

Facing Domestic Transport Realities

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Many Americans continue to wonder why rail freight cannot seem to attract more tonnage from our overburdened and underfunded highways. Public policy is beginning to move in the direction of correcting some century-old inequities. Thus far such efforts have been limited to modest funding of rail infrastructure, but the really tough issue has yet to be confronted; namely, the huge public financial subsidy of highway transport of cargo. There are, of course, many other reasons for the use of roads rather than rail. The nature of our economy has changed radically over the past decades. Manufacturing, of the type rails have traditionally served, is in decline. Urban sprawl, by its nature, demands greater use of trucks. Congested though it is, our highway system permits faster, and more reliable, transport than our drastically-downsized, and frequently out-dated, rail routing and infrastructure network. Rail route circuitry is now more common.

Just prior to Christmas, the U. S. Census Bureau, in cooperation with the Bureau of Transportation Statistics, U. S. D.O.T., released their latest Nationwide “Goods Survey” results, based upon 2007 data. A one-page summary of some of the highlights accompanies this commentary, and forms an integral part of the following observations.

Trucking accounts for more than 70% of domestic transport, measured in value and tonnage. Private trucking appears to represent more than half of all trucks on the highway, with an average haul of only 57 miles. No rail potential there! Rail ton-miles are indeed impressive, more than 40% of total, yet rail is far less significant in value and tons handled. Should this be read as freight nobody else wants, or can reasonably handle? Thus rail captures low- value tonnage, at low rates, generally over long distances. Obviously, there are exceptions to that assertion. Disappointing to rail advocates is the limited role of Truck-Rail “intermodal”. With a small share of value and tons handled, this category represents only 6% of total ton-miles. Truck-Rail appears to have the second-longest haul, some 1,007 miles, apparently reflecting cross-country movement of containerized Asian imports arriving at west coast ports. This is almost double the average “for-hire” truck haul (599 miles), the most likely potential growth segment for rail, but a daunting competitive challenge.

What do these “stats” suggest? First and foremost, if the public wants more freight on rail, something far more fundamental is going to be required than just handing out a little money to private railroads for modernization and improvement of their infrastructure. In Virginia, there is little evidence thus far that the five-year-old Rail Enhancement Fund has, or will, divert any significant amount of cargo from road to rail. Granted, the program is new, few projects have yet matured, and the economy has been

awful. Nevertheless, as fiduciaries of public treasure, the Commonwealth Transportation Board ought to require more evidence of public benefit in future grant requests. The highly-promoted, but lightly documented, CSX National Gateway project would be a good place to start. Just what is Virginia to get for its money? The REF is a good program, but we will need more compelling evidence of success in the future. #####

R. L. Beadles' Summary of Certain 2007 Commodity Flow Data (note 1)
 Excerpted from **Nationwide Movement of Goods Survey Report**
 of U. S. Census Bureau, in Cooperation with B.T.S., U.S. D.O.T.

	<u>Value (Trillions)</u>		<u>Tons (Billions)</u>		<u>Ton-miles (Trillions)</u>		<u>Avg. Miles</u>
U. S. Total(all modes)	\$11.70	100%	12.5	100%	3.4	100%	619
Truck (for hire) note2	\$5.00	43%	4.1	33%	1.1	32%	599
Truck (private) note 2	\$3.40	29%	4.7	38%	0.3	8%	57
Total Truck, note 2	\$8.30	71%	8.8	70%	1.3	38%	206
Rail, note 3	\$0.44	4%	1.9	15%	1.3	38%	728
Truck/Rail, note 4	\$0.19	2%	0.2	2%	0.2	6%	1007
Rail;Truck-Rail,note 5	\$0.62	5%	2.1	17%	1.5	44%	n/a
Water (domestic) #6	\$0.19	2%	0.3	3%	0.1	4%	520
Pipeline	\$0.40	3%	0.7	5%	n/a	n/a	n/a
Commercial Air	\$0.25	2%	>0.1	nil	nil	nil	1304

- Notes:
1. This is drawn from a huge collection of information, of which Beadles has only skimmed the surface. This table does not begin to tell the whole story. The Census/BTS survey excluded certain "goods" movements. It was also a sampling process, subject to error. Many questions come to mind, for which answers are not easily nor immediately available. Not all modal categories, nor combinations, are reflected above. Rounding creates problems. Columns don't necessarily "square". Caution is advised in use of the foregoing. Regional USA data is available, and varies greatly.
 2. These truck categories are single-mode movements; that is, no other mode of transport was involved other than truck.
 3. This includes only those rail movements which do not involve any other mode of transport; no intermodal for example.
 4. Here is truck-rail intermodal; however, it is the combined move. Thus there is some rail and some truck, but no allocation.
 5. These numbers simply combine "Rail" and "Truck-Rail". There is some of each in the total, but predominantly rail.
 6. This category included Great Lakes and Inland Waterway tonnage, but excludes ocean

transport.

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