

Lessons learned from the Great Recession

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Our U.S economic recovery still has a long way to go, yet it does appear that some important indicators are pointing toward less stressful economic days ahead -- assuming that our elected representatives in DC don't throw more sand in the gear boxes.

Having lived through many recessions in the industrial economy, we have noticed that, notwithstanding the very real personal hardship experienced by many, some good often comes out of these things. The freight railroad industry has, perhaps, been hit harder, and more often, and endured longer, than just about any other sector of the economy, time after time; not just because of business cycles, but also due to structural changes in the U. S. economy; also as result of public policy decisions that adversely impacted rail freight. Examples that come readily to mind, include such things as the St. Lawrence Seaway, the Interstate Highway System, Inland waterway lock and dam projects, truck size and weight liberalization rules, etc. Each time, railroad people responded, often coming up with better, more efficient ways of doing things. Not enough, in total perhaps to avoid loss of valuable revenue, but praiseworthy mitigation of otherwise-negative impacts..

Now and then we read, in the business news, of other such examples. It has been interesting to observe the response of FedEx and UPS to customer resistance to costly overnight air shipments in favor of greater reliance upon surface transportation, mostly via highway, but also by intermodal rail. Some international shippers have reportedly opted for ocean-shipping. Just-in-time doesn't always have to mean fastest trip possible.

And speaking of ocean-shipping, the "slow-steaming" mode of operation has apparently found favor with some of the major carriers of cargo. It saves fuel, causes less environmental degradation, and may still get the transport job done just as well.

We even wonder why some freight trains are operated at higher speeds, intermodal excepted. Almost every day, we observe freight trains, which have run a hundred miles at 50 mph, sitting for an hour and one-half in one spot due to freight (not necessarily passenger) network conflicts. There is much work remaining to be done.

However, the best (worst) examples of wasted energy and transportation resources are sometimes found in aviation. Not every military move needs to be via air-lift, and certainly not every business executive making a company helicopter trip into New York from a distant outlying point could really justify such extravagance..

Most notorious of all will be the annual display of hubris and status when hundreds of “*1% types*” arrive at the airport nearest the Super Bowl in their private jets. When we finally get a comprehensive description of “*entitlements*”, such folks must be included. Their opulence is subsidized by ordinary commercial aviation travelers. A little belt-tightening would be good for all of us, rich and not-so-rich alike. # # # #