

Hotline

Trucking's Most Respected Business Report

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Trucking
DELIVERING THE WORLD OF TRUCKS

A World Gone Global

While the 19th century provided great strides in transportation with the development of an intercontinental railroad system, and the 20th century produced a grand achievement in the form of the Interstate Highway System, 21st century leaders have virtually ignored the impact of a global economy on our nation's transportation infrastructure.

That's the message of Gilbert Carmichael, founding chairman of the board of directors for the Intermodal Transportation Institute at the University of Denver.

"Unfortunately, government has decided to ignore the realities and conduct business as usual," Carmichael said to attendees at a conference named in his honor and sponsored by the National Corridors Initiative earlier this year. "Ethanol, they say, is the 'magic bullet.' I would argue that this is a questionable strategy at best in terms of economics, energy supply and environmental impact.

"The same thing is true of the new 'blue-ribbon study commission,' which proposes a gas tax increase of up to 40 cents to restore our crumbling highways to their previous condition. Neither of these solutions addresses the increasing problem of freight and passenger traffic congestion that is stifling our economy today."

Carmichael suggests that a better solution for 21st century transportation problems lies in intermodal transportation. We asked him for more details about his vision.



GIL CARMICHAEL

The DOT has a single-mode mindset, with little thought given to the new world we live in.

Deborah Lockridge • Senior Managing Editor

Q: *How has the business of moving freight changed since the Interstate Highway System was first developed?*

A: Fifty years ago, the United States embarked upon building an ambitious Interstate Highway System. We constructed 46,000 miles of grade-separated four-lane routes, and paid for it largely with a federal and state fuel tax. This national highway system catered greatly to our increasingly mobile population of 152 million, provided greater capacity for the movement of freight and contributed to our economic growth.

The price of gas back then was 29 cents a gallon.

Today, with a U.S. population of 300 million people and rapidly increasing globalization, consumer demand and logistics requirements have increased dramatically. We live in a world gone global. However, with our continuing dependency on foreign oil, gas and diesel fuel is closing in on \$4 a gallon and crude continues to hover over \$100 a barrel. We have gone from a cheap fuel era to one of volatile fuel pricing; and in re-pricing fuel, we are reshaping our world.

With the evolution of globalization comes the intermodal container movement of goods and vastly expanded supply chains. Yet the nation's ocean carriers, railroads and truckers are being asked by their customers to provide near-seamless distribution of goods to meet economic demands in what is now a maxed-out, congested transportation infrastructure. It has become clear that we cannot solve the transportation needs of the 21st century by just throwing more money at a highway system that cannot solve the nation's capacity needs in this new global business environment – especially if our population increases by another 100 million by mid-century,

Q: *What do you believe should be done?*

A: We must build a much more service- and cost-efficient freight delivery network than our existing interstate system provides. This new system would link all modes of freight transportation into an efficient, interconnected



system that is focused on the speed, safety, reliable scheduling and economic efficiency of our nation's railroads. I call this new type of transportation system "Interstate II" – and we need it build early in this century!

The concept of Interstate II was first introduced in the 1990s. In this type

of intermodal transportation system, we would capitalize on the nation's vast railroad rights of way for its huge untapped capacity, fuel efficiency and decreased operating expenses, while helping the trucking industry offset stress caused by volatile fuel prices, rising insurance, congestion, labor rates, and driver shortages. Truckers will continue to do what they do best, and should be more profitable.

The best way to upgrade our nation's freight and passenger transportation system is to build or upgrade about 30,000 miles of freight corridors capable of train speeds in excess of 90 mph, double/triple track them, with grade separations, and equip them with GPS systems. This network could then be augmented by as much as 10,000 miles of conventional routings. Inland intermodal yards and modal connections at the nation's major ports would be required. This would reduce stress on the interstate system and create a much more ethical transportation system for the 21st century.

Such an intermodal transportation system will throw off our old ways of thinking modally and build upon the strengths and versatility of each mode to move cargo and passengers, which will provide a seamless and more ethical transportation network between all our major cities and beyond as global trade continues to increase.

Q: *What needs to happen for the Interstate II concept to become a reality?*

A: There is growing movement toward new inland port multi-modal transportation facilities, where truck, rail and distribution structures are all planned together. Unfortunately, the development of these "intermodal logistics parks" is primarily being done by the nation's

private sector, which has limited funds. These modern, highly efficient, high-capacity intermodal yards are the key to Interstate II, providing the seamless interchanges between modes.

While the technology exists to upgrade the nation's infrastructure to make all modes interconnected, unfortunately, much of the national discourse is falling on deaf ears in Washington, D.C., and the state capitals don't understand this new science.

The U.S. Department of Transportation and most state DOTs still have a single-mode mindset with little thought given to the new world we live in. Yet, estimates indicate that with increasing population and consumer consumption – much of it products moving to and from Asia – the next 20 years will generate a 50-percent increase in transportation activity. There is no way our existing highway system can sustain that kind of growth by itself, even if we repair it.

A thoughtful new national transportation policy is needed that would work toward better utilizing existing

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*Gil Carmichael
Intermodal Transportation Institute
University of Denver*

technologies and connect all of our transportation modes. One method of financing such an undertaking would be to establish an intermodal trust fund that is based upon a distance tax – miles traveled. This system would involve installing a metered tracking device on all vehicles that will enable transportation authorities to bill users for miles traveled over a given period of time.

Whether policy-makers would endorse this approach remains to be seen; but it is long past time we realize the need for funding an intermodal transportation system in the U.S. and stop thinking of modes in isolation as we have for 50 years.

This kind of innovative thinking requires an understanding that our traditional funding that built Interstate I has served its purpose and an acknowledgment that we need to blur the lines between modes in the best interests of our nation if we are to produce the transportation system we must have for this century.



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