

ITI'S GIL CARMICHAEL CALLS FOR HOLISTIC TRANSPORTATION POLICY

- Says Two, New Intermodal Trust Funds Should Subsidize "Ethical" Intermodal Transportation System -

DENVER, CO, September 18, 2009 – In recent comments to the 68th Annual Meeting of the Southeastern Association of State Highway and Transportation Officials (SASHTO), held in Biloxi, Mississippi, Gil Carmichael, Founding Chairman of the Board of Directors of the Intermodal Transportation Institute (ITI) at the University of Denver, said the key to solving the nation's 21st century transportation problems lies in establishing a holistic approach funded by two, new intermodal trust funds -- one for freight movement, the other for passenger transit, and both based on miles traveled.

Speaking to a technical session of 1,200 government and association members from 12 states and the Commonwealth of Puerto Rico, addressing today's transportation challenges, Carmichael said that the nation needs to establish an ethical and sustainable "intermodal" transportation system that incorporates both freight and passenger rail in order to produce a new transportation structure that meets 21st century needs. This system should be a joint public- and private-sector initiative that builds and expands upon the success of the Interstate Highway System of the last century.

"The Interstate Highway System that was built has served us well," he said. "But today we have a population that has doubled in 50 years; we have a deteriorating and badly congested transportation infrastructure that cannot meet consumer demand; and we have a growing global economy that requires interconnected, intermodal transportation. The solution to meeting this century's challenges lies in building 'Interstate 2.0', an ethical, fuel efficient, intercity, rail freight and passenger transportation system that reconnects our center cities, bus and transit lines, energizes our economy, and sustains our environment. It is a logical and necessary next step forward."

Among the challenges addressed by the two-day conference was the major dilemma of how a new transportation policy and such a massive intermodal transportation system would be paid for -- especially with the end of the highway trust fund and declining gas tax revenues in sight. Carmichael offered several paradigms to address this concern:

- **Develop a Holistic Transportation Policy.** "Historically, this nation has had a 'single mode' mindset," he said. "Our federal government and state DOTs have not addressed transportation as an interconnected, intermodal system, choosing instead to address each mode independently. That myopic approach will no longer work in our global business environment. Today, the public and private sectors need to partner and address our transportation requirements as they relate to two intermodal modes -- freight and passenger rail. This involves utilizing our 240,000 miles of existing (and paid for) rail Rights of Way (ROW) and upgrading about 30,000 miles of it to high-speed, grade-separated track.. We should provide the private railroads with a 25 percent investment tax credit to encourage them to upgrade and double- and triple-track their main lines to increase speeds and double capacity. A high-speed rail network that reconnects our center cities, major airports, and ports is vital to 21st century transportation and economic development."

- **Create Two Intermodal Trust Funds.** "One of the dilemmas we are faced with is: how do we pay for this intermodal system?" he asked. "We paid for the Interstate Highway System with a highway trust fund from gas tax usage. The gas tax worked well for the highway and it is about to expire. To replace it, I strongly recommend the U.S. put into place two, new intermodal trust funds to pay for this new multimodal transportation system. There would be one tax for intermodal freight movement and another for passenger transit. And it would be simple to implement cost per mile traveled rather than cents per gallon."
- **Reorganize State DOTs to Oversee Intermodal Transportation.** "With a new intermodal transportation system in place, we should reorganize our state DOTs so that we have two separate departments that are responsible for intermodal freight transport and passenger transit, respectively," he explained. "We can no longer afford to administer effective transportation policy on a single mode basis. States would also build or lease high-speed track on the private railroads' ROWs to allow new, modern, intermodal freight and passenger trains."
- **Utilize Our New Technologies.** "We have the technology, such as GPS and PTC, to make this intermodal transportation system work, and technology continues to advance," said Carmichael. "High-speed tracks could be grade separated just like the Interstate Highways so we can safely run passenger trains at 110-125 MPH and freight trains at up to 90 MPH, vastly increasing freight capacity. This could cut highway fatalities by at least 50 percent and drastically reduce the stress, wear and tear, and cost of maintaining the highways, thus extending its life."
- **Increase Freight Capacity and Stimulate the Economy.** "A major public-works project of this magnitude will add millions of new and permanent jobs, will produce a prosperous economy, just as Interstate I did, and will build a long-lasting, truly sustainable transportation system," said Carmichael. "We can electrify the rails by mid-century, producing a new source of energy and weaning ourselves off of our dependence on foreign fossil fuels. It will then be an ethical and sustainable system that increases freight capacity and protects our environment."

In closing, Carmichael said: "A new holistic, ethical transportation policy will build upon the strengths of each mode, will reduce injuries and deaths, will be environmentally benign, will not waste fuel, will not cost too much to use, and will provide ongoing economic stability. This 21st century intermodal transportation infrastructure will use the 'steel wheel and steel rail' -- the same as it did in the 19th century -- as its fundamental element of transport."

About ITI

The Intermodal Transportation Institute at the University of Denver offers an Executive Masters Program that awards a Master of Science in Intermodal Transportation Management from the University of Denver. This graduate degree program prepares transportation industry managers for the increasingly complex, global business environment where knowledge of finance, quantitative processes, supply chain, law, and public policy issues as well as freight, passenger, and intermodal transportation operational strategies are critical management tools for success. For more information on the ITI Executive Masters Program call: 303-871-4702 or visit: www.du.edu/transportation.

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