

MAY 2008

# INSIDE



**M**ike Tramontina, director of the Iowa Department of Economic Development (IDED), is a glass-half-full kind of guy. At the recent Moving Iowa Forward Conference co-sponsored by IDED and the Iowa DOT, Tramontina painted a picture of booming freight movement through the state in the next few decades with the upswing in ethanol and wind energy. He quoted statistics from the Federal Highway Administration that suggest a 50 percent increase in freight movement on highways by 2025, not to mention double-digit increases in barge and rail freight. That's great news for freight shippers attending the conference.

When DOT Director Nancy Richardson took the stage, she commented that her message was a little on the "glass-half-empty" side in discussing the issues of deteriorating infrastructure and rising construction costs. Richardson used a myriad of statistics to bring home the point that transportation usage in all modes is far outpacing the infrastructure investments being made.

Richardson's assessment of the state's transportation system challenges were echoed by Matt Rose, chairman, president and chief executive officer of the Burlington Northern Santa Fe (BNSF) Corporation and member of the National Surface Transportation Policy and Revenue Study Commission. Rose spoke of our national transportation system as "living off our past, not contributing to our future." He explained that current transportation usage is catching up to previous investments in transportation infrastructure, creating a supply chain inefficiency. He cited a 39 percent decrease in rail miles over the last 20 years. Highway miles have increased only 7 percent since 1988, but vehicle miles traveled (VMT) are up nationally by 96 percent. Ports have seen a 400 percent increase in freight shipments over the same period.

## Is the glass half-full or half-empty?



*The Des Moines Marriott ballroom held more than 200 people for a day of discussions on the future of freight shipments in Iowa and the nation at the 2008 Moving Iowa Forward Conference.*

Rose said the National Surface Transportation Policy and Revenue Study Commission's final report focused on three "Rs" – refocus, rebuild and revenue. The Commission concluded that the federal surface transportation program should not be reauthorized in its current form. Instead, the nation should make a new beginning, developing a national program to include these 10 areas.

- Rebuilding America: A National Asset Management Program
- Freight Transportation: A Program to Enhance U.S. Global Competitiveness
- Congestion Relief: A Program for Improved Metropolitan Mobility
- Saving Lives: A National Safe Mobility Program
- Connecting America: A National Access Program for Smaller Cities and Rural Areas
- Intercity Passenger Rail: A Program to Serve High-Growth Corridors by Rail
- Environmental Stewardship: Transportation Investment Program to Support a Healthy Environment
- Energy Security: A Program to Accelerate the Development of Environmentally Friendly Replacement Fuels

- Federal Lands: A Program for Providing Public Access
- Research, Development and Technology: A Coherent Transportation Research Program for the Nation

These recommendations would radically change the way transportation is programmed and funded in the United States, shifting all transportation functions into one of 10 programs, as opposed to the hundreds of programs now in place in the Federal Highway Administration, Federal Rail Administration and several other federal agencies. While three of the commissioners, including U.S. Department of Transportation Secretary Mary Peters, did not sign off on the commission's report, nine others did. To read the Commission's findings, go to [http://www.transportationfortomorrow.org/final\\_report/](http://www.transportationfortomorrow.org/final_report/).

The remainder of the conference focused on the shared experiences of shippers from all modes and the notion that trucks and rail, barge and air shippers will all need to work together to meet the needs of customers.

At the end of the day, attendees agreed that while the challenges are daunting, the conference provided an opportunity to network and discuss options that can be explored across all modes.