



DRAFT

## MINUTES OF FREIGHT COMMITTEE MEETING – OCTOBER 10, 2007

### 1. Highlights

- o **Lt. Governor Murray Meeting** – Frank DeMasi, Dom D’Eramo, Mike Rennie and Walter Bonin met on September 25<sup>th</sup> with the Lt. Governor. Walter presented the economic development aspects, namely:
  - Despite spending \$ billions on major transportation projects, the State has:
    - Lost 100,000 jobs since 2002
    - Our highways are at capacity
    - Mainline railroads are at capacity
    - Others are in disrepair, abandonment, or being converted to recreational use
    - Commuter rail trains are full.
  - Unless the State addresses its transportation needs, it will not achieve its economic goals.
  - Mike Rennie followed with the problems of freight rail, namely:
    - The lack of funding for freight rail
    - The need for high level EOT leadership to represent freight rail
    - The need to conserve rail related property
    - A Statewide transportation plan that includes passenger and freight rail.

Frank and Dom gave specific examples of opportunities to reinforce what Mike was advocating.

The Lt. Governor was very receptive to our messages and a 45-minute meeting lasted 1-1/2 hours. Also at the Transportation Forum on October 11<sup>th</sup>, at which he was the key sponsor, he acknowledged our meeting as well as our message.

### 2. Review of Progress to Date – Walter Bonin

There is a general level of frustration that our recommendations are not viewed positively, despite the benefits of:

- a. Reduced traffic congestion
- b. Reduction in expenditures for repair of roads and bridges
- c. Fuel savings
- d. Reduced air pollution
- e. Less expensive goods
- f. Sustaining Supply Chain for business and industry

*And despite the expenditure of approximately \$25B in transportation projects, the State suffered a loss of 100,000 jobs from 2002 through 2006.* Clearly, something isn’t working!

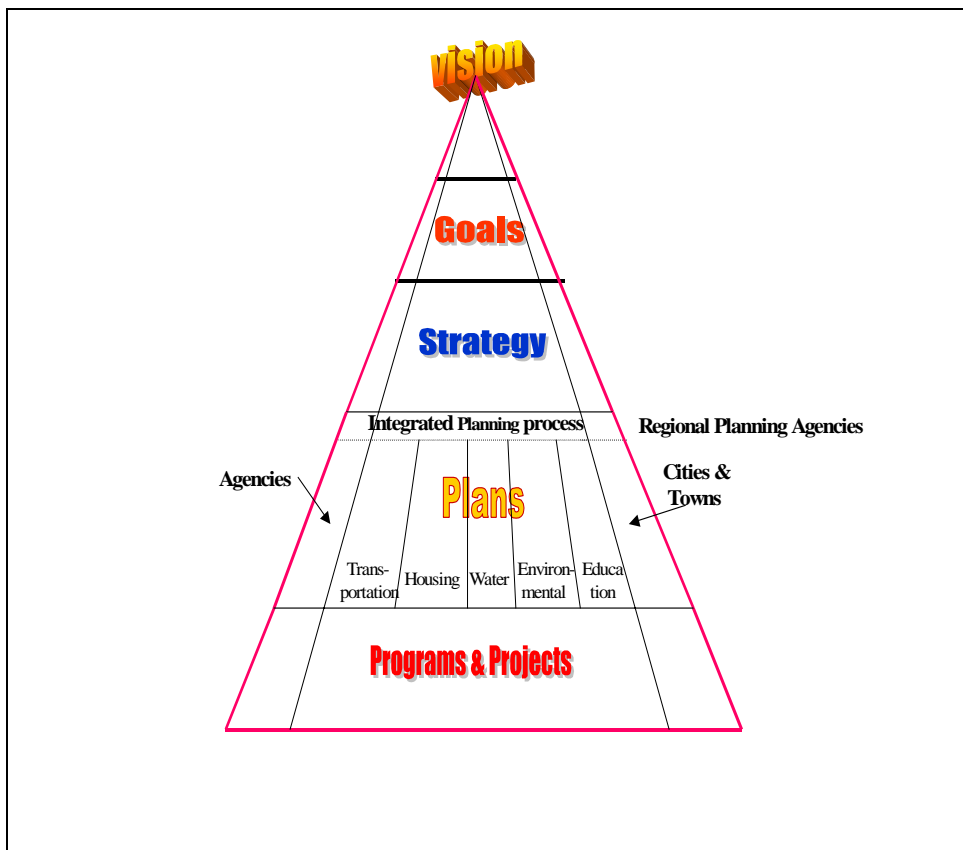
That raises the question? - Is the State investing its money for the best economic return. The answer is probably no. Why?

At this point Walter Bonin made a presentation relating to what institutions should do to achieve success. This was based on his experience and studies of organizational performance. Simply stated, an organization needs:

1. **Vision** – A clear, concise, communicated, believable, exciting sense of purpose that energizes, empowers, and directs the people who make it happen.
2. **Strategy** – It identifies the unique strengths and capabilities the entity has to employ and identifies those it lacks. Building/creating those it lacks is part of the actual plan(s) below.
3. **Goals** – This defines and quantifies the Goals. What does success look like? It identifies key items to be measured and monitored. This insures that the organization is making progress and that all the various organizational components are working together.

The first three (3) steps are critical! Without them the subdivisions are forced to plan based on how they see things. This view is usually narrow because they are not given the broader view.

*It is like a great orchestra without sheet music. Each performer plays their best song to perfection, but the music is awful!*



4. **Specific Plans** – In response to the above, the organizations that make up the larger entity develop individual plans for their area of responsibility. They also provide much of the information that is used to create the Vision, etc.
5. **Integration** – There needs to be groups and processes that integrate the specific plans to insure that the overall entity is successful. Unfortunately, things beyond our control happen that necessitates changes to specific plans. The plans and the processes that integrate them must be flexible enough to respond and yet still be directed toward the entity's overall Vision and Goals.

6. **Projects** – Specific projects are created as a consequence of specific plans. However, to be successful, projects often require the inclusion in the plans of several organizations and the cooperation of each of those to be successful. This often requires that walls between organizations that act as barriers need to be dealt with.

The above concept is very simple, but extremely difficult to implement.

### What could be wrong!

- The process is upside down! It starts with projects, not with Vision, etc.
- People believe that a list of projects is a plan. Without the above process, that is impossible. In the absence of an overall plan, priorities cannot be set. All the projects look equally important! The decision-making process breaks down.
- The State is spending billions but losing jobs and population. Clearly, it's not spending (investing) its money on the right things. The Freight Committees proposals don't get traction because we cannot link them to an overall state goal because none exists. Therefore, we cannot say that what we propose is essential to the State's success. So we must argue like everyone else for what we believe is important. We search for someone who will believe us and has enough power to make at least some of it happen. We also have the same problem that everyone else has. We have a list of projects but no plan! And there is no approved state-wide plan we can connect to.

3.State wide Transportation Plan- A plan is needed to include a discrete rail plan for both passenger and freight to integrate and mitigate short sighted development along the last remaining rail freight corridors in Eastern Massachusetts.

- Both industry and merchandising are facing a supply chain management crisis in Massachusetts that is exacerbated by reliance on trucking to move 94% of all freight in the Commonwealth.
- Rising Truck Vehicle Miles Traveled (VMT) are debilitating road and highway infrastructure, increasing air pollution and adding cost to movement of goods in Massachusetts.
- The high cost of land in Eastern Massachusetts is driving warehousing and industry further west and out of state creating tremendous increases in interstate and regional truck VMT.
- The existing rail infrastructure east of the Hudson River into Massachusetts and all the New England States is obsolete but has the potential to provide tremendous capacity to move the forecast surge in goods movement over the next decade.
- State owned rail assets might be used to generate non-fare box revenue by exploiting distribution of rail freight over EOT/MBTA owned rail lines into our urban centers as well as moving people.
- MBTA's proposals for Commuter Rail Service Expansion have not adequately addressed EOT, MBTA, and MassPort planning for use of rail corridors as shared assets to preserve direct rail corridors to South Coast Ports and to the Port of Boston (Conley Terminal/Moran Terminal).
- The Seaport Advisory Council has supported funding (Sea Port Bond Bill of the Acts of 1996) for harbor and dock improvements but has not equally supported rail connections and access. .

### o Relationship updates

- o **South Coast Rail** – Kristina Egan – We discussed benefits of freight rail and need to incorporate freight into the South Coast Rail project. Kristina asked us to get information to her quantifying the benefits, in particular, the difference in costs between truck and rail.
  - Frank DeMasi suggested a smaller group of people should meet with the project staff and discuss the issue in more detail.
- o **Joint Transportation Committee** – Frank DeMasi met with Sandra Marcioni, Research Director of the General Assembly's Joint Committee on Transportation, attended by Maria Syrniatas of State Senator Baddour's Staff to discuss Senate Bill 2053 and extension of Track 61 to Conley Terminal.

- Senator Hart's Senate Bill 2053 to extend the South Boston Haul Road and track 61 over the Reserved Channel to Conley Terminal asks for \$30 million with no provision for generating revenue to finance design and construction.
- The bill does not have resonance with current issues and concerns of the Transportation Committee.
- Sandra Marchione indicated the bill was originally drafted and presented by now US Representative Stephan Lynch in 1999, and later redrafted and submitted by Senator Hart.
- Sandra suggested that the greater issues of intermodal rail, port access, and double stack clearance improvements be advocated to the Governor's office in deference to singular proposals by bottoms up legislative action. Maria emphatically agreed.

**Next steps:**

- In this austere financial climate it seems there is little chance of success for Bill 2053 unless the rail portion could generate substantial revenue.
  - DeMasi projects Revenue could be generated if the bill were linked to intermodal rail moves from Conley as part of the double stack initiative proposed under the Seaport Bond Bill of the Acts of 96.
  - There is great concern for encroachment on port access posed by the City of Boston's 100 acres development at Fort Point Channel and its proposed use of the Haul Road as a city boulevard!
  - Development in South Boston needs to be assessed for its impact port operations and the viability of expansion at the Boston Marine Industrial Park.
  - DeMasi suggests we work to amend the bill and present our suggestions to Senator Hart and any other legislators supporting economic development and job growth and the Governor's office to support freight rail and port access as a stimulus and economic development package.
- o Sandra and Maria were advised of concern for the proposed land swap with the Postal Annex land and siting of the postal annex on MassPort and Dept of Defense property.
- We believe that any real property assets in the port area should be reserved for container and truck chassis storage that will be needed when rail is brought to the Conley terminal and the Coastal Oil Property.
- o The following issues and concerns regarding freight distribution and port access in the Boston Metropolitan area and Eastern Massachusetts were provided in a hard copy document to generate interest in further dialogue between the freight committee and the Joint Committee on Transportation.
- Are MBTA commuter rail improvements hostile to freight rail on the Fairmount Line between Readville and South Boston, Bay Junction, and the lead to track 61?
  - Is the 100 Acres development making the Truck Haul Road untenable to support the increase in projected truck movement out of the port and the Marine Industrial Park?
  - Is the use of port lands for the Postal Annex in conflict with the needed added capacity for Conley rail, chassis storage and increased container volume?
  - Is the development of the former Stop and Shop Food Warehouse adjacent to Readville yard for residential or mixed use going to jeopardize CSX Readville yard operations and potential intermodal rail support to Conley Terminal. Readville could be used to store stack cars and or block trains for forwarding on to Framingham via the Franklin Line to Walpole and thence the Framingham Sub to Framingham and points west on CSX.
  - **Future meetings:** Jeevan Ramapiaya, in Senator Baddour's office was requested to set up a meeting with Senator Baddour some time in September then October to discuss our ideas for economic development and complimentary freight rail initiatives. We have not been successful and look to November for our meeting.
  - An introduction of the Joint Committee on Transportation to the RTAC freight committee charter will be provided to disclose broader freight and land use issues for further dialogue.
- o **Process to amend Constitution allowing State assistance to private entities** – Mike Rennie – Mike is preparing to move forward on this but is waiting for the best timing.

- o **Meeting with Maurice O'Connell of CSX** – Meeting planned for week of October 15<sup>th</sup> rescheduled to November 16. Meeting topics will include CSX plans for continued freight operations in MA, current freight flows, conditions of CSX branch lines, and port access.

The meeting was adjourned at 2:45 PM.

Respectfully submitted,

Walter Bonin  
Chairman  
RTAC Freight Committee