

# NARC FREIGHT SUMMIT

## “Demographics of Freight Growth”

Corpus Christi, TX  
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# Demographics of Freight Growth

300,000,000

400,000,000



# Transportation Facts

- People Make Transportation Choices for Their Personal Trips
- People Expect Freight To Be There



# FOLLOW THAT... COFFEE

*An intermodal adventure  
with a delicious ending!*



## PART I

*Compliments of:*

**CAGTC**

Coalition for America's  
Gateways & Trade Corridors  
[www.tradecorridors.org](http://www.tradecorridors.org)

Departure Point:  
SANTOS PORT IN SAO PAULO, BRAZIL

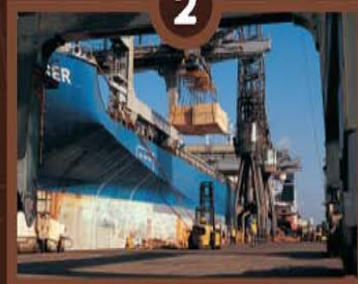


1

Containers of coffee beans are loaded  
onto SHIPS for United States delivery.



2



U.S. Port Facility

3



The coffee beans are picked up by TRUCK.

4



Then transferred to RAIL.

5



U.S. Distribution Center

Final Destination:  
STARBUCKS® CAFE - WASHINGTON, DC



6

The beans are again picked up by TRUCK  
and brought to local cafes, coffee houses  
and supermarkets, like those on Capitol Hill.

.....  
**Intermodal freight infrastructure  
and goods movement must be  
adequately funded through the  
transportation reauthorization bill!**  
.....

**Don't Forget Freight!**



Have a cup of coffee and  
remember the essential and  
multi-modal freight transportation  
system that brought it!

7

# FOLLOW THAT... SHARPIE®

An informal adventure  
with a permanently  
marked marker!



## PART VII

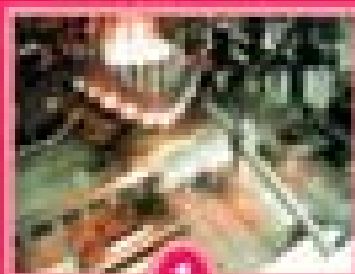
Completion of

### SHARPIE

CONSTRUCTION OF THE  
NATIONAL TRANSPORTATION  
INFRASTRUCTURE  
PROGRAM

September 2010 to present

## Breakfast Point PRODUCTION FACTORY



1

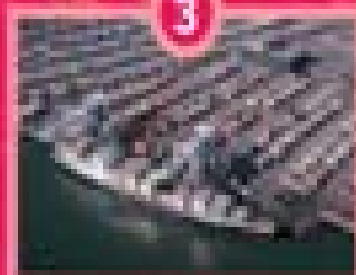


The Sharpie® are picked up by IRTD.

2



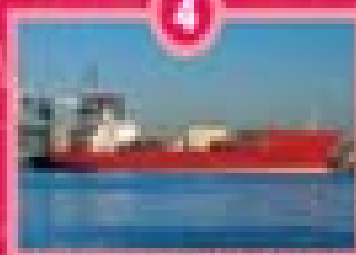
The Sharpie® are carried by BNSF.



3

U.S. Port Facility

4



The Sharpie® are loaded on IRTD.

5



The Sharpie® are picked up by IRTD and  
brought to distribution warehouses.

## Final Destination: AUSTRALIA



6

The Sharpie® are sent to distribution  
centers throughout the world.

Intermodal freight infrastructure  
and goods movement must be  
adequately funded through the  
transportation reauthorization bill.

## Don't Forget Freight!

### Write this down:

"I will commit at least  
12 billion annually to  
fund our intermodal and  
multi-modal freight  
transportation system!"

7



# Transportation Trends

- Imports and exports are doubling every 10 years
- The volume of freight moved on our infrastructure is expected to increase from 15 to 25 billion tons, worth about \$30 trillion vs today's \$9 trillion
- Freight traffic within the U.S. borders will increase 100%
- Foreign trade moving through American ports is expected to increase by 187%
- Containerized cargo will experience an explosive 350% increase
- Trucks are expected to move more than 75% more tons of freight
- Rail is anticipated to carry 888 million tons of goods, a 44% increase



# Is This A Transportation Tsunami?

- According to John Vickerman, that's just what it is
- Expect that 75 percent of the 16 major ports in the U.S. will have significant capacity problems by 2010.
- Ports are spending a record \$10.5 billion in the next 5 years—and they are falling behind



# What are other Current Signs?

- Transport System Had been Adding to National Productivity
- Share of GDP devoted to Transport and Logistics
  - Fell from 16.2% in 1981 to 8.8% in 2004
  - Rose from 8.8% in 2004 to 9.5% in 2005
- Is This What We Have to Look Forward To ?



# Are There Steps We Can Be Taking?

- Yes–

- Nationally
- And Regionally



# National Steps

- SAFETEA-LU Enactment
  - First of its Kind
  - \$4 billion in Freight Programs
- Administration Initiatives
  - Congestion Program





## **Congestion Initiative**

### *STRONG FREIGHT FOCUS*

- Scope – 1) Highway congestion and 2) Aviation Congestion
- Responding in part to U.S. business cry for help
- Six Point Plan:
  1. Relieve Urban Congestion
  2. Unleash private sector investment resources
  3. Promote operational and technological improvements
  4. Establish a “Corridors of the Future” competition
  5. Target major freight bottlenecks and expand freight policy outreach
  6. Accelerate major aviation capacity projects and provide a future funding framework

*ALL OF WHICH IS GREAT, BUT THERE'S NO \$\$\$\$\$\$*



# Regional Responses

- First, We Need to Define our Regions
  - Puget Sound is the Port of Chicago
  - Chicago is the Rail Hub for the Northeast
- Something That's Everyone's Problem Become's No One's Issue
- Where Do We Look For Solutions?
- What Are Our Tools?



# Tools For Response

- SAFETEA–LU Emphasis on Understanding Freight
  - State and MPO Level Freight Plans
  - Steps for Professional Development
  - Cooperative Research Program



# Tools for Response

- Investments Needed—but of a different nature
  - Private Sector Role
  - Mix of Private and Public Benefits
  - Unlike the Traditional Transport Programs
- Scale and Scope Differences
  - Alameda Corridor vs. Last Mile Road



# Money Will Be The Issue

- What We've Done So Far is only a Downpayment
  - U.S.Chamber 2005 Report Estimates annual shortfall of \$42 below cost to “maintain” and \$91 below amount to “improve”
  - Translates to a ten year gap of nearly \$1 trillion.



# Commission Established

- SAFETEA–LU constrained by existing resources
- Policy Response to Create a National Commission
- Now in the Fact Gathering Stage
- Seeking a National Vision



# Freight Trust Fund

CAGTC

Coalition for America's  
Gateways & Trade Corridors

- Goal:
  - Recognize the Critical Need
  - Build on the Projects of National and Regional Significance program established in SAFETEA-LU.
  - Bring New Resources to the Table



# Freight Trust Fund

- The Mass Transit Account and even the Interstate Highway System are examples of similar program and funding decisions.
- A dedicated freight trust fund with objective allocation criteria can ensure that critical goods movement projects are funded to completion to keep America's goods and economy moving through 2020 and beyond.



# Freight Trust Fund

- **Show Me The Money!**
  - Many sources possible: highway fees, tolls, customs receipts, cargo fees, waybill taxes
  - Should be responsive to growth
  - Should be dedicated to investment
  - Should support sound projects



- Questions?

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