



Mid-America Freight Coalition comments for the Quadrennial Energy Review.

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Thank you for the opportunity to speak about the state of our freight infrastructure, the freight capabilities in our region, and what I see in terms of freight innovation and infrastructure to support our Nation's energy needs today and in the future.

I work with 10 State Department of Transportation in freight planning and collaboration, and in freight policy and program areas. We have been working with the MAASTO states for over 10 years now as a pooled fund study for the States. Our role and efforts have accelerated with the freight initiatives in MAP-21. But it is important to note that in the 10 year history of MAFC, these 10 states have a record of innovation to provide service and innovation for freight movement in their states. Additionally, the Coalition is one of the longest operating and successful research, development and collaborative efforts in freight across the U.S.

Today I will address the regions' freight transportation infrastructure and the significance of freight movement in the MAFC region, the capacity in the region and initiatives that States are pursuing to ensure the infrastructure is available and in good condition.

Overview of MAFC Region

The MAFC is a freight centric region. Twenty-three percent of the nation's truck tonnage, 63% of the nation's rail tonnage moves through the region. The waterways are credited with shipping 44% of the domestic tonnage and receiving 30% of the domestic tonnage. The region has the top three rail hubs in KC, Chicago and St Louis and one of the major inland ports at St Louis.

These 10 states are innovators and leaders in freight policy and programs. They have participated in the Coalition for a decade and were some of the first states to conduct freight planning, create freight advisory committees, identify and work to manage their significant freight corridors, and work to establish a multimodal, total system approach to transportation.



Importance of Freight in the MAFC Region

The MAFC states have recognized the economic and development linkages related to freight movement and logistics. And for good reason. When we look at the top 5 corridors in our region, within three miles each side of these corridors lays 35% of the region's businesses and 42% of all employees. In Indiana, Conexus Indiana states that logistics jobs on the average pay 15% higher wages. Additionally many states conduct economic analysis of their investment programs. These investments generally return \$3-4 per dollar invested. A closer look demonstrates that approximately 60% of these returns accrue to the freight sector. Simply put, good infrastructure enables business and economic growth. Freight corridors further concentrate this development and activity.

Infrastructure Condition and Freight Movement

The status of the region's freight infrastructure is underfunded, aging and often congested. Yet the system delivers some of the most efficient logistics around the world. But we are not keeping up. Investment in infrastructure in the U.S. is estimated at 2% of GDP. We invested around 12% during the interstate build out, and Europe is currently investing around 5% and nearer to 12% in China.

Preparing for the Future

With close to 70% of freight tonnage moving on trucks in our region, and freight loads expected to increase with population levels, we will not be able to build our way out. We must look for alternatives and a system oriented approach at moving more freight – be it fuel or Fritos.

The Future

States are working to find financing and partnerships as true infrastructure funding is not delivering the needed support. In order to address these increasing infrastructure needs States are advancing several agendas. Importantly freight transportation is becoming more multimodal and systems oriented as demonstrated by the work by States on marine highways. These states across the board are also working to institutionalize freight in their agencies to ensure the capacity to address the economic linkages and capacity needs. They are also defining the freight networks to better understand how to enable the economy.

Summary

The 10 MAFC states are major freight states; they are innovators and leaders in freight development. However, the rail and road systems in the region are at capacity and even beyond. Further, limited funding is crippling the ability of states to keep up with maintenance no-less building capacity for future generations. There is a very genuine need for increased



funding, a multimodal systems approach to our transportation infrastructure, and a greater connection between infrastructure planning and economic activity.

Thank you for the opportunity to comment on this very important topic.