

National Capital Region Transportation Planning Board

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Meeting Notes

FREIGHT SUBCOMMITTEE

DATE: March 19, 2009

TIME: 1:00 PM to 3:00 P.M.

PLACE: Meeting Room 3

CHAIRS: Victor Weissberg, Prince George's County, Department of Public Works and Transportation

ATTENDANCE:

Rick Crawford, Norfolk Southern
Lyn Erickson, Maryland Department of Transportation
Doug Guernsey, Guernsey Office Products
Matthew Moskitis, Northern Virginia Transportation Alliance
Callistus Nwadike, District of Columbia, Department of Transportation
Leo Schefer, Washington Airports Task Force
Jon Schermann, Cambridge Systematics
David Smith, FedEx
Nancy Sparks, FedEx

COG/TPB STAFF ATTENDANCE:

Michael Farrell
Karin Foster
Ron Kirby
Andrew Meese

Welcome, Introductions— Chairman Mr. Victor Weissberg from Prince George's County Department of Public Works and Transportation welcomed attendees. Mr. Weissberg asked attendees to introduce themselves and their affiliation. Mr. Weissberg provided a summary of the previous meeting and asked for any comments on the notes taken. No changes were made.

FedEx Express Globally and in Metropolitan Washington D.C.—Mr. David Smith opened the presentation with general facts about the FedEx Express company, one of six Federal Express companies. FedEx Express is the world's largest express transportation company and invented the overnight business. Fed Ex Express provides fast and reliable delivery to every U.S. address and to more than 220 countries and territories. FedEx Express is speed delivery of time-sensitive shipments, usually in one or two business days with delivery time guaranteed.

FedEx Express has 142,000 employees worldwide and a fleet of 671 aircraft operating in 375 airports. FedEx Express owns a fleet of 44, 500 motorized vehicles. The company earns approximately \$24.4 billion in annual revenue and transports an average daily volume of 3.5 million packages and 13 million lbs. of freight.

The company has four “Critical Few” focus areas to drive strategy. These are:

- 1) Institutionalize and Reward Purple Promise Behavior, *Make Every FedEx Experience Outstanding*;
- 2) Improve Core Service Reliability, *Customers Demand Certainty & Reliability. FedEx Express Delivers*;
- 3) Grow Profitably. *Profits Pay For Our Tomorrows*; and
- 4) Improve Our Cost Structure. *Greater Efficiencies in all areas cushions us against economic downturns.*

Mr. Smith also emphasized the company’s commitment to sustainability. The company is upgrading the aircraft fleet to reduce fuel consumption up to 36 percent while providing 20 percent more capacity. FedEx Express saved more than 5.5 million gallons of fuel in a year by reducing the use of in-gate aircraft auxiliary power units.

In the Washington D.C. Metro Area, FedEx employs 450 people at two locations. FedEx owns 170 vehicles and 3 of them are hybrid diesel. Fifty-five percent of vehicles run on bio-diesel. 250 routes are launched daily. All trucks service the Washington D.C. Metro Area and only this area, and because the road conditions are worse, this area is left with the company’s older trucks in worse condition. Mr. Smith also highlighted the daily challenges of this unique market: for government deliveries government not often in at 8:00 a.m., traffic, weather, security, limited parking, and fleet optimization. He added that some enhancements have been made to improve service, visibility, and cost. These include flights into Reagan National (beginning in July 2008) that provide close proximity to downtown Washington D.C. which cuts the sort time, increased fuel efficiency, reduced stem time into market, increased earlier visibility, and reduced assets on the road.

Questions and Comments:

Mr. Leo Schefer of the Washington Airports Task Force asked if FedEx Express has an idea of what it costs to run the routes. Mr. Smith explained that routes are planned with traffic flow system software named ROADS, however, the daily obstructions are so fluid/various, that it makes it difficult to plan. Nancy Spark of FedEx Express noted that its competitor UPS is ahead on time management in metro Washington D.C., working around the constant unexpected elements in the City.

Mr. Andrew Meese, MWCOG, asked if FedEx Express views traffic reports? Mr. Smith responded that the carriers carry a two-way communication device with the dispatchers who monitor TrafficCam and other traffic information.

Mr. Doug Guernsey, Guernsey Office Products, asked if FedEx Express has seen a drop in business as the use of faxes and e-mail attachments increase. Mr. Smith explained

there was some drop in service, however, the service is built on boxes. And there are still many documents that need to be originals delivered.

Mr. Ron Kirby, MWCOG, asked about commercial parking in Washington D.C. Mr. Smith explained that the Washington D.C. Fleet Program parking ticket adjudication will end as of April 1, 2009. With this, FedEx Express can not write off the 700-1400 tickets they get a month as they could before. This is equivalent to over \$100,000 a year.

Guernsey Office Products Perspective on National Capital Region Transportation Challenges—To get a street-level perspective for this presentation Mr. Guernsey first

spent a day out with a driver. Mr. Guernsey first provided some company background. The company was established in 1971 and provides office supply and furniture, coffee-beverage service, promotional products, janitorial and sanitation services, and records management service. The company earns approximately \$50 million in annual revenue and employs 180 individuals. Sales have increased every year except 2008 saw a two percent drop. Guernsey Office Products has never laid an employee off.

Mr. Guernsey gave a brief company profile. The company has four locations: (1) Chantilly; (2) Beltsville; (3) Virginia Beach; and (4) Richmond. The metro areas served are: Baltimore, Annapolis, Washington D.C., Leesburg, Culpepper, Fredericksburg, and Stafford. The company owns a fleet of 44 trucks with 40 in the metro D.C. area. Approximately 40 Sales Representatives conduct business.

The company has found the DOT regulations are tough to keep current on for a small business. The same is true for information regarding weighing requirements. Two major distribution challenges Mr. Guernsey highlighted were traffic issues and loading zone availability in the City. Traffic congestion is due to normal impediments due to road use over-capacity, road maintenance, construction, weather, etc. Most issues are related to roads into, around, and travel within Washington D.C. although there are other problem roads as well. Mr. Guernsey commented that potholes prevail in Washington D.C. Security issues are necessary but difficult when they provide no access to a building they need to service. Also, the drivers find pedestrians in the street often not looking, texting, etc.

The company has developed techniques to adapt such as:

- Alternate/back-road routes to D.C. are used frequently;
- Travel during off hours;
- Follow the radio for traffic conditions; and
- Small delivery truck access to 66 inside the beltway.

Six of Guernsey Office Product's nine Washington D.C. routes are within the downtown D.C. triangle, the highest density and most challenging street to maneuver. Mr. Guernsey asked, is it possible to perform deliveries legally in Washington D.C.? Balance risk within the context of reasonable expedience. Guernsey Office Products pays approximately \$14,000 in Washington D.C. tickets a year. They must take this on as part of the cost of doing business. New buildings are built without loading docks and existing buildings often close them down. Private vehicles are often parked in commercial vehicle loading zones. All this exacerbates poor loading access.

Mr. Guernsey noted the temptation to view the parking tickets as purely a quota driven revenue mechanism for the city of Washington D.C., but looking closer, he added that enforcement:

- Regulates chaos;
- Is practical as executed at the local level—adjudication process;
- The primary goal seems to be to keep traffic moving; and
- It could be the best that can be done under the circumstances, but there may be minor tweaks that could help.

Some suggestions offered by Mr. Guernsey were:

- To construct an online delivery service resource center that provides general delivery regulations/posts traffic advisories generally and specific to the delivery activity in D.C.;
- Have docks on a slant;
- Hold pedestrians accountable;
- Enforcement of ‘blocking the box’ (an intersection);
- Post fewer but larger more legible signs;
- Increase the fine for private vehicles in commercial loading zone spaces to \$500! (The counter to this currently exists); and
- This reciprocal provision may be more difficult to enforce because a commercial vehicle must be clearly defined.

Mr. Guernsey made a few concluding points:

- The transportation infrastructure is necessarily a compromise and balance between several opposing forces;
- Is DC fully built-out?
- The overall framework of regulation and the necessity to work it out at the local level on a situational basis;
- Generally, if we’re all subject to the same rules, the misery should be equitable; and
- Changing the mix incrementally may prove helpful to the system.

Questions and Comments:

Nancy Sparks of FedEx made a comment following Mr. Guernsey’s presentation regarding the Nationals Stadium meters. The meters are designed to force high turnover. She suggested that commercial zones could be similar, force high turnover for cars, but allow commercial vehicles. She also mentioned that FedEx through adjudications saved \$100,000+ in parking fees. Now that the program will be taken away, this will not be an option. Other programs are currently being discussed with the City.

The discussion on loading docks turned to the topic of parking the truck at the building. Sometimes the deliveries are quick, sometimes Guernsey is in the building all morning making deliveries on each floor. The company has to work with the client and the District to accomplish their services.

Mr. Ron Kirby asked for the two companies perspective on the Virginia HOV 24-7 toll project that will not allow trucks. Both companies felt it was unfair not to provide the service also to trucks. Since it is a toll lane, what difference does it make?

TPB Freight Program Update—Ms. Karin Foster provided a brief update on Freight Program efforts. As part of the *Integrating Freight into the Constrained Long Range Plan* report, staff is currently surveying companies in the region. The aim of this survey is get a sense of their transportation concerns and to potentially identify “freight potential projects” that would be supportive to the freight community. Results from this survey will be analyzed and included in the final *Integrating Freight into the Constrained Long Range Plan* report.

Next Meeting May 14, 2009

Meeting Adjourned