

Highway Freight Bottom Line Report

Progress Report

presented to

AASHTO Standing Committee on Highway Transport

presented by

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Freight Bottom Line Report Series

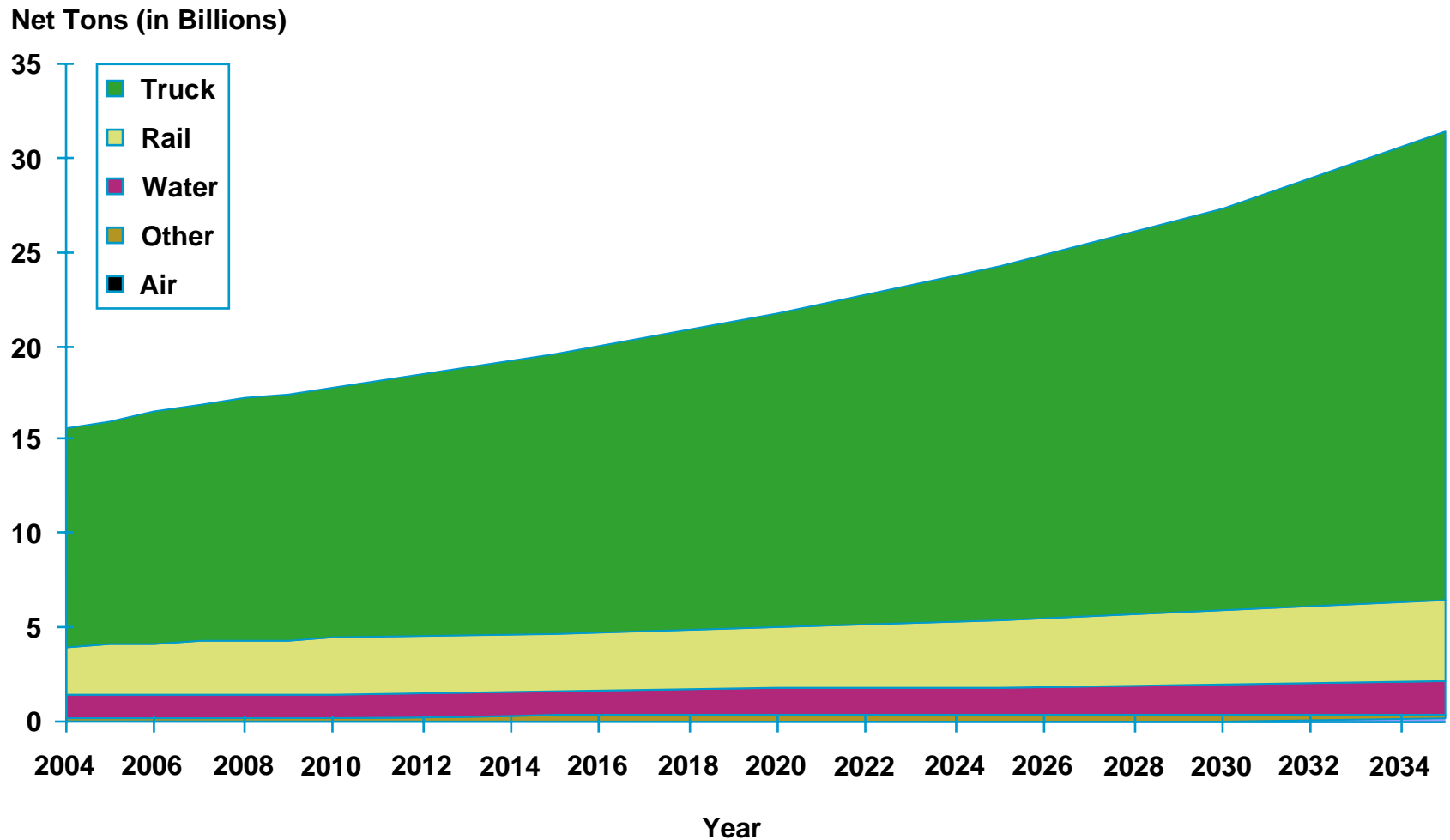
- **Freight Demand and Logistics**
- **Highway Freight**
- **Rail Freight**
- **Water Freight**
- **Freight Bottom Line**

Organization of the Reports

- **Why do we care about the freight system?**
- **What is the highway/rail/water freight system?**
- **Where is it going?**
- **What are the issues and opportunities?**
- **What should we do?**
 - **Policy options?**
 - **Technical recommendations?**

Where is freight demand going?

Freight Tonnage Forecast by Mode, 2004-2035



Source: Global Insight, Inc. Transearch (2004 base year), preliminary estimates.

Where is freight demand going?

Freight Ton-Miles Forecast by Mode, 2004-2035

Freight Ton-Miles	2005	2015	2025	2035
Air, truck, rail, and water	16.1 Billion	19.6 Billion	24.2 Billion	31.4 Billion
Growth from 2005		22%	51%	96%

Modal Shares of Ton-Miles	2005	2015	2025	2035
Air	0.2%	0.2%	0.3%	0.3%
Water	8.1%	7.4%	6.6%	5.6%
Rail	36.4%	35.4%	34.2%	32.1%
Truck	55.3%	57.0%	59.0%	62.0%
Total	100.0%	100.0%	100.0%	100.0%

Source: Global Insight, Inc. Transearch (2004 base year), preliminary estimates.

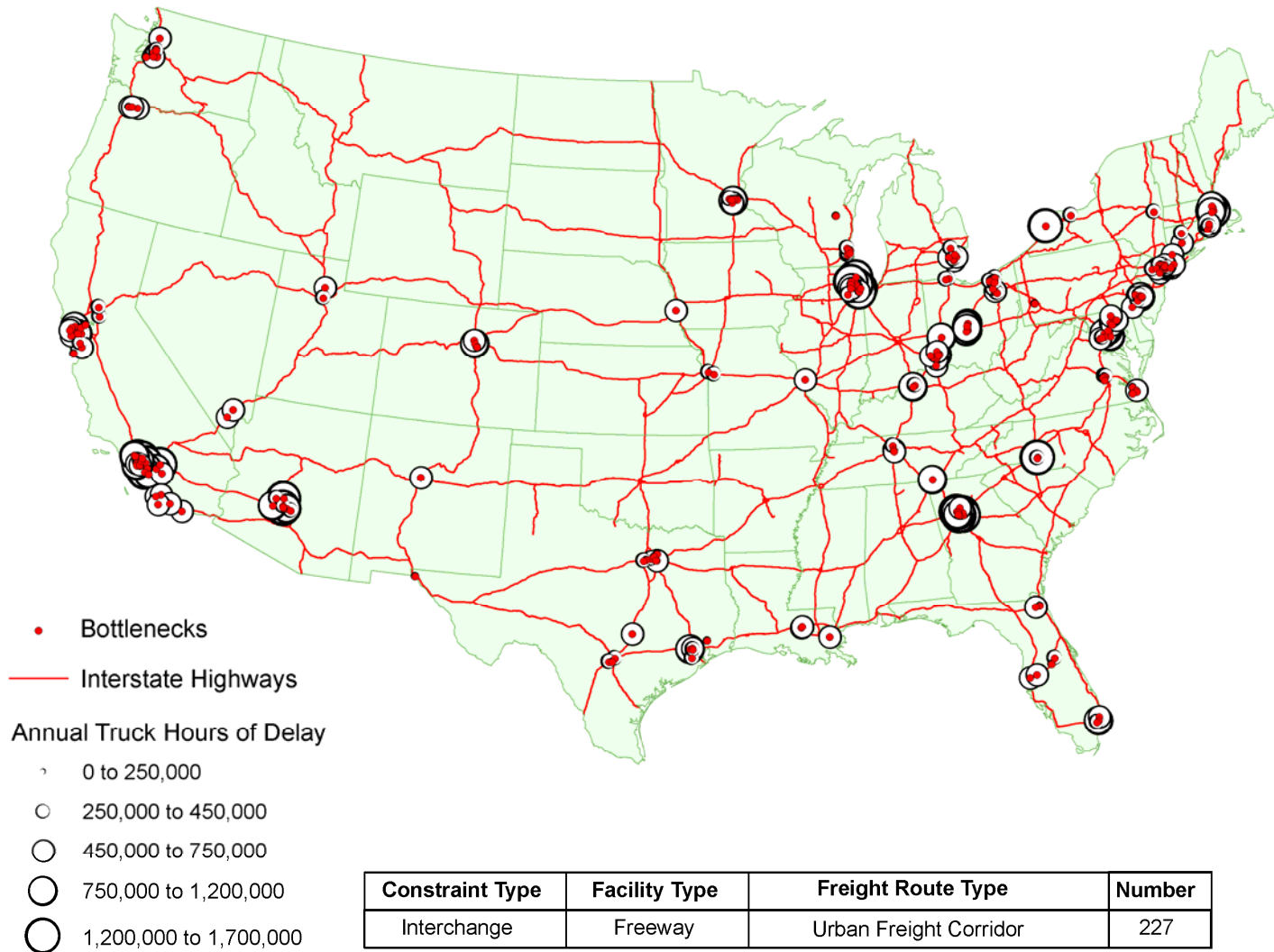
What are the highway freight system issues and opportunities?

- **Worsening congestion, deteriorating travel times and reliability, increasing costs (e.g., trucking rates, energy surcharges, ...), negative community impacts, public demand to “get trucks off the road”**
- **Shortfalls in finance and investment**
- **Low priorities for freight investment**
- **Mismatch in scope and scale of shipper and carrier networks and state DOT jurisdiction**
- **Weakening regulatory enforcement**

*Examples
of
Red Flag
Events*

Top 200 Freight Bottlenecks

Urban Interstate Interchanges, 2004



What should we do?

- **Focus attention on the importance of highway freight transportation to the nation's economic well being and competitiveness**
 - **Reaffirm the need for national network of highways that connect business and communities;**
 - **Update the national highway system;**
 - **Identify freight corridors that are critically important to the supply chains of key industries**
- **Refocus highway programs to address nationally significant supply-chain bottlenecks at interchanges, gateways, intermodal connectors, and international borders**

What should we do? *(continued)*

- **Provide truck-only or truck-only-toll lanes where demand warrants**
- **Reorganize state DOTs, creating secretarial-level offices to coordinate freight transportation policies and programs**
- **Create multistate/regional investment banks to finance improvements to economically important highway freight corridors where costs accrue to a single state, but benefits accrue to many states**

What should we do? *(continued)*

- **Create multi-state/regional highway operations corporations to coordinate, manage, and guarantee (in the case of toll facilities?) the performance of economically important highway freight corridors**
- **Develop coordinated urban freight operations programs; expand professional education programs**
- **Shift from gallonage-based taxes to mileage-based fees to finance highways**
- **Decouple highway finance from energy and emission policies**

What should we do? *(continued)*

- **Reconsider the economic, highway, and freight benefits and costs of increased truck sizes and weights**
- **Tie increases to improved safety and pavement impact performance**
- **Lead a “green freight” initiative to accelerate the development and adoption of technologies and practices that reduce emissions, noise, etc. from freight operations**