Freight Advisory Committee Meeting #2

May 29, 2014

PARSONS BRINCKERHOFF

HDR

Welcome

Safety Moment

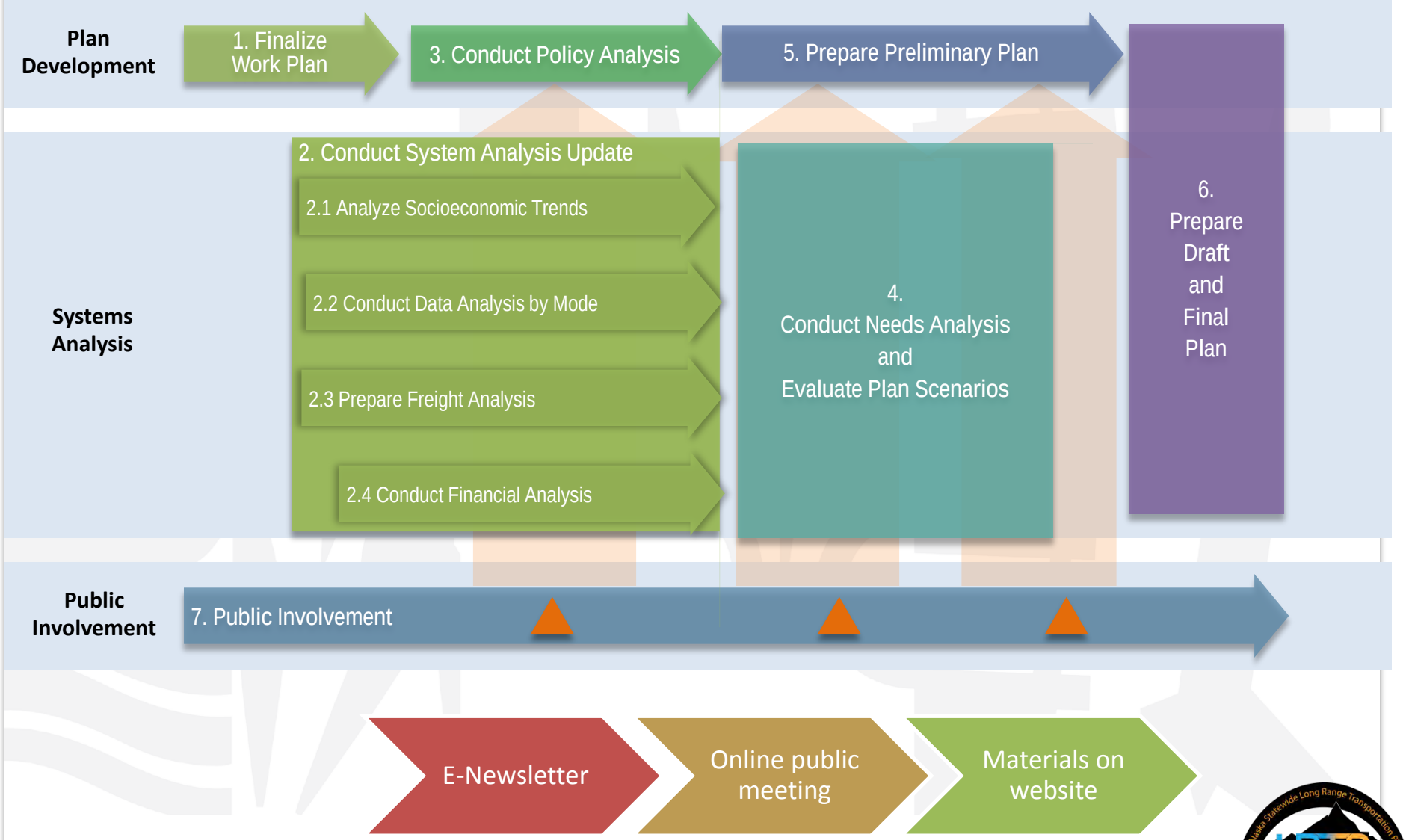
Meeting Purpose

- Provide update on current status of LRTP
- Review work in progress on the Freight Element
- Obtain FAC input on freight goals, planning scenarios, and potential strategies and actions

Agenda
8:30 am - 11:30 am

- Introductions
  - *Welcome and Safety Moment*
  - *Ground Rules*
- Presentations
  - *Update on LRTP and Public Input*
  - *Review of March 2014 FAC Meeting*
  - *Update on Freight Trends and Conditions*
- Group Workshops
  - *Workshop #1: Freight Planning Scenarios*
  - *Workshop #2: Freight Goals*
  - *Workshop #3: Strategies and Actions*
- Wrap Up and Next Steps

Update on LRTP



Review of FAC Meeting #1
What we Heard

- There are challenges to planning long term when we don't know how economic conditions and other factors will influence the state's (and businesses) short- and long-term outlook
  - *The plan needs built-in resiliency*
  - *The planning process needs to be participatory*
  - *The plan needs good baseline data and measures to track performance*
  - *The plan needs to consider all costs, not just immediate costs*
- The plan can consider potential solutions to today's freight movement and transportation problems
  - *Plan for future land use and transportation corridors*
  - *Strengthen working relationships with other agencies, including federal regulatory agencies*
  - *Encourage alternative financing delivery methods, such as public-private partnerships*
  - *Consider long-term economic benefits*

Review of Public Input on the LRTP
Freight-Related Comments

- 3 public open houses held
  - *More than 100 people attended*
- 28 individuals submitted e-mails, comment forms, or web comments
  - *103 individual comments/issues*
  - *17 comments regarding freight*
- Primary freight comments included:
  - *Improve freight delivery systems in rural Alaska: increase intermodal connectivity for barges and hub systems for air freight movement. Add roads (even short roads) for rural ports.*
  - *Push freight onto rail and off highway system, expand the rail system.*
  - *Consider a freight-dedicated airport and facilities/policies at marine ports to allow for more efficient movement and larger container capacity (e.g., industrial road standards)*
  - *Advocate for national policy changes, such as funding for MAP-21 and a vessel traffic separation system in Unimak Pass.*

Review of Interviews

- Additional input from FAC members and others
  - *Completed*
    - AMATS and FMATS
    - Anchorage Airport and Alaska Air Carriers Association
    - ARRC, Port of Anchorage
    - Alaska Energy Authority
    - Alaska Miners Association
  - *Ongoing/upcoming*
    - AIDEA, Alaska Gasline Development Corporation
    - Ocean carriers, truckers, researchers and others
- Comments reflected in presentation and workshop slides

About the Freight Plan Element

- Intended to:
  - *Tell the story of freight in Alaska and explain why it matters*
    - Transportation, economy, futures
    - Different plans, initiatives, and data
    - All modal networks and facilities
  - *Opportunity to frame a statewide vision*
    - Integration of transportation and economic development
    - “Stewardship of the whole”
  - *Highlight critical issues, choices, and outcomes for Alaska*
    - Programs, policies, projects
    - Roles of DOT&PF, other agencies and modes, private sector
  - *Inform the LRTP, regional, and local planning*
    - Also satisfies MAP-21 guidance for state freight plans

Freight Plan Components from MAP-21

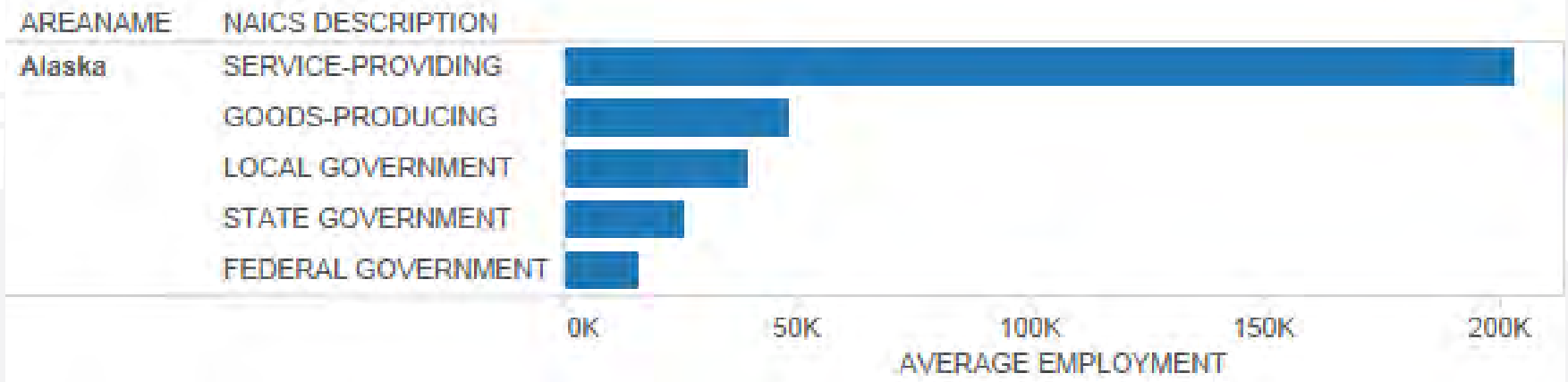
Good Framework for Alaska

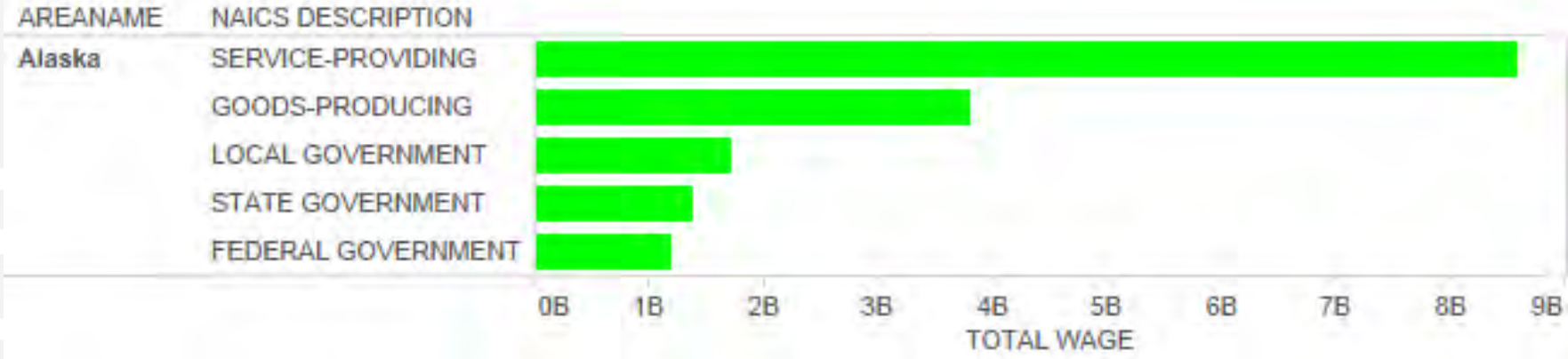
State Freight Plans Must Address (from Legislation)	State Freight Plans Should Address (from Guidance)
Support for national freight goals	Economic context
Policies and strategies	Assets, Condition, and Performance
Trends, needs, issues	Freight Forecasts
Bottlenecks and improvements	Strengths, Weaknesses,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

- Today's presentation briefly reviews highlights of economic analysis, trends, forecasts, conditions and performance
- More important purpose is to hear from FAC on Alaska freight planning scenarios, goals, and strategies and actions

Alaska's Economy, 2012

334,000 Workers, $16.7 billion in Wages, Service Dominated





Source: Alaska Quarterly Employment and Wage Reports

Freight-Related Employment

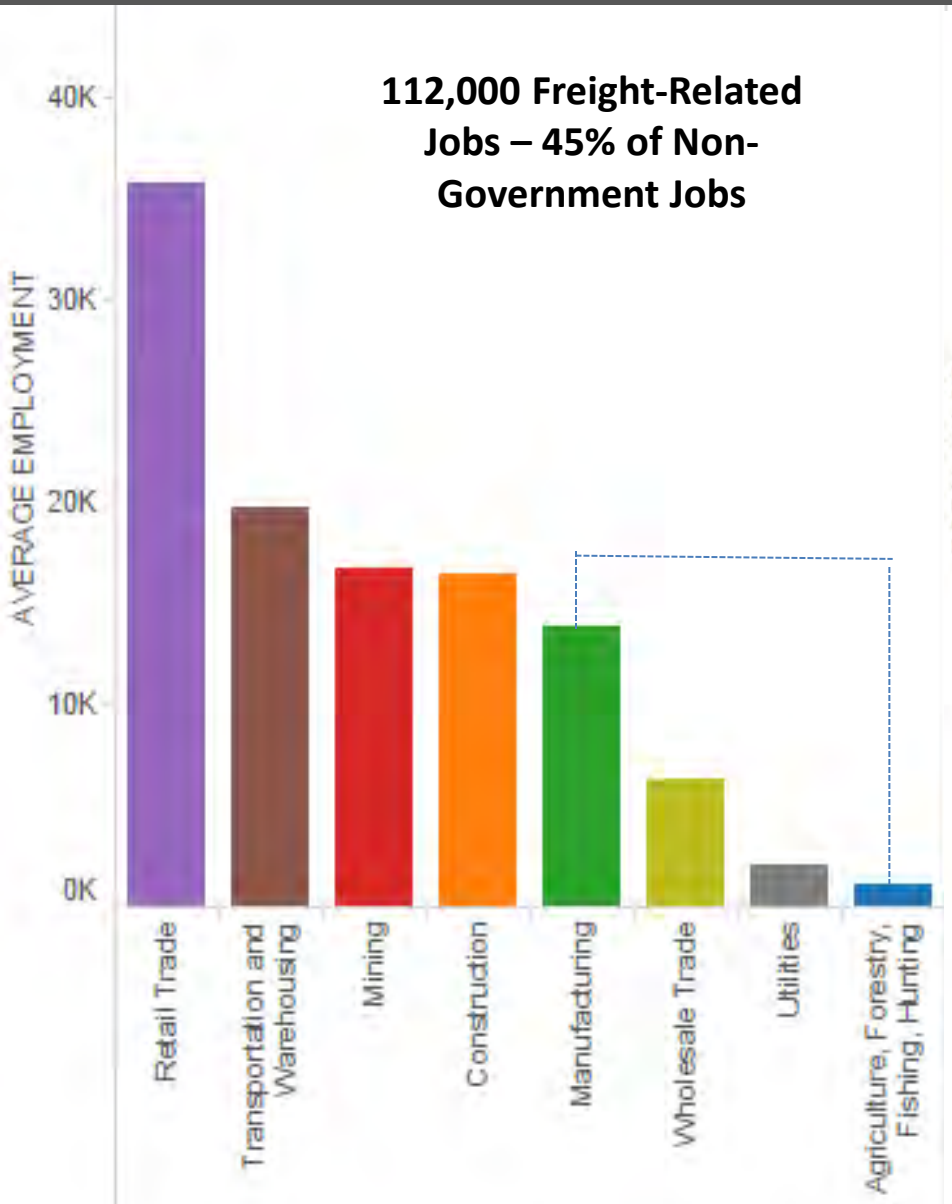
Includes Both Goods and Services

Freight Industries (Goods and Selected Services)*	Non-Freight Industries (Services Only)*
Mining	Health Care and Social Assistance
Construction	Professional, Scientific, Technical
Transportation and Warehousing	Accommodation and Food Services
Retail Trade	Finance and Insurance
Manufacturing (inc. seafood)	Administrative and Waste Services
Wholesale Trade	Other Services
Utilities	Information
Agriculture, Forestry, Fishing, Hunting	Real Estate, Rental, and Leasing
	Management
	Arts, Entertainment, and Recreation
	Educational Services

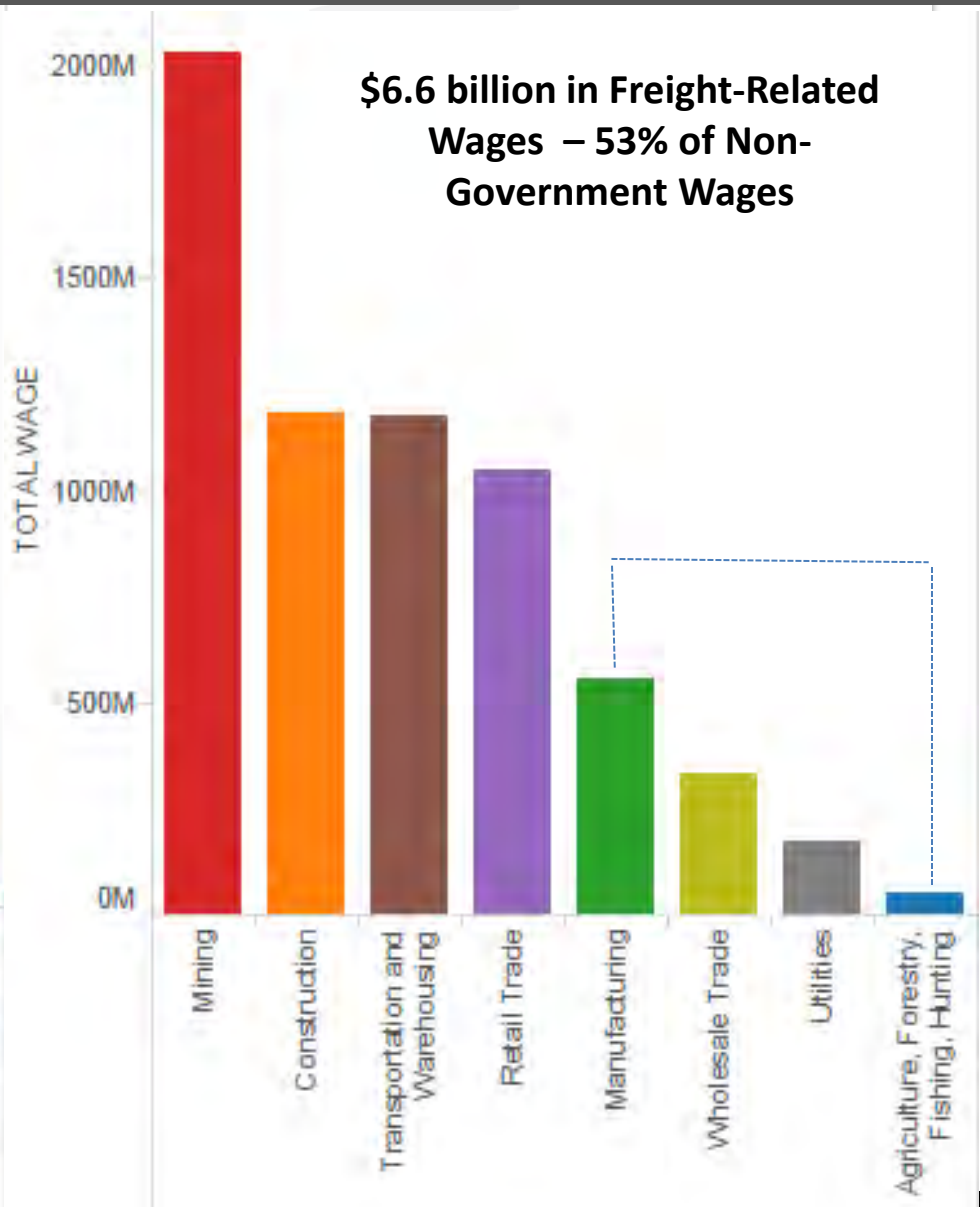
* Excluding government employment

Alaska Freight Employment in 2012

112,000 Freight-Related Jobs – 45% of Non-Government Jobs



$6.6 billion in Freight-Related Wages – 53% of Non-Government Wages



Source: Alaska Quarterly Employment and Wage Reports

Freight Employment Trends and Forecasts

Growth Rates for Freight-Related Commodity Groups

	Historic Growth Rate, 2004-2012	Projected Growth Rate, 2010-2020	2020 Projected Employment
Retail Trade	0.3%	1.1%	39,503
Transportation and Warehousing	0.4%	1.9%	22,919
Mining	7.0%	0.8%	16,474
Construction	-0.9%	0.9%	17,604
Manufacturing (of which 75% is seafood)	1.5%	0.3%	13,183
Wholesale Trade	-0.2%	0.9%	6,866
Utilities	1.9%	-0.4%	2,054
Agriculture, Forestry, Fishing, Hunting	0.3%	0.3%	1,004
Grand Total	**1.4%**	**1.0%**	**119,607**

Source: Alaska Department of Labor and Workforce Development Research and Analysis Section

Commodity Flow Analysis

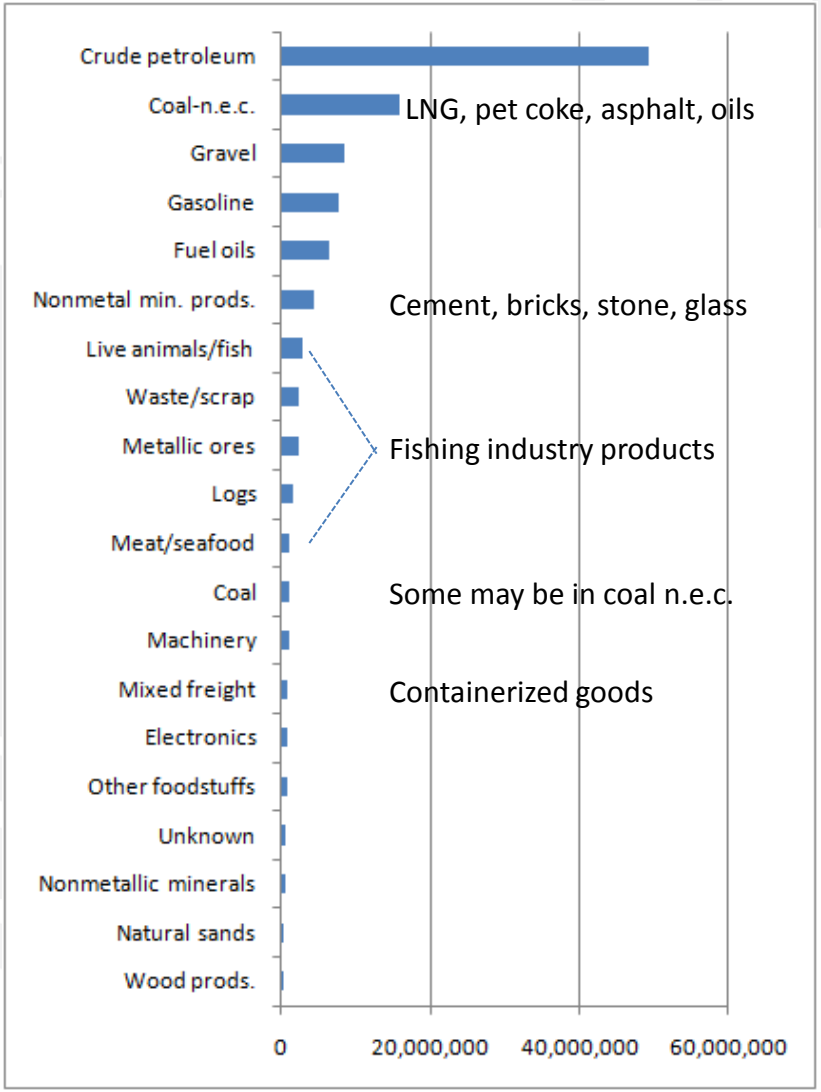
USDOT Freight Analysis Framework, Provisional 2012

- FAF is best available non-commercial dataset
  - *All modes, international and domestic flows, tons and value*
  - *US states and Business Economic Areas, world trading regions*
  - *42 high-level commodity classes (Standard Classification of Transported Goods)*
  - *Based on 2007 Census Commodity Flow Survey and other data, recently updated to 2012*
- "Dashboard" level view of key data
  - *Commodity tonnage and value*
  - *Tonnage by trade type and mode*
  - *Value by trade type and mode*

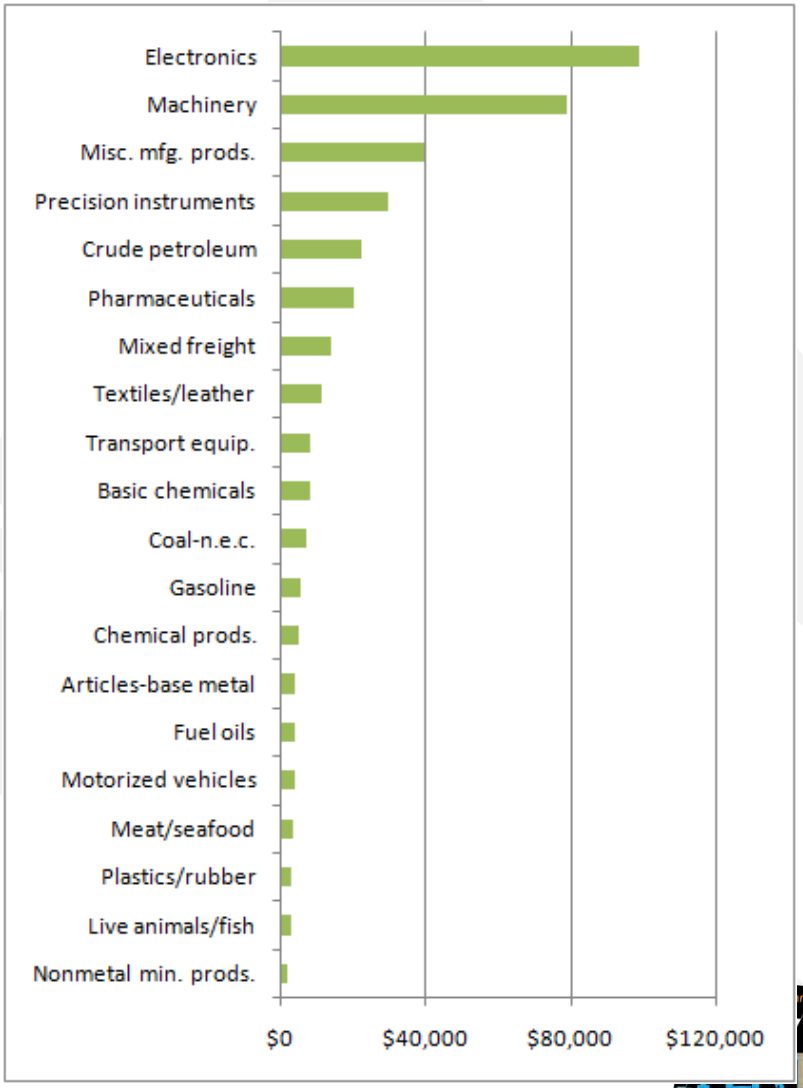
Freight Commodity "Dashboard"

USDOT Freight Analysis Framework, Provisional 2012

Leading Commodities by Weight (Tons)



Leading Commodities by Value ($M)



Freight Tonnage "Dashboard"

USDOT Freight Analysis Framework, Provisional 2012

Total Tons, 2012	Within	From	To	Total	Share
Domestic	54,914,004	42,493,641	4,196,150	**101,603,795**	89%
Import	2,382,825	1,868,239	105,481	**4,356,545**	4%
Export	4,408,521	2,376,712	1,067,182	**7,852,415**	7%
Total	**61,705,350**	**46,738,592**	**5,368,812**	**113,812,755**	
Share	54%	41%	5%		

"Domestic legs" of int'l moves are counted as import or export, not domestic

113.8 million tons

89% domestic, 11% international

95% is within/from Alaska to other states; only 5% is to Alaska

6% of tonnage is imports/exports to/from Alaska shippers and receivers
3% of tonnage is other states' goods imported/exported via Alaska gateways
2% of tonnage is Alaska goods imported/exported via other states' gateways

Freight Tonnage "Dashboard"
(continued)

Tons by Domestic Modes	Within	From	To	Total	Share
Water	4,857,699	41,654,284	1,635,424	**48,147,406**	42%
Truck	30,579,885	573,518	1,020,820	**32,174,224**	28%
Pipeline	17,534,589	0	0	**17,534,589**	15%
Multiple modes & mail	280,911	2,953,099	1,932,359	**5,166,368**	5%
Rail	4,971,574	74,501	14,593	**5,060,669**	4%
Air (include truck-air)	426,134	1,472,507	749,695	**2,648,337**	2%
Other and unknown	2,574,266	10,683	15,920	**2,600,869**	2%
No domestic mode	480,294	0	0	**480,294**	0%
Total	**61,705,350**	**46,738,592**	**5,368,812**	**113,812,755**	
Share	54%	41%	5%		

Domestic moves and domestic legs of international flows:

- Multiple modes & mail (parcels, mail, multimodal ex. air-truck) = 5%, mostly to/from AK
- Water (ex. multiple modes): 42%, mostly crude petroleum from AK
- Truck (ex. multiple modes): 28%, mostly within AK
- Pipeline (ex. multiple modes): 15%, all within AK
- Rail (ex. multiple modes): 4%, mostly within AK
- Air (higher-weight air and air-truck): 2%, mix of to/from/within AK service
- Other and unknown (inc. low-weight air): 2%, almost all within AK
- No domestic mode (direct int'l): < 1%

Freight Value "Dashboard"

USDOT Freight Analysis Framework, Provisional 2012

Total Value ($ M), 2012	Within	From	To	Total	Share
Domestic	30,820	19,556	10,049	**60,425**	16%
Import	79,296	130,672	209	**210,178**	55%
Export	37,012	592	72,156	**109,760**	29%
Total	**147,128**	**150,820**	**82,414**	**380,363**	
Share	39%	40%	22%		

$380.4 billion dollars

16% of value is domestic, vs. 89% of tons
84% of value is int'l, vs. 11% of tons

22% of value is moving to Alaska, vs. 5% of tons
39% of value is moving within Alaska, vs. 54% of tons

30% of value is imports/exports to/from Alaska shippers and receivers
53% of value is other states' goods imported/exported via Alaska gateways
1% of value is Alaska goods imported/exported via other states' gateways

Freight Value "Dashboard" *(continued)*

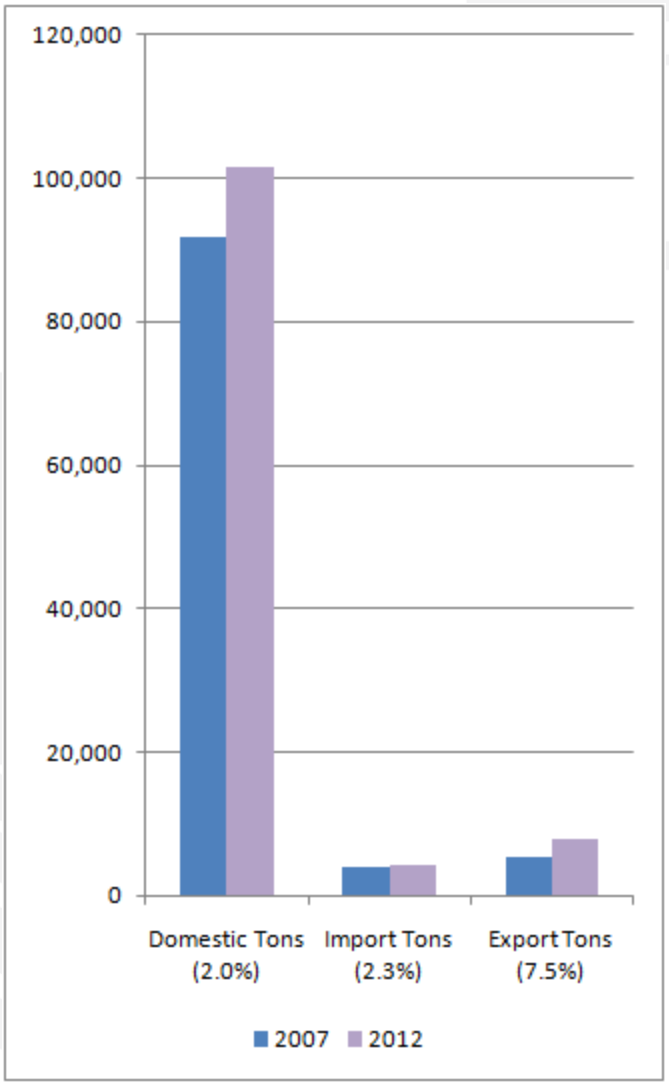
Value by Domestic Modes	Within	From	To	Total	Share
Air (include truck-air)	855	130,651	72,212	**203,717**	54%
Other and unknown	113,112	189	543	**113,844**	30%
Water	3,207	18,094	1,050	**22,351**	6%
Truck	17,993	432	3,557	**21,982**	6%
Pipeline	8,826	0	0	**8,826**	2%
Multiple modes & mail	847	1,430	5,046	**7,322**	2%
Rail	2,073	24	7	**2,104**	1%
No domestic mode	217	0	0	**217**	0%
Total	**147,128**	**150,820**	**82,414**	**380,363**	
Share	39%	40%	22%		

- "Other and unknown" is 2% of tons but 30% of value, and over 75% of in-state value
- Analysis of T-100 air carrier data suggests around 10% ($13B) is lower-weight air cargo and bypass mail
- Most of remainder appears to be lower-weight int'l air cargo transloaded (by UPS, Fed Ex, etc.) in AK

- Air: 54%, almost all from and to AK
- Other and unknown: 30%, within AK
- Water: 6%, mostly from AK
- Truck: 6%, mostly within AK
- Pipeline: 2% , all within AK
- Multiple modes: 2%, mostly from and to AK
- Rail: 1%, all within AK
- No domestic mode (direct int'l): < 1%

- Pass-thru int'l air = $190B (50% of total)
- Transloaded int'l air = $100B (26% of total)
- Incredibly important logistics role !!!

Alaska Freight Tonnage Trends



- Growth in freight tonnage (2.4% annual) has exceeded growth in freight employment (1.4%)
  - *More efficient and automated workforce means more freight is generated per employee*
  - *Longer logistics chains involve more modes, gateways, countries, specialized services*
  - *Consistent with national story*

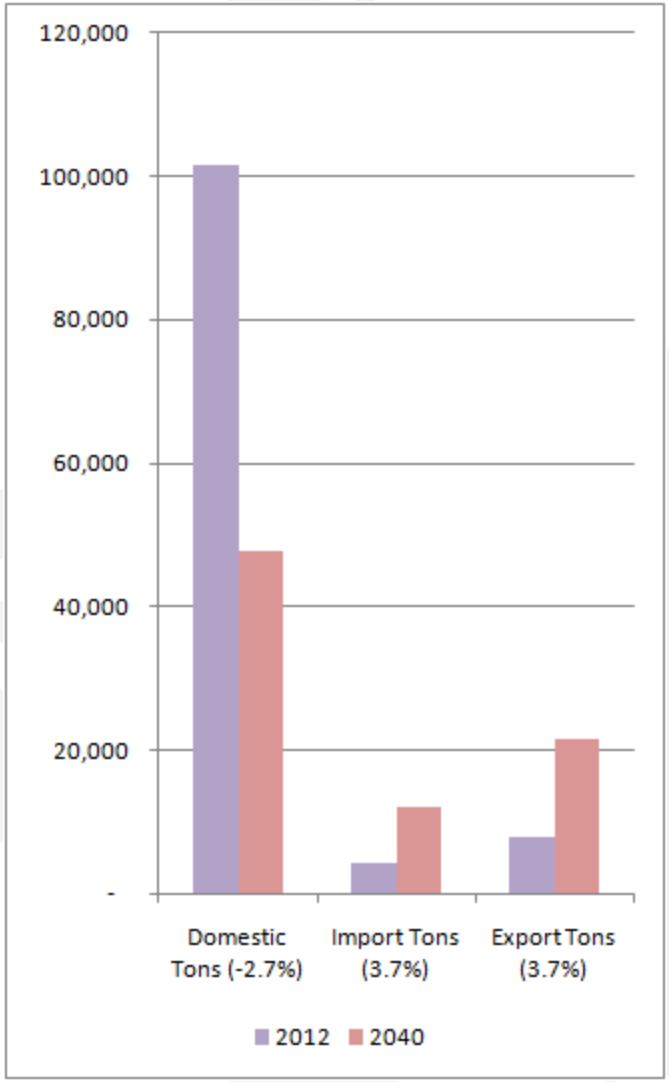
Alaska Freight Tonnage: 2040 Forecast
Sourced from FAF-3

- Advantages
  - *Post-recession economic forecast from IHS Global Insight*
  - *Economic changes translated into tonnage and value changes*
    - By commodity and trading partner
  - *Captures not only changes in Alaska, but also changes in all domestic and international trading partners – this is critical*
- Disadvantages
  - *Static projection based on a single, non-transparent scenario*
- Why not use an Alaska-only forecast?
  - *There isn't one*
  - *Ideally we would want a global forecast like IHS, but with added transparency and the ability to test policy/development scenarios*
  - *For now, we have AK industry production forecasts as spot checks*

Alaska Freight Tonnage: 2040 Forecast

Overview

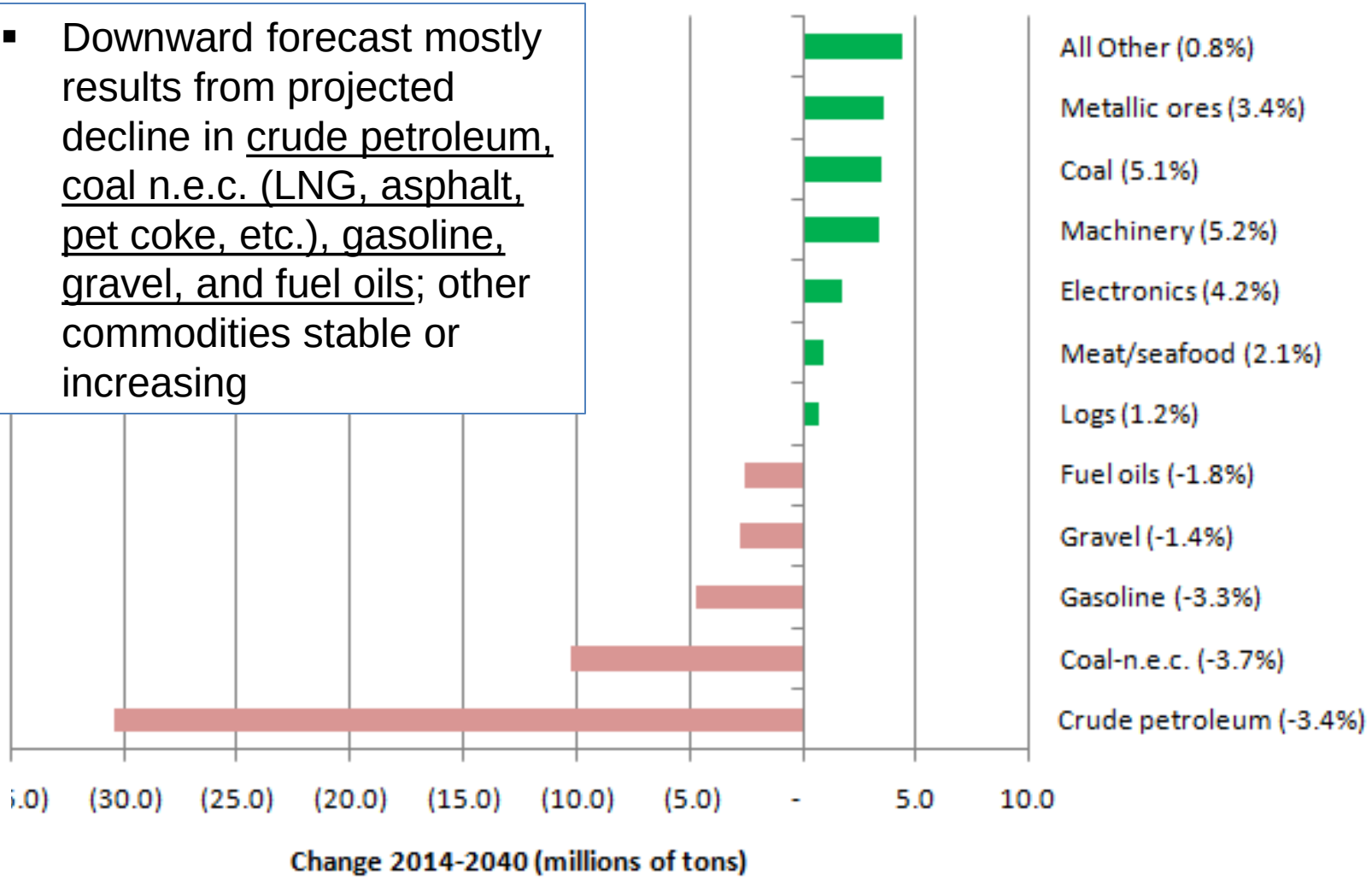
- Nationally, most analysts expect freight volumes to continue outpacing freight employment and gross state product, although at a lower rate than pre-recession
  - *Cooler economy, maturation of logistics chains, transition from off-shoring to re-shoring*
- Alaska's FAF forecast to 2040
  - *Import and export growth consistent with national rates*
  - *Domestic growth substantially lower than national rates*
  - *Overall decline from 113.8 million tons to 81.3 million tons (-1.4% annually)*



Alaska Freight Tonnage: 2040 Forecast

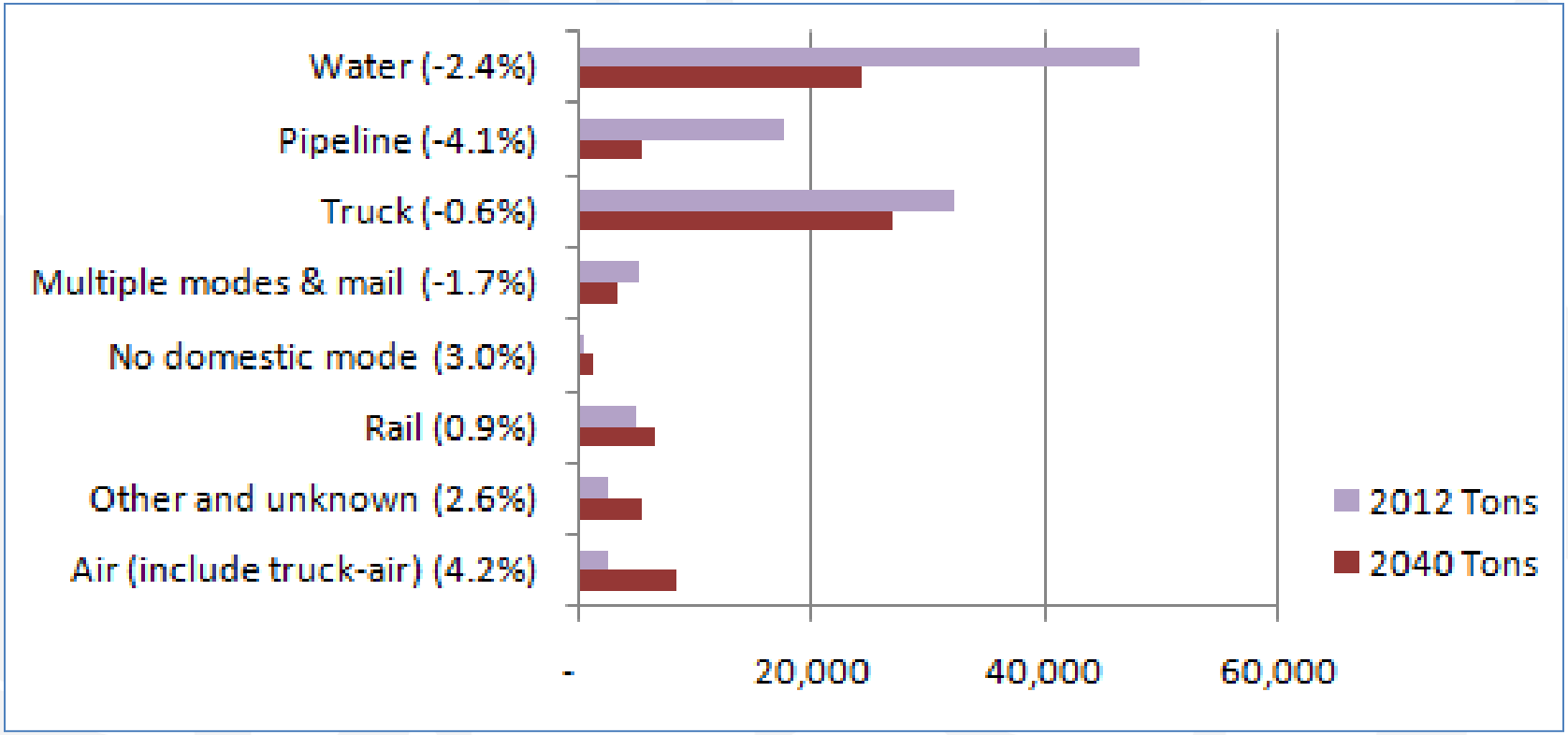
By Commodity and Mode

- Downward forecast mostly results from projected decline in crude petroleum, coal n.e.c. (LNG, asphalt, pet coke, etc.), gasoline, gravel, and fuel oils; other commodities stable or increasing



Alaska Freight Tonnage: 2040 Forecast
By Commodity and Mode

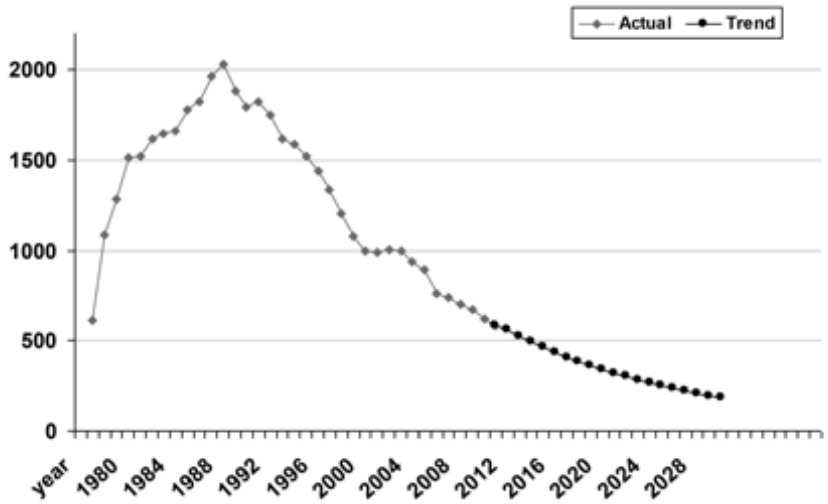
- Corresponding decline in domestic bulk modes, esp. pipeline and water

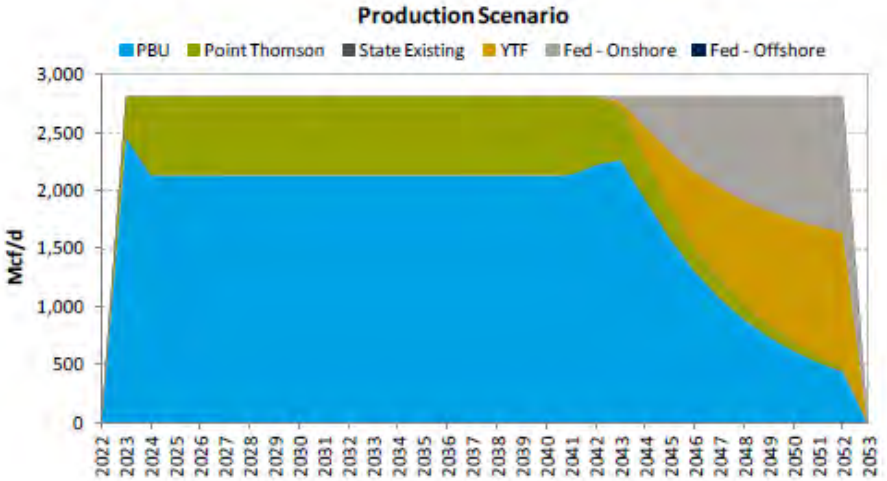


- Must emphasize: the IHS forecasts are static macro-economic projections, and do not reflect policies or actions by Alaska to promote freight movement and economic development

Alaska Industry Forecasts -- Examples

Lots of Numbers, But Some Uncertainty





TAPS Forecast Volumes (000 barrels/day)

- 5% per year decline – worse than FAF-3
- US EIA scenarios – anywhere from maintain current production to zero production
- Will strategies to increase North Slope production reverse the forecast?

Alaska North Slope Royalty Study

- Potential for major production based on new investments
- Not reflected in FAF-3
- Will the production scenario materialize?

Freight Issues and Drivers

What Determines Whether the Forecast Comes True?

- Factors we don't control
  - *Global and national economies, technology advances, climate*
- Factors we can influence – what have we heard so far?
  - *Energy and resource production and distribution*
  - *Trade, logistics, military functions*
  - *Accommodation of population growth and demographic shifts*
  - *Condition and performance of freight networks and facilities*

Drivers	Water	Air	Truck	Rail	Pipeline
Energy and Other Resources	●	●	●	●	●
Trade, Logistics, Military	●	●	●	●	●
Population and Demographics	●	●	●	●	●
Condition and Performance	●	●	●	●	●

Freight Issues and Drivers
Energy and Other Natural Resources

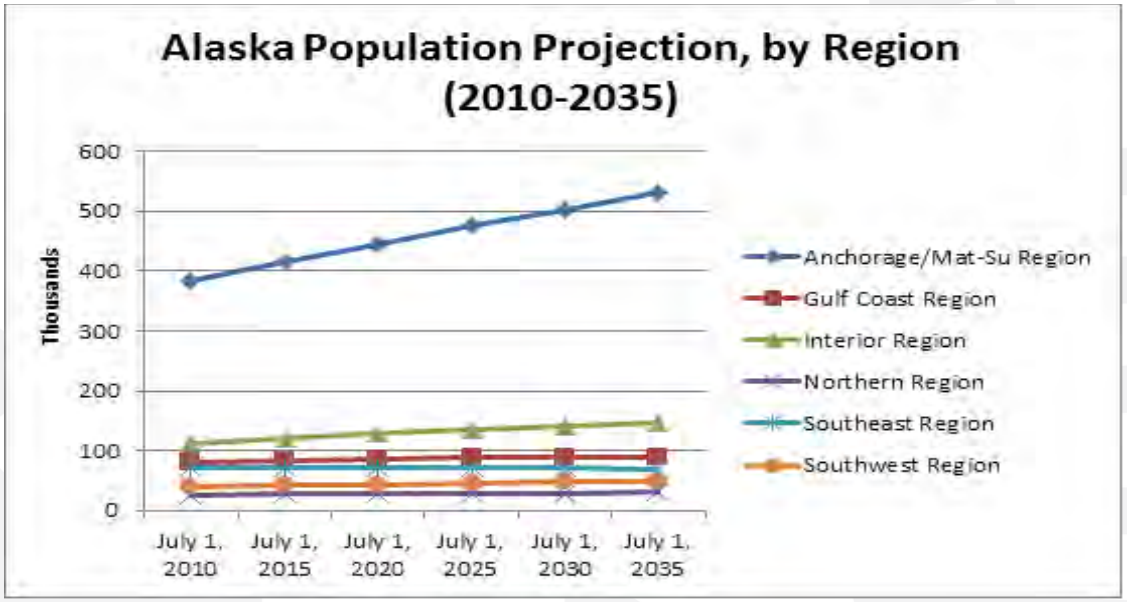
- Energy and natural resource demand likely to differ from forecast
  - *Key commodities: crude petroleum, refined petroleum, coal, other metals and minerals, natural gas, fishing*
  - *Key facilities: production, refining, processing, power generation*
  - *Life-cycle freight transportation needs: mobilization (construction phase), operations (commodity transportation, M&R), shut-down*
- Opportunities and issues
  - *North Slope – increased oil production for TAPS (new wells, technologies); refined LNG (operating 2016, truck to Fairbanks); LNG pipeline (one in-state, possibly another for export); shale oil exploration*
  - *Outer Continental Shelf exploration – Beaufort and Chukchi seas, possibly supported by Arctic Deep Draft Port and new pipeline*
  - *Refining after closure of Flint Hills*
  - *Susitna Hydropower project and rural fuel delivery*
  - *Mining expansion (Donlin, Red Dog, et al) and access needs*
  - *Fishing industry*

Freight Issues and Drivers
Trade, Logistics, Military

- Trade
  - *Biggest variables for tonnage: outbound movements of crude and LNG, inbound movements of refined petroleum*
  - *"Gas-n-go" air cargo operations – reaching 90% of industrialized countries in 9 hours -- future prospects, deriving "value added"*
  - *Arctic Deep Draft Port – with development of polar shipping routes, Alaska goes from "end of the line" to "middle of the highway" -- game changer potential*
- Logistics
  - *Goal is to maximize safety, security, reliability, cost, and speed across system, for all users and regions and modes/combinations*
  - *Opportunity to move from modal planning to system-level planning*
  - *Challenge: all the modes are here, but much of Alaska depends on one or two modes – lack of redundancy means increased risk*
- Military
  - *Mobilization, support, surge capacity*
  - *All modes, multiple locations*
  - *Arctic operations*

Freight Issues and Drivers

Population and Demographics



- Growth in urban area population means increasing freight demand, especially for retail consumer goods, construction materials, food, fuel
  - *Pressures on air, water, and particularly truck*
  - *AMATS and FMATS addressing truck congestion, will be increasingly important*
- Growth in rural demand less significant
  - *Preservation and modernization likely to be keys to serving rural population*
  - *Rural projects driven more by resource development, logistics/military*

Freight Issues and Drivers

Condition and Performance -- Highways

	What we read and heard …
System	16,301 miles (2,423 urban) 2,021 interstate and principal arterial miles (189 urban)
Functions	Door-to-door service for producers and consumers -- especially critical for urban areas Connections to ports, airports, rail terminals Last mile delivery of multi-modal shipments Construction access and service corridors for resource extraction and other industrial activities
Volumes	From Alaska DOT&PF regional traffic reports and MPOs New sources: FHWA Probe Data, ATRI, INRIX
Planning	Alaska DOT&PF MPOs, Boroughs, Municipalities DNR, Parks
Issues	Urban congestion, geometry, pavement condition Bottleneck elimination – Anchorage, Fairbanks, Juneau, Whittier, Eagle River, Wasilla Efficient access to ports, airports, rail Connections and bypasses – Cooper Landing, Knik Arm Bridge, Wasilla Resource roads -- Dalton Highway Study, Ambler, Foothills West, Western Access Road Multimodal corridors (truck, rail, pipeline)

Freight Issues and Drivers

Condition and Performance – Ports and Waterways

	What we read and heard …
System	34 ports receiving cargo in 2011, plus Port Mackenzie Eight higher-volume USACE "Principal Ports" and one major US container port
Functions	Consumer markets – receipt of food, clothing, electronics; distribution by truck or by air Construction materials, machinery, and equipment Shipment of crude and coal; receipt of refined fuels and distribution via rural ports Alaska Marine Highway
Volumes	Alaska ranks 19th among all states for tonnage Valdez handled 29.8 million tons in 2011, 25th among US ports Anchorage handled 455,000 TEUs in 2012, 17th among US ports
Planning	USACE Regional Port Study (2008) and Arctic Deep Draft Study (ongoing) Port-level planning (Anchorage, Mackenzie, Seward, Whittier, et al) Ship Creek plan
Issues	"Generally working well" for current traffic but not as modern or efficient as needed Limited capacity for future growth Maintenance of channel depths Impact of crude petroleum, refined fuels, LNG LNG vessel fleet (TOTE, Horizon) and fueling/distribution centers Arctic Deep Draft Port – emergency response, oilfield support, hub-and-spoke/transload Port of Anchorage expansion, deepening, truck/rail access improvements Port Mackenzie tank farm expansion, rail access, possible LNG pipeline AMHS costs, service schedules, capacity

Freight Issues and Drivers

Condition and Performance – Air Cargo System

	What we read and heard …
System	700 FAA registered airports 254 airports owned by DOT&PF, including two international airports (Anchorage, Fairbanks)
Functions	Essential in-state freight distribution, including freight and bypass mail service, for the 82% of Alaska communities not accessible by road Domestic and international trade to/from AK shippers and receivers Sort operations by integrated carriers Significant pass-through ("gas-n-go") traffic
Volumes	Highlights: ANC ranks 5th for throughput, 2nd for landed weight among all world ports Details: from Bureau of Transportation Statistics "Transtats"
Planning	Alaska International Airport System (AIAS) Plan (ANC and FAI) Airport System Plan ANC and FAI Master Plans (in preparation, nearly complete)
Issues	"Generally working well" Robust growth in tonnage Significant demand to support for energy/resource projects Future of bypass mail Rural population decline and airport condition/infrastructure/control Truck access and last mile delivery

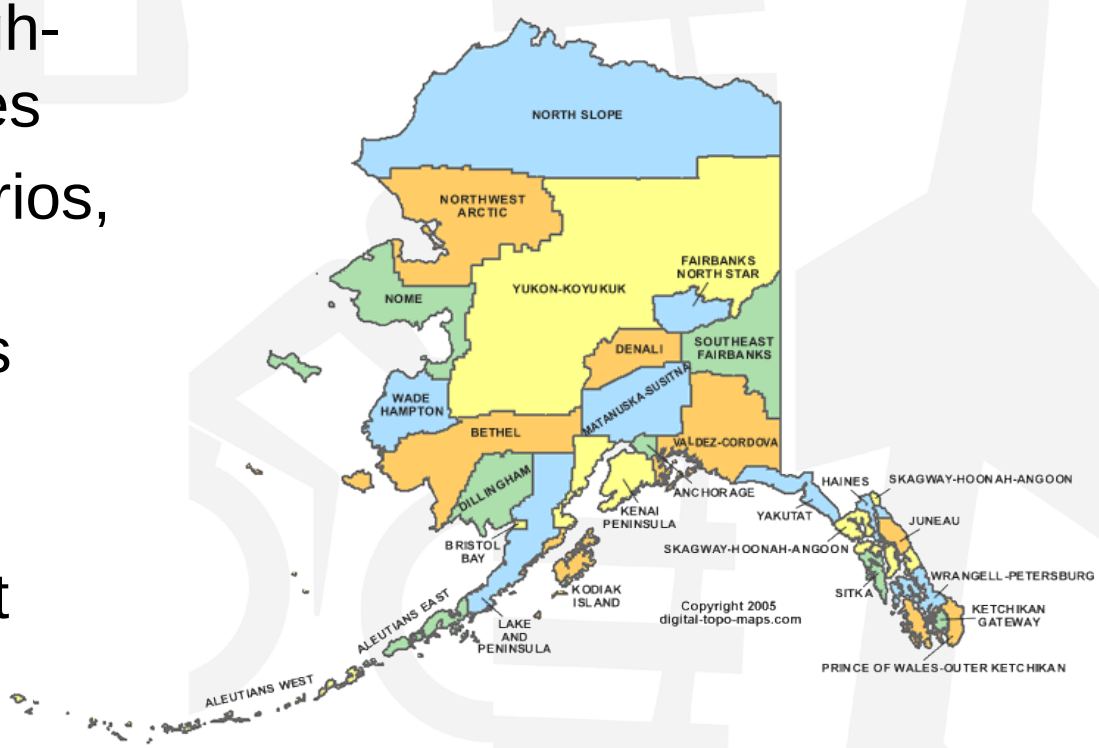
Freight Issues and Drivers

Condition and Performance – Rail System

	What we read and heard …
System	Two operating railroads, the 467-mile Alaska Railroad (ARRC) and the 68-mile (20 in Alaska) White Pass & Yukon Route (WP&YR)
Functions	ARRC is a Class II railroad operating freight and passenger service between Seward and Fairbanks Principal commodities: coal, gravel, petroleum products and general cargo
Volumes	5.1 million tons in 2013 5.6 million tons in 2012 Highest volume in past decade was 8.2 million tons in 2005
Planning	Alaska Rail Plan (DOT&PF) underway Ongoing capital and operating planning by the ARRC
Issues	Reduced freight volumes - short-term State support for unfunded federal requirements (PTC) Line extensions, new markets, rail role in economic development

Freight Plan Element
Next Steps

- Complete statewide analysis and borough-level SWOT analyses
- Advance into scenarios, goals, and actions, including projects as appropriate
- Prepare preliminary LRTP including draft Freight Element



Questions/Comments?

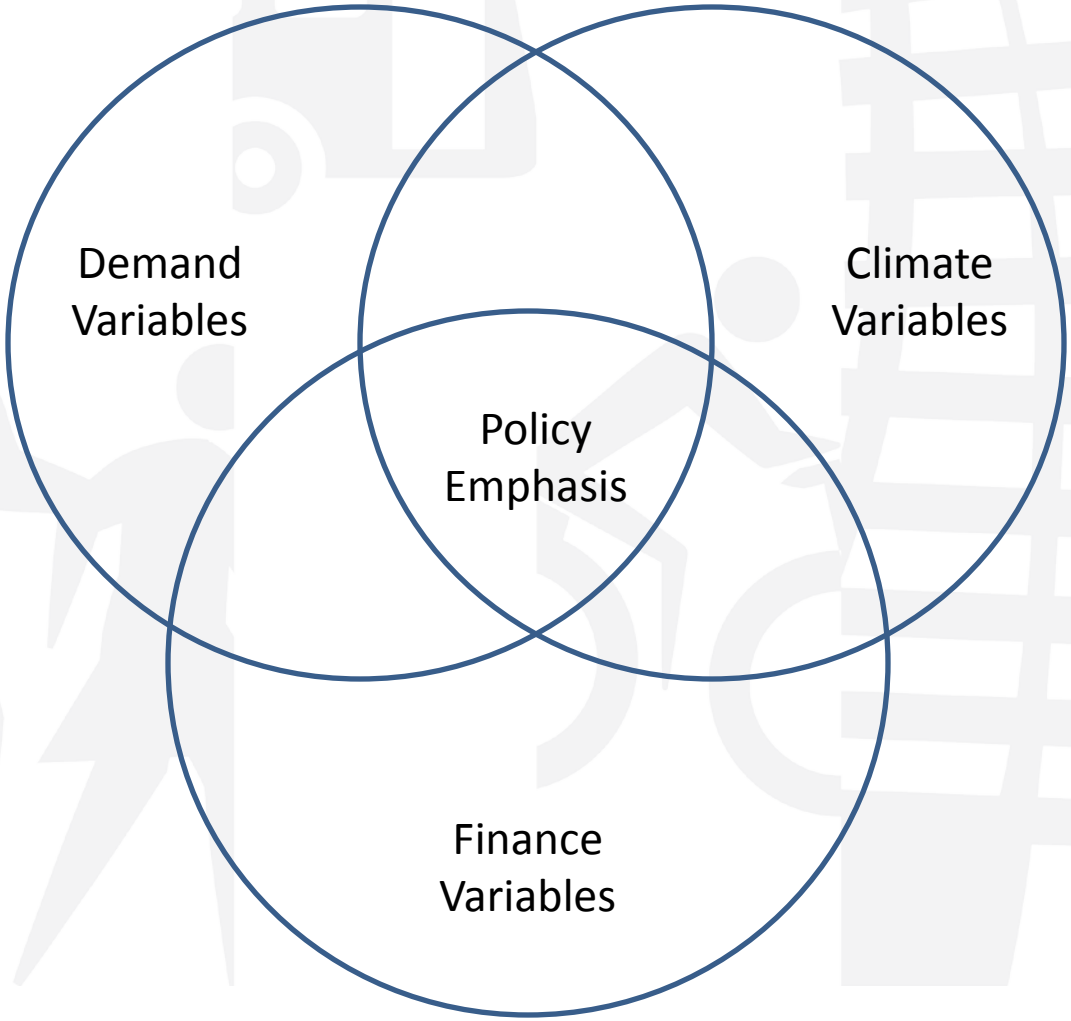
Workshop #1: Alaska Freight Scenarios

Objectives

- Scenario planning is a tool to define the conditions under which certain strategies and actions are appropriate to achieve goals
  - *Freight scenarios can reflect different assumptions needs, resources, priorities, resources, etc.*
  - *For example, an unconstrained revenue scenario would include more expansive actions than a constrained one; or a scenario assuming climate change might have different types of projects*
- Objectives:
  - *Review/discuss scenarios, reflecting previous FAC input*
  - *FAC discussion and feedback*

Workshop #1: Alaska Freight Scenarios

Scenario Variables



Workshop #1: Alaska Freight Scenarios

Possibilities

Scenario Areas	Possible Scenarios, Reflecting FAC and Other Input
Demand Variables	As previously discussed: • Global and national economy • Alaska's energy futures, population futures ,trade/logistics/military futures • Condition and performance for truck, rail, air, water, pipeline
Climate Variables	Effects: • Temperature, precipitation, sea level , storm surge, permafrost, variability Impacts: • Physical risk to settlements • Higher infrastructure construction and maintenance costs • Health and productivity of fisheries and forests • Arctic Port and OCS exploration opportunities
Finance Variables (From FAC)	• Reduced federal investment • Increased private investment • Extent of state and local investment
Policy Emphasis (From FAC)	• System preservation and asset management • Freight infrastructure capacity, connectivity, resiliency • Accommodation of urban growth and resource access • Coordination (transportation, land use, economic development, environment) • Performance accountability • Economic benefit and return on investment over life-cycle

Workshop #1: Alaska Freight Scenarios

- Brainstorm: what scenarios matter most, and what should we consider? What are the implications for DOT&PF and for this Plan?
- Report out
- Wrap-up

Workshop #2: Freight Goals

Objectives

- MAP-21 freight plan guidance calls for the development of statewide freight goals, and for demonstrated support for federal goals

- Objectives:
  - *Review relevant federal and state goals*
  - *Discuss "straw man" reflecting existing goals, previous FAC input*
  - *FAC discussion and feedback*

Workshop #2: Alaska Freight Goals

Federal Goals in MAP-21

- Federal goals address:
  - *Infrastructure (networks and facilities)*
  - *User experience*
  - *Externalities (societal, environmental, etc.)*
  - *Management (organizational performance)*

Goal Areas	Corresponding Federal Goals
Infrastructure	Infrastructure Condition, Freight Movement
User Experience	Safety, Congestion, Reliability
Externalities	Economic Vitality, Environmental Sustainability
Management	Project Delivery

Workshop #2: Alaska Freight Goals

Governor's Priorities and DOT&PF Goals

Goal Areas	Corresponding Governor's Priorities
Infrastructure	Maintain what we have, finish what we started
User Experience	Mobility (keep Alaska moving)
Externalities	Economic vitality (keep Alaska strong)
Management	Live within our means, focus on our priorities

Goal Areas	Corresponding DOT&PF Goals
Infrastructure	Statewide access and connectivity Access for exploration and development of resources Expand reach of transportation system
User Experience	Safe, efficient, reliable movement of people and goods
Externalities	
Management	Effective planning, design, construction, operation, maintenance; transparency and accountability; communications; service-based management

Workshop #2: Alaska Freight Goals

Policies from Let's Get Moving 2030

- Prior LRTP policies are valuable precedents

Goal Areas	Corresponding LRTP 2030 Goals
Infrastructure	Develop multimodal transportation system System /asset preservation (highways, airports, harbors, vessels)
User Experience	Safe, cost-effective accessibility and mobility; efficient and reliable multimodal freight access to local, national, and international markets
Externalities	Preserve ecosystem integrity and natural beauty; limit negatives and enhance positives re. environment, social, economic, and human health impacts; support energy efficiency and conservation
Management	Reduce the funding gap (prioritize needs, manage for results, constrain needs, increase revenues); provide secure system with emergency preparedness; efficient management and operations through ITS

Workshop #2: Alaska Freight Goals

Possible Framework for Discussion and Comment

Goal Areas	Possible Goal Statements, Reflecting FAC and Other Input
Infrastructure	• Preserve and maintain critical DOT&PF-owned freight-related infrastructure: highways, airports, and ports • Enhance and develop multimodal freight infrastructure to improve access and connectivity for freight producers and consumers • Support trade within Alaska, and with domestic and int'l partners
User Experience	• Provide safe, secure, reliable, and cost-effective freight transportation options for Alaska's freight shippers, receivers, and communities • Make freight a "good neighbor" for host communities
Externalities	• Promote freight mobility, access to resources, and economic vitality • Encourage energy efficiency, environmental sustainability, ecosystem integrity, and other social benefits
Management	• Emphasize project delivery and asset management • Focus on system efficiency, reliability, resiliency • Reduce the funding gap, focus on priorities, and maximize public benefits from freight investments • Provide multi-modal freight leadership across the entire system

Workshop #2: Alaska Freight Goals

- Brainstorm: which of these goals make the most sense? What are we missing? Ultimately, what do we want Alaska's freight transportation system to accomplish?
- Report out
- Wrap-up

Workshop #3: Strategies and Actions
Objectives

- Begin process of translating information – trends and conditions, scenarios, goals – into a menu of potential freight-related strategies and actions, for consideration as the Freight Plan element advances

- Objectives:
  - *Review current action plans*
  - *Discuss "straw man" reflecting previous FAC input*
  - *FAC discussion and feedback*

Workshop #3: Strategies and Actions

Selected Strategies from Let's Get Moving 2030

Strategy Areas	Selected Strategies Applicable to Freight
Prioritize Needs	• Prioritize needs between/within categories • Revisit and prioritize system plans • Establish system plan for ports and harbors
Manage for Results	• Establish performance measures • Apply life-cycle management • Evaluate AMHS funding and business practices • Establish LOS approach to maintenance • Establish coordinated transportation task force
Constrain Needs	• Address context and affordability • Focus surface transportation investments on NHS, AHS • Reclassify and privatize industrial and resource roads • Pursue demand management and multimodal solutions
Increase Revenues	• Pursue state and local funding mechanisms • Evaluate AMHS revenues • Evaluate tolling and impact fees

Workshop #3: Strategies and Actions

Spotlight on Performance Measurement

- Why?
  - *Called for in MAP-21*
  - *Sound basis for planning, investment, and management*
- What can we measure? (same breakdown as goals)
  - *System performance*
  - *User experience*
  - *External effects*
  - *Organizational management*
- Developing freight performance measures
  - *Define after goals are established*
  - *Relate to non-freight measures within overall framework*
  - *Reflect availability of data, cost to acquire and maintain*
  - *Important to start with the achievable, not the perfect*

Workshop #3: Strategies and Actions
Spotlight on Freight Network Definition

- Why?
  - *Freight networks can be used to highlight needs, focus planning, and set investment priorities*
- Examples
  - *"National Freight Network" -- useless for any of the above*
  - *Florida Strategic Investment System – works for all of the above*
    - Defined eligibility criteria for SIS and "emerging SIS"
    - All modes, transfer facilities, pax and freight, even ILCs
    - Dedicated, higher-priority state funding
- How freight network definition could help Alaska
  - *Support planning across all modes and stakeholders*
  - *Focus DOT&PF investments on most critical freight infrastructure*
  - *Input to federal planning*

Workshop #3: Strategies and Actions
Spotlight on Prioritization Tools

- Several states have developed project/program analysis tools for freight – some before TIGER, more after
  - *TIGER taught everyone the same basic framework for monetizing key goals: system preservation, economic competitiveness, livability, sustainability, and safety*
  - *Economic impact and benefit tools are broadly available*
  - *Example: Florida DOT uses a spreadsheet tool combining TIGER analysis and PORTKIT input-output factors to generate benefit estimates and priority rankings for funding applications from 15 ports, covering both passengers and freight*
  - *Freight projects generally amenable to consistent, quantitative analysis because their main benefits are monetizable*

Workshop #3: Strategies and Actions

Spotlight on Resource-Linked Funding

- The biggest variable in Alaska's freight future is resource development
  - *Economic development = transportation need*
  - *Economic development = cash and other economic benefit*
- How can we tap revenue streams from future economic development to fund near-term transportation improvements?
  - *Existing and new mechanisms*
- How can we reduce infrastructure gaps that impede economic development, and capture unlocked revenues?
- All within environmental and other State priorities

Workshop #3: Strategies and Actions

Additional Possibilities

Strategy Areas	Possible Actions, Reflecting FAC and Other Input
1. Prioritize Needs	1.1 Develop overall freight vision to position Alaska for future growth 1.2 Define two-tiered freight network: Alaska Freight Network (AFN) consisting of important public and private multimodal networks and facilities (what we what the whole to be); and the Critical Investment Network (CIN) where DOT&PF investments could be best targeted 1.3 Develop methods and tools to evaluate the performance of freight investments and projects, to support prioritization across modes and types
2. Manage for Results	2.1 Develop freight goals, freight performance measures to track progress toward those goals, and freight data to generate the necessary measures 2.2 Improve coordination of planning and implementation between state and regional governments through a statewide Freight Working Group 2.3 Improve coordination of planning and implementation between public and private stakeholders through a statewide Freight Advisory Committee
3. Constrain Needs	3.1 Focus DOT&PF investments on the CIN
4. Increase Revenues	4.1 Position Alaska freight investments to best compete for federal funds 4.2 Establish state-level program funding for freight projects, tied to existing or possible new funding mechanism(s) 4.3 Create/strengthen beneficiary-linked funding mechanisms, capturing the economic benefit from freight investments to fund improvements

Workshop #3: Strategies and Actions

- Brainstorm: which of these strategies and actions should be further explored? What are we missing? What should DOT&PF focus on, and what needs should be prioritized?
- Report out
- Wrap-up

Thank You!

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Closing Comments