

FREIGHT COMMITTEE
of the
REGIONAL TRANSPORTATION ADVISORY COUNCIL

Summary of the May 12, 2010 Meeting

The meeting was held in Conference Rooms 2 and 3 of the State Transportation Building.

1. Introductions and Chair's Report – *Walter Bonin, Co-Chair*

W. Bonin called the meeting to order at 12:50 PM. Members, guests, visitors, and staff introduced themselves (see the attached attendance list).

W. Bonin spoke about the Green Jobs Conference he attended in Washington, D.C. He spoke with staff members for Representatives Lynch, Neal, and Capuano; and Senator Kerry. They are all concerned about jobs and are generally open to freight rail as an approach to saving oil.

W. Bonin said most people think cutting spending and increasing taxes are the only choices to the nation's budget and economic troubles. However, increasing productivity is another viable option. Freight rail can increase the nation's productivity by moving goods more efficiently.

Richard Flynn, representative of the Eastern Massachusetts Freight Rail Coalition, said that China has embraced rail as a way to increase productivity. Bob Gentile, resident of Framingham, said the public needs to be better educated on freight. John Businger, representing the National Corridors Initiative, said he formed the New England Rail Coalition to promote rail. There will soon be four new governors in New England and this presents an opportunity to promote rail in the region.

2. Announcements

Mike Callahan, of the Boston Region MPO staff, announced that the Advisory Council's Unified Planning Work Program (UPWP) Committee would meet at 2:00 PM in the MPO's Conference Room.

Abby Swaine of the United States Environmental Protection Agency recommended that Freight Committee members attend a meeting of the Northeast Association of Rail Shippers in Hyannis this fall.

3. Approval of the draft April 14, 2010 Meeting Minutes – *Walter Bonin, Co-Chair*

Richard Flynn, representing the Eastern Massachusetts Freight Rail Coalition asked that the following statement, on page 2, be removed from the minutes: "Positive train control could make it easier for freight and passenger rail to share capacity."

F. DeMasi said he made this statement. He agreed, after studying the issue, that his statement should be removed from the minutes. The amended minutes were unanimously approved.

4. Presentation on Freight Rail Rate Issues – Ken Patrick, CPA

Ken Patrick of Mashpee spoke to the Freight Committee about his experiences working on freight distribution during the last 22 years. He was introduced to freight rail while working on a business plan for a garbage company.

He found that railroads can haul lots of weight and volume, but they are much slower than trucks, which explains why trucks capture a large share of the freight distribution market. Anything less than 150 miles cannot be done by rail. Trucks have a smaller advantage for moves between 150 to 600 miles. Rail works wonderfully for heavy, bulk material like coal.

K. Patrick thinks that with better pricing, more garbage and other heavy commodities could be moved by rail. Railroads prefer to set rates based on the type of commodity they are hauling rather than on cost.

K. Patrick recommends that pricing be given consideration in any strategy to divert freight from trucks to rail. Current freight rail pricing does not lend itself to expanding jobs and distribution in our region. K. Patrick said diversion takes better pricing and the Freight Committee should encourage the state to set rates 1.8 times greater than variable costs on the lines it owns. Additionally, a complaint bureau in MassDOT should be established to address freight rate issues. It costs shippers too much to take a complaint to the Surface Transportation Board.

Member Comments and Questions are Summarized Below:

- The state could adopt a policy of not providing public funds to railroads unless they adopt the rate structure suggested by K. Patrick.
- Prices need to support public objectives. This also applies to passenger rail. High Amtrak prices encourage the use of air travel or autos.
- Some commodities might be priced high by the railroads because they do not want to move them.
- The Freight Committee should invite someone to present the other side. Private carriers are investing \$150 million in the state and expect to make a return on their investment. An organization that could present the other side is Go-21.
- It is not fair to say freight railroads are unregulated. The Surface Transportation Board regulates them.
- This is not a state issue and the Freight Committee should not recommend or endorse any action by the state.
- What should the role of government be in this situation? It should encourage the maximum use of an asset for public benefit. The need to increase freight rail is something that the government ignores. A proper role for the government needs to be identified. The railroad owns the rail line and wants to control it. They are happy as they make a profit, but it is not in the public interest to under utilize rail assets.

The lack of interaction between railroads and government is leading us to underutilize these assets.

- The low rail share in this state has more to do with public policy supporting commuter rail rather than rate issues.
- Encouraging more state intervention in rail issues might not result in a better outcome for freight carriers. The current policy is very pro-transit.

5. Further Discussion of Members' Views on the Statewide Freight and Rail Plan –

Frank DeMasi, Co-Chair

R. Flynn said he would be interested to hear from MassDOT at the Advisory Council meeting later in the day. He would like to hear about what they intend to do now. The draft document that was presented is more of a study than a plan. A plan would include a list of recommended projects.

W. Bonin said the Plan should consider freight projects beyond the state's borders and freight distribution inside Route 128. The heavy growth of truck traffic on Interstates 495 and 290 needs to be addressed.

F. DeMasi said the Freight Committee's comment letter should make recommendations for projects and studies to include in future Transportation Improvement Programs, Long-Range Transportation Plans, and Unified Planning Work Programs.

W. Bonin said he would like the state to go from a passive study phase to a action-oriented planning phase. The study is a good initial step. A transportation plan for the entire Northeast is needed. It's also important to understand where freight is going when it leaves the state. MassDOT needs more staff dedicated to freight.

F. DeMasi said containers can be barged into the South Coast and distributed by truck or rail. This would help alleviate truck traffic on Interstates 84, 95, and 495.

B. Gentile recommended investing in underground pipelines from Everett to a new facility along Route 128. This could reduce trucking of hazardous materials inside Route 128.

6. Adjourn

The meeting was adjourned at 2:20 PM

Attendance

Agencies

Ed Anthes-Washburn, Seaport Advisory
Council
Louis Elisa, Seaport Advisory Council

Cities and Towns

Walter Bonin, Marlborough
Tony Centore, Medfield
Frank DeMasi, Wellesley
Steve Olanoff, Westwood

Advocacy/Citizens Groups

John Businger, National Corridors
Initiative
Richard Flynn, Eastern Mass. Freight
Rail Coalition
Jenna Venturini, Eastern Mass. Freight
Rail Coalition

Guests and Visitors

Neil Angus, Devens Enterprise
Commission
Bob Gentile, Framingham
Jo Hart, Worcester
Ed Lowney, Malden
Ken Patrick, Mashpee
Arnold Pinsley, Natick
Abby Swaine, U.S. EPA

MPO Staff

Mike Callahan
Sean Pfalzer