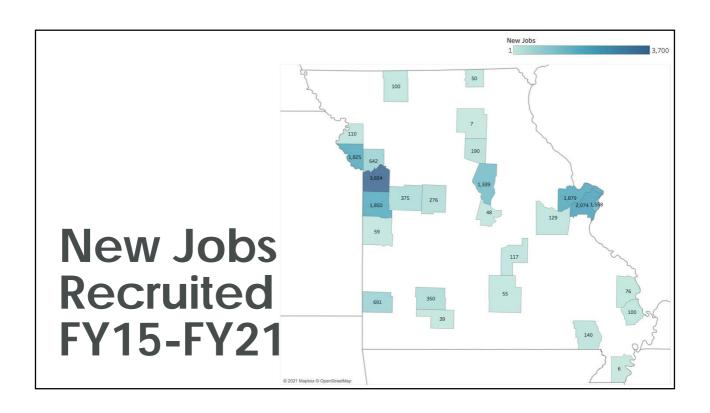






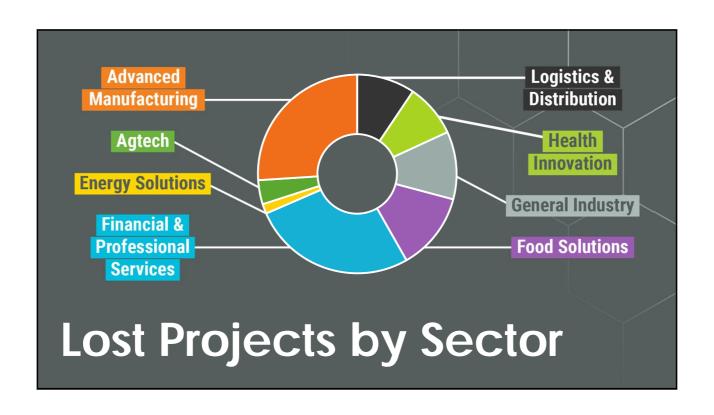


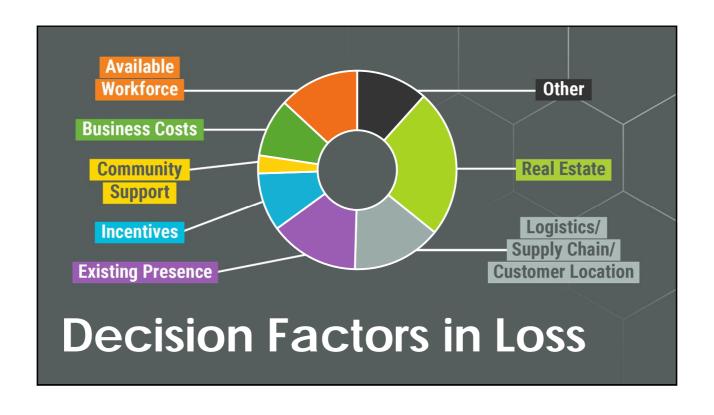






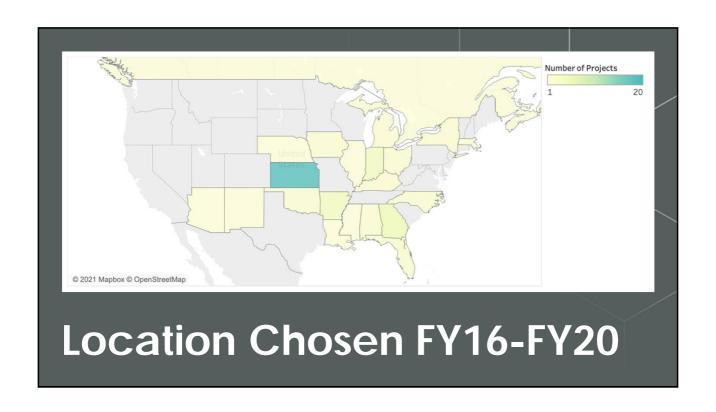




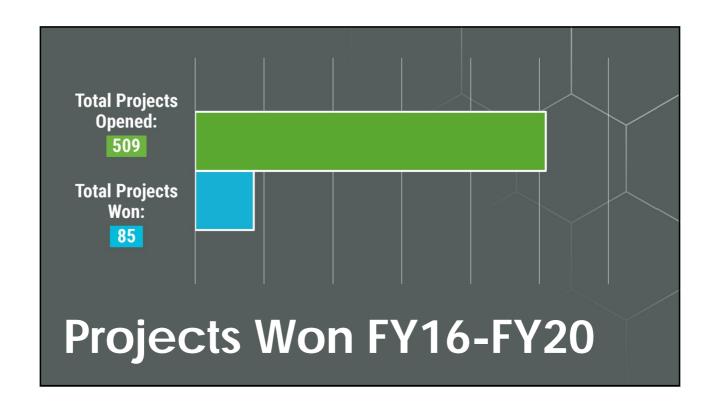


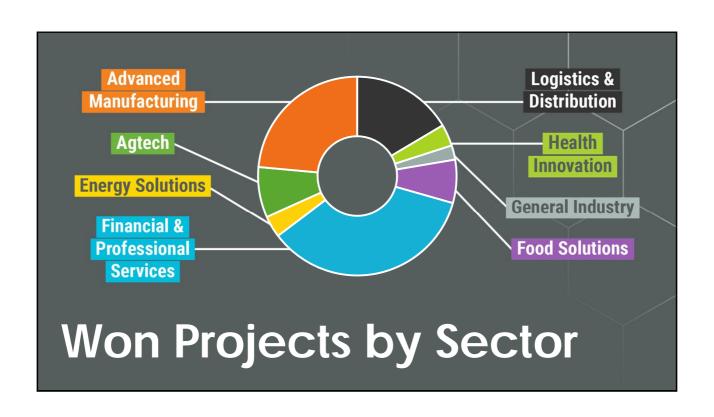
"Labor costs were on the fringe and we were in the middle of the pack for labor availability of some southeastern states. Cited that our incentives were also on the fringe and were not as competitive. But we performed the best in the Midwest."

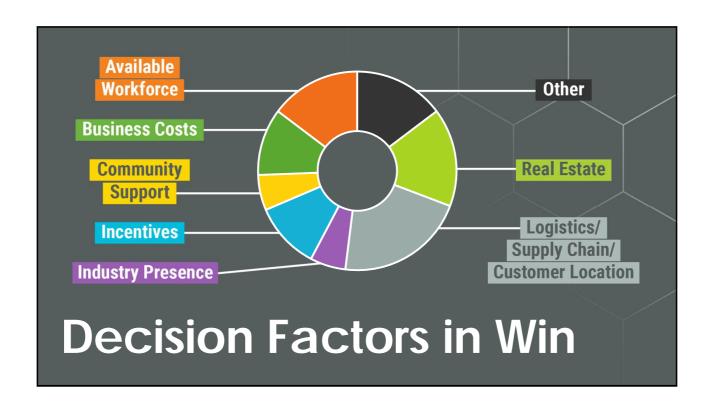
"The most compelling reason was their capacity to build on an existing footprint with an operational center already in place in Atlanta... Another contributing factor was the lack of Class A office speculative development ... And lastly... a member of the leadership team with strong ties to Atlanta that did not join the site team on any of the KC visits."









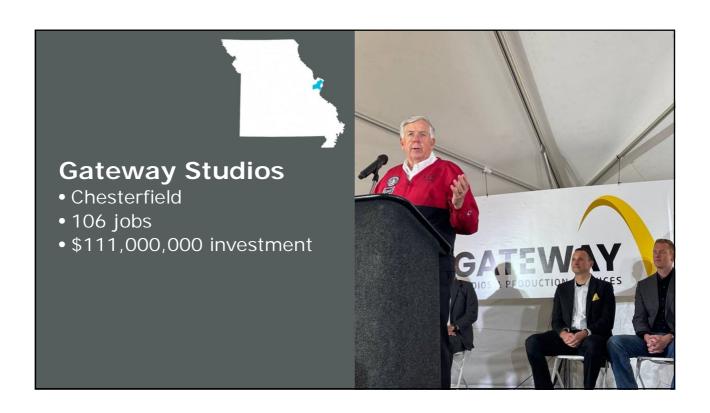


"The company's decision...was largely influenced by the region's quality workforce. The key factor in site selection proved to be the existing knowledge base in the Springfield area, which far exceeded competing locations in other states."

"The region is not only a **hub for agriculture** in America's heartland, but is also already proving to be a **diverse talent pool** in proximity to many **land-grant and research universities**."









Swift Prepared Foods

- Moberly
- 190 jobs
- \$68,600,000 investment
- Columbia
- 251 jobs
- \$185,700,000 investment





Niagara

- Kansas City, Jackson County
- 49 jobs
- \$68,000,000 investment
- Kansas City, Platte County
- 92 jobs
- \$156,000,000 investment

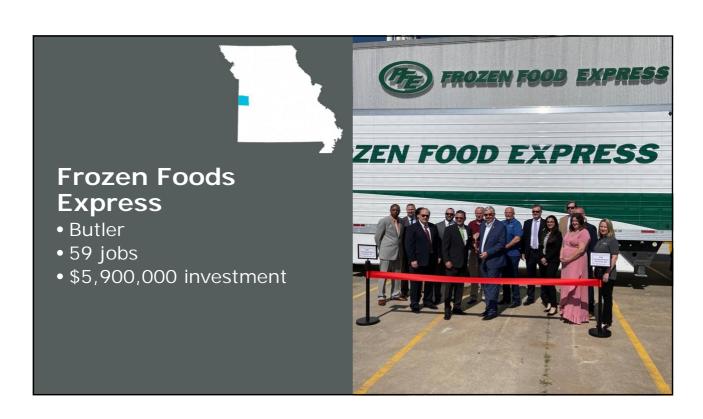












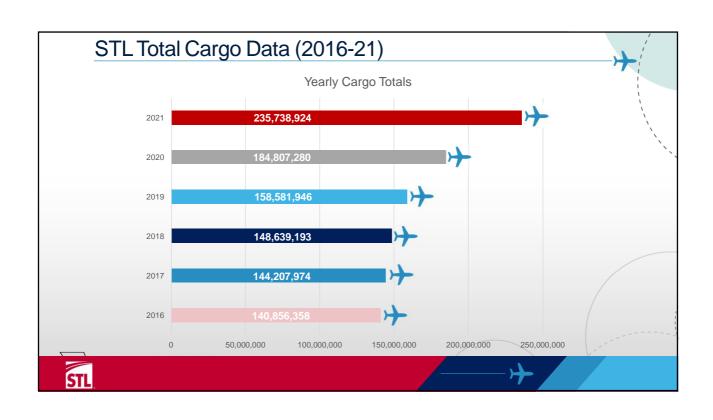


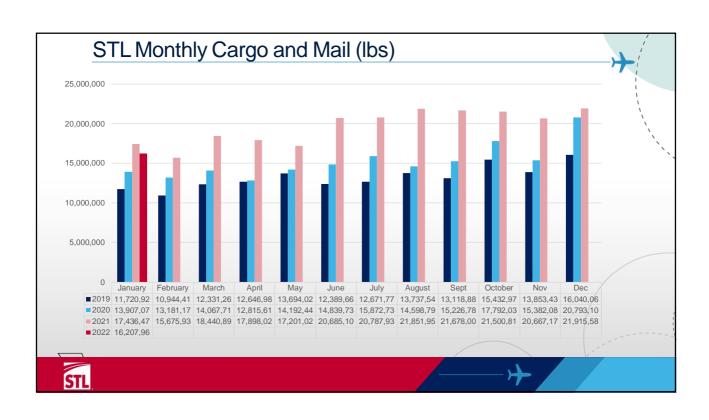














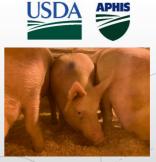


STL Livestock Export Center (LEC)

- Approved by the United States Department of Agriculture (USDA) Animal and Plant
 Health Inspection Services (APHIS) as a Temporary Export Inspection Facility and Port of
 Embarkation
- 18,000-square-foot penning area
- 12,000-square-foot roller system area to allow for ease of direct transfer



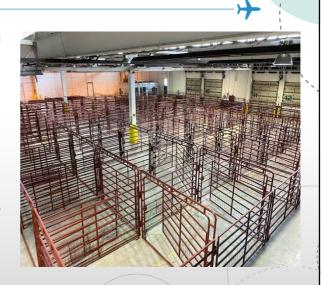






STL LEC - Background

- Designed for the sole purpose of off-loading (tractor trailer), penning, crating and loading (aircraft) of livestock such as hogs, cattle, goats, sheep and horses
- Access for both landside off-loading and airside loading
- 56 modular rest and inspection pens
 (10'x10') allows for various configurations
- Multiple loading chutes
- On-site quarantine available





STL LEC - Future Improvements



Investment in improvements and specialized equipment are needed to make the facility more competitive:

- Epoxy Flooring
- 100 AMP Electrical Feeder
- Emergency Generator
- Roof Ventilators
- High Volume Ceiling Fans
- Access Control on Doors
- and various other upgrades to the building







Questions? Discussion?

THANK YOU!



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Terminal Railroad Association of St. Louis Since 1889



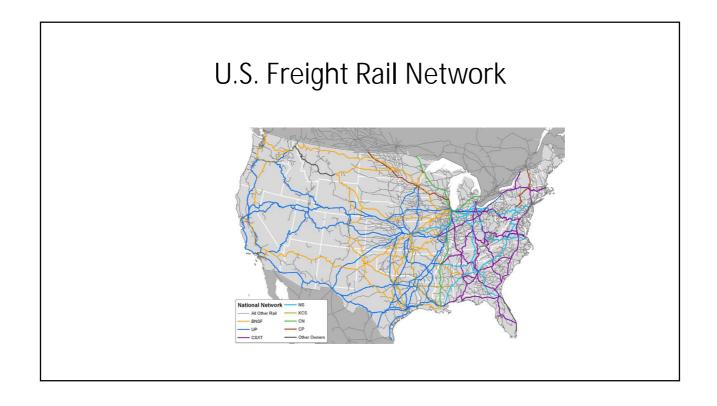
TRRA - At a Glance

- 133-Year-Old Railroad
- 230 Full-Time Employees
- 5 Class I owners
- 80 Direct Serve Industrial Customers

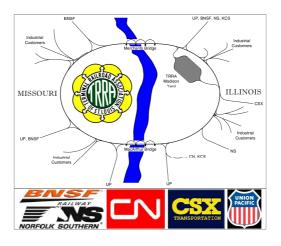
TRRA - At a Glance

- 50 miles mainline in Metro St. Louis
- 2 Mississippi River Bridges
- Single largest freight rail River Crossing in U.S.
- STL is the 2nd largest rail freight interchange location in the U.S. by volume (Chicago) and 3rd largest by tonnage (Kansas City)
- TRRA owns extensive property on both sides of the Mississippi River

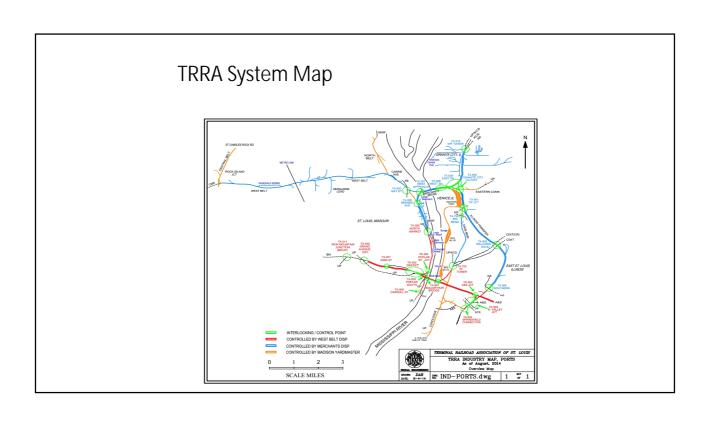




Connectivity: Connecting the River and the Region



TRRA Infrastructure & Assets





Infrastructure & Properties

MacArthur Bridge

- Main Spans (3 river spans @ 668') double track Completed 1915.
- Carries 80 to 100 MGT per year, up to 55 Trains per Day, Amtrak alternate corridor.
- Total Structure Length 22,762 feet.
- Total Track Length on Structure 38,226 feet.
- Maximum Single Track Load Rating Cooper E76.
- Primary Users Amtrak, UP, TRRA, and ALS.

Infrastructure & Properties

Merchants Bridge



Infrastructure & Properties

Merchants Bridge

- 3 520' River Through Truss Spans Across Mississippi River constructed in 1890.
- Original Bridge Length 4,632'.
- 40 MGT of Freight per year and 32 Trains per Day.
- Amtrak High Speed Rail Corridor.
- Double Track bridge reduced to single track service due to load restrictions.
- Primary Users: NS, BNSF, Amtrak, & TRRA.

TRRA - Vital River Crossing

2014 Train Count - Mississippi River Bridges

Rank	Bridge	States	Count	Average TPD	Source
1	Ft Madison BNSF	IL-MO	23152	63.4	AEI 178 179
2	Thebes UP	IL-MO	16699	45.8	AEI 625
3	Clinton UP	IL-IA	15644	42.9	AEI 475 476
4	MacArthur Bridge-TRRA	IL-MO	14790	40.5	AEI 68 69
5	Memphis BNSF	TN-AR	12023	32.9	AEI 137
6	Merchants Bridge-TRRA	IL-MO	11798	32.3	AEI 1150 1151
7	Hastings CP	MN		20.0	Estimate
8	La Crosse CP	WI-MN		20.0	Estimate
9	Burlington BNSF	IL-IA		20.0	Estimate
10	Huey P Long Bridge NOPB	LA	6907	18.9	AEI 473/474
11	Vicksburg KCS	MS-LA	6309	17.3	AEI 1121
12	Camden Place (Minneapolis) CP	MN		16.0	Estimate
13	Hoffman UP	MN	5562	15.2	AEI 418
14	Memphis UP	TN-AR	4954	13.6	AEI 235 236
15	Hannibal NS	IL-MO		11.0	Estimate
16	East Minneapolis BNSF	MN		10.0	BNSF TPD map
17	Rock Island IAIS	IL-IA		10.0	Estimate
18	Sabula CP	IL-IA		8.0	Estimate
19	Quincy BNSF	IL-MO		8.0	Estimate
20	Roberts Street UP	MN		7.0	Estimate
21	Baton Rouge	LA		7.0	Estimate
22	Louisiana KCS	IL-MO		5.0	Estimate
23	Bridge 15 UP	MN		4.0	UP Volume map

Infrastructure & Properties

Madison Yard



Infrastructure & Properties

Madison Yard

- 11 Inbound Tracks 7.7 Miles.
- 40 Classification Tracks 14 Miles.
- 25 Outbound Tracks 17.7 Miles.
- Automated Classification Yard Hump Control System Trainyard Tech Classmaster.
- Average Processing Capacity 1,000 cars/day.
- Average Car Dwell 25 Hours.

Infrastructure and Properties

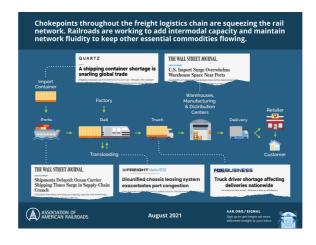
Mainlines and Outer Yards

- 43 track miles of mainline FRA Class II track.
 - 39 miles of CTC.
- 12.5 track miles of industrial lead FRA Class I track.
- 38 miles of outer yard tracks.

TRRA and the Mississippi River: Partnering for Success

- Three of our top Ten customers are River terminals We focus on them!
- Provides River customers access to 6 national rail carriers.
- St. Louis Gateway is fluid year-round.
- Alternative to Chicago terminal congestion
- We are investing to modernize infrastructure and better serve growing customer base

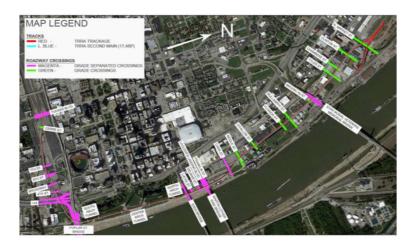
Railroads and the Supply Chain



Missouri Impact

- 1,650,000 Total Revenue Cars 2021
- Property Tax Paid \$500,000
- Income Tax Paid \$225,000
- 68 Employees

Infrastructure Improvements



Infrastructure Improvements



Economic Incentives

- First Mile/Last Mile
- Funds necessary for infrastructure
- Neighboring States more attractive

Workforce Challenges

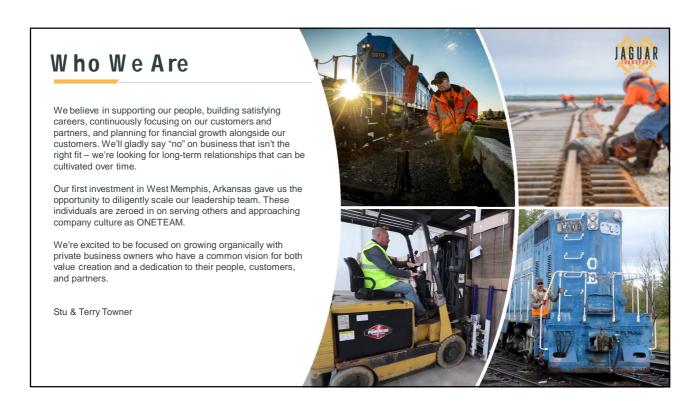
- Hiring people is a challenge
- Lifestyle Preferences
- Drug Testing

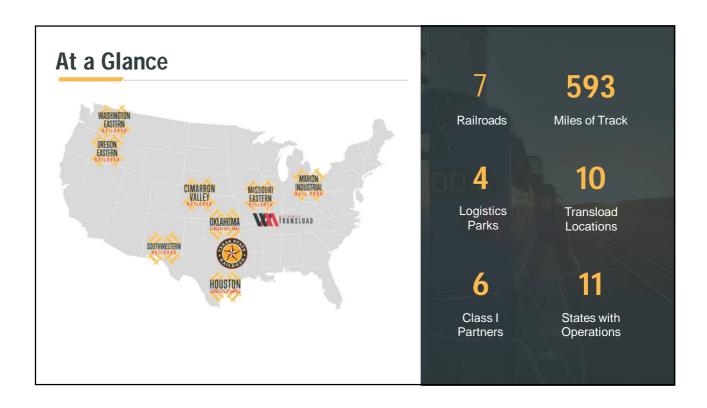
Questions?

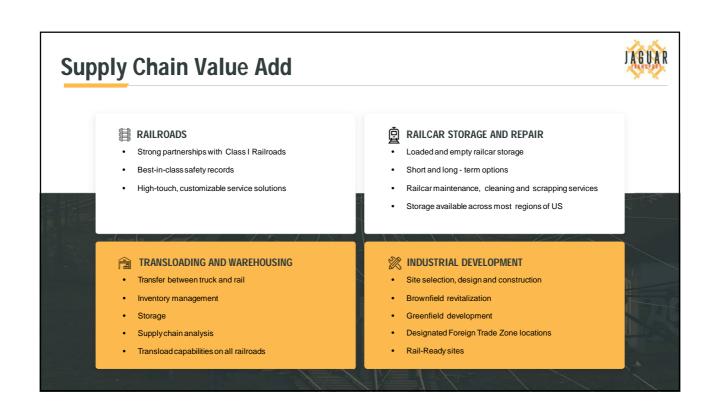












Interchange: TRRA—BNSF, UP, NS, CSX, CN, KCS Interchange Station: St. Louis, MO Miles Operated: 60 Storage Space: 500 cars Car Repair Services: Yes Transload Services: Yes

Missouri Eastern Railroad



The Missouri Eastern Railroad (MERR) is part of a former Rock Island line that ran across the state of Missouri. Located just outside of St. Louis, the line has interchange access to six class 1 railroads through the Terminal Railroad Association of St. Louis. The line currently serves a diversified group of customers such as producers of plastics and paper products, as well as food products, fly ash, and building materials. The connectivity of the railroad combined with the potential for commercial and industrial development along the line makes this a very attractive railroad for existing and future customers.



Supply Chain for MERR



For Jaguar and MERR, the supply chain is all about <u>creating capacity</u> by using and improving existing infrastructure to better serve our current and future customers.

How to Create Capacity



State investment in the short line railroad system

"While the good news is that Missouri has an integrated multimodal freight system that facilitates the efficient, reliable, and safe movement of freight, our challenge will be to maintain and expand the system to meet the needs of tomorrow."

- Missouri State Freight Plan

State Grant

Programs - Competitive process with proj

- Competitive process with projects vetted by State so theoretically only the best projects are funded. Usually oversubscribed.
- Project usually scoped based to solve a specific problem (KS 286k)
- Private match (typically) required
- Quick turnaround (compared to Fed programs)

MO Freight Enhancement Program



- \$1,000,000 per year for transportation purposes other than highways for:
- Safety, Connectivity & Mobility, Economic Development, and Major Maintenance
- 20% minimum match, and a \$500,000 per project
 cap.

Examples

Kansas RSIF/SLRIF

\$5 million annually for railroads/shippers for:

- Expansion or capacity improvement
- Preservation or Major Rehab

30-40% private match required

ConnectOregon

Competitive program for non-highway modes supporting efforts to attract or expand business to the state. Funding ~\$50 mil per round.

30% required match

WA FRAP

\$7.2 million available every other year for projects of strategic importance to the local community or state.

NC Rail Ind Access Program

Incentive for rail customers to expand or locate business on railroads in NC, maxed at 50% of total project cost. Capped at \$200,000 per project

PA RTAP/RFAP

Preserve and enhance freight rail service to stimulate local economic development.. Grants and line-item budgets. 2020 awarded \$31 mil.

Max of 70%, capped at \$700,000

Short Line Infrastructure Tax Credits





- Railroading is incredibly capital intensive
- Short Lines spend between \$15,000-\$20,000 per mile, up to 30% of revenue
- Short lines across the country move 30% of the rail freight but make only 5% of the revenue
- Constant backlog of infrastructure needs

STRUCTURE

- Credits equal to 50% of qualifying investments
- Capped on a per mile basis of track owned or leased by a class II or III railroad in a state
- Credits are transferable allowing accelerating

BENEFITS TO RAILROAD/CUSTOMER

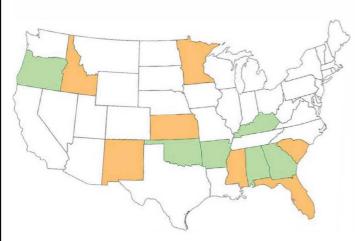
- Railroads able to spend more than otherwise would
- Allows for real time investments prioritizing economic development and congestion opportunities
- Predictable and able to budget appropriately

BENEFITS TO SUPPLY CHAIN

- Annual betterment of track infrastructure increasing effectiveness of transportation mode
- Decreased derailments leading to improved reliability and sustainability and predictable commodity flow
- Incentives for expansion on rail served sites

Existing Tax Credit Programs





Existing Sta	ate Tax Cred					
State	Year	Credit Cap/Mile		Annual Program Value (Cap)		Tax Credit Type
Oklahoma	2008/2020	\$	5,000	S	5,000,000	Transferable
Kentucky	2009	\$	3,500	S	3,000,000	Transferable
Georgia	2018	\$	3,500	\$	5,700,000	Transferable
Alabama	2019	\$	3,500	5	3,700,000	Transferable
Oregon	2019	S	3,500	S	1,800,000	Transferable
Arkansas	2021	8	5,000	S	4,900,000	Transferable

State	Credit Cap/Mile		A	unual Program Value (Cap)	Tax Credit Type	
Florida	S	3,500	\$	7,700,000 (est.)	Transferable	
Idaho	5	5,000	\$	7,300,000	Transferable *	
Kansas	S	5,000	\$	8,700,000	Transferable	
Minnesota	S	5,000	\$	7,500,000	Transferable	
Mississippi	5	5,000	\$	10,000,000	Transferable *	
New Mexico	S	5,000	\$	3,500,000	Transferable *	
South Carolina	S	5,000	\$	5,000,000	Transferable *	

Tax Credit Success Stories



The Alabama Short Line Railroad Tax Credit was passed into law in 2019 and became effective in the 2020 tax year. The program has been widely utilized. Each year the Alabama Department of Commerce has received applications exceeding the \$3.7 million available in the program. This success has resulted in accelerated track reinvestment from the short line railroads. Data compiled from a majority of the short lines in the state showed track reinvestment expenditures have increased by over \$13 million since 2019 - a 38% increase in spending. The program currently sunsets in 2022 and the railroad industry and their shippers would like to extend the tax credit given the success of the program.



How Does this Impact the Supply Chain



- Providing programs that help railroads increase/accelerate infrastructure investment creates
 efficiencies for the movement of goods to and from interchange.
 - Increased speed, passing sidings, transload options, etc
- State programs designed to help customers expand or locate on short line railroads reduces congestion on interstate highways and at crucial transload pinch points
 - State and local EDCs play a critical role
- Short line railroads can typically accommodate new customer facilities/trackage more quickly and at a much more economical cost than a Class I railroad
- Rail customers create/retain critical jobs across the state providing secondary impact to rural economies









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5.0 March 24, 2022, Meeting Presentation Slides



















6.0 April 7, 2022, Meeting Presentation Slides

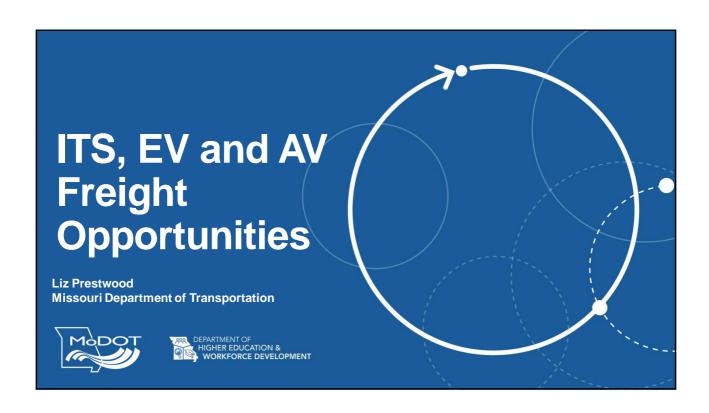












ITS, EV, and AV

- Intelligent Transportation Systems (ITS)
 - » Technology to improve roadway safety and operations
 - » Benefit both passenger and freight vehicles
- > Electric Vehicles (EV)
 - » Can be passenger or freight vehicles
 - » Reduced emissions and operating costs
- Automated Vehicles (AV)
 - » Can be connected or automated vehicles
 - » Safety and economic benefits

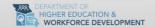


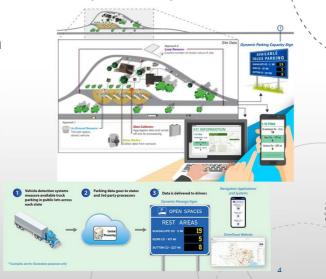


Freight ITS Applications – Truck Parking Availability Systems (TPAS)

- TPAS collect and share truck parking availability information in real-time
 - » Spaces electronically monitored in safety rest areas
 - » Availability shared on electronic roadside signs, mobile apps, etc.
- Helps truckers make informed parking decisions









- Connected Freight Corridors
 - » Vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) applications with commercial vehicles to improve safety and mobility
- TxDOT currently deploying concept in the "Texas Triangle"



Source: Texas Connected Freight Corridors (TCFC)





Freight ITS Applications – Freight Signal Priority

- Freight Signal Priority
 - » Gives priority to freight vehicles approaching a signalized intersection
 - » Considers a vehicle's location and speed
 - » Provides more green time based on realtime demand
- Reduces truck delay and emissions from idling



Image source: FHWA



Image source: TxDOT FNTOP





Freight ITS Applications – Freight Advanced Traveler Information

- Publishes key freight travel information:
 - » Pre-construction closure notifications
 - » Delay predictions
 - » Near real-time construction delay information
- Sends data directly to connected trucks
- Improves freight operations and performance





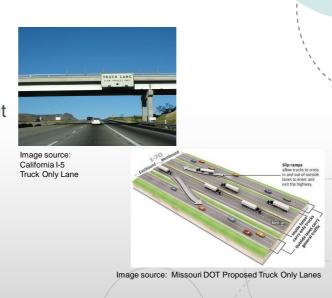


Freight ITS Applications – Dedicated Truck Lanes

- ITS-enabled lane management strategy
- Increases safety and throughput by separating trucks
- > Can use various ITS elements
 - » Dynamic Message Signs
 - » Traffic Control Devices
 - » Lane Control Signals
 - » CCTV, etc.







Freight ITS Applications – Funding Opportunities

- ▶ ITS America's <u>IIJA Investments Summary</u> document provides summary of new programs, expanded eligibilities, and funding availability under the Infrastructure Investment and Jobs Act (IIJA)
- > IIJA increases funding for two competitive grant programs:
 - » Nationally Significant Freight and Highway Projects Program (\$8B over 5 years) also know as INFRA grants, towards projects that apply innovative technology.
 - » Local and Regional Project Assistance (\$7.5B) also known as RAISE grants, towards projects that include innovative technologies.





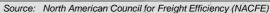
Vehicle Electrification – Heavy Trucks

- Heavy-duty, electric trucks have the potential for zero emissions and lower operating and fuel costs
- Regional Electric Vehicle (REV) Midwest is a partnership to accelerate vehicle electrification in the Midwest
 - » Illinois, Indiana, Michigan, Minnesota and Wisconsin
 - » Network of charging stations



Source: Volvo Electric Truck









Vehicle Electrification Opportunities

- \$1.2 Trillion Bipartisan Transportation Bill allocates over \$7.5 Billion towards EVs and related infrastructure
- > Large programs include:
 - » Charging and Refueling Infrastructure Grant Program (\$2.5M) Focus on state and local governments, and MPOs, building alternative fuel corridors
 - » National Electric Vehicle Formula Program (NEVI) (\$5B) For states to acquire, install, and maintain EV infrastructure.





Other Vehicle Electrification Opportunities

- \$72B Surface Transportation Block Grant (reauthorized 2021) now includes vehicle charging infrastructure and vehicle-to-grid infrastructure
- \$13.2B Congestion Mitigation and Air Quality Improvement Program (CMAQ) now allows for funds to be used for micromobility and purchase of medium or heavy-duty zero emission vehicles and charging equipment.
- \$250M Reducing Truck Emissions at Ports program funds efforts at ports to look at electrification and emerging technology can reduce emissions from idling trucks.





Freight Automation

- Driverless trucks operating with safety engineers.
- Focus on long-haul trucking. Challenges with first/last mile operations.
- Potential to increase safety, fuel efficiency, and mitigate driver shortage.
- Deployments have generally occurred in states with enabling legislation







Source: TuSimple

PACCAR, Aurora and FedEx Launch Autonomous Truck Commercial Pilot

September 22, 2021, Bellevue, Washington – PACCAR has teamed up with Aurora, a leading autonomous driving technology company, and FedEx, one of the largest transportation and logistics companies in the world, to launch a commercial pilot of autonomous trucks in linehaul trucking operations. This is the first collaboration of its kind between a truck manufacturer, an autonomous technology developer and a logistics provider.

Personal Delivery Devices (PDD)

- Low speed devices built without space for drivers that focus on the last-mile delivery of goods
- Currently being tested on sidewalks in cities throughout U.S.

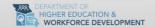


Source: Amazon Scout



Source: Dezeen, FedEx Same Day Bot





Drones/Unmanned Aircraft Systems

- Drones/Unmanned Aircraft Systems (UAS) are used for a variety of purposes, including freight delivery.
- Applications currently in early testing stages. Locations include DFW, MI, NC, and OH
- Examples include Ohio UAS Center and Texas Lone Star UAS Center of Excellence and Innovation

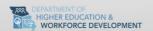












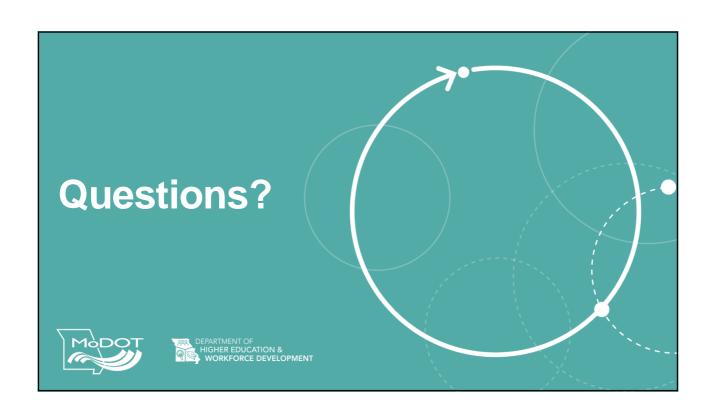
Source: DriveOhio, UAS Center of Excellence

Freight Automation Opportunities

- NHTSA Test Tracking Tool is a useful way to track ongoing deployments
- Under IIJA, MUTCD will be updated to support testing of automated vehicle technology.
- Bill authorizes development of Center of Excellence on New Mobility and Automated Vehicles, focused on research of AV impacts.







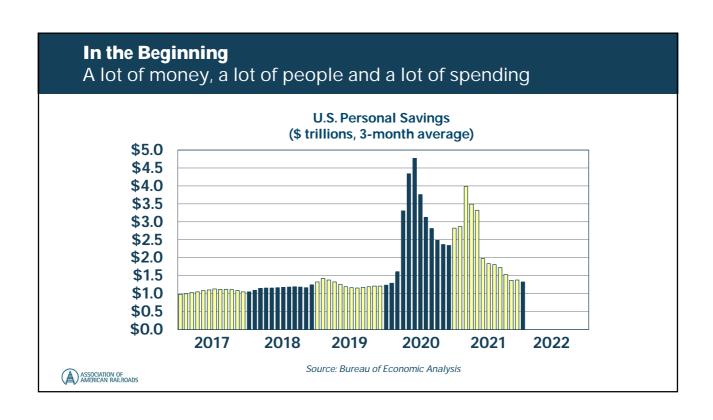


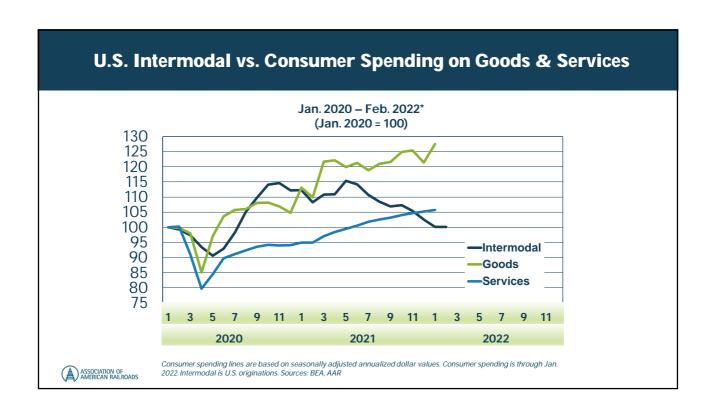


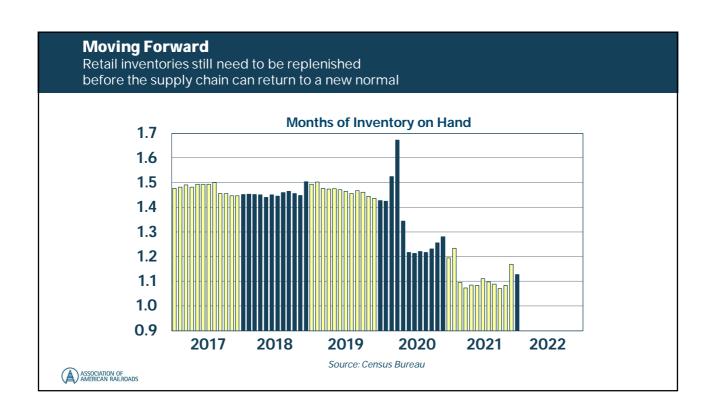
Supply Chain Issues

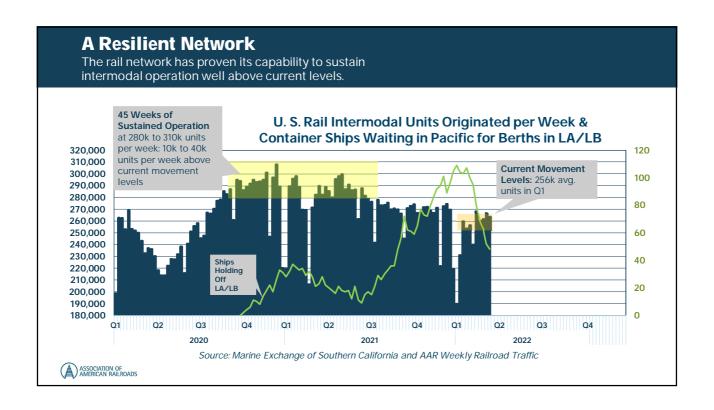
April 2022

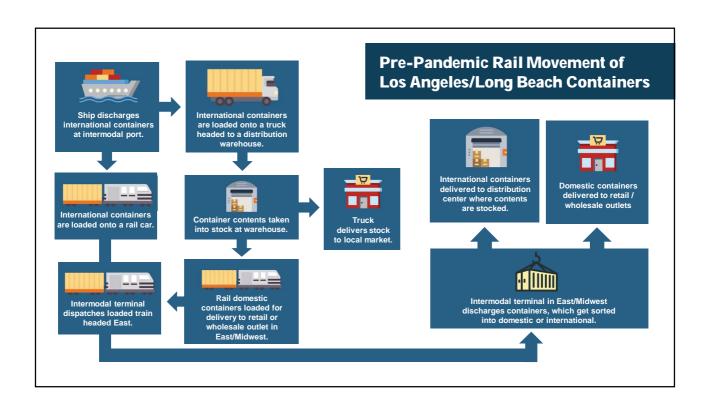


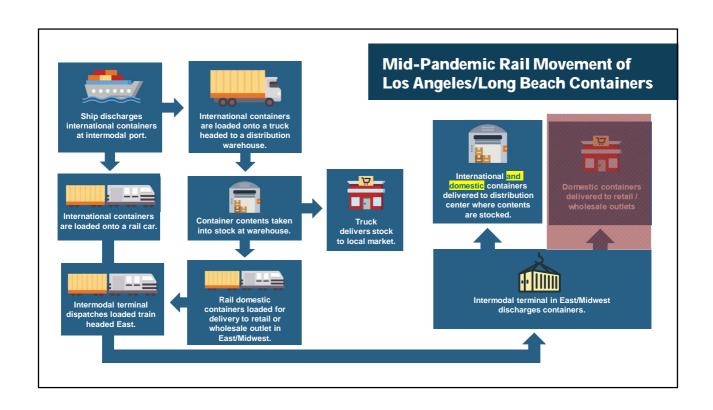


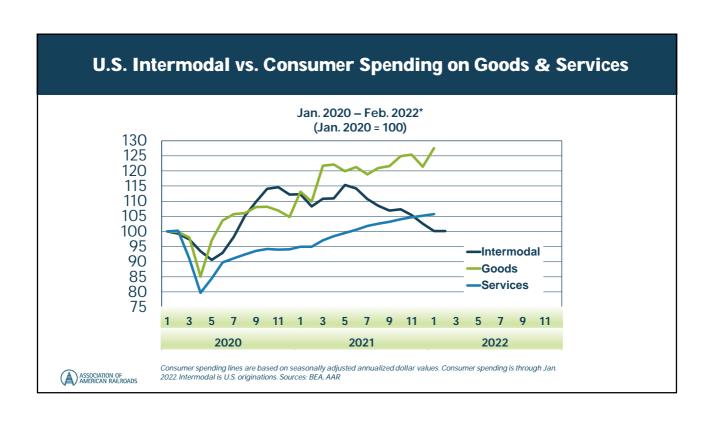




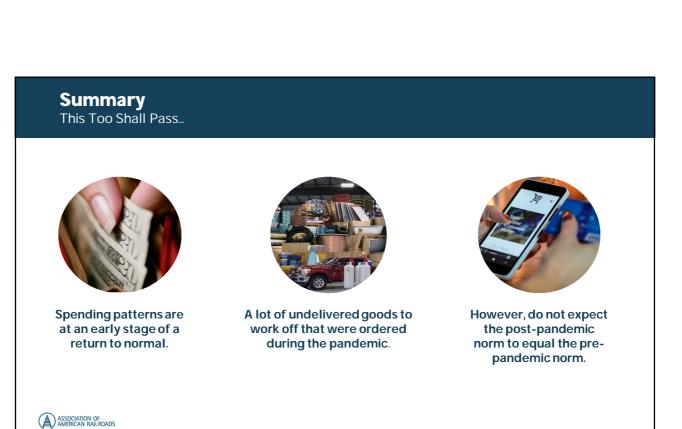




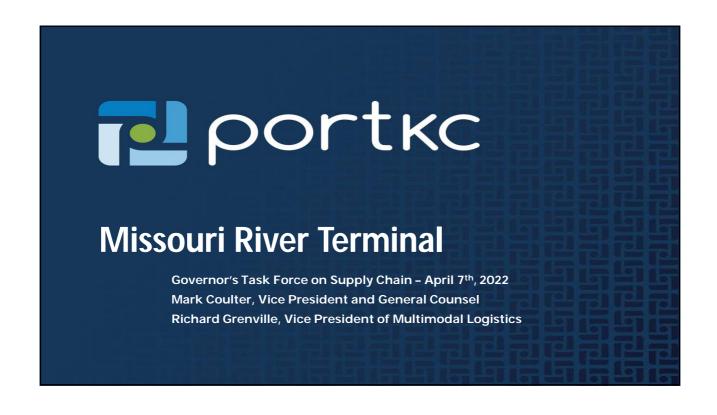




Moving Forward Retail inventories still need to be replenished before the supply chain can return to a new normal Months of Inventory on Hand 1.7 1.6 1.5 1.4 1.3 1.2 1.1 1.0 0.9 2022 2017 2018 2019 2020 2021 Source: Census Bureau ASSOCIATION OF AMERICAN RAILROADS







Port of Kansas City



1724 MARKET ST, KCMO

- Missouri River mile 367.1
- Covered Storage approx. 25,000 sq. feet
- \$6 mil rail/expansion investment
- \$1.9 mil investment in new storage capacity
- Outside Storage 7 acres
- 3 load cells with berthing capacity for twelve barges
- Direct access to 4 interstates (35, 70, 49 & 29)
- 100 ton capacity crane & Fuchs 380 material handler
- UPRR direct access





Port of Duisburg, Germany





2019 over 4.4 million TEU's handled at the largest inland port in Europe

By 2040, Freight in the United States is expected to double





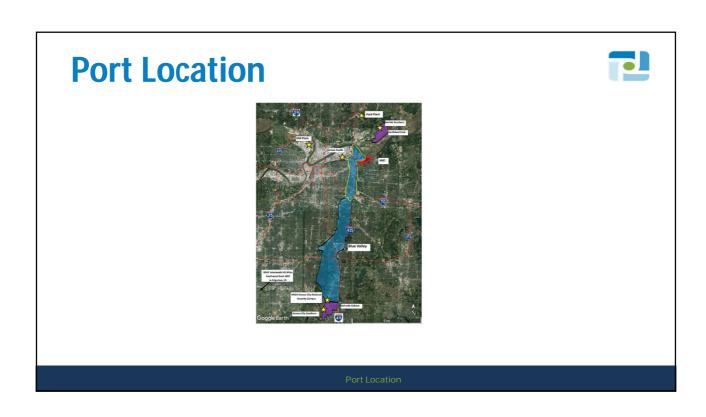
LOGC

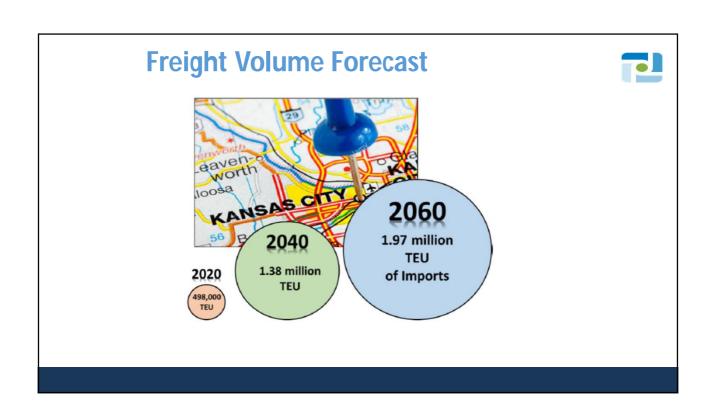
Public/Private Partnership



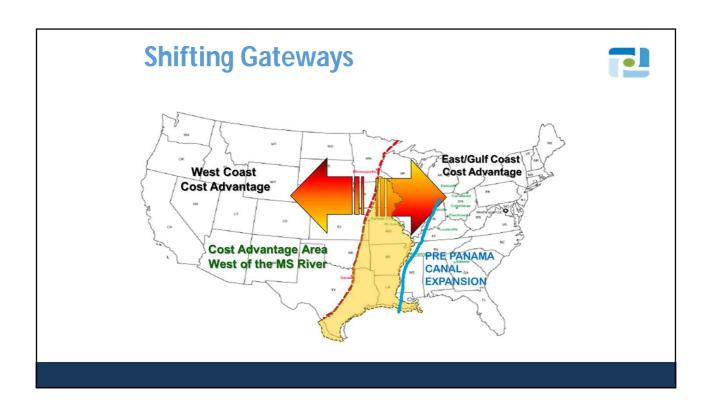
- February 2018 Port KC acquires former AK Steel Site
- July 2018 Port KC engages P3 counsel to begin internal review
- July 2019 Port KC engages KPMG as P3 Financial Advisor
- September 2020 Port KC begins application process to form a short line RR with the STB
- October 2020 Port KC is awarded a Port Infrastructure Development Program (PIDP) Grant from MARAD for \$9.88 million
- June 2021 KPMG Completes Container Market Analysis and Forecast
- March 2022 Port KC secures private financing for final planning
- June 2022 Anticipated commencement of multiphase RFQ/RFP Process
- Q2 2023 Anticipated Commercial/Financial Close
- Q3 2023 Construction can commence
- 2024 Potential start of operations

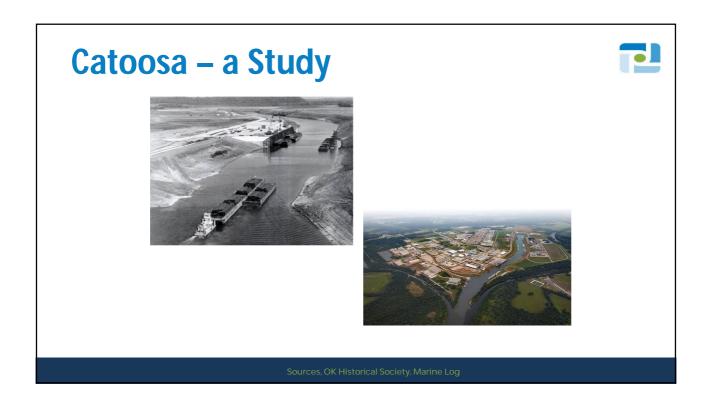














Freight Movement Opportunities Economic, Social, and Environmental Reinvestment

- First 3 Mode Intermodal Facility in the Kansas City region in decades
- Remediating and Repurposing Environmentally Contaminated Site
- Agricultural Grains, DDG's & Oilseed Transfer/Containerization
- Neglected Heavy Manufacturing Corridor
- Advanced Industrial Manufacturing Zone (AIMZ)
- Foreign Trade Zone
- 5 Class 1 rail connections
- Accessible Workforce
- Efficient and Environmentally Friendly Design



I-435 Connection





Interstate Connection

I-435 Connection





Interstate Connection

Artists Impression







Artists Impression



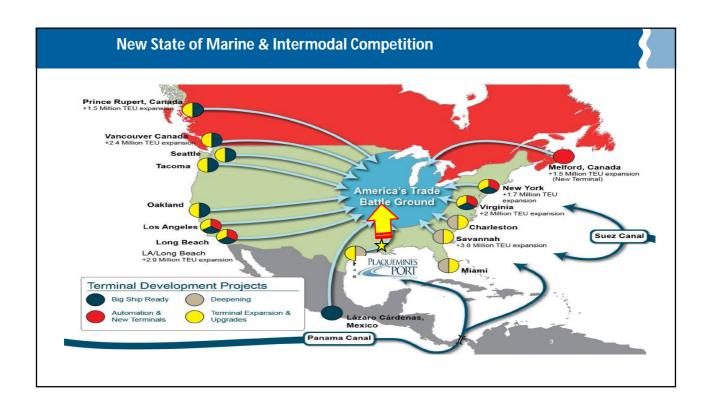


Todays Agenda

Objective: Provide project update / Missouri impact / Next steps

- **New State of Marine and Intermodal Competition**
- **How This Project Benefits the Nation**
- **New Gateway Port at Plaquemines to Supply Midwest**
- **Inland Port Strategic Partners**
- **APH Advantages to Midwest**
- Phase 1 Operations Status

- Memphis Saint Louis Kansas City Jefferson City
- Project Competitiveness Third party Studies
- **Project Milestones**
- **Next steps**



How This Project Benefits the Nation

Midwest and Gulf Coast Acquires "True Gateway Port" @ LAGG

- ≻Reduces dependence on rail (expensive, reliability issues, lacks customer service)
- > Reduces dependence on congested West Coast ports
- ≻Green hydrocarbon footprint
- ≻Services world's largest ocean going container ships

APCT Provides Most Efficient Marine Option for Midwest Supply vs. rail / dray

- - ➤ Speed

 ➤ Cargo Volume

 ➤ Lower Freight Rates

 ➤ Safety and Environmentally Friendly

 ➤ Cargo Flexibility

PPHTD Development Plan – LAGG Container Terminal Detail APH Dedicated Terminal Intermodal Transfer Facility (ICTF) Private & Confidential





APH – Offering Efficient Marine vs. Inefficient COB to the Midwest





- Loading and Unloading via Conventional Cranes
- Utilizing Hopper Barges for Containers

COB's Inherent Operational Shortcomings: (Currently used to Port of New Orleans)

- √ Hopper barges have stability issues with high loads
- ✓ Limited cargo payload capacity (250-300 TEU)
- ✓ Conventional upriver speed (4-5 mph); low capacity cranes
- √ Potential for barge breakaways
- √ Propulsion via diesel engines

Liner Vessel Specifications – Mississippi River Service



- Cairo
- Memphis
- Saint Louis

Length Overall	595+ ft.	Ballast Tanks	Eight (8)
Beam	134 ft.	Fuel	LNG
Height Above Water	48 ft. at 9' Draft	Fuel Capacity	1000 cm
Speed (Upriver)	13 MPH	Power Plant	Diesel Electric
Operating Draft	Up to 10 ft.	Main Generators	Four (4) - 2880 kW each
DWT	13.7k - 15.7k LT (9-10' Drafts)	Horsepower	14,850
TEU Capacity	2400	Propulsion Drives (Stern)	Three (3) Drives
Reefer TEU Capacity	500+ Electric power as needed	Bow Drives	Two (2) (1000kw Each)
Crew Size	Expect 10-12	Deck Machinery	Electric
Trading Range	Mississippi River	Gross Registered Tons	> 10,000 & Confidential

Hybrid Vessel Specifications Tributary Rivers – Above Locks



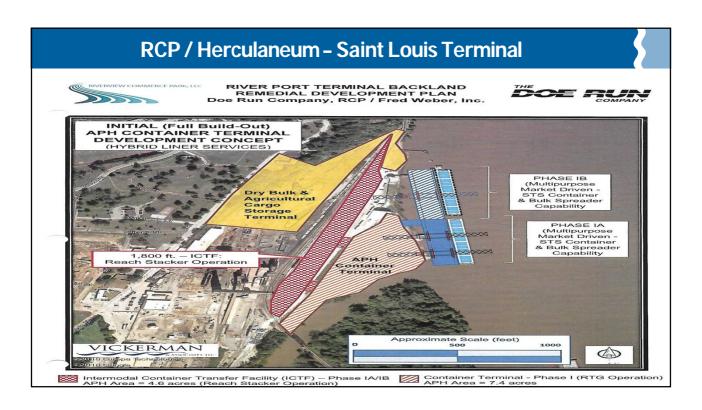
- Joliet
- Kansas City Jefferson City
- Fort Smith

Length Overall	595 ft.	Ballast Tanks	Eight (8)
Beam	106 ft.	Fuel type	LNG
Height Above Water	42 ft. at 9' Draft	Fuel Capacity	1000 cm
Speed (Upriver)	13 MPH	Power Plant	Diesel Electric
Operating Draft	Up to 10 ft.	Main Generators	Three (3) 2880 kW each
DWT	10.0k-11.5k LT (9-10 ft drafts)	Horsepower	11,600
TEU Capacity	1864	Propulsion Drives (Stern)	Three / Four Drives
Reefer TEU Capacity	300+ Electric Power as Needed	Bow Drives	Two (2) 750kW each
Crew Size	Expect 10-12	Deck Machinery	Electric
Trading Range	Tributary Rivers	GRT	TBD Private & Confidential

Memphis Terminal Dock and Warehouse Plans

Memphis Phase 1 - Update

- LOI signed for development of state of the art Container terminal
- HAWTEX confirmed agreements with 2 BCO's for annual long term export volume of 120,000 TEU commencing 2nd Qtr.2024
- HAWTEX confirmed additional BCO agreement for annual long term import volume of 10,000 TEU commencing 2nd Qtr. 2024
- HAWTEX/APH in discussions with multiple other BCO's representing annual export and imports volume of 125,000 TEU commencing 2nd Qtr. 2024 (Agreements expected 1H 2022)
- Schedule for Phase 1 Operational Date 4/1/2024



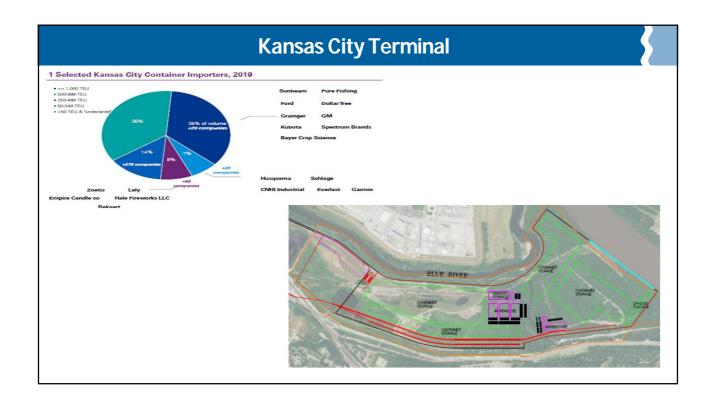
STL/Herculaneum Update

- Developer (HAWTEX) and STL terminal principals have signed LOI
- Commencing large scale marketing initiative

 ➤ HAWTEX, APH, APMT, STL Freightway

 ➤ Targeting 2ND Qtr. 2022 sign BCO agreements
- Projected Operational Date 4TH Qtr. 2024

 ➤ Must be sync'd with terminal start-up and vessel availability



Heartland Port Authority - Jefferson City Terminal



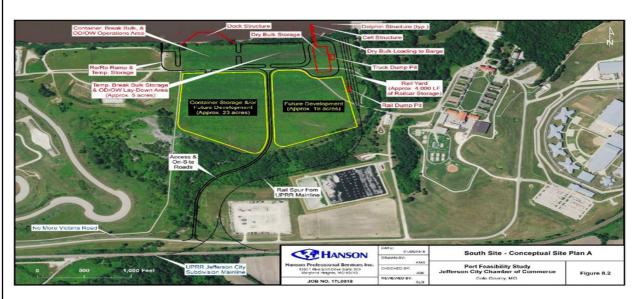
Public/Private Partnership



- Feb 2019 Port KC Employs Law Ballard Spahr for PPP negotiations
- July 2019 Port KC Employees KPMG as Financial Advisor for PPP Transaction
- · 3rd quarter 2020 Port KC applies to STB for railroad status
- In October 2020, USDOT awarded Port KC a Port Infrastructure Development Program (PIDP) Grant for \$9.88 million
- RFQ/RFP for Terminal Design, Build, Operate, Maintain finalized second quarter 2022
- · Terminal construction expected to commence 2023.
- Depending on needs MRT could be operational early 2024.

Heartland Port Authority - Jefferson City Terminal





Heartland Port Authority Update

- Finalize land purchase
- Identify and engage developer
- Attract new Manufacturing
- Secure long term BCO contracts
- Projected Operational start-up date 1st Qtr. 2025
 Must be sync'd with terminal start-up and vessel availability

Verification of Project "Competitiveness"

Two Independent third party studies verified the "project pre-feasibility" competitiveness of servicing the Midwest via all water routing from LAGG vs. Inter-modal to / from the Midwest via other WC / EC / GC **Ports**

- Informa Economics- STC ISA AG Export Study
- CK Americas LAGG vs. East and West Coast Ports to Midwest

CK Americas - Conclusions

West Coast congestion in LA/LB has been steadily increasing for past five years

- LBCT, in 2018, saw dwell times for freight forwards (BNSF) extend up to 6 days
- UP saw up to 10 to 12 days
- A significant portion of these delays were associated with movement of containers to the Midwest

Cost:

- The traditional ocean vessel cost differential Asia to GC vs. WC is \$1,000 \$1,500 per container
 - > More than offsetting this differential is lower GC terminal handling costs, better rail and road interface and lower inland transport cost
 - > The APH (Container on Vessel) option will provide even greater savings to use GC ports
 - 32% on imports
 - 46% on exports

Time:

- Transit time to the Gulf Coast is 10 to 14 days longer, depending on speed, vs. LA/LB ports
 - > LA/LB port dwell time and delay to access rail exceed the longer ocean transit time
- LAGG's same day multi-modal conductivity assures more efficient transit times
 - > 1.1 days on imports
 - > 1 day on exports

Independent Verification:

• Midwest BCO's confirmed transit times to W Arkansas via LA/LB are 5 to 7 days longer than from the GC ports

CK Americas Study Results – Import /Export Freight Savings & Time Advantage – Project Competitiveness Advantages

FEU IMPORTS - fr	om Shar	ighai	(Dry Goods)		FEU EXPORTS - to	Shanghai (Dry	Goods)	
				APH Time				APH Time
Final Destination-								
>	MEMPH	HIS	APH Savings	Advantage	Final Destination->	Shanghai	APH Savings	Advantage
Ports of Entry	LA		26%	5.0	EXPORT-via LA	Origin		
	Houston	า	26%	1.0		STL	78%	4.0
	NOLA		17%	4.5		Memphis	73%	3.0
	Mobile		12%	-1.0		Fort Smith	68%	4.0
	PPHTD							
					EXPORT-via HOU	Origin		
Final Destination-								
>	SAINT L	OUIS				STL	63%	-1.0
Ports of Entry	LA		29%	5.0		Memphis	46%	1.0
	Houston	า	41%	-1.0		Fort Smith	22%	-2.5
	NOLA		37%	2.5				
	Mobile		32%	-2.5	EXPORT-via NOLA	Origin		
	PPHTD					STL	49%	2.5
						Memphis	23%	4.5
Final Destination-						<u>'</u>	'	
>	FORT SI	<u>MITH</u>				Fort Smith	28%	1.0
Ports of Entry	LA		48%	5.0				
					EXPORT-via			
	Housto	า	22%	-2.6	Mobile	<u>Origin</u>		

Informa Economics - Soy Studies - STC/ISA AG Study

Study Objective:

Determine competitiveness of grain exports via all water route to Asian Markets vs. current intermodal to LA/LB

Study Conclusions:

Significant savings result from all water routing to LAGG of containerized grains Longer trade routing LAGG to Asia offset by persistent LA/LB delays New system should increase demand for containers vs. bulk shipments

- •Non-GMO quality commodities increasing in popularity
- •Buyers procure smaller volumes for easier delivery upon arrival

ALL WATER TRANSPORTATION vs. INTER-MODAL: Asia Markets (% Saving with APH)

Origin	Road WT	Rail WT	
Memphis	40 %	33 %	
St. Louis	44 %	39 %	

Access the Soybean Transportation Coalition web site to see entire report

Project Milestones as of 12/16/2021

- APMT signed LOI to be terminal operator at LAGG
 - Plans April 1, 2024 start up for marine operations
 - ➤ Multi-modal at start-up
 - ➤ LOI's signed with several key BCO'S (base load cargo)
- LAGG land secured by PPHTD (2 parcels finalized 4/1/22)
- SP Rail Partnership commitment with \$50 M for short line
- - Memphis expected operational 2nd QTR, 2024
 Plan four (4) dedicated APCT vessels
- APH Commence shipyard bid process (bids final review decision 5/22))
- Phase 2 Saint Louis
 - Saint Louis expected operational 4Qtr. 2024

Missouri Team Initiatives and Next Steps

- Team approach through start-up
- Joint marketing initiative

 ➤ BCO / Shipper meetings planned January 2022

 ➤ Goal is dedicated term volume to support business model and provides value to
- Conduct Regional outreach for economic development
 - > Attract new manufacturing and distribution opportunities
- Secure bankable agreements for STL/KC/Jeff City
- Align operational dates as marketing and business initiatives support investment



SHARED CORRIDORS: IT'S IN OUR NATURE

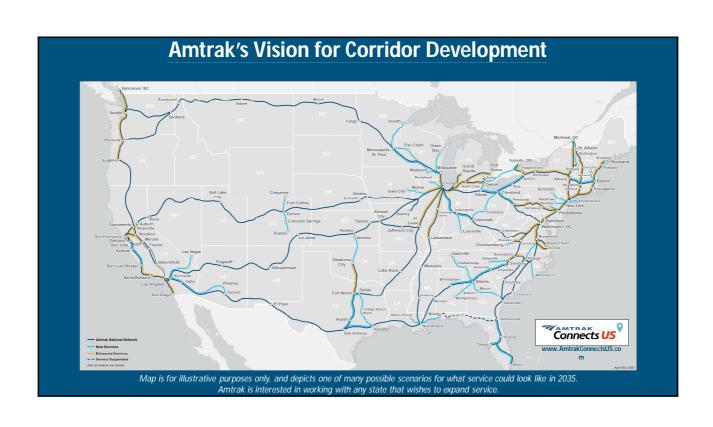
SUCCESS AND PROGRESS IN THE AMTRAK MIDWEST

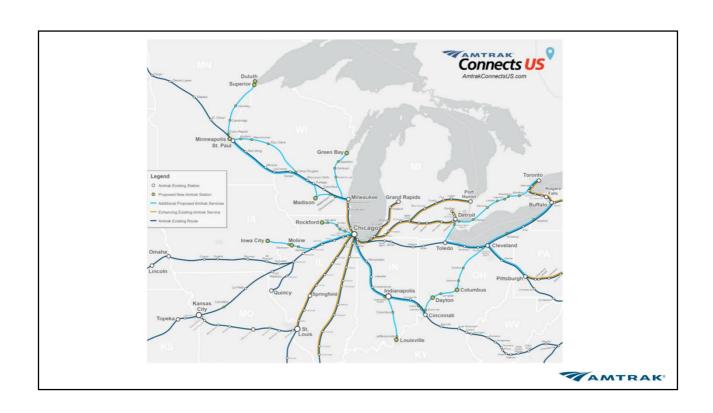


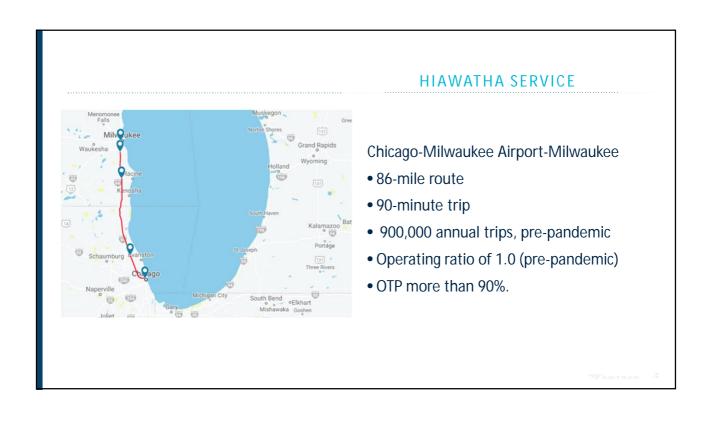
Derrick James Amtrak Government Affairs

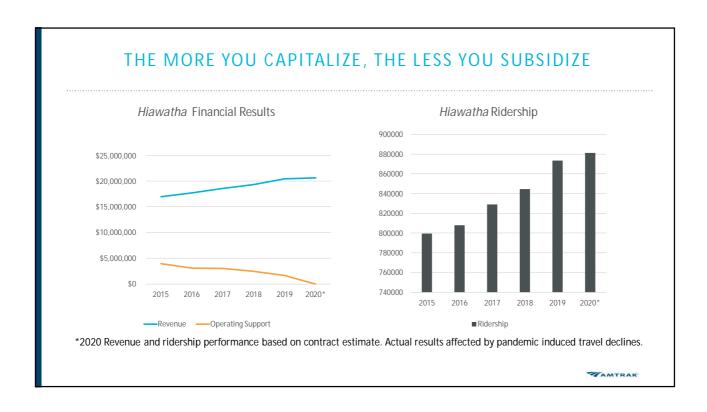
Missouri Supply Chain Task Force

April 7, 2022









16 Amtrak, 64 Metra, 20+ CP freight AMTRAK PAGIFIC RAILWAY Willinois Department of Transportation Willinois Department of Transportation

CAPITAL INVESTMENTS DRIVE SERVICE IMPROVEMENTS INCREASING CUSTOMER SATISFACTION, RIDERSHIP AND REVENUE



2005 Milwaukee Airport Rail Station \$6.8 million

2007 Milwaukee Intermodal Station Renovations \$16.9 million

2012 CP Truesdale, Pleasant Prairie Crossovers \$11 million (all Federal)

2014 CP Wadsworth Bridge \$6 million total (\$3 million Federal, \$3 million CPRR)

2019 Milwaukee Airport 2nd platform and ped bridge \$5 million Federal

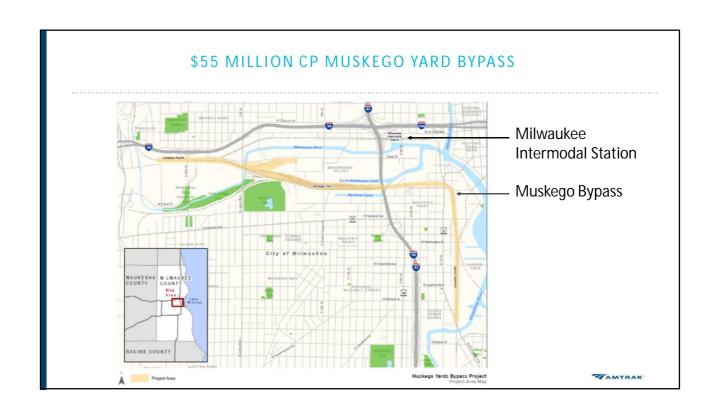
2020 **CP Muskego Yard Bypass** \$55 million total (\$26.5 million Federal)

2021 New Venture Coaches deployed \$342 million Federal





WAMTRAK





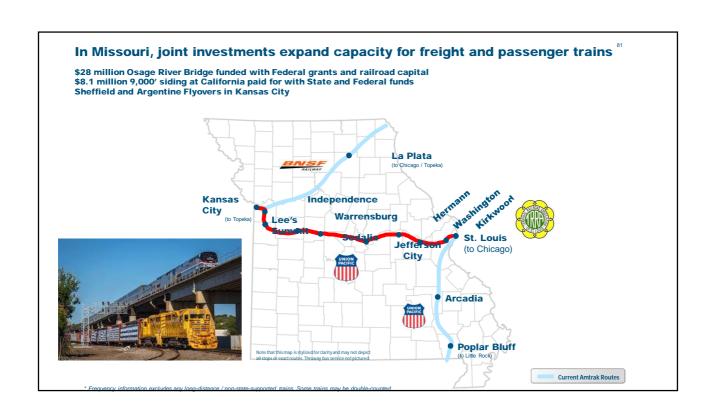
TWIN CITIES- MILWAUKEE - CHICAGO

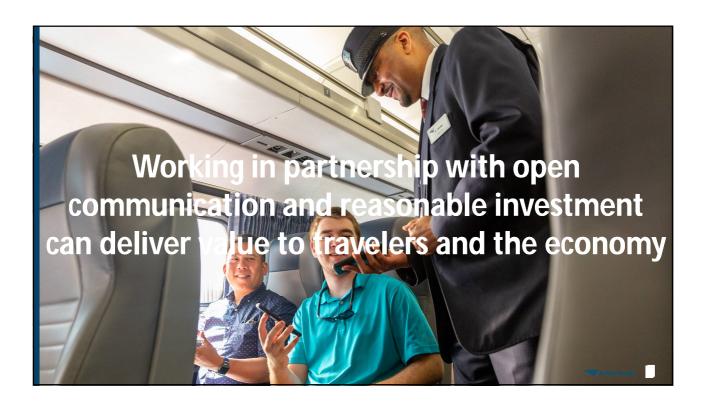
Cooperation between the states, host railroads and Amtrak critical to securing funding partnership

- ✓ Extensive community outreach
- ✓ Worked with host railroad preferred consultant to identify needed infrastructure improvements
- √ \$ 53 million project cost with Federal, State
 and Amtrak commitments
- ✓ Freight shipper and railroad safety benefits broadened supportive coalition

MAMTRAK









7.0 May 5, 2022, Meeting Presentations

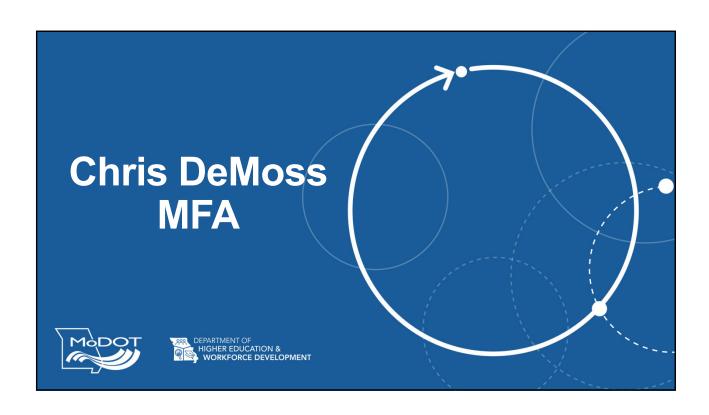








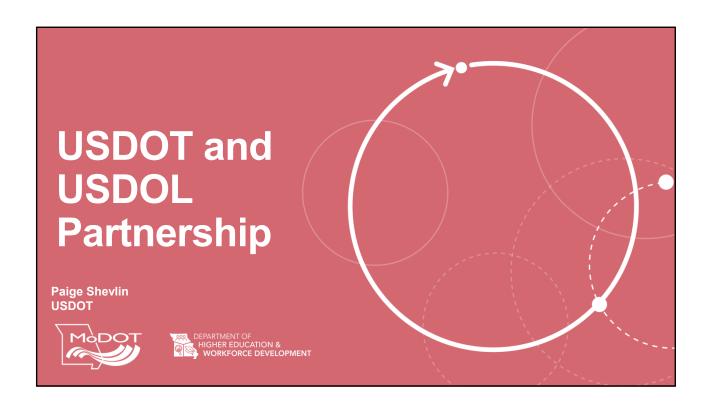
















04/28/2022 Contential AmerisourceBergen

Assessing supply chain resilience

"[Supply chain resilience is] having the ability to anticipate and resist disruption; and, when disrupted, the ability to recover and the speed at which it does." - Wayland Coker¹

Shortages

Supply driven

- · Manufacturing / quality issues
- Logistics challenges
- · Trade issues
- Structural / market economic
 issues

Demand driven

- Urgent, increased need for medication / supplies
- Behavioral response to perceived risk of shortage

Issues that can trigger both supply and demand-driven shortages:

Natural disasters, pandemic, bioterrorism, hostile or weak international relations

1. AB and ASPR meeting, 7/23/21

A resilient supply chain:

- Ensures product availability and quality, even during times of emergency
- Includes transparency that is needed to predict, prevent, and rapidly respond to disruptions
- Supports national security, and American competitiveness and jobs
- Is not concentrated geographically or overly reliant on overseas sources of supply
- Addresses supply chain interdependencies / complexities

AmerisourceBergen

Supply chain resiliency solutions



Stockpiling

Federal and state level

- · Procurement and storage
- · Perpetual inventory cycling / replenishment
- · IT and financial systems



TransparencyPredict, prevent, respond

- Understanding areas of risk and anticipating challenges
- Leveraging data to gain insights that drive planning and response



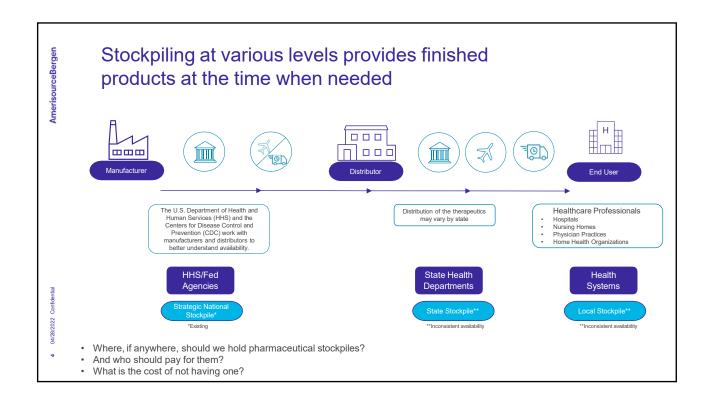
Domestic manufacturing

Public/private partnerships

- Participation in U.S. government-supported manufacturing and technology innovation
- · Price stability / competitiveness
- · Reduce dependency through diversification

3 04/28/2022 Confidenti

5





Domestic manufacturing alone does not provide all the answers			
	Off-shoring	On-shoring	
Cost	1	1	
Quality	Į.	1	
Risk	1	1	
Product Availability	Į.	1	
	Off-shoring offers often lower prices, subjectively differing quality, wider variety, and potentially more innovation but with higher risk and greater dependency	On-shoring could increase costs and reduce affordability of pharmaceuticals as well as create even greater risk due to vulnerabilities of disruption through natural disaster or the like	











Barriers to Employment



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Workforce readiness

Training or certification requirements

Childcare

Cost, reliability, and supply of providers

Workforce Housing

Cost, condition and supply of housing

Transportation

Cost, reliability, and options





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Workforce Readiness

- > Training / certification required
 - » Demonstrate proficiency with tools, tech, processes, regulations
 - » May take six weeks to one year to complete training programs
- In-person requirement for programs may be necessary to demonstrate skills or pass assessments
- Workforce pipeline is necessary to supply businesses with area labor pool

Common Entry-Level Certifications

	Warehousing Sector	Manufacturing Sector
•	Certified in Production	 National Career
	and Inventory	Readiness Certificate
	Management	(NCRC)
•	Certified Supply Chain	Certified Welder
	Professionals	Certified Production
•	Forklift operator	Technician (CPT)
•	Commercial Driver's	Precision Sheet Metal

License (CDL)

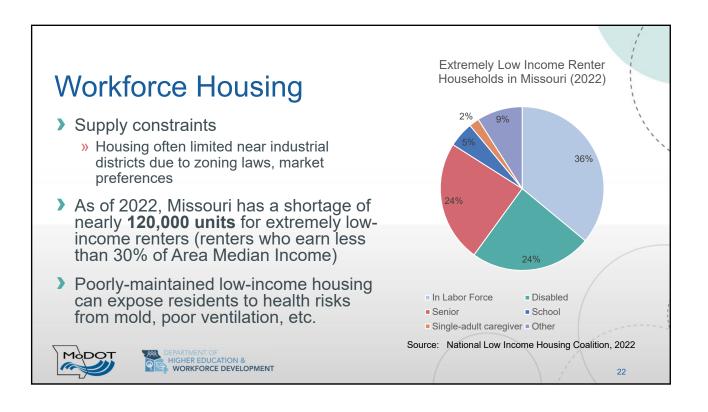




20

Operator (PSMO)

Childcare Finding affordable options Limited number of child care centers in rural areas Work conflicts and risks Childcare providers often set strict rules for on-time pick-up Late shifts or other work conflicts raise the risk of losing childcare service Number of Licensed Child Care Centers per City, 2019 Limited number of child care centers per City, 2019 Limited number of Licensed Child Care Centers per City, 2019 Lim



Transportation

Private vehicles

» Low-income HHs have lower rates of vehicle ownership and spend more on transportation than higher-income HHs

> Transit service

- » Harder to provide reliable, frequent transit service in low-density industrial areas
- » Low-frequency service creates longer wait times, increases cost of missed trips for workers



Image source: OATS Transit

A 2019 analysis found that Kansas City and St. Louis rank **33**rd and **40**th, respectively, among the top-50 metro areas for number of jobs accessible within a 60-minute transit commute





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Potential Government Solutions

Barrier to Employment	Solution	Benefits
	Virtual credentialing programs	Reduces travel requirements for workforce training and development programs
Workforce Readiness	Accelerated credential-to- employment programs	Reduces time to receive credentials by counting current employment, apprenticeship hours, or prior military service towards credentialing
	Statewide credentialing standards	Enables workers and employers to focus on key credentials for skillset development
	Childcare subsidies for employees	Reduces direct costs of childcare for workers
Childcare	Childcare expenditure tax credits for businesses	Reduces tax burden for businesses that provide childcare subsidies to employees
	Incentives for on-site childcare provision	Reduces need for low-income workers to complete multiple trips in order to access childcare and work
MoDOT DEPARTM HIGHER WORK	ENT OF EDUCATION & FORCE DEVELOPMENT	

Potential Government Solutions

	Barrier to Employment	Solution	Benefits
		Expanded housing subsidies	Reduces housing costs for low-income workers
	Affordable Housing	Affordable housing requirements for new developments	 Increases affordable housing supply by requiring developers to set aside a portion of new housing units as affordable
		Zoning reform	Increases affordable housing supply by increasing the amount, size, and/or type of housing that can be built
		Dedicated on-demand transit for employment centers	Improves responsiveness of transit in low-density areas
	Transportation	Subsidized trips on rideshare vehicles (Uber, Lyft, taxis, etc.)	Leverages TNC platforms for scheduling, booking, and payment
		Funding agreements with employment centers	Reduces costs for transit providersCreates stability in funding sources



