

R DEPARTMENT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT

presented to Missouri Supply Chain Task Force <u>Members</u>

presented by MoDOT Cambridge Systematics Missouri Trucking Association Central Transport BNSF



Supply Chain Task Force

Meeting #2

February 10, 2022

## Freight Commodity Flow, Performance and Trends

Katie Kirk, AICP Senior Associate at Cambridge Systematics Technical Project Manager for 2022 SFRP





# Missouri Freight Network





### Commodity Flow – Totals



### Commodity Flow – Modal Split



### Commodity Flow – Directional Split



## **Commodity Flow – Top Commodities**

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### Top Trade Partners







Source: IHS Transearch and STB Confidential Carload Waybill Sample.

Top Freight-Generating Counties by Weight





### Corridor-Level Demand – Highway





WIGHER EDUCATION & WORKFORCE DEVELOPMENT Source: IHS Transearch assigned to the National Highway System using link and highway information provided by IHS. Cambridge Systematics.

# Level of Service





HIGHER EDUCATION & WORKFORCE DEVELOPMENT

### Interstate Highways

- > Approx. 13% of Missouri interstates are unreliable at any time period
- Most unreliable interstate miles are within urban areas

### % of Interstate Miles Unreliable by Time Period



### Evening Peak Truck Travel Time Reliability on Interstate Highways



Source: National Performance Management Research Data Set, 2019.

## Non-Interstate Highways

Evening Peak Truck Travel Time Reliability on Non-Interstate Highways

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



Source: National Performance Management Research Data Set, 2019.





### Example: St. Louis







## Freight Rail

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

#### lowa Kansas City Area St. Louis City Area Quincy, III. it. Joseph 40 70 Moberly 50 Kansas City Columbia Jefferson City . Louis Citv Kansas Legend Illinois Intermodal Facility Truck-to-Rail Facility — Railway Interstate U.S. Highway Cape Girardeau Springfiel Level of Service (Volume/Capacity Ratio Kentucky A (0.0 - 0.2) B (0.2 - 0.4) C (0.4 - 0.7) Bransor E (0.8 - 1.0) klahoma F (1.0 and greater) Arkansas Tennessee 100 Miles





Source: National Performance Management Research Data Set, 2019.

#### Freight Rail Level of Service

## Air Cargo, Ports & Pipelines

FORCE DEVELOPMENT

Performance largely context-dependent at the facility level

- Air cargo capacity available at all 3 MO airports
- Flooding and aging lock and dam infrastructure impacts performance at ports
- Access to terminals/facilities can impact performance

Missouri River Flooding in Jefferson City, Mo. In 2019



Source: MoDOT



Source: Iowa DOT

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# Trends & Disrupters





### Trends Impacting Multimodal Freight Demand in Missouri

Business and Consumer Practices

Demographics

Workforce and Employment

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Energy and Environment

Policies and Regulations

Technology

Near-shoring Growing e-commerce demand Growing demand for warehouse and distribution space

Continued population growth Aging population Increasing urbanization and concentration of population

Diversifying and growing employment Training in advanced manufacturing technologies Evolving automobile manufacturing practices and electric vehicle production

Instability due to extreme weather Evolving battery technologies Reduced coal consumption and expanding renewable energy Increasing use of alternative fuels

Changing Federal, state and local policies and regulations Evolving trade, carrier and freight industry regulations Shifting environmental policies and regulations

Expanding use of Intelligent Transportation Systems (ITS) Emerging autonomous vehicles Advanced manufacturing technologies, particularly in biotechnology, agriculture ("agtech"), aerospace, and defense.



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## **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.





## Scenario Planning: Renewable Energy

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

- REDUCE the volume of fossil fuels and INCREASE the volume of metallic ores transported on Missouri's freight network
- INCREASE the volume of metallic ores originating in St. Genevieve Co. by nearly 26,000 tons (or 650 fully-loaded trucks)
- Lead to 2.2% DECREASE in total tons moved statewide

### Key considerations for MO:

Establishing a robust network of alternative fueling infrastructure. Securing alternative state revenue streams due to declining motor fuel tax collection.

Achieving strong supply chains for metal and parts for zero-emission automobile and parts manufacturers.



## **Questions?**





## 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

### Recommendations



### > Job Seeker Benefits

- » Earning a wage throughout training
- » Company knowledge
  - By the time the Job Seeker completes certification, they understand specific operations of the company
- Receive on the job training and experience
- » Dockworker and CDL certifications are transferable to various companies, industries and sectors
  - Stackable credentials
- » Build career pathway
- Advancement opportunities

### **Company Benefits**

- » Company knowledge
  - Employee understands company-specific policies, operations and systems
- » Additional skilled labor
- Increased production and inventory turnover
- Increased customer satisfaction
- » Advancement opportunities for employees



Supply Chain Task Force Feb 10, 2022







"I'M A LITTLE WORRIED ABOUT THESE SUPPLY CHAIN ISSUES."



















#### **COMPETITIVE WAGES**

Total trucking industry wages paid in Missouri in 2019 exceeded **\$8.3 billion**, with an average annual trucking industry salary of **\$49,844**.



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Heavy and tractor-trailer truck drivers held **45,270** jobs with an average annual salary of **\$46,360**.

(U.S. Bureau of Labor Statistics, 2018)

#### **TRANSPORTING THE ESSENTIALS**

Percent of manufactured tonnage transported by trucks in Missouri. That's 181,540 tons per day. (2017)

92.4%

Percent of Missouri communities that depend **exclusively on trucks** to move their goods.





Analysis by:











### THE INDUSTRY

The trucking industry in Missouri paid approximately

### \$726 million

in federal and state roadway taxes. (2019)

The industry paid **42%** of all taxes owed by Missouri motorists ...

... despite trucks representing only **13%** of vehicle miles traveled in the state.







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#### INDIVIDUAL COMPANIES

As of January 2021, a typical five-axle tractor-semitrailer combination paid:

\$4,447 state highway user fees and taxes &

These taxes were over and above the typical taxes paid by businesses in Missouri.

**ROADWAY USE** 

\$8,906

federal highway

user fees and

taxes





Analysis by:









#### State Top Industry Issues Report 2021 Missouri Responses

#### 1. Driver Shortage

- Advocate for expedited launch of the DRIVE-Safe Act pilot program to expand interstate CDL eligibility to 18-20 year olds.
- Develop new outreach initiatives targeted toward high school students and young adults.
- Advocate for expansion of the U.S. EB-3 Permanent Work Authorization permit to recruit qualified candidates from other countries.

#### 2. Driver Retention

- Research and prioritize retention strategies, based on driver feedback and driver tenure data.
- Quantify the relationship between safety technology deployment (e.g. cameras, speed limiters, active braking systems) and driver satisfaction and retention.

#### 3. Lawsuit Abuse Reform

- Encourage Congress to expand federal court jurisdiction to allow motor carrier defendants to take their highway accident cases into federal court as appropriate.
- Advocate for elimination of "phantom" medical damages.

#### 4. Driver Distraction

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- Recognizing the growing role of automated technologies, identify solutions that support safe technology usage in the truck cab.
- Encourage harsher penalties and more aggressive enforcement of distracted driving violations for drivers of all vehicle types.
- Advocate for national standards for distracted driving laws for all motorists.

#### 5. Driver Health and Wellness

- Encourage increased availability of exercise facilities and healthy food choices at truck stops/travel plazas.
- Continue industry data collection and analysis on driver health-related issues to ensure that any future regulatory actions are based on recent and best available data.









#### 6. Transportation Infrastructure / Congestion / Funding

- Continue to advocate for long-term highway funding through an increase in the fuel tax or other direct user fees, and prevent additional diversion of revenue to non-highway projects.
- Prevent imposition of truck-only taxes.
- Create a new funding program to focus federal resources on truck bottlenecks on major freight corridors.

#### 7. Detention / Delay at Customer Facilities

- Identify best practices, technologies, and strategies that reduce or eliminate driver detention at shipper/receiver facilities.
- · Quantify impacts on detention times that may be associated with the ELD mandate.
- Examine the potential for creation of a "Shipper of Choice" database to reduce detention times for carriers and drivers.

#### 8. Marijuana Legalization

- Develop standards for identifying and documenting cannabis intoxication for both CMV operators and the general driving population.
- Develop implementation guidelines for a hair follicle testing program.
- Advocate for the U.S. DOT to maintain its authority to test for marijuana use in the event that marijuana is removed from the list of federally controlled substances.

#### 9. Insurance Cost / Availability

- Quantify the impact of rising insurance costs on industry operations, safety investments, and driver training.
- Conduct cost-benefit analysis on raising minimum insurance levels.

#### 10. Truck Parking

- Create a new dedicated federal funding program to increase truck parking capacity at freightcritical locations.
- Advocate for states to expand the availability of accurate, real-time truck parking availability information on roadside changeable/dynamic message signs.











#### **2022 TOP 100 TRUCK BOTTLENECKS**

42 Memphis, TN: I-55 at I-40

44 Seattle, WA: I-5 at I-90

50 Detroit, MI: I-94 at I-75

51 Waterbury, CT: I-84 at SR 8

52 Atlanta, GA: I-75 at I-675

54 Dallas, TX: US 75 at I-635

57 Nashville, TN: I-65 at I-24

Denver, CO: I-25 at I-76

60 Ft. Worth, TX: I-35W at I-30

61 Charleston, SC: I-26 at I-526

63 Oakland, CA: I-80 at I-580/I-880

62 Atlanta, GA: I-75 at I-85

59 Los Angeles, CA: I-110 at I-105

55 Gary, IN: 1-65 at 1-80

56 Norwalk, CT: I-95

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43 Philadelphia, PA: I-476 at I-95

45 Atlanta, GA: I-20 at I-75/I-85

46 Philadelphia, PA: I-76 at US 1

48 Federal Way, WA: SR 18 at I-5

49 Nashville, TN: I-40 at I-65 (East)

53 Indianapolis, IN: I-65 at I-70 (North)

47 Oakland, CA: I-880 at I-238





#### 41 Houston, TX: I-10 at I-610 (East)

- Cincinnati, OH: I-71 at I-75
- Houston, TX: I-45 at I-69/US 59
- 3 Atlanta, GA: I-285 at I-85 (North) 4

Fort Lee, NJ: I-95 at SR 4

- 5 Atlanta, GA: I-20 at I-285 (West)
- Chicago, IL: I-290 at I-90/I-94 6
- 7 Los Angeles, CA: SR 60 at SR 57
- 8 Dallas, TX: I-45 at I-30

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- San Bernardino, CA: I-10 at I-15 9
- 10 Chattanooga, TN: I-75 at I-24
- 11 Nashville, TN: I-24/I-40 at I-440 (East)
- 12 McDonough, GA: I-75
- 13 Houston, TX: I-10 at I-45
- 14 Atlanta, GA: I-75 at I-285 (North)
- 15 Houston, TX: I-45 at I-610 (North)
- 16 Baton Rouge, LA: I-10 at I-110
- 17 Rye, NY: I-95 at I-287
- 18 Atlanta, GA: I-285 at SR 400
- 19 Chicago, IL: I-80 at I-94
- 20 Brooklyn, NY: I-278 at Belt Parkway
- 21 Atlanta, GA: I-20 at I-285 (East)
- 22 Denver, CO: I-70 at I-25
- 23 Chicago, IL: I-90 at I-94 (South)
- 24 Hartford, CT: I-84 at I-91
- 25 St. Louis, MO: I-64/I-55 at I-44
- 26 Philadelphia, PA: I-76 at I-676
- 27 Austin, TX: I-35
- 28 Portland, OR: I-5 at I-84
- 29 Chattanooga, TN: I-24 at US 27
- 30 Houston, TX: I-10 at I-610 (West)
- 31 Queens, NY: I-495
- 32 Providence, RI: I-95 at I-195
- 33 Vancouver, WA: I-5 at Columbia River
- 34 Houston, TX: I-610 at US 290
- 35 Corona, CA: I-15 at SR 91

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- 36 Tacoma, WA: I-5 at I-705/SR 16
- 37 Stamford, CT: I-95
- 38 Chicago, IL: I-90 at I-94 (North)
- 39 Bronx, NY: 1-678
- 40 Denver, CO: I-70 at I-270

- 71 Cincinnati, OH: I-75/I-71 at I-275
- 72 Minneapolis St. Paul, MN: I-35E at I-94
- 73 Manhasset, NY: I-495 at Shelter Rock Road
- 74 Nvack, NY: 1-287
- 75 Kansas City, MO: I-70 at I-670 at US 71
- 76 Seattle, WA: I-90 at I-405 77 Richland, MS: US 49
  - 78 Phoenix, AZ: I-17 at I-10
  - 79 Bridgeport, CT: I-95 at SR 8/SR 25
  - 80 Charlotte, NC: I-85 at I-485 (West)
  - 81 Las Vegas, NV: I-15 at I-515
  - 82 New Haven, CT: I-95 at I-91
  - 83 Portland, OR: I-5 at I-205 (South)
  - 84 Minneapolis St. Paul, MN: I-35W at I-494
  - 85 Indianapolis, IN: I-465 at I-69
- 86 Camden, NJ: I-76 at I-676
  - 87 Greenville, SC: I-85 at I-385
  - 88 Knoxville , TN: I-40 at I-275
  - 89 Milwaukee, WI: I-94/I-794 at I-43
  - 90 Los Angeles, CA: SR 91 at SR 55
  - 91 Los Angeles, CA: I-710 at I-105
  - 92 Washington, DC: I-95 at I-495 (North)
  - 93 Houston, TX: I-10 at I-69/US 59
  - 94 Tacoma, WA: I-5 at SR 512
  - 95 Nashville, TN: I-65 at SR 386
  - 96 Cincinnati, OH: I-75 at I-74
  - 97 Charlotte, NC: I-77 near Lake Norman
  - 98 Houston, TX: I-45 at I-610 (South)
- 99 Boston, MA: I-93 at SR 3
  - 100 Baltimore, MD: I-695 at I-70
- ATRI TOP TRUCK BOTTLENECK ANALYSIS DELIVERS VALUE TO **STAKEHOLDERS NATIONWIDE:**
- · Transportation planners use the data to target infrastructure investments.
- · Trucking fleets use the data to select routes and dispatch to avoid congestion.
- · Professional drivers use the data for staging and to plan Hours-of-Service breaks.

ATRI is the trucking industry's not-for-profit research organization whose primary mission is to conduct transportation research, with an emphasis on the trucking industry's essential role in a safe, efficient and viable transportation system.



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### Analysis by:



- 64 Knoxville, TN: I-40/I-75 at I-140 65 Houston, TX: I-610 at I-69/US 59 (West) 66 Philadelphia, PA: I-76 at I-476 67 Auburn, WA: SR 18 at SR 167 68 Houston, TX: I-45 at Sam Houston Tollway (North) 69 Tampa , FL: I-4 at I-275 70 Stafford, VA: I-95















### Kansas City, MO: I-70 at I-670 at US 71







2000 Contraction (1990) Contract

ATRI American Transportation Research Institute

Top Truck Bottlenecks - 2022




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



	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

- Nearly 1.2 billion hours in 2016 is equivalent to 425,533 commercial truck drivers sitting idle for an entire working year.
  - 11 hours day/5 days week/50 weeks per year





#### Top 10 States by Average Litigation-Related Payment Size

Rank	State	NumberSum ofof CasesPayments		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	





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Analysis by:

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#### **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 %









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Table 8: Average Marginal Costs per Mile, 2011-2020

Motor Carrier Costs	2011	2012	2013	2014	2015	2016	2017	2018	201915	2020
Vehicle-based	Vehicle-based									
Fuel Costs	\$0.590	\$0.641	\$0.645	\$0.583	\$0.403	\$0.336	\$0.368	\$0.433	\$0.384	\$0.308
Truck/Trailer Lease or Purchase Payments	\$0.189	\$0.174	\$0.163	\$0.215	\$0.230	\$0.255	\$0.264	\$0.265	\$0.256	\$0.271
Repair & Maintenance	\$0.152	\$0.138	\$0.148	\$0.158	\$0.156	\$0.166	\$0.167	\$0.171	\$0.149	\$0.148
Truck Insurance Premiums	\$0.067	\$0.063	\$0.064	\$0.071	\$0.074	\$0.075	\$0.075	\$0.084	\$0.071	\$0.087
Permits & Licenses	\$0.038	\$0.022	\$0.026	\$0.019	\$0.019	\$0.022	\$0.023	\$0.024	\$0.020	\$0.016
Tires	\$0.042	\$0.044	\$0.041	\$0.044	\$0.043	\$0.035	\$0.038	\$0.038	\$0.039	\$0.043
Tolls	\$0.017	\$0.019	\$0.019	\$0.023	\$0.020	\$0.024	\$0.027	\$0.030	\$0.035	\$0.037
Driver-based	Driver-based									
Driver Wages	\$0.460	\$0.417	\$0.440	\$0.462	\$0.499	\$0.523	\$0.557	\$0.596	\$0.554	\$0.566
Driver Benefits	\$0.151	\$0.116	\$0.129	\$0.129	\$0.131	\$0.155	\$0.172	\$0.180	\$0.190	\$0.171
TOTAL	\$1.706	\$1.633	\$1.676	\$1.703	\$1.575	\$1.592	\$1.691	\$1.821	\$1.699	\$1.646

<sup>&</sup>lt;sup>15</sup> Cost metrics for 2019 have been adjusted for continuity of weighting method.

#### Figure 14: Insurance Premium and Out-of-Pocket Costs per Mile by Fleet Size



MISSOUR TRUCKING ASSOCIATION

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## FREIGHT ENVIRONMENT



- Disruptions in supply chain recognized 120+ days before they occur
  - Inflation, shortage of capacity, port & warehousing constraints
- Demand continues strong in foreseeable future
  - Multiple carriers report load rejections (3,000 20,000 loads rejected per week)
  - Currently approx. 6 loads available to every 1 piece of van capacity
- Costs continue to rise rapidly
  - Driver recruiting
  - Fuel
  - Trucks



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Analysis by:



## DRIVER ENVIRONMENT

Demand: A Growing Shortage

Though Supply Has Been Growing, The Demand Growth Is Outpacing It



The gap between the supply of drivers and the demand for drivers has been spreading and is forecasted to get meaningfully worse in the coming years.

- According to the ATA we are currently about 80K drivers short in the market-Projected to double over the next 8-9 years.
- Experienced drivers leaving the industry at a rapid pace. Relying more on students and recruiting new talent into the industry
- Moving freight with an expedited and team service continues to be a declining offering-Drivers avoid being in close quarters together.
- Adjusting the driver model to attract talent-Lifestyle Challenges



Analysis by:





Total New Drivers Needed from 2021 through 2030 by Reason

1,200,000

1,000,000

800,000

600,000

400,000

200,000

- Drivers Leaving Before Retirement
- Drivers Pushed Out of the Industry
- Industry Growth
- Retirements







## **Crowder Training Program**





396 Students at \$4,000 each for a total of \$1.6M paid to Crowder as revenue

- 396 drivers represent between \$65M-\$80M in revenue to company
  - Over \$500k in tax revenue to state







Analysis by:

TRUCKING ASSO

#### What is a B1 Carrier/Driver?

Immigration regulations and policies dictate that non-US truck drivers may qualify for admission as B-1 visitors for business, to pick up or deliver cargo traveling in the stream of international commerce

► US Carriers CAN utilize this market

>Drivers must follow very specific rules



#### What rules must drivers follow?

Must reside in a foreign country which he or she has no intention of abandoning

Must have a valid MX passport with a B1/B2 non-immigrant visa obtained at a US Consulate All loads hauled must be directly entering or leaving the US and remain in the stream of international commerce

Drivers must NOT engage in activity that qualifies as 'local labor for hire'







#### B1 Driver Load Cycle





Analysis by:







Analysis by:





AMBER	EDMONDSON
CHAIR	

PHIL WILT GREG ORR FIRST VICE CHAIR SECOND VICE CHAIR

April, 2021

TOM CRAWFORD PRESIDENT & CEO



Missouri Trucking Association members support SS#2/SCS/SB 262 to improve transportation infrastructure funding in Missouri and urge you to support the bill as well!

Missouri's highway system is currently the 7th largest in the country, but Missouri is near the bottom of most highway funding rankings. Although MoDOT is one of the most efficient DOT's in the country, they are fight-

ing a losing battle without proper highway funding. Truckers support our economy and bring us nearly everything we need on Missouri highways

and the trucking industry strongly supports SS#2/SCS/SB 262 even though most of our members would be precluded from receiving an ex-

In 1997, the weighted state average fuel tax rate was 19.10 cents per gallon. In 1996. Missouri had just increased our tax rate to 17 cents.

emption and refund of fuel tax on their purchases.



CEI CERTIFIED EXPRESS, INC.



Christenson "Where the Truckers Truck"

CLIMATE Express, Inc.

Today while Missouri has remained at 17 cents, the weighted state average fuel tax rate has climbed to 36.83 cents. Only one state has a lower fuel tax rate than Missouri, and only 6 states (including MO) have a state rate less than 20 cents! There are 21 states (including DC) that have state fuel tax rates in the 20's; 17 states have rates in the 30's; 1 state is in the 40's (IN); and 5 states are in the 50's.



As you are hopefully aware, truckers pay fuel taxes where they drive, regardless of where they fuel. If you see a truck on Missouri's highways, that truck is paying Missouri taxes, even if they do not stop to fuel in Missouri, because government and industry got together in the 1980's to create the International Fuel Tax Agreement (IFTA). Today, all the lower 48 states and the 10 Canadian provinces are members of IFTA.



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Whenever a trucker fuels up, the fuel taxes paid as part of the purchase at that location are deposited to the trucker's IFTA account as a prepayment of the fuel tax bill they will owe at the end of the quarter. Truckers file quarterly IFTA fuel tax returns that reconcile how much they prepaid in fuel tax with how much they owe in state fuel tax in each state. The amount owed in state fuel tax is based on the number of miles they drove in each state, not how much fuel they purchased in each state. As part of the IFTA agreement, each jurisdiction gets their share of the fuel tax paid based on the number of miles driven in that state.











TransLand



UniGroup



WITTE BROS







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## Thank You!!







# Truck Parking in Missouri

Cheryl Ball, IMPM Freight and Waterways Administrator Missouri Department of Transportation





## Types of Truck Parking and Challenges

Long Haul	<ul> <li>Drivers are on the road days or weeks</li> <li>Cross-country travel</li> </ul>
Staging	<ul> <li>Drivers need a place to park to wait for pick-up/delivery windows</li> <li>Manufacturing plants, warehouses, DCs, etc. have different protocols</li> </ul>
30-Minute Break	<ul> <li>Federally-mandated</li> <li>Driver must stop for 30 min. and not move the truck for any reason</li> </ul>
Emergency	<ul> <li>Parking needed when incidents result in roadway closures or severe congestion</li> </ul>
Time Off	<ul> <li>Independent drivers don't have a company to provide parking during time off</li> </ul>



## Truck Parking in Missouri







## Truck Parking Inventory in Missouri







## Publicly-Owned Truck Parking





HIGHER EDUCATION & WORKFORCE DEVELOPMENT

## **Truck Parking Utilization**







## Trucks Parked by Hour of Day on Interstate ROW

DEVELOPMENT





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Missouri Primary Freight Network







Peak-Hour Truck Parking Gap & Trucks Parked in Interstate ROW







Truck Parking Utilization at Publicly-Owned Sites







## Example: Lathrop Rest Area (I-35 NB)

## 239% utilization at peak hour



#### Utilization by Hour of Day







## How Firms Can Influence Truck Parking Decisions

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

## **Questions?**







## Economic Development

#### **Jeff Davis**

**EXECUTIVE DIRECTOR PUBLIC AFFAIRS** 

**FEBRUARY 10, 2022** 

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## **BNSF** Overview

#### **BNSF** Railway



BNSF Railway is committed to serving our customers today and investing to accommodate their growth tomorrow.



-415 Transload Facilities on Network 40+ Ports Served

\$40+ Billion Invested Since 2010



#### Our Network





#### BNSF Volume – 2021 through Q3





#### Capital Spend - Missouri





## Build or Expand Existing Facility

7498

#### **Our Experience Benefits You**



## The Economic Development professionals at BNSF:

- Support rail-served building or expansion projects in communities across the network
- Have over 350 years of combined experience
- Help more than **100 shippers** grow their business each year

#### **BNSF Economic Development Team**





**AVP– Chris Danos** 

#### **Co-Location**

Director – Cary Hutchings Eric Goodman

#### **Strategic Programs**

General Director – Lacy Kreger Director – Kristin Hansen Director – Gary Laffoon Adam Rodriguez Cally Hardy Taylor Schuff

Opportunity Management Director – Pat Thompson Josh Stewart Mallory Estes

#### **Intermodal Solutions Team**





#### **Real Estate Planning & Transportation**



Transportation costs will drive future warehouse & distribution development.

- Transportation is the most expensive cost in the supply chain
- Linking transportation requirements with real estate planning as early as possible can significantly reduce transportation costs



#### **Co-locating Environmental Impact**



Rail is the most environmentally friendly mode of land transportation. Co-locating can take the cost- and fuel-saving benefits that shipping with BNSF already offers even one step further.

Co-locating with BNSF allows customers to:

REDUCE THE NUMBER OF TRUCK MILES DRIVEN



REDUCE CO<sub>2</sub> EMISSIONS AND USE LESS FUEL





### Connecting to Rail Through State Economic Development Programs

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#### 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.



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.





## **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 **Building A Stronger Economy** (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.





