

# Protecting the Prize

Rural Freight, Big Infrastructures and  
Their Importance to American Commerce

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## THE BACKGROUND

1

This is a North American Conversation About Effective Participation in Global Markets




2

Rural-Based Commerce and Its Connectivity to Global Markets Remains Critical to North American Prosperity

3

The Infrastructure that Sustains Rural-Based Commerce Is Too Great a Prize to Leave Untended

## THE BACKGROUND

-  This is a North American Conversation About Effective Participation in Global Markets
-  Rural-Based Commerce and Its Connectivity to These Markets Remains Critical to North American Prosperity
-  The Infrastructure that Sustains Rural-Based Commerce Is Too Great a Prize to Leave Untended

# 1

## NORTH AMERICAN ISSUE



# 1 NORTH AMERICAN ISSUE

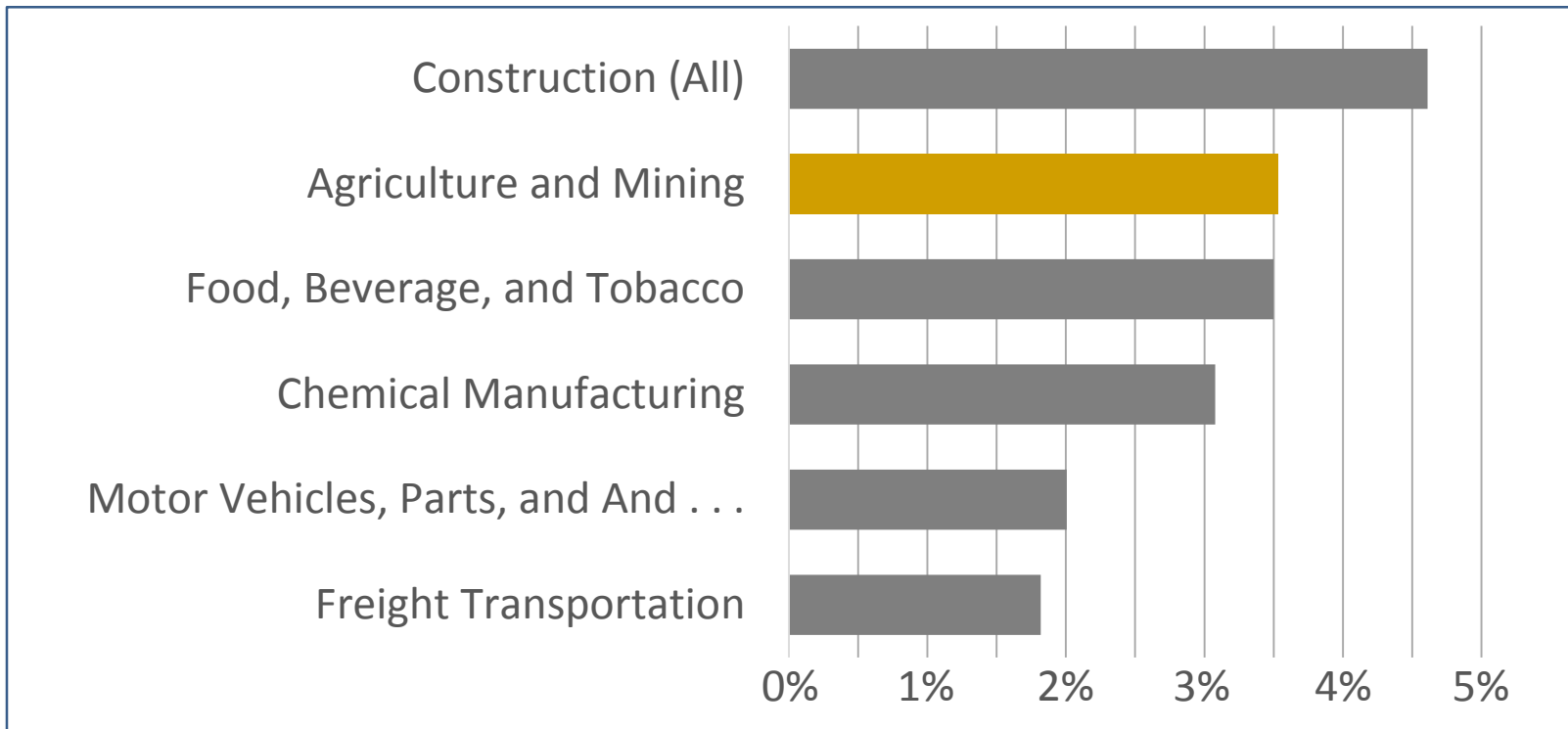
- 1 Forty Percent of U.S. Rail Traffic Is Tied to Trade
- 2 At Least One-Quarter of That Globally-Linked Traffic Involves Trade Between the U.S., Canada, and Mexico
- 3 The Majority of U.S. – Canada – Freight Tonnage Involves Rural-Based Commodities

**(FARM PRODUCTS, FERTILIZERS, FOREST PRODUCTS, ORES, NON-METALLIC MINERALS PETROLEUM, COAL. . .)**

# 2

## RURAL-BASED COMMERCE

### 2015 Percent of Total U.S. Sales

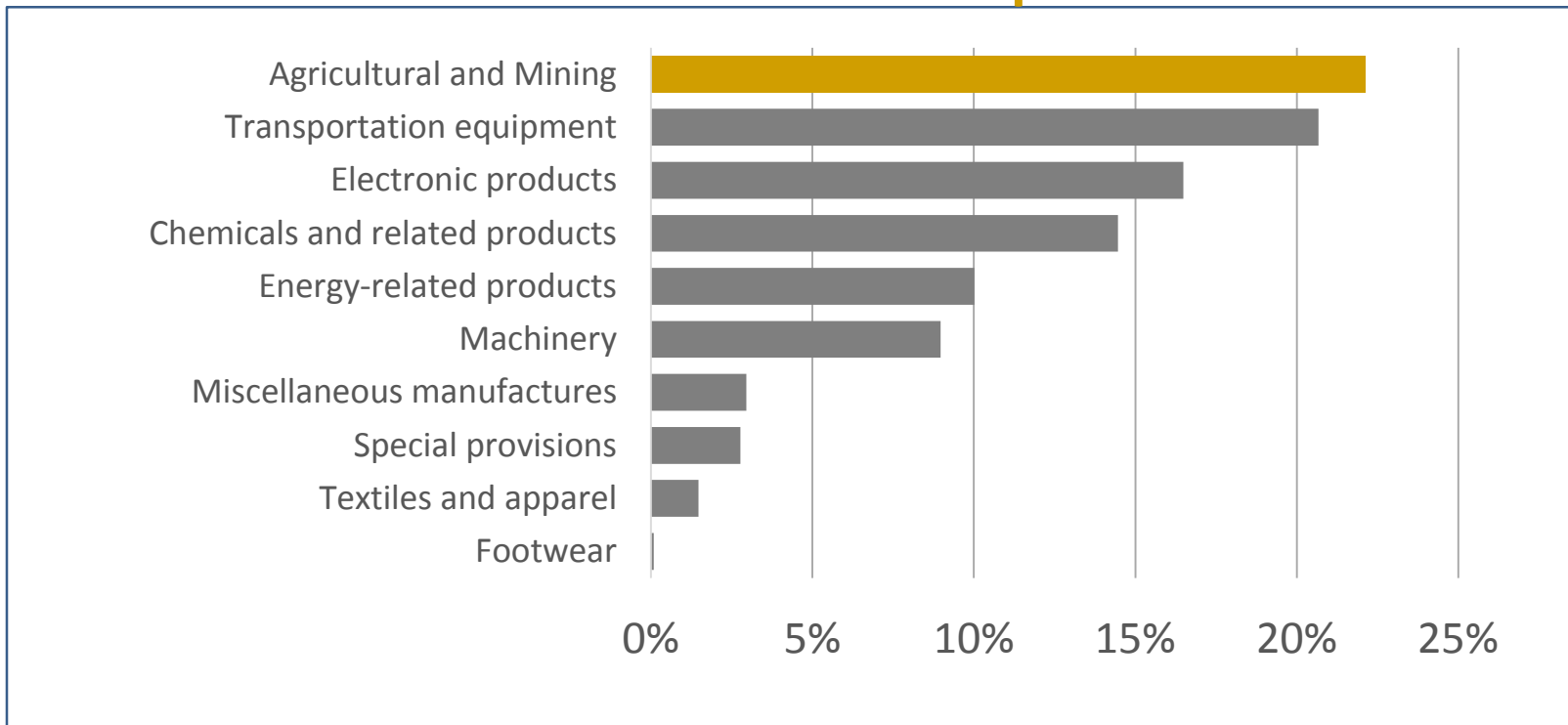




**2**

**RURAL-BASED COMMERCE**

**2014 Percent of U.S. Exports**



**SOME CAVEATS APPLY**

# 3

## TENDING THE INFRASTRUCTURE

1

National Waterways Foundation / MARAD  
Lock Outage Study

2

ARC Post-Coal Rail Studies

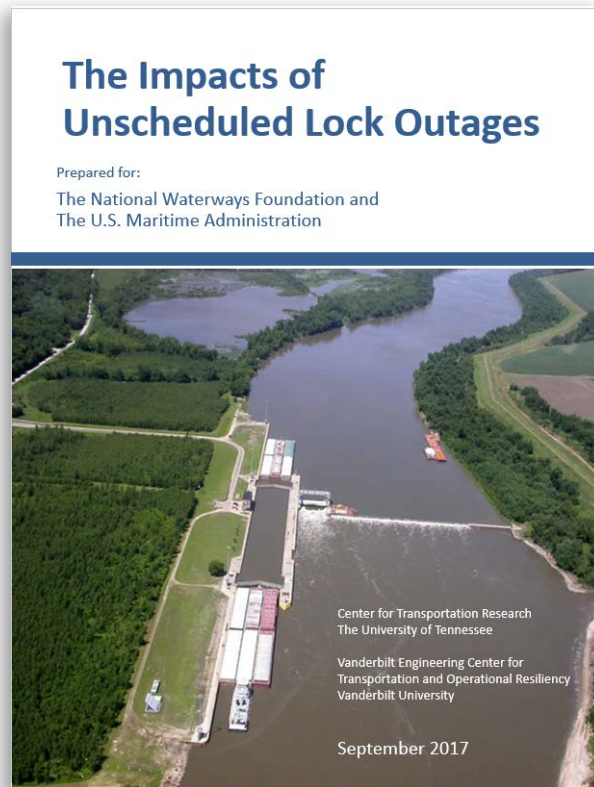
3

USDA Ag Corridors Study



# 3

## NWF / MARAD STUDY

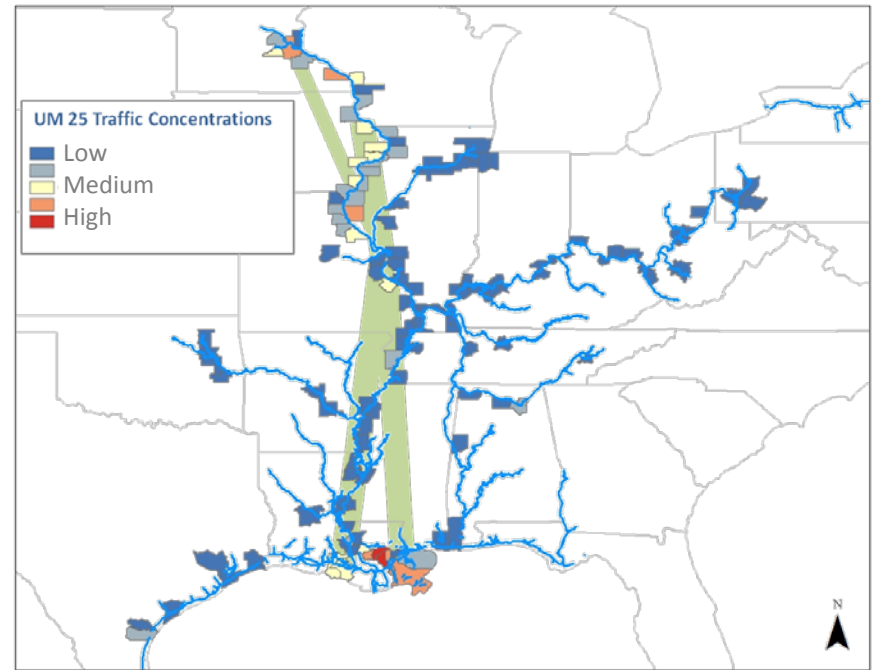
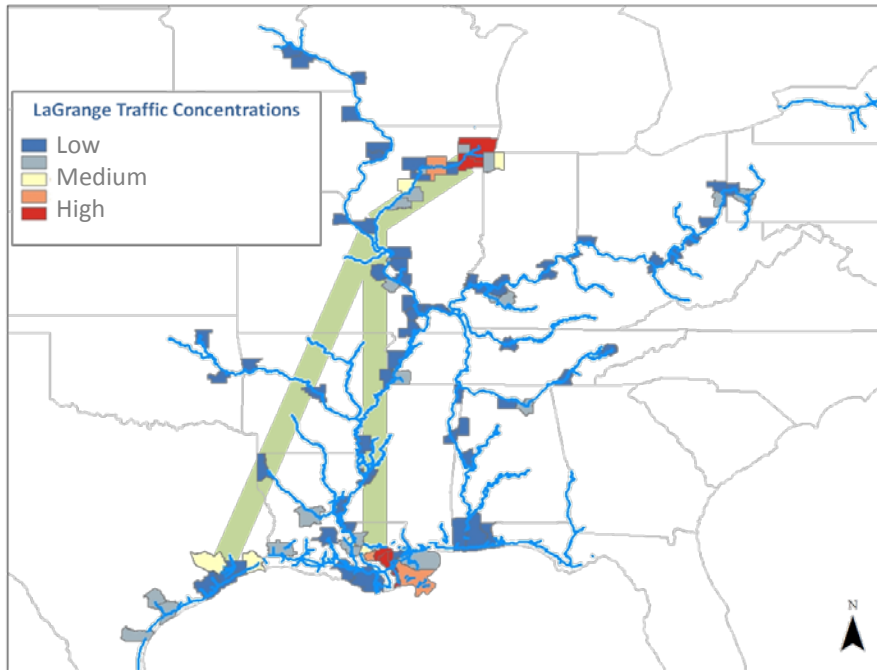


- Relies on Existing Secondary Data and Modeling Techniques
- Develops Screening Tool and New Lock Metrics
- Estimates Economic Effects of Unplanned Closure at Four Locks
  - MARKLAND**      **LAGRANGE**
  - CALCASIEU**      **UM L&D 25**
- Provides Initial Discussion of Railroad and Terminal Capacity Issues

# 3

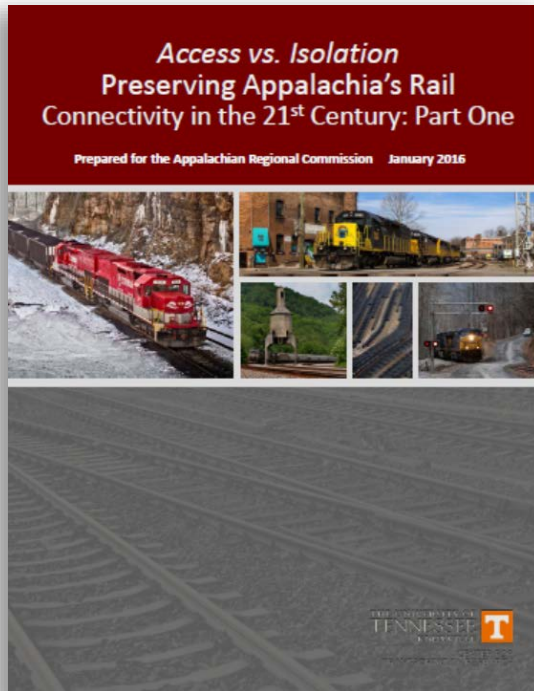
## NWF / MARAD STUDY

### Waterway Corridor Concentration and Rail Capacity



# 3

## ARC POST COAL STUDIES



<http://www.arc.gov/images/programs/transp/RailAccessinAppalachiaPartOneFinal.pdf>

<http://www.arc.gov/images/programs/transp/RailAccessinAppalachiaPartTwoFinal.pdf>

- Comprehensive Discussion of Coal Production, Consumption and Transportation in the Eastern U.S.
- Separates Trends from Short-Run Disruptions
- Explores the Need for and Forms of Public Sector Response
- Identifies Specific Rail Corridors that Are Vulnerable to Future Declines in Coal Volumes

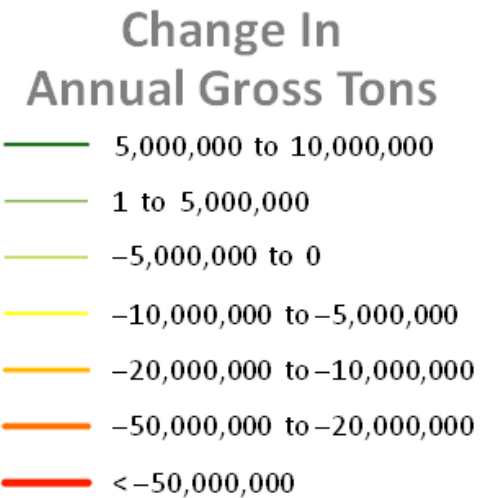
**FORTHCOMING**

# 3

## ARC POST-COAL STUDIES



# RailNet



# 3

## ARC POST-COAL STUDIES

### CHAPTER 3 TAKEAWAYS (SO FAR)

- Where the modeling predicts threats is where we've already seen activity.
- At it's fullest, reduced coal traffic will eliminate the need for significant mainline routes in Appalachia.
- Many of the most precipitous impacts seem to have been front-loaded.
- Coal-dependent rail routes through Appalachia have few alternative network functions.
- While the depth of many threats is significant, these threats, generally, do not extend beyond Appalachia
- **What happens to Appalachian coal in Global export markets is critical to how this story ends.**

# 3

## USDA CORRIDORS STUDY

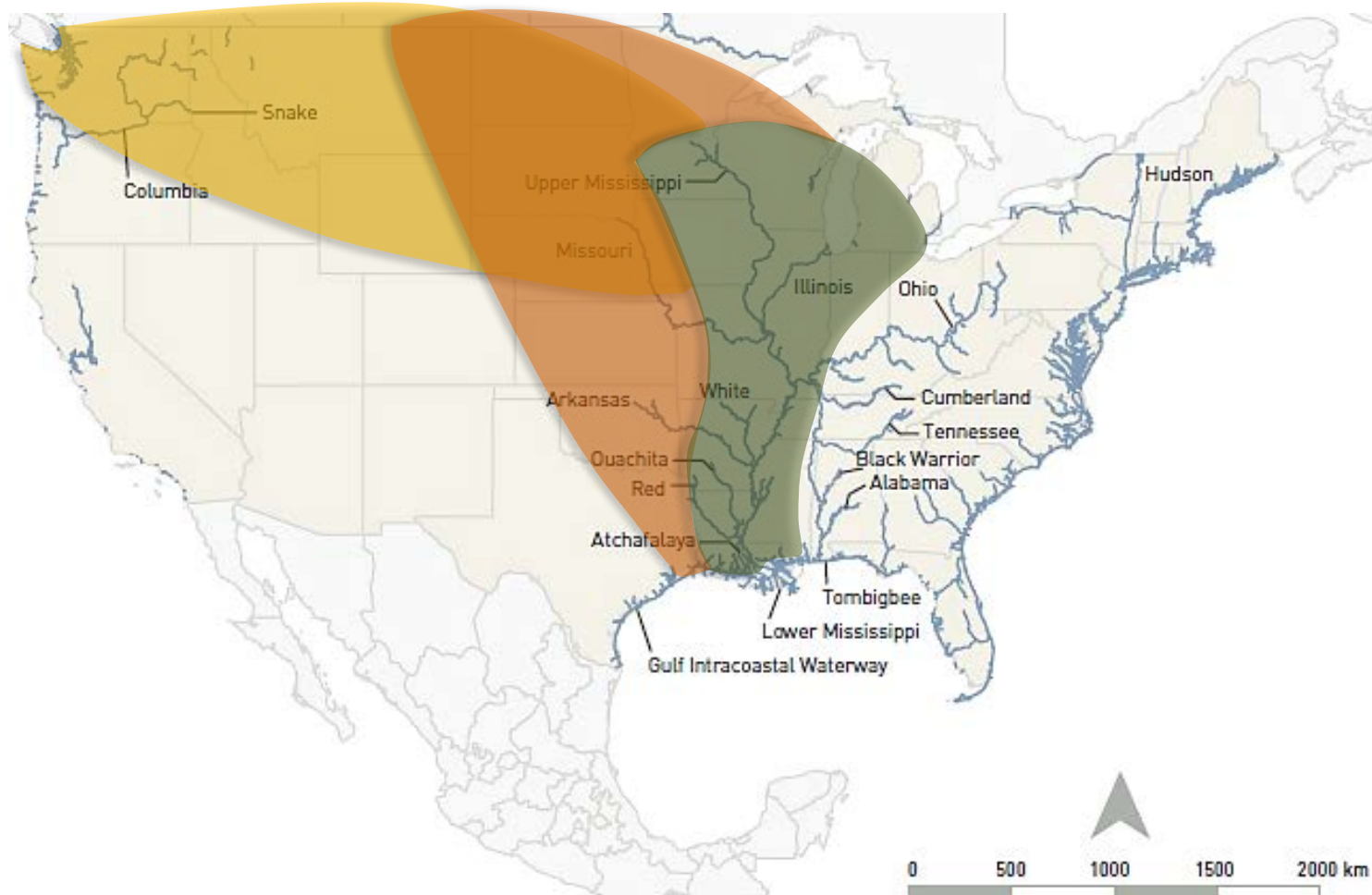
**JUST NOW  
UNDERWAY**

- Is to Examine Modal Capacity and Pricing in Three Critical Agriculture Freight Corridors
- Will Pay Specific Attention to Terminal Capacities
- Will Specifically Account for Barge Competitive Interactions
- Will Accommodate Scenario-Based Exploration of Various Changes to Traffic Demands.

**RailNet**

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