

## Panel Remarks

### West Coast Corridors Coalition Nodes Panel

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The Central Puget Sound Region qualifies under all three themes addressed by the WCCC: (1) corridors, (2) gateways, and (3) metropolitan nodes within networks. The FAST Corridor Partnership continues to implement a system of actions that each fit within a *system* of local, regional and global freight mobility improvements.

**Question #1:** An estimated 80 percent of truck movements in urban areas serve local distribution. What strategies can assist this function and minimize conflicts with both long-haul freight and personal mobility.

#### Considerations:

The 80 percent figure is familiar.<sup>1</sup> The news is the need to address *the 20 percent or so* (and *other* freight modes) that are tied to **far-reaching supply chains** extended by (1) technology (e.g., double stack trains), (2) federal deregulation of carriers, and (3) trade policies (e.g., free trade, currency exchange rates).

- Large trucks contribute disproportionately to *non-recurring* general traffic delay, when they do malfunction. (some say 20 percent of events, and 50 percent of resulting delay).
- For the 80 percent of truck trips that are local: (1) these are fixed when we **take care of general traffic**, regardless of the differing trip characteristics (flex-time and telecommuting help during peak travel periods, also real time data and route redundancy for truckers). (2) Truckers' deliver needs at the street level should be heard. See *Learning from Truckers* (WSDOT), and *Kent Valley System Improvement Plan* (voluntary use of off hours and weekends). (3) Some so-called "delivery trucks" are inflexible links in larger just-in-time supply and assembly chains.
- Freight performance measures in general traffic are twofold: (1) **speeds and capacity** (as in MPO travel models), and (2) trip **predictability** (this half of real world urban delay is non-recurring and overlooked models).<sup>2</sup> Example: SR-520 shoulders and positioned wreckers give a cushion against non-recurring delay. Also, route redundancy with I-90.

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<sup>1</sup> The *1997 Commodity Flow Survey* found that nearly 68 percent of all surveyed truck shipments were less than 50 miles. This was 35 percent of dollar value, and a 11 percent of ton-miles.

<sup>2</sup> From a national vantage point, the USDOT finds that highway congestion is due to several quantifiable causes. Some 40 percent of the total delay of four billion hours per year is attributed to insufficient capacity and to bottlenecks. The remainder is traced to incidents (25 percent), weather (15 percent), work zones (10 percent), special events and poor signal timing (five percent each).

**Question #2:** What are the challenges and opportunities of coordinating bus and rail transit operations with highway and rail freight systems?

Considerations:

- Since 1980 investment in State-administered highways has increased 4.0 %/year, faster than the GDP (3.2%/year), but **congestion has worsened** significantly – as passengers and freight, both, seek access.<sup>3</sup>
- High Capacity Transit helps marginally to unclog supply chains through urban nodes, but what is the incremental freight benefit **compared to** the incremental dollar cost?<sup>4</sup>
- In our state, passenger rail has paid for track improvements to **hold harmless** the continued and growing freight use of the private tracks. (Over the long term the success of this joint use approach rides on the details.) Shared use also poses a capital *and* day-to-day **operational** challenge/opportunity.<sup>5</sup> Commuter trains and freight trains require operational coordination through a **single dispatcher**, on the ground communication (not simply policy agreements), and centralized train control (CTC).
- Despite their similar looks, buses and large trucks might not mix well on reserved lanes.
- Smaller and time-sensitive trucks might buy into **Managed Lanes** built for general traffic. This would be an alternative to the much higher cost of deploying more trucks to meet delivery schedules during peak travel periods.
  
- The tool for planning and funding coordination (and federal funding), under federal law is the **MPO** (as set up under ISTEA in 1991). Bookend time horizons for business versus government?

**Question #3:** What are the most effective ways for a large metro region with a large port to meld the gateway function with urban mobility?

Considerations:

- **Differentiate** the transport systems: Examples: (1) Alameda Corridor trench, (2) FAST Corridor builds rail grade separations, (3) DeltaPort is remote siting, (4) CREATE (Chicago Region Environmental and Transportation Efficiency) proposes four freight rail corridors (with 25 rail separations) and a separate track for passenger trains.
  
- **Strategic Partnerships:** Partner for system-wise project design as well as for shared project funding. The whole should be more than the sum of the parts, not less.<sup>6</sup> In urban

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<sup>3</sup> *Freight Transportation Improvements and the Economy*, FHWA, June 2004 (Appendix A).  
<sup>4</sup> Commuter rail south of Seattle carries 3,500 people/day, while the north-south corridor handles a total of 50 to 100 times this amount. On the other hand, over 30 percent of commuters to downtown Seattle do use the bus during periods of peak morning and afternoon travel.  
<sup>5</sup> Shared use of tracks was addressed in a proposed joint policy statement by the FTA and the FRA in 1999 (completed?: RIN 2130-AB33). Leading themes were safety and waivers.  
<sup>6</sup> In the FAST Corridor the Port of Tacoma Road is a highway over-crossing that is designed to also span a train assembly yard that serves existing and new intermodal rail yards (keeps trucks off the NHS). In general, the FAST Corridor project selection criteria value factors in addition to freight mobility, such as community impacts and cohesion.

areas (1) Retain port footprints versus gentrification, especially in light of surge loads spilling from other West Coast ports. (2) Design for a capacity footprint (e.g., XX TEUs), not for a time horizon (e.g., 2020), and *then* work backwards to near-term actions.<sup>7</sup>

- In the central Puget Sound, **capture the fireflies in one jar**. These initiatives include (1) *Prosperity Partnership* (with Logistics & International Trade cluster), (2) the *FAST Corridor* freight story and project completions, (3) mandated regional planning by the MPO (*Destination 2030+*), and (4) the *West Coast Corridors Coalition*.

**Question #4:** A sea change is underway due to the ability of China to flood the global market with manufactured goods at 30-50% the price of alternative producers. What is the proper role of governments in strengthening our freight system to facilitate the flow of goods in international trade, especially with regard to how major capital investments in transportation are financed?

#### Considerations

- (**Nonsequiturs?**): (1) "...role of government" (*partnership* "role"? – the carriers are federally deregulated and privatized by action of Congress in the late 1970s)...(2) flow of goods in international *trade*" (when one-third of shipments are *internal* to the respective corporations?...)(3) how major capital investments in transportation are *financed*" (rail and pipelines are private, port terminals are generally lease agreements; highways and airports are public – but not the trucks and planes)..<sup>8</sup>
- The maritime and rail modes are distinguished from highways and airports by the absence of tax- supported **trust funds**. Maritime and rail generally *do not want* trust fund taxes, other user fees, or a government role.<sup>9</sup> What *do* they want? West Coast port "gateways" (nodes) are becoming *doormats* to outsourced activities and inland markets.
- What is the federal partnership role in mitigation for throughput in port regions? Should shippers and carriers internalize some of the costs?

**Question #4 (continued):** In other words, investment in ports, roads, and rail is largely aimed at keeping imported goods flowing smoothly onto the shelves of retailers like Wal-Mart, Target, and Home Depot. How can taxpayer funding of the investments appropriately respond to overseas public policies that keep a tight lid on manufacturing wages to attract producer activity from more developed nations including the U.S.A?

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<sup>7</sup> Examples: (1) The I-405 Corridor Program builds projects of independent utility within a long-term vision (no retrofit destruction later), (2) Multimodal issues are raised by AASHTO: the wisdom of at least retaining rail market share as we see a 70 percent increase in domestic freight by 2020. See also *Integrating Freight Facilities and Operations with Community Goals* (NCHRP Synthesis 320), TRB, 2003.

<sup>8</sup> But, during mergers the airlines claim landing slots as if these are private assets.

<sup>9</sup> So, maybe the increasing disruptions, combined with security issues, will put a lid on some free trade. Life goes on. The government could foster partnerships, but in their implementation TEA-21 Sections 1118 and 1119 did not do as much as intended to foster partnerships.

### Considerations:

- Why should “taxpayer funding of the investments” here be assumed? Transnational policies offer us **cheap goods and job insecurity**. Why not work more to retain smaller domestic firms even as we “respond” to the globalized production by big box stores?<sup>10</sup> *Some 98 percent of exporters in the Puget Sound region are small and unorganized.*
- **Institutional tsunami:** Regarding the Chinese producers, the real and looming issue for the United States<sup>11</sup> might be how in 2005 to prevent a precipitous devaluation of the dollar. (The national debt and trade imbalance – \$1.2 trillion in 2004 – are now coming home to roost.) Will private and now governmental holders of foreign dollars continue to prop up our consumerism (and our 1% domestic savings rate), or not?
- Currency rebalancing could moderate the import surge and **stacks of empty shipping containers** (a demand management step?). Exports would go up.
- Are we a model regional case study responding to the AASHTO *Bottom Line Report* (2002)? What mix of legitimate public (and private) actions would retain or **grow rail market share**? Or, has outsourcing simply met its match?
- Government investment and consumerism? Should we first support those trade-related transportation projects that also help **public health, safety, and welfare**? How should we regard the **security risk** now attached by global terrorists to corporate supply chains?<sup>12</sup>

### **A big picture squint at Question #4...**

- Mega investments for freight mobility must not neglect “efficiency,” **but also** should be in harmony with social needs (e.g., security, the eroding family), as well as political and cultural concerns both in our region *and* in a transnational setting. How to regionally corral footloose dollars and stovepipe funding for *integral* projects?
- So, what about the “**Triple Bottom Line**?” (1) To the private side (boundary-less flow of currencies, commodities, and people, all at once!) when is “creative destruction” not creative? (2) To the public side, what is the public share of needed transportation project funding (federal deregulation is the overarching policy), and what are the most astute (as compared to reactive) regulatory actions?
- **Institutional design. Together, what might widely supported 21st Century regional public-private partnership really look like?**

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<sup>10</sup> Policy makers should be thinking about job dependence and distribution (textiles in this case) both here *and* abroad in a wide spectrum of economies and communities. See the *Seattle Times* “Close-up” for Nov. 22/23, 2004. Similarly, the *Wall Street Journal* (Oct. 1, 2004) reported on ten countries that are highly dependent upon textile exports as a percentage of merchandise exports and highly vulnerable to under-pricing by neighboring China: Bangladesh (86%), Macau (84), Cambodia (73), Pakistan (72), El Salvador (60), Mauritius (57), Sri Lanka (54), Dominican Republic (51), Nepal (49), Tunisia (42).

<sup>11</sup> Paul Kasriel, Northern Trust Co. in Chicago, speaking to the 33<sup>rd</sup> *Annual Economic Forecast Conference* in Seattle, Jan. 14, 2005 (“Sinking Dollar and Inflation Could Trigger Trouble”).

<sup>12</sup> A layered system of prevention and defense is explored in *Deterrence, Protection and Preparation: the New Transportation Security Imperative* (TRB, Report 270), 2002.