

**CARMICHAEL CONFERENCE ADDRESSES  
FUTURE OF AMERICAN TRANSPORTATION**

*- Initiative Honors Gil Carmichael; Studies Growing Transportation Crisis -*

**St. Louis, MO, February 6, 2008** – A two-day conference named in honor of Gil Carmichael, Senior Chairman of the Board of Directors for the Intermodal Transportation Institute at the University of Denver, was sponsored by the Boston-based National Corridors Initiative on January 28-29. The conference brought together industry leaders to study and discuss the transportation needs of today's global economy, and the conference results will be forwarded to 2008 presidential candidates in hopes that they will pay more attention to our nation's transportation crisis.

Carmichael, a long-time industry spokesperson, and former Federal Railroad Administrator, told the attendees that while the 19<sup>th</sup> century provided great strides in transportation with the development of an intercontinental railroad system, and the 20<sup>th</sup> century produced a grand achievement in the form of the Interstate Highway System, 21<sup>st</sup> century leaders have virtually ignored the impact of a global economy on our nation's transportation infrastructure.

“Unfortunately,” he said, “government has decided to ignore the realities and conduct business as usual. Ethanol, they say is the ‘magic bullet.’ I would argue that this is a questionable strategy at best in terms of economics, energy supply and environmental impact. It would impose a gigantic hidden cost upon the American consumers. The same thing is true of the new ‘blue-ribbon study commission,’ which proposes a gas tax increase of up to 40 cents to restore our crumbling highways to their previous condition. Neither of these solutions addresses the increasing problem of freight and passenger traffic congestion that is stifling our economy today.”

Carmichael suggests that a better solution for 21<sup>st</sup> century transportation problems exists in the expansion of the nation's railroad network. “The Interstate Highway System was originally designed to connect all cities of 100,000 population to a national system,” he said. “That was a great concept. Then the politicians decided to add local routes to serve urban rail commuters, however, and today these commuter routes are the segments with the worst gridlock and in need of the greatest repair. Meanwhile, while the politicians have slept, there has been an intermodal freight network that has evolved in the past quarter of a century. It is safer, faster, more reliable, more energy-efficient and more economically viable than what preceded it. North American railroads have spent huge sums of money to build and operate the freight segment of this intermodal network.”

Carmichael said that the best way to upgrade our nation's freight and passenger transportation system is to build or upgrade about 20,000 miles of freight corridors capable of train speeds in excess of 90 miles an hour, double track them, with grade separations, and equip them with GPS systems. This network could then be augmented by as much as 10,000 miles of conventional routings – a 21<sup>st</sup> century transportation system he calls "Interstate II."

"This kind of new transportation system would provide a highly efficient network of steel stretching from Mexico City to Montreal," he told the conference. "The railroads have already begun the building process and further capital contributions should come from public investments that could take the form of cost-sharing specific projects, which already is occurring, as well as tax credits, or tax-exempt financing secured by public agencies. It is important, however, that advocates of passenger transportation understand an important truth: in dealing with our transportation needs, they must recognize the related issues of energy supply and global warming impacts and deal with them appropriately."

Carmichael identified five priorities policy makers must address to use the nation's freight railroad system to develop passenger corridors:

- Conduct a ruthlessly objective market analysis to understand potential ridership, capital costs and operating needs.
- Build the strongest corridors first, recognizing that as the market grows, other corridors can be upgraded.
- Plan and build corridors with intermodal connections that are critical to the success of each corridor.
- Maximize private sector involvement.
- Be bus advocates, as well as rail advocates. Buses can reach some customers rail cannot serve and will be an essential modal partner in every rail corridor.

In closing, Carmichael said that while certain segments of the Interstate II route system will accommodate passenger trains, he warned that in no case should a passenger project be pursued if it diminishes that corridor's current or future freight-hauling capability.

#### **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](http://www.du.edu/transportation).

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