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# Transport Topics

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## Opinion

### Leveraging the Freight Network

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The candidates competing in the 2008 election have their pick of issues on which to focus. The big dialogue about war, peace and homeland security is now supplemented by discussion and debate about trade, energy and the economy. Conspicuously absent from the conversation, however, is any mention of an issue that cuts across all the aforementioned concerns.

With less than a year until the presidential election — and dozens of debates behind us — a discussion on a sound national transportation policy still has not been highlighted. If the Interstate 35 bridge had not collapsed in Minneapolis in August 2007, transportation infrastructure might not have been newsworthy at all for most Americans.

Infrastructure's essential role in economic growth and national defense is well-documented throughout most of our history. The federal government has supported the development of roads, railroads, inland waterways and air-

ports. Today, however, we find ourselves trying to manage a transportation system with dysfunctional policy and funding mechanisms.

Transportation is an asset-based network operating business. The once-in-an-eternity infrastructure surplus created by regulation has been exhausted. In 2009, we will face a surface transportation reauthorization cycle. Hence, this past summer we sought answers on freight transportation policy and funding from our industry's leaders in a series of one-on-one interviews.

The theme that emerged was clear: "Freight is talking, but the federal government isn't listening." There was a consensus that "politics" was the major problem facing the transportation system and that the

6,000 earmarks for \$23 billion in SAFETEA-LU — 2005's Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users — were only the tip of the iceberg. Freight today is national, continental and increasingly international in nature.

The current policy model — relying on state and local initiatives to direct a national network — is insufficient.

Political leadership lacks the understanding to garner an accurate assessment of the problem's severity. Modal "silos," such as truck, rail and water, are further degraded by policy silos, such as trade, energy and environment, and by a failure to develop a national transportation policy.



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Based on our research, we have outlined a 10-step program enabling intermodal transportation to leverage other freight network initiatives and maximize overall value for the entire network, not just a single mode or special interest:

■ We must reinforce the importance of intermodal connectors — the short, but essential, links that interconnect the freight transportation system. These connectors have been orphaned in the current finance and planning process.

■ We must broaden the definition of intermodal connectors. These connectors represent less than 1% of the National Highway System mileage, yet they are disproportionately relied upon as key conduits for the timely and reliable delivery of goods.

■ We must solve the “outside the gate” problem. There is a demonstrable supply of investment capital for marine terminals and port infrastructure, but the connectors “outside the gate” also must be reinforced for a 24/7 supply chain to extend throughout the entire system.

■ We must acknowledge the federal role in freight infrastructure. Because the system is a network, it must be planned and operated as such. A new political process for the selection and prioritization of infrastructure projects (somewhat along the lines of the U.S. Defense Department’s “Base Realignment and Closure” process) may be necessary.

■ The Highway Trust Fund should remain the primary funding mechanism because it works. To replace the fund would require a better mechanism on which parties would likely never agree. Also, the fuel tax should be increased and indexed to inflation.

■ We must maintain the Highway Trust Fund firewall. Other trust funds, such as the Harbor Maintenance Tax, have had user fees collected but not deployed.

■ We must understand the interrelationships among transportation, energy and the environment. No policy should be made in a vacuum.

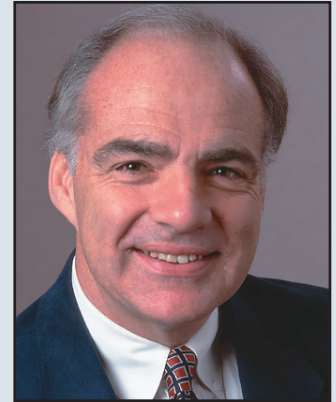
■ We propose an intermodal facility charge to be assessed on all freight movements transiting modes. This charge would ensure that “orphaned” connectors could access a reliable source of funding independent of individual modes, yet supported by intermodal users.

■ We must change intermodal thinking from end-to-end to side-to-side. Rather than thinking in door-to-door terms, we

must think about capacity for both freight and passengers at the same time.

■ We should conduct a meaningful short-sea shipping pilot program to determine whether a waiver of the Jones Merchant Marine Act of 1920, which provides concessions to local vessels by restricting ports and waterway usage by vessels with foreign registration, would attract new players to the market.

We believe an intermodal focus provides the catalyst for this common vision because it leverages the strengths of every mode. Our nation has reached an inflection point: Advantages unleashed by deregulation have been consumed, and the federal government appears not to be taking the lead in the development of necessary infrastructure. The freight industry must put aside past differences and unite behind a vision of the future that produces meaningful benefits not only for the modes and the individual companies within them, but for the entire nation.



**Finkbiner**



**Prince**

*The Intermodal Transportation Institute at the University of Denver offers a program for transportation professionals and public-sector administrators leading to a master of science in intermodal transportation management.*