

ITI'S GIL CARMICHAEL SAYS "ETHICAL" 21ST CENTURY HIGH-SPEED RAIL TRANSPORTATION SYSTEM 2.0 IS NEEDED NOW

- Ambitious High-speed Freight and Passenger Rail-based Transportation Infrastructure Program Required -

DENVER, CO, June 3, 2009 – Gil Carmichael, Founding Chairman of the Board of Directors of the Intermodal Transportation Institute (ITI) at the University of Denver, told a group of transportation industry, academics, and government leaders at the National Transportation Infrastructure & Regulatory Policy Forum, held at the University of Denver, in Denver, Colorado, that an "ethical" high-speed rail-based intermodal transportation system must be implemented -- and soon.

"Like President Obama, a growing number of American people have a vision of a high-speed rail, intercity passenger transportation infrastructure system in the U.S.," said Carmichael. "It is a logical and necessary next step forward from President Eisenhower's Interstate Highway System of the 1950s; but proponents have long had a hard time being heard until recently."

To illustrate where we have been coming from as a nation, Carmichael pointed to several critical events that occurred during the past four decades. "Many of us remember October 1973, when the Arab oil embargo took place and created our first energy crisis," he said. "Long waiting lines at service stations formed and many stations turned off their lights on the Interstate. They were out of gas! Americans woke up and realized that we had built a mobility system on a finite fossil fuel. By 1974, I remember people abandoning their 4,000-pound, eight-cylinder, six-MPG Buicks and lining up to buy a VW rabbit diesel. We started to 'think small' and solar and wind energies were being discussed. But by the late 1970s we were seemingly discovering oil under every polar bear in the Arctic. The price of a barrel of oil then went from \$35 back down to \$9-\$12 a gallon, and by the middle 1980s we were once again well on our way to preferring gas-guzzling muscle cars, SUV's, 400HP V8's, and \$70,000 trucks! Fat City was the way to go until last year. Furthermore, research shows the U.S. had an unwritten transportation policy that declared we wanted 'cheap fossil fuel.' Virtually any political figure who even talked about raising the gas tax was doomed to failure."

So, Carmichael posited, where are we today with our 21st century global economy? The truly big energy crisis has occurred. Oil rose to \$140.00 plus per barrel. Gasoline/diesel went to \$5.00 per gallon. Oil is down now to about \$60.00 per barrel, as are gas-per-gallon prices; but our airlines are clobbered by high fuel prices; our Big Three car manufactures are shattered; and our economy is on some sort of life support. It is quite possible that gas, diesel, and jet fuel prices will go back up in the near future as long as we are held hostage by our dependence on foreign oil and unpredictable supplies, consumer demand, and fluctuating prices. Congress cannot keep prices reduced by legislation. Global economic chaos would result if just one major oil producing nation has some sort of calamity.

"We can no longer afford the lavishness of the past. As soon as possible, this nation has got to radically change the way people and freight move in order to avoid long-term economic decline," said Carmichael. "One need only look at our demographics and our growing population density. When I was 30, there were 130 million people in the U.S. By 2040, there will be 400 million. North America will have a population of well over a one-half billion people! We are finishing the first decade of this new century and the old order of 'doing business as usual' is not working. It will not be able to correct itself. Like China, we must think more wisely."

Carmichael looked at where we are headed with our transportation infrastructure. "What is the biggest public-works project this century that can ensure U.S. prosperity?" he asked. "Last century it was building Interstate I -- 43,000 miles of grade-separated, four-lane highways. It served millions of cars and trucks and thousands of busy, small airports and commuter airplanes, feeding into huge hub airports with large passenger planes going long distances to big cities. The airlines in the 1970s and 1980s expanded, in part, with jet fuel prices at about 40-60 cents per gallon, with no tax. Western man built a huge transportation system on this cheap oil; it employed millions of people and we all prospered. But that is all over in 2009!"

"So what do we do now?" asked Carmichael. "What major public-works project can we implement this century that will help keep our 400 million people working, will produce a prosperous economy, and will build a long-lasting, sustainable transportation system? My answer is we build 'Interstate 2.0'. I initially said it should be 20,000 miles of high-speed rail. It really should be 30,000 miles and use the huge, wide, existing -- and paid for -- rail Rights of Way in partnership with the private freight railroads and the states. We should give the private railroads their 25% investment tax credit to encourage them to upgrade and double- and triple-track their main lines to increase speeds and double freight capacity. States should build or lease high-speed track on their ROWs to run new, modern, intermodal freight and passenger trains. These high-speed tracks should be grade separated just as were the Interstate Highways. Our objective is to enable Amtrak and its partners to run frequent and safe 110-125 MPH passenger trains. We have the technology with GPS/PTC to do this with a high degree of safety. It will cut highway fatalities at least 50% and drastically reduce the wear and tear and cost of maintaining the highways."

"So intermodal and high-speed passenger rail visionaries have finally been heard by a young, new President who produced \$14.3 billion to be spent on high-speed rail corridors in the next five years to begin Phase I of this century's most important infrastructure program. This huge work program puts America on the way to creating an 'ethical' intermodal freight and passenger transportation network. We can electrify it by mid-century. It will then truly be an 'ethical, sustainable' system. President Obama will be the 21st century's 'Eisenhower' because he will have created 'Interstate 2.0,' a high-speed rail network reconnecting our center cities, major airports, and ports -- recapturing the vital role of the intercity bus and transit industries."

In explanation, Carmichael defined an *ethical transportation system as one that 1) does not injure or kill 2) does not pollute and is environmentally benign 3) does not waste fuel and 4) does not cost too much. It uses the strengths of each mode.* "We must build a 21st century intermodal transportation system using the 'steel wheel and steel rail' as the

fundamental element of this system. Early in this century we can electrify all of North American rail, providing a new source of energy for our transportation system," he said.

"We have started," summarized Carmichael. "This is Phase I --\$14.3 billion of funding and 13 federally designated, high-speed rail corridors. Amtrak has crossed the Rubicon. It now needs to put out an RFP for 150 new trains sets. It will show the American people that a truly interconnected intermodal transportation system is coming. By using our existing freight rail ROWs and not destroying more green fields, we can actually have a much better transportation system than Europe. It is an exciting new era that we are entering."

Editors' Note: Photo and full speech available upon request.

About ITI

The Intermodal Transportation Institute at the University of Denver offers an Executive Masters Program that awards a Master of Science in Intermodal Transportation Management from the University of Denver. This graduate degree program prepares transportation industry managers for the increasingly complex, global business environment where knowledge of finance, quantitative processes, supply chain, law, and public policy issues as well as freight, passenger, and intermodal transportation operational strategies are critical management tools for success. For more information on the ITI Executive Masters Program call: 303-871-4702 or visit: www.du.edu/transportation.

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