

Reports from the National Commission on Intermodal Transportation by Commission Members

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The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) established a National Commission on Intermodal Transportation to study the status of intermodal standardization, intermodal impacts on public works infrastructure, legal impediments to efficient intermodal transportation, financial issues, new technologies, problems in documenting intermodal transfers of freight, research and development needs, and the relationship of intermodal transportation to productivity. The report was presented to Congress. Anne P. Canby, Delaware Secretary of Transportation, and Thomas J. Donohue, President and CEO of American Trucking Associations, Inc., were members of the commission. Their presentations to the conference follow.

Anne P. Canby

It is a pleasure to be here and to have an opportunity to talk to such a varied group about the work of the commission. When Rob Krebs sent us a memento from the work, he had an inscription on it saying, "It was a hell of a ride." Well, he was right, and Tom Donohue of the American Trucking Associations, who will speak next, will echo some of those thoughts. I can tell you, we had some very interesting discussions in coming up with the recommendations in this report, which I think all of you received in the materials that were handed out. So take a look at it. There were some interesting ideas.

As we began to think about the recommendations that we would set forth, the commission members listened to a number of voices throughout the country. And I think Secretary Peña helped to frame some of the issues of intermodalism when he said early in our deliberations that *we must integrate all modes of transportation into a seamless system for moving*

goods and people from coast to coast and within metropolitan areas. For me, as one member of the commission, that served as a guiding light as we went through our discussions. In the beginning there was also some thought that intermodalism was defined exclusively by the private-sector freight industry, and not a lot of thought had been given to the passenger side. The secretary broadened the commission by adding Jacki Bacharach from Los Angeles, Jacqueline Gillan from Washington, Damaso Seda from New York (Transportation Workers Union member), and myself, to add some new and public-sector-oriented perspectives to the commission. It probably made for more lively deliberations.

As we moved around the country we heard a lot about the problems that you all deal with on a day-to-day basis—poor access to terminals, urban congestion. We spent a fair amount of time talking about the public-private relationship, which Michael Huerta referred to. What seemed to be missing was the involvement of those of us in the public sector with the private providers and shippers. Probably some of the private providers and shippers are just as happy that that's the case. But the reality is that we in the public sector tend to be the managers of a key link in this network, the highway portion. Bringing those different modes together was something that struck us as necessary. I think that there are a lot of lessons that we can learn from the enormous progress, productivity, and efficiency that have been gained on the private side over the last 10 years or so between the trucking, rail, and ocean carrier participants.

On the passenger side of things it is clear that our thinking is still much too separate and too unequal. Kirk Brown, my colleague, Secretary of the Department of Transportation in Illinois, said that our greatest problem in intermodalism is not our infrastructure, but our thinking and institutions, which are still very much mode-specific. What gets lost in all of this is that the customer is very far away from our focus, and we still think too much about the mode and not, as Mike referred to, the total trip. Very few trips are a single mode. Another participant pointed this out even more clearly when he said it was very easy for him to ship a box from Boston to Columbus, Indiana, but when he tried to get his grandmother from those two places, forget it. It's a pain. You can't do it very easily. When you stop to think about the nature of those trips, one phone call one fare for the box, imagine being able to do that if you are trying to ship yourself or move as a person. So the passenger portion of intermodalism has many links that still need to be filled.

In looking at things like ticketing, integrated fares, and schedules, Amtrak is now beginning to show some bus links to areas that are not on their route schedule, but this is relatively new. Revenue sharing doesn't happen on the passenger side particularly well right now. Relatively few airports are linked to their urban centers by good, convenient transit. Two good examples are Atlanta and Chicago. Again, too many of our cities have abandoned their passenger terminals. On the other hand, we have some examples of great successes in Los Angeles's Union Station, Union Station in Washington, D.C., and South Station in Boston, all successes of bringing passenger intermodalism together.

Again, we heard of some successful joint use agreements between freight carriers and commuter operators in Los Angeles, St. Louis, and Chicago. This kind of partnership is what Mike Huerta was talking about, and we clearly need more of that. We heard everywhere, as you can imagine, about the lack of resources. And even if every single transportation program were fully funded at its authorized level, there still would not be enough to meet the identified needs. Clearly the ISTEA flexibility has given us some opportunities to deal with the challenges that intermodalism raises, but funding decisions in my state, as well as many others, still tend predominantly to be made the old way—in modal silos. And this approach tends to leave intermodal projects out in the cold with no sponsor and no funding, because they are more complicated in most cases, involving more than one entity.

In looking at the area of decision making and organizational responsibility, I think we continue to be very fragmented. We all recognize this. What are we going to do about it? Our airports, ports, rail, transit, and highway systems are for the most part planned, funded, owned, and operated by separate agencies. They have separate funding, separate constituencies, and separate bureaucracies. This tends to pit each mode against its partners, in many cases, for a piece of the network and a piece of the funding pie, leaving no advocate for that seamless integrated system.

Metropolitan planning organizations (MPOs) were another subject of considerable discussion. We are seeing a lot of change in this area of the planning process, but still there is a lot of room for improvement. Many MPOs, although not all, have tended to focus on the passenger side of the transportation business and have not gotten broadly into the freight side. I think that is beginning to change in a number of areas around the country, and we believe that needs to continue.

As we began listening to all these ideas, we became aware of several benefits from intermodalism that led us to the recommendations we developed. One is that from the user's perspective the quality, cost, timeliness, and safety of the trip are what count. This applies equally to the movement of goods and people. Through intermodalism we can lower transportation costs by using each mode for the portion of the trip to which it is best suited. By lowering the costs we can increase our global competitiveness, which is a key challenge for us in this country. The freight industry has demonstrated that this can be done by shifting portions of the trips to portions of the network with excess capacity. We can reduce the burden of an overstressed total network by using all the pieces more efficiently. As we use it more efficiently, we will gain greater returns on our investments, both public and private.

In a slightly different vein, we think there are opportunities through intermodalism to improve mobility for several sectors of our society: the elderly, disabled, rural, and isolated, as well as the economically disadvantaged, for whom intermodalism can be a ticket to opportunity. Finally, intermodalism can play a role in helping us to reduce energy consumption and minimize environmental damage, thereby improving our overall quality of life.

We focused recommendations on three basic areas. The first is making efficient intermodal transportation the goal of federal policy. I think, in listening to Mike Huerta this morning, that we are very much on the way to doing that, but the hard part is yet to come. Second is increasing investment in intermodal transportation and strategically focusing any increased investment in that area. Third is restructuring government institutions to support intermodal transportation.

Let me highlight some of the recommendations. We supported a national transportation system with the National Highway System as a backbone. Again, not as a map, because we felt that would lead to disastrous intermodal or intramodal bickering. With an emphasis very much on performance benchmarks, we felt that that is the way to judge where our investments should be focused. We want to see the development of intermodal passenger transportation, including expanding eligibility for ISTEA to include Amtrak, which is a critical participant in the movement of people and even in the potential of easing goods movement in some of our regions. Looking at things I mentioned before, this includes ticketing, signage, revenue sharing, scheduling, and making that seamless connection so that we can free up some of the highway capacity for the goods movement that cannot in most cases get to its final destination except by truck. Yes, there are rail sidings, but most material and product moves to its final destination by truck. Most of that is in urban areas. So how do we allocate limited capacity among the different users?

In keeping with the signs of the times, we did not call for new taxes but instead suggested ways to make better use of existing resources through initiatives such as greater flexibility of federal highway, federal transit, and rail dollars. We also found innovative financing in expanding the sources of match, including more private-sector resources, where there are projects in which it makes sense to be intermodal.

Looking for giving incentives for intermodal projects rather than having to play by the same rules—and we've heard that the U.S. Department of Transportation is very much interested in moving in that direction—we did, not always being consistent I suppose, call for full funding not only of ISTEA but of the other transportation programs as well. Remember, this report was written before the first Tuesday in November.

In the third area, organizational structure, I think this administration in Washington has moved more strongly than many in the past toward connecting the modes, and we think that that should continue to move forward. We also stuck, back deep in the report, the thought that the congressional committee structure might be consolidated and streamlined. I assure you that at the time we wrote it we did not think that this was going to be much of a possi-

bility. I think that we have been surprised on that front, at least on one side of the Capitol dome. In the regulatory area we also want some incentives to facilitate intermodal projects and approaches to achieve the efficiencies and productivity that we believe are there.

The MPO process seems to us to be one of the linchpins in bringing in a broader array of players and looking at the intermodal issues from a broader perspective. But we don't want to bring the private sector in as partners and then eat away at the productivity that has been accomplished over the last 5 or 10 years.

That gives you a thumbnail sketch of some of the areas. The important thing is this: we have had ISTEA, this report, and this second TRB conference. We have the U.S. Department of Transportation actively thinking it. We have to, as transportation agencies and providers, start thinking outside the mode, about the total trip, and how we come together as one entity—the transportation business—rather than just as ports, airports, rail, highway, transit, whatever the mode is that brought us here in the first place. How do we erase that and just have transportation, the customer, and the total trip be our focus? A number of workshops over the next couple of days will allow you to think outside of your mode and to start thinking connectively about how we can make our total transportation system work more effectively. I think it is good for us and our country. And I hope that you'll look at our recommendations.

Thomas J. Donohue

Good morning, ladies and gentlemen. I am very happy to be here with those who have spoken before me, and there is some benefit in speaking last. All the others have made their points, and now I can tell you what they meant.

What I plan to do is to make some comments on the report and recent political and market realities that should either contradict or support what we have encouraged. Then I would like to make a few comments on what a number of the previous speakers have said.

Let me start with the report. Just think about this. It took us a year to get it finally, formally put into place. But the report was finished on time, ahead of budget, and it was all put down together with all of the lists and everyone that appeared before us, all of the diagrams and everything that you find in its 59 pages. That has never been done in the history of commissions. Usually it has been done by how you weigh it. I think it is a testament to Rob Krebs, our chair, who, by the way, having spent a year trying to keep us in order, has honed his own skills and is now trying to merge with two of the largest railroads in America. Krebs did a great job. As Anne indicated, the four members were added to our commission when the administration changed. I found the perspective they brought very helpful. Particularly I think Anne's perspective, being a secretary of transportation, was very helpful.

Now, some of my own observations in this regard. First of all, the freight people very quickly came to some agreements on the directions that we wanted to pursue, and most of those were market based. It was an education for us to listen to and visit with the people on the passenger side of the business. And I daresay, it was an education for them to engage in a discussion with us.

I would like to give you the bottom line first. As far as I'm concerned in American Trucking Associations, I don't care if they take this report now and put it in the round pile. The relationships that were developed among the people on the commission and the people that we brought to the commission to take part in the debate on how we should proceed have already brought to the various industries and public services a good deal of benefit. They are proving useful in the resolution of public policy questions that are before us.

Now let me jump, for a second, to the question of some of the recommendations, because there are four that I would like to talk about. The first is, of course, the support for the National Highway System, and within that and future highway bills, to apply federal high-