“Policy and Politics in Transportation”

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Overview of Presentation

- the interplay between regulatory policy and political interests in transportation
- constrained capacity
- preemption
- hazardous materials transportation
always important to keep in mind that transportation policy is not set in a vacuum
also important to be reminded of the various and often conflicting influences on transportation decisionmaking
What to Keep in Mind Throughout

- transportation a good sector study of conflicting interests – social policy, economic policy
- still viewed as a public utility in many quarters – even though regulatory reform
- only noticed when there is a problem – even though key to economy
- the public perception must be managed – politics can dictate policy
- regulatory bodies have important roles in ensuring well-thought out policy in the face of strong political forces
The Constrained Capacity Challenge

- infrastructure stressed throughout the transportation system
- growth as far as the eye can see
- more needs to be done to address capacity needs
- past approaches not enough
The Rail Capacity Challenge

- history of excess freight rail capacity
- commercial interactions between carriers and shippers based on excess capacity
- now constrained capacity
- commercial interactions between carriers and shippers based on constrained capacity
The Situation Today

- higher rates and service dissatisfaction – interest in rail regulatory reform
- interest in greater use of rail – but where the money to come from
- interest in more commuter and passenger – but how to address all the needs
- need for more capacity – but community concerns
What to Do?

- all transportation initiatives – how to ensure needed capacity?
- example of conflicting objectives – how to have lower rates, better service, more capacity?
- need to ensure regulatory scheme and community response that allow for more capacity
- need for other approaches – investment tax credit, public/private partnerships (CREATE)
The Future of Preemption

- interest in flow of interstate commerce
- concerns of states and localities
- balance of capacity needs and quality of life issues
The Situation Today

- recent accidents involving hazardous materials – concern about causes of action
- smaller railroads transporting wastes, transload facilities being constructed, other transportation projects – concern about quality of life
What To Do?

- preemption needs to be implemented responsibly
- projects need to recognize quality of life issues (CREATE)
- transportation needs to be carried out responsibly
- public policy needs to preserve what is important for capacity enhancement and the flow of interstate commerce
Transportation of Hazardous Materials

- commodities that must move
- need to be moved in the safest way for all affected
- also great risks
The Situation Today

- communities concerned
- proposals to address concerns but negative impact on safety and commerce
- “bet the company” risks, particularly post 9/11
What To Do?

- need to address concerns, but not in a way that creates other safety issues or impedes interstate commerce
- another approach to risk management
Summary Comments

- Transportation challenges change
- Now capacity issues and local concerns
- Old approaches no longer sufficient
- Need for new approaches
- However, new approaches need not undermine sound policy
- Also, must not prevent the very change that is needed to address the new situation
Questions or Discussion?

on my comments, or on any other transportation issue of interest