



NATIONAL CAPITAL REGION

TRANSPORTATION PLANNING BOARD

Meeting Summary

TPB FREIGHT SUBCOMMITTEE – FREIGHT TECHNOLOGY

DATE: March 12, 2015

TIME: 1:00 P.M. to 2:50 P.M.

PLACE: MWCOG Rooms 4/5

CHAIR: Eulois Cleckley, Manager of Statewide and Regional Planning/Freight Planning, District Department of Transportation

ATTENDANCE:

Bala Akundi, Baltimore Metropolitan Council (phone)
Debbie Bowden, Maryland Department of Transportation (phone)
Eulois Cleckley, District Department of Transportation
Scott Babcock, Transportation Research Board
Dave Dawson, North Jersey Transportation Planning Authority (phone)
Richard Easley, E-Squared Engineering (phone)
Teresa Edelen, DC Truckers Association (phone)
Herbert Harris, Brotherhood of Locomotive Engineers and Trainmen
Kevin Kurzendoerfer, RelayFoods.com
Bernard McWay, Federal Motor Carrier Administration (phone)
Chip Millard, Federal Highway Administration
Laura Richards, District Department of Transportation
Jakub Rowinski, North Jersey Transportation Planning Authority (phone)
Anne Strauss-Wieder, North Jersey Transportation Planning Authority (phone)
John Thomas, Montgomery County Department of Transportation (phone)

MWCOG STAFF ATTENDANCE:

Steven Bieber, MWCOG-DEP
Michael Farrell, MWCOG-DTP
Andrew Meese, MWCOG-DTP
Jon Schermann, MWCOG-DTP
Patrick Zilliacus, MWCOG-DTP

Eulois Cleckley, Freight Subcommittee Chairman

Mr. Cleckley opened the meeting. After a round of introductions, Mr. Cleckley turned the meeting over to Anne Strauss-Wieder of the North Jersey Transportation Planning Authority and A. Strauss-Wieder, Inc.

Anne Strauss-Wieder, North Jersey Transportation Planning Authority, The Dynamic Consumer and the Evolving Supply Chain

Ms. Strauss-Wieder spoke to a PowerPoint presentation on the emergence and growth of e-commerce focusing on its transportation system impacts.

Overview: The way consumers shop these days has really changed. Less time is spent in stores and more time is spent on computers and smart phones. E-commerce is really the way things are happening today. Consumer expectations have changed to the point where they want, and expect, immediate gratification. We are very much a retail economy, but the way consumers shop and the way consumers receive products has radically altered supply chains. From a public agency standpoint there are a number of factors to consider in terms of traffic movement, types of transportation facilities provided, and the sharing of such facilities among both freight and passenger vehicles.

Why This is Important: If you are in the retail business and have not kept up with these trends you are likely not in the retail business anymore. RadioShack is going out of business, Coldwater Creek is gone, and Sears is on the watch list. So these trends do not just affect the supply chain, they also affect the companies that market products to consumers. These companies must think through how they operate, what they are doing, what distribution channels they use, and so forth. I happened to be with a major apparel retailer recently and their head of distribution told me they are no longer opening stores in regular malls. They are putting them in select strip malls, but they consider regular malls dead. So when we think about how much space these malls take up it is a major consideration for the public sector. These trends are changing who the retailers are and introducing new transportation providers.

Retail Channels:

- **Omni channel** is defined as retail merchants that use multiple channels to reach and serve their customer base. This is the way industry thinks these days. It is not only brick and mortar stores, not only mail order, not only e-commerce, but it involves planning and utilizing all three channels holistically. For example, if a customer does not find the item they want in the store, there is an e-commerce booth available where it can be ordered. If an item is purchased online, it can be picked up in the store. If an item is purchased online it can be returned to a brick and mortar store. Also, when the customer returns the item to the store the return location is usually in the back of the store to entice additional purchases as the customer moves back and forth.
- **M-commerce** is mobile commerce and refers to the increased use of tablets and smart phones in retail trade. This is the way many people shop these days. One element of m-commerce is the use of cameras on phones scan barcodes for more product information. Another element of m-commerce is the collection and use of data collected from consumers online searches to micro-segment markets according to individual consumer preferences. In the future, m-commerce will utilize GPS information from smart phones to generate pop up ads for businesses near you to stimulate demand.
- **Social commerce** is defined as the use of social media sites to market products, build awareness and increase demand. Social media sites such as Facebook and Pinterest as well as blogs educate consumers about products and also stimulate demand in a way that is tailored to the individual consumer's interest.

The Rise of Omni Channel: Omni channel is growing rapidly. E-commerce is anticipated to approach 1/3rd of all retail business by 2025. The following statistics from last year illustrate this growth:

- Nordstroms e-commerce sales up 19% over last year.
- Walmart is investing \$1.5 billion in global e-commerce.
- Home Depot web sales are up 37%. Gap web sales are up 10%.

The bottom line is that e-commerce is a trend that is here to stay. For example, if an apartment-dwelling customer purchases an item from Amazon and does not have anyone to accept that package during the day, that customer has the option of having it delivered to a conveniently located locker. The locker could be located in a Dunkin Donuts, a Wawa, a transit station, or a variety of other locations. This has interesting public sector implication because instead of a truck making a series of stops at multiple locations, it can deliver to just one locker location.

Stimulating Demand: E-commerce can stimulate demand in a number of ways. One of them is through pop-up stores. With a pop-up store the customer needs to buy it now or they may never get it, thus stimulating demand through fostering a sense of missed opportunity. Aeropostale turns their inventory every two weeks. This increases the pressure for customers to purchase now because the product won't be there later, thus stimulating demand and interest in the product.

Evolving Distribution Center Designs and Locations: These e-commerce innovations are changing the design and location of supply chain facilities. A typical distribution center is rectangular in shape and features an enormous number of loading docks. Because of this any truck parking outside of the loading dock in a secured area is usually limited to one trailer for every loading dock. Facilities of this type typically have about 0.3 employees per thousand square feet and they are primarily involved in receiving and shipping activities.

An e-commerce fulfillment center employs more people than a traditional distribution center does, typically around 1.0 employees per thousand square feet. These additional workers require places to park, so fulfillment centers have larger employee parking lots. There is also a greater need for transit options to make it easier to obtain the workers needed. The Amazon fulfillment center in Robbinsville, NJ (in Mercer County) is working with the TMA of that County to establish a shuttle service to link workers with transit hubs. Fulfillment centers also require more secured truck parking, typically two or three trailer locations per loading dock. This allows drop offs and pick-ups enabling off-peak deliveries to make full use of the loading docks.

Distribution Centers to Fulfillment Centers: Amazon allows third party vendors to store products in Amazon warehouses and piggyback on Amazon's supply chain. They have 38 fulfillment centers distributed across the United States, each of which is larger than one million square feet in size. They also have 15 sortation facilities. Some of the output from the fulfillment centers is transported to the sortation facilities. These facilities are similar to what you would see in a FedEx or UPS facility and sort packages down to individual ZIP codes. Then they are delivered to postal service locations for final delivery by USPS trucks (which explain the USPS trucks that go out on Sundays). In this way Amazon has figured out how to bypass traditional last mile delivery services and make use of available capacity within the postal service to get their goods to customers more efficiently and more cost-effectively.

The Changing Last Mile: Speed to market is driving location and modal decisions. Traditional retailers, with department stores and warehouses, are turning their brick and mortar stores into centrally located urban distribution centers. So a customer's online order can be fulfilled the same day out of the department store. This changes the purpose of the asset (the department store building) and repurposes the inventory in the department stores to increase speed to market. As previously mentioned, Amazon lockers are at your Dunkin' Donuts and other places convenient to the customer. In Europe they're looking at potentially positioning lockers at London underground stations and transit hubs. It is a convenient location for customers and a revenue source for the transit system.

Seasonal Surges: The 2013 Holiday Season was a harbinger of emerging trends. According to UPS, more than 70 online retailers promoted guaranteed next-day delivery on purchases made as late as 11:00 pm on December 23rd. The system could not handle the resulting surge. Customers waited to the last minute and even with the additional people brought on (70,000 at Amazon, 85,000 at UPS, 25,000 at FedEx) there were a lot of people who did not get their packages. And while that may not sound like a big disaster, certainly not like any of the natural disasters, if you are a retailer it is a cardinal sin to not get your customer their goods!

Private Sector Response: So in preparation for the 2014 season, everybody ramped up, Amazon moved to the sortation facilities, opened additional distribution centers, booked up their own delivery, and enlisted the US Postal Service. UPS designed, constructed, and made operational a four hundred thousand square foot sorting facility near Alliance Airport. They also created pop up mobile distribution centers and operated at full network capacity beginning the day after Thanksgiving, adding tens of thousands of workers. UPS also implemented measures to manage demand, setting volume limitations and implementing earlier cut off dates. The result of these collective efforts was that everybody got everything they wanted in 2014. The bad news is that UPS took a financial hit because they over prepared - an example of living on the bleeding edge of a trend breaker situation.

Considerations for Freight Planning, Policies, Investments and Forecasting: Consumer demands and retail channels are evolving rapidly. Amazon Prime really did “prime” the consumer to expect either same day or next day delivery. Amazon is now attempting to moderate the impact of this by offering minor incentives for customers to wait longer for delivery. Some of the anticipated effects of the shift toward e-commerce include:

- Fewer retail “sales floor” jobs and more fulfillment center jobs – traditional malls in particular are likely to suffer;
- Retail stores are becoming viewed more as amenities than revenue generators to multi-unit developers (where retail stores are often included at the ground level);
- The number of distribution and fulfillment centers is likely to grow – this applies to both large facilities as well as smaller, urban infill facilities;
- The increasing pressure for speed to market will result in more trucks on the road and more delivery movements – this may be offset somewhat by an increasing number of “locker” locations;
- It is hard to predict just what new technologies will become main stream in the future, but we should keep an eye on drones and 3D printing;
- The private sector is rapidly reshaping itself and it behooves public sector professionals to closely follow these trends to understand (and respond to) their impacts on truck movements and facility types and locations.

Discussion:

- **Q:** With respect to the transition from the distribution centers to fulfillment centers, are they retrofitting distribution centers for that purpose or are they typically building new fulfillment centers?
A: I have seen it happen both ways where there are distribution centers that do both store fulfillment and e-commerce fulfillment, but with some of the larger chains they are creating separate distinctive fulfillment centers for e-commerce.
- **Q:** Can you talk a little bit about how many more employees are in the fulfillment center model compared to the distribution center model as well as the tasks and skill level of those employees?
A: I was at a major retailer’s facility recently. Their building is run by a third-party logistics provider (3PL) and there employed about five people from the retailer as well as about 20 people

from the 3PL. All of the 3PL employees were from an employment agency. The type of work for the 3PL workers was pick and pack, which does not require much training. With respect to skilled labor, supply chain schools and community colleges are graduating people as fast as they can with skills in the areas of computer systems, high tech, and maintenance. There are undergraduate and graduate programs throughout the US as well. This is a growth industry that cannot be off shored. Also, e-commerce facilities typically operate on multiple shifts.

- **Q:** Do you see self-driving trucks having an impact here?
A: Yes. We are already seeing a couple of technology trends with respect to trucking. There are now a variety of firms that operate like Uber for trucking in that they match truck drivers with loads resulting in a reduction in empty mile moves. The general feeling I am getting is that we will see driverless trucks before we see driverless cars.
- **Q:** What kind of impact do you think e-commerce will have on near shoring and the relocation of manufacturing back to North America?
A: E-commerce fits into a manufacturing location diversification pattern that has been going on for some time, especially since Fukushima. The idea is to diversify production locations, not with a goal necessarily to bring the production back to the US, but to diversify your capacities. That could mean the US, or it could mean Mexico. Eastern Europe fills a similar niche in the European context, as Vietnam does for Asia.

Kevin Kurzenoerfer, RelayFoods.com – Local, Sustainable, and Everyday Groceries - Online

Mr. Kurzenoerfer spoke to a PowerPoint presentation about Relay Foods; an online food marketplace focused on providing sustainable and artisanal foods from local farmers and other vendors.

History: In 2010 Relay Foods was a little startup in Charlottesville Virginia with two trucks and 300 square feet of warehouse space. Today the business has scaled out of Charlottesville and has become a regional player in the e-commerce food space.

Who Is Relay Foods? Relay Foods is essentially an online healthy grocery store. We provide local, sustainable, organic, every day groceries to customers from as far north as Baltimore to as far south as Raleigh-Durham and across all major markets in between. Our team sources fresh food from livestock farmers, produce farmers, producers like Ceremony Coffee in DC, Michelle's Granola in Baltimore and many of the folks that work out of Union Kitchen here in town. Relay sources the food, builds orders for customers, delivers them to pick up locations (or directly to homes), and enables people to prepare wonderful meals at home.

How Does It Work?

- **Work-Class Customized Experience:** The process starts with a world class customized user experience over the Internet. We have the best website of any food e-commerce player out there. It is interactive, intelligent, and allows one-click subscriptions. For example, if a customer needs milk every week, three clicks are all that is required. If the customer goes on vacation, another click pauses the deliveries it until return. Our mobile capabilities provide the same experience whether the customer is shopping from a phone or a laptop - it all links together. We build orders, which is very different than what occurs at Amazon where customers build a cart and then go through a checkout experience. Once a customer has ordered once at relay, they are simply adding to an order that will be delivered on the expected date at an expected location. So there is no checkout experience - it is literally adding to an order. We have a development team of six that does all of this.

- Broad Selection and Exclusive Offerings: We have a broad selection of exclusive offerings managed by our central merchandising team. Our catalog ranges from local to organic to conventional to exclusive items you can only buy through Relay. We have an in-house butchery that cuts steaks to order from grass fed beef that can only be bought fresh through us. We have local seafood. We have prepared food. We have a meal planning portal. This function of the business is run by a merchandising team of about 20. They maintain all of the relationships with the local farms. They maintain all of the relationships with the national distributors that we buy from. They update the catalog in innovative ways and place products where customers need them to be in order to be best engaged on the website. They manage the costing and the pricing at placement within the technology that the development team provides.
- Next Day, Multi-Channel Delivery: We are a next day multi-channel delivery business that allows customers in any one of our markets to check out by midnight and receive their grocery order the next business day. Relay has a network of three facilities, Charlottesville, Richmond, and DC. Between midnight and 6:00 am, these facilities work in tandem to pick the product that is needed for the next day and transfer it overnight into fulfillment centers, housed within those facilities. Relay's transport trucks move products between these facilities during the middle of the night. In the morning, day teams receive those products off the transfer and turn them into custom-built grocery orders. They run a milk route to gather hyper-local and perishable products from local producers – items such as fresh bread, chocolates, flowers, etc. These highly perishable and special items get added to orders appropriately. We solve any exceptions in a customer focused and systematic fashion. By 2:00 pm the process of building orders is complete. Trucks are then loaded and fan out from those three fulfillment centers into our geographic map where from 3:00 pm to 7:00 pm customers either come to locations where they have said they want their order to be or for a small fee they can elect to have it brought to their doorstep. Relay runs a network of home delivery vans that deliver orders to customers at their homes.
- Beyond E-Coupons and Online Carts: Relay is an e-commerce player that is beyond e-coupons and online carts. We have customizable weekly meal plans. We have recipe kits. We allow people to take their own recipes, whether it is grandma's lasagna or your favorite recipe from Allrecipes.com, and put it into our system. Relay then spits out the ingredients list with selections that match the individual customer's flavor profile and within a couple of clicks everything needed to create that meal has been ordered. We allow for subscriptions when the customer wants them. We use automated intelligent merchandising so when a customer searches for milk, the options are presented on electronic shelves similar to what is seen within a grocery store. The first shelf might be the local shelf, the next shelf is the organic shelf, the shelf after that is the conventional shelf, etc.
- Revolutionizing Meal Planning: Relay will be revolutionizing meal planning in two weeks with the public release of our meal planning module. This will be really special. While there are meal planners out there that have been very successful (such as Blue Apron and Plated) they don't have the ability to do is what Relay will be doing. E-commerce is great. Shopping online is great. Shopping for groceries online is great. But if you think about the lifecycle of people's habits, the first thing they do when they go grocery shopping is decide what they want to eat. Based on that answer they create shopping lists. Relay has a portal with more than 150 meals and recipes along with the ability for people to add their own recipes, allowing customers to shop meals instead of aisles. Every week Relay will roll out a suggested meal plan based on dietary and other information provided by the customer. Our system is smart enough that when a customer is adding recipes to their cart, Relay will select the ingredients that you need that you've bought before.
- Learning is Measured in Customer Delight: This means that we gather data on everything (which is not any different than other e-commerce players) and make decisions on that data really fast. We can predict when the customer is going to arrive at a location and will have their order ready to go. And we determine this based on their history. We are able to translate that into the tool that

every team member has at their truck so they know exactly what to do before people even show up. We have a customer happiness team that we send to Zappos once a year to train them on the Zappos way. This helps Relay provide a human element to e-commerce food shopping that is unlike anything else. In fact what we know is when people engage with the happiness team they become stickier, higher value customers than the people who don't.

- Growth Across Metro Washington DC: We have around 25 weekly staffed pick up locations as well as 16 private drop spots (which may be apartment buildings, community centers, employers, etc.) where we take all of the orders for that building and drop them off (unstaffed) where people can pick up their orders. Relay also offers 30 home delivery routes in around the area where we are taking groceries to customer's home and helping them load their fridge.

Discussion:

- **Q:** If you are exceedingly successful you will have tons of trucks out on the highways. What sort of plans or alternatives are you considering to prevent the enterprise from breaking down because it just got too big?

A: The truck itself it is a fantastic experience from the customer's perspective, but from a logistics perspective it is simply an expensive box that we take from point A to point B where it sits for four hours before we bring it back. So we are looking at three next steps. The first is what we call a Relay pop-up spot. A truck will be able to service a whole host of Relay pop-up spots. These pop-up spots may or may not be as fancy as a branded tent where we can hold grocery orders. Employees can show up at these spots, "pop" up the Relay pop up spot where the truck will drop off a bunch of orders and then go onto the next one and the next one and the next one. That works well in a place like Charlottesville where regulation allows us to do this. It doesn't necessarily fit as well into the streets of DC where tents are not feasible. So the next thing we are looking at is Relay trailers. This is essentially the box part of the truck without the engine and the chassis attached - we will drop these trailers in key locations and set up a Relay market off the back of them to service customers. Afterwards, the trailer gets closed up, locked, and picked up after-hours. The third phase is a little more complicated and it involves lockers that we can put groceries into. We can then text people codes and locker numbers so they can retrieve their order.

- **Q:** Does Relay own its own trucks or does it use for hire carriers or a combination of both?

A: We own all of our trucks except for four. We buy them low cost (because they only travel 25 miles or so a day) and outfit them. We also lease four trucks from a third party provider. These are the trucks that move goods in middle of the night between the three fulfillment centers. We do this because if one were to breakdown in the middle of the night we don't want to have to deal with solving that. We can pick up the phone and they can come help bail us out and off we go.

- **Q:** What kind of trucks does Relay use for delivery to market versus trucks moving between fulfillment centers in terms of size?

A: The transfer trucks that run in the middle the night are 26 foot box trucks that fall just underneath the requirement for a serious CDL license. Our pickup location trucks are not dissimilar to those box trucks but they are 16 foot and more like a standard U-Haul truck that we have branded and outfitted for our needs. We know that the 26 foot box truck is only going to allow us to grow the business so far. Therefore we paid for five employees to go through CDL training to enable us to use larger trucks when the business requires it.

- **Q:** Do your employees invest in your company?

A: Employees have a cash plus option deal as part of their package. We incentivize employees by paying them partially in options and partially in cash.

- Q: How do local or regional farms get their product to you? Do they have to deliver themselves or do you pick up?
A: We will do it a blend of different ways. We will help pick up where we can. The fresh stuff we really like to control inventory of it so weekend make sure the quality is perfect when it goes out the door and so for lots of the fresh produce farmers in particular we will buy wholesale agreements with them and we will coordinate whether they drop off or we pick up. We certainly have the ability to back haul so if they're in and around DC they can't get it to our DC facility we have refrigeration to hold it until it gets back hauled to our Richmond facility where our fresh side of the business lives and then turn around and go back to the customer.
- Q: There are certain types of food where customers want to look at it and feel it to make sure it's not bruised. Does this result in a pattern as to what people order because people want to be able to check it out in person before purchasing?
A: The fresh side of the business is where we get the biggest question. Frankly I am 100% confident in our ability to take a tomato that you order it online, deliver it to you, and have you be either blown away about that tomato or blown away around the experience we will give you if you're not happy with that tomato. We will refund you for that tomato and we will give you a coupon to buy more tomatoes the next time. What we have found is that the fresh side of our business sells more than the grocery side of our business. People come to us for fresh and local produce, meats, and seafood. From an operational standpoint we inspect our fresh food multiple times. For example, we order the tomato, when the case of tomatoes comes in we inspect that case and shelve it. That is touch point and inspection number one. When orders come through for those tomatoes, we have a team that inspects and picks them. Touch point number two. Those tomatoes then get transferred to fulfillment centers where they are again inspected - which is touch point number three. Each fulfillment center has a produce buildout team that touches that tomato and adds it to the other elements of the order and they also inspect it, which is touch point number four. It gets put into the order, put onto a pick up location truck, and driven to a location. When the customer comes and picks up that tomato, touch point number five occurs when our associate goes through the order with the customer.
- Q: What has been your level of annual growth?
A: In 2010 we had two trucks in the fleet. They were in Charlottesville and they ran three days a week in and around Charlottesville. Today we run 48 trucks six days a week Monday through Saturday in the markets that go as far north as Baltimore and as far south as Raleigh-Durham and everywhere in between.
- Q: How do you deliver local goods during times of year when not much in the way of fresh produce is coming out of fields around here?
A: The local seasonality is tough to manage. We are as local as we can be for as long as the season and the infrastructure will allow. Certainly the availability of local produce fluctuates. In the off seasons we work with hydroponic farms to buy local. But we also buy organic and conventional. So our catalog always has a conventional option again and the local option with the local option fluctuating based on seasonality.
- Q: How do local farmers get in touch with you if they're interested in being part of the relay family?
A: The best way is to email happiness@relayfoods.com. We have a single person who works with all of the local farms. This person owns a farm in Nelson County, VA and she manages all of the local farm relationships from a merchandising standpoint. She will help decide which farms are good for which category of products. Once that relationship is established she will hand

it off to our buying team who will issue weekly orders around the products that we have agreed to carry in the catalog.

- Q: Are the trucks refrigerated?
A: We have done our homework on this issue. The four transfer trucks are refrigerated. The other ones are non-refrigerated dry box trucks. Every grocery item goes into a tote. We have worked with a pharmaceutical supply company to have liners built for these totes. These liners are the same as those used to ship drugs all across the country. We put some ice packs in the bottom of them, seal it, and they hold temperature amazingly well – for up to a day.
- Q: Do you find your customers are still going to grocery store to get other things?
A: The data indicates yes. The basket size data indicates that we are beginning to solve that. Our basket size over the last six months has grown from \$50 per customer ordering once every four weeks to about \$87 per customer ordering out every 2.7 weeks. So frequency is increasing and basket size is going up and people are getting more comfortable with it.
- Q: It appears that most of your customers are concentrated inside the Capital Beltway. Have you made efforts to reach places beyond the beltway?
A: It is limited by a few factors. First is our ability to roll out trucks. We are beginning to ship to more locations away from the District and leverage home delivery more within the District.
- Q: What about your competition - can you talk about them?
A: They are great on the one hand. Every competitor, whether it is Instacart, Peapod, or Amazon for Whole Foods, doing this is helping to drive people to move from brick-and-mortar stores to e-commerce. So every player that comes in and is successful at this is great for Relay. Instacart is amazing. They have beaten us on speed of service. You can get on your phone you can order groceries online you can pay a three dollar and a nine cents delivery charge and an hour later they are brought to your door. We can't do that at Relay. But we are not interested in doing that because it is not sustainable. What they don't tell you is that the banana that you bought off Instacart costs 25% more than if you bought it in the store. They also are not able to provide any added value to the supply chain with their model, unlike Relay.
- Q: How do you see yourself working with people who subscribe to CSA's?
A: If one of our farm partners wants to offer a CSA through our team, we will look at that. We have sold CSAs through our platform and made it available to our customers. We also have the ability to combine different farms from the DC area into a single CSA. For example, if one farm specializes in lettuce and another in tomatoes we help them to leverage each other. We call this our relay bounty box. The relay bounty box offered in DC is focused around DC farmers whereas the one in North Carolina is focused around North Carolina farmers. We have the ability to sell CSAs if that is what the farm would like, or take farms that may want to do that but don't have the resources and put them into our own box that is specialized for the market around it.
- Q: Do you see an increase in the agricultural output of the region due to your model?
A: We already work with farms to help them think through their business plan. There are some farms that we have outgrown their ability to keep up. We try to make sure they are not hurt by that. For example, if they can only produce so many heads of lettuce, we will make sure to only make that limited number available from their farm. We might keep them local to DC and not take their product to North Carolina. Simultaneously if they want to grow their business and take their Maryland lettuce down to North Carolina, we have the ability to do that. We sit down with farmers in the off-season and help them do forecast planning, acreage planning, and seed purchasing planning. We help them think through how they can run their business without having

to rely on the farmer's market. Farmer's markets are great, but they also take farmers away from farming. We help them think through how to run their farm like a business.

- Q: Is Relay looking into expanding into the commercial side at all?

A: We are. One of the things we are looking at right now is business-to-business relationships. Our site currently requires somebody to have a credit card, which is great for retail customers. Businesses want invoice planning. We are just beginning to roll this out with a focus on businesses that have commissary kitchens or snack bars. After that we will probably open it up to schools that want to buy for their lunchroom. There is a whole B2B network that can be leveraged here. We will be careful so we don't extend terms too much or stretch our resources too far, but we definitely have plans for rolling this out.

Jon Schermann, Metropolitan Washington Council of Governments – Review of Freight Plan Draft Materials

Mr. Schermann provided an overview of the draft National Capital Region Freight Plan materials focusing on the Freight Analysis Framework analysis results. Key results include:

- The top commodity hauled in the region by weight is *Gravel and Crushed Stone*;
- The top commodity by weight is *Electronic and Other Electrical Equipment*;
- Trucks haul the majority of commodities by weight with the exception of *Coal*, which is primarily hauled by rail, and *Other Petroleum Products* which are primarily transported by pipeline;
- Inbound freight exceeds outbound freight, by both weight and volume, by a factor of 2.5 to 1.0.

Roundtable Updates

Ms. Richards of DDOT reports that the payment requirement for the DC loading zones is now in effect. Truckers can get an annual permit, a day pass, or they can pay by cell. The District is also ramping up the off-hours delivery program. An initial survey has been conducted but there were not many respondents so we are continuing to do outreach to identify participants.

Debbie Bowden of MDOT reports that the Strategic Goods Movement Plan is in final review stages. MDOT is also working with MPO's and other state agencies to develop a freight data repository. There will be a workshop to develop an GIS-based interface for that. Also, the I-95 corridor coalition is holding a significant events conference on May 12th and 13th at the Maritime Institute in Linthicum Heights. We are looking for all levels of agency participation to talk about significant events and response. If you're interested in that reach out to me and I can provide you with more information.

Chip Millard of FHWA notes that the March Talking Freight webinar will be next Wednesday from 1:00 to 2:30 PM. It will be focused on the Maritime Administration's Strong Ports program. Representatives from the Hampton Roads TPO and the Port of Virginia will be presenting.

Next Meeting: May 7, COG Room 1
Topic: Truck Safety