

TRANSPORT SITUATION IN THE UNITED STATES OF AMERICA IN 2004

1. Traffic trends.

Transportation traffic volumes in the United States appear likely to grow by 5-6 percent in 2004, with passenger traffic growing somewhat faster than freight traffic. Passenger traffic volumes were led by growth in air traffic, as air traffic continued to recover from the severely depressed levels following the terrorist attacks of 9/11/01. Transit volumes grew solidly, while rail passenger volumes fell. Growth in freight traffic volumes was led by air freight, which has been the fastest growing portion of freight traffic for the past decade. Rail, truck, and petroleum pipeline traffic grew solidly, while gas pipeline volumes and domestic water traffic fell. International transportation traffic grew about 12 percent in 2004, growing about equally at ocean ports and at land border crossings with Canada and Mexico. Overall traffic volumes are expected to continue to grow in 2005 as the economy continues its recovery from the 2001 recession.

An increasing proportion of vehicle traffic comprises highly fuel-efficient hybrid gasoline/electric-powered automobiles. These vehicles reinforce the trend of the past three decades toward vehicles that consume less fuel – and pay lower fuel taxes – per kilometer driven. This trend further weakens the financial basis of the Highway Trust Fund, which has been the main source of federal revenues to pay for highway infrastructure. This in turn has led to greater interest in alternative sources of infrastructure finance, such as tolls.

In air transportation, the United States is anticipating a trend toward more diverse aircraft types, including 500+-seat "macrojets" and 4-to-6-seat "microjets." The large jets will require expensive changes in airport infrastructure, while the microjets will impose heavier loads on air traffic control systems.

In marine transportation, rapid growth in shipments through some ports is straining capacity, and further rapid growth rates are expected. Between 1995 and 2001, the ports of Los Angeles and Long Beach increased their share of the U.S. container trade from 30 percent to 37 percent. Growth in warehousing and terminal facilities in southern California is increasingly locking in that trade. The growing trade volume is straining port capacity and posing growing environmental challenges.

2. Obstacles to the development of transport

The quality of highway infrastructure has moderately improved since 1997, from 43 percent of highway mileage rated as "good" to 47 percent in 2002. Data for 2004 are not yet available. However, the quantity of highway infrastructure has not expanded to match growing demands. Highway lane-miles grew by only 0.2 percent per year from 1993 to 2002, while vehicle-miles travelled increase by 2.5 percent per year. As a result, highway congestion has grown, with the total hours of delay rising from 700 million in 1982 to 3.5 billion in 2002. Congestion delays grew ten times as fast in small and medium-sized cities as they did in large cities between 1987 and 2002. The cost of these delays rose from \$14.2 billion in 1982 to \$63.2 billion in 2002. Congestion problems have worsened partly because existing legislation sharply restricts the ability to apply congestion tolls to highways financed with federal funds. The President has recommended to the Congress that this legislation be changed to allow tolls to be imposed on any portion of federally-financed highways in order to manage congestion or reduce air pollutant emissions.

The Corporate Average Fuel Economy (CAFE) program has contributed to increased fuel economy in the light-duty fleet, but a 2002 study by the National Academy of Science found

that program aspects such as the distinction between and light trucks and passenger vehicles and the distinction between domestic and foreign fleets have not functioned as intended. The NAS study suggested that the truck/vehicle distinction has encouraged the proliferation of fuel inefficient SUVs, and the increasingly international nature of the vehicle manufacturing industry has reduced the importance of the fleet distinction. The study recommended changes to the program, such as tradable fuel economy credits and eliminated of the two fleet rule, be developed, and noted that selection of fuel economy targets will involve difficult tradeoffs among environmental benefits, safety, costs, energy independence and consumer preferences.

3. Best practices in transport and infrastructure regulation.

Safety.--While 2004 data are not yet available, transportation fatalities in 2003 were at the lowest level since record-keeping began 29 years ago, and transportation injuries were also at a record lows. These safety improvements, while cutting across all transportation modes, have been dominated by improvements in highway safety. Highway safety improvements have occurred primarily because of federal regulations requiring improvements in vehicle safety and educational campaigns and statutory changes encouraging safety-belt use and discouraging drunk driving. Fatalities increased, however, for accidents involving motorcycles and sport-utility vehicles.

Infrastructure.—Under an existing pilot program, congestion pricing initiatives have begun on five highways across the country. The initial experience has been positive, showing that congestion pricing has been reduced congestion, increased travel speeds, reduced pollution, and has had generally positive distributional effects.

A wide range of Intelligent Transportation Systems (ITS) have been developed to use our existing transportation infrastructure more efficiently, including metering vehicle access at freeway entrance ramps, optimizing the timing of traffic signals, providing faster response to congestion-causing traffic accidents, providing traveller information systems to inform travellers about congestion problems and available alternative routes, and providing reversible commuter lanes.

In aviation, the Secretary of Transportation and the Administrator of NASA have established a Joint Planning and Development Office to plan a Next Generation Air Transportation System that will accommodate the increasingly diverse civilian aircraft fleet while also ensuring safety and security. In marine transportation, the U.S. Commission on Ocean Policy recommended a new cabinet-level National Ocean Council, and the President took the first step toward responding to that recommendation by establishing a White House Committee on Ocean Policy. The President also proposed freight transportation initiatives in his response to facilitate intermodal freight transportation, better coordinate public and private freight planning and financing, enhance efficiency, and improve freight data.

U.S. Federal transportation programs provide guidance and funding for states and local transit agencies in carrying out transportation capital investment projects. States and metropolitan areas develop plans for how they will use their Federal funds, and Federal programs allow states and metropolitan areas great flexibility in meeting their goals while ensuring that the metropolitan and state transportation planning agencies consider transportation, environmental, and economic factors. This system leaves authority in the hands of local decision makers while also maintaining uniform infrastructure quality and environmental standards. Recent aviation legislation and surface transportation proposed legislation would enhance coordination among airport, port and surface transportation planners and with freight and environmental planners.

Environment

The Clean Air Act and Federal transportation program legislation require coordination of air

quality planning and transportation planning so that the transportation system as a whole in a given area helps to meet air quality standards. The Congestion Mitigation and Air Quality Improvement Program (CMAQ) provides funding for transportation projects that help areas meet or maintain ambient air quality standards. Since its inception in 1991, over 15 billion dollars has been authorized for the program. State and local transportation agencies have used CMAQ funds for projects to improve transit, traffic flow, bicycle and pedestrian access, purchase alternative fuel fleet vehicles, promote ride sharing and reduce emissions from vehicle idling. Federal transit funds have supported purchase of alternative fuel buses and construction of supporting infrastructure such as refuelling and maintenance facilities. Airport funds may now be used to purchase airport vehicles and equipment with lower emissions. Federal transportation funds can be used for wetland and wildlife habitat mitigation related to Federally assisted transport projects, and highway funds may also be used for wetlands and habitat conservation planning. The Transportation Enhancements program offers communities the opportunity to expand transportation choices by funding activities such as safe bicycle and pedestrian facilities, scenic routes, beautification, and other investments increase opportunities for recreation, accessibility, and safety for everyone beyond traditional highway programs.