Poor public policy

America's next president undoubtedly will help set — or at least shape — public policy for years to come. Let's consider how transportation may be impacted.

Earlier this year I heard Stephen Van Beek, associate deputy secretary of transportation, discuss the industry's relationship to public policy. Van Beek, an academic on leave, gave a superb review of the transportation challenges facing our country. Unfortunately, since he spoke from notes, and not from a prepared text, there is no record of his remarks. But, because they were so insightful, I thought them worthy of recap.

Van Beek outlined the inherent dichotomy in U.S. transportation policy. Noting that transportation is an asset-based network, he suggested it would be logical for government policy to take a systemic approach to optimize the overall network. Instead, he claimed, we have "disjointed incrementalism," whereby decisions are made individually and not collectively. This happens for several reasons.

One reason is modal. The Department of Transportation was established in 1966 to manage transportation across all modes. But funding is controlled by individual federal administrations for air (FAA), highways (FHWA), railroad (FRA) and transit (FTA). Although an Office of Intermodalism was established a decade ago, lack of funding makes it difficult to follow a coordinated policy. Furthermore, other government agencies and departments, such as the Army Corps of Engineers, Surface Transportation Board and Federal Maritime Commission, also make transportation policy.

Formula funding adds another problem. Specific funding methods (e.g., fuel and excise taxes) are assessed and collected into various trust funds that may be "on" or "off" budget. Because states expert to get back benefits that reflect the amount paid, it is difficult to apply the funds in a way that optimizes the overall network. This problem is exacerbated by legislative earmarking of funding for specific projects — something that is reinforced by the existence of several House and Senate committees working on transportation policy.

There also is a lack of good data. The limited information available is usually along modal lines, and cannot measure door-to-door movement of people and goods. The Bureau of Transportation Statistics has professed a desire to become more intermodally involved, but it still requires more industry involvement.

There is a regulatory patchwork quilt that oversees the transportation network. Similar to the federal model, states have their own departments of transportation and modal-specific agencies. And local and regional authorities oversee and operate airports, seaports and transit systems. The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) gave metropolitan planning organizations the power to plan, set priorities for and allocate certain federal funds to projects of regional significance. Simply put, there are too many cooks.

Van Beek offered some suggestions. First, better data will help the system to be better understood. You can't manage what you can't measure. The next step is to counter the old adage that "freight doesn't vote". It is important for transportation users to advocate the importance of the system and the benefits of intermodalism.

Van Beek urged individuals — especially shippers with a stake in system performance — to become involved in policy-making. Shippers must call for improvements before a crisis sets in. Companies should cease enduring inefficiencies and must recognize that improvements accumulate — even if it is by the individual shipment.

Somehow, the participation of the transportation community should serve to reach a critical mass of civic force, which would help overcome the approval obstacle that most transportation projects have — concentrated costs and dispersed benefits. The Alameda Corridor probably serves as the best example to date of a project "of national significance." Transportation is more than economic development. Decisions regarding the industry must be made at a level from which the entire picture is visible, and by individuals who possess the expertise to recognize the national impact of all available options. While industrial policy has been a forbidden topic for many years, perhaps now is the moment to begin discussing it.

We may not want the government picking industrial winners and losers, but a focused effort, and optimal use of limited resources, is a reasonable goal. The "One-DOT" focus that Transportation Secretary Rodney Slater has been trying to promote is consistent with such a vision. FHWA Administrator Ken Wykle and his staff are engaged in supporting intermodal innovations, and they recently prepared a very professional annual report recapitulating its initiatives in a number of areas.

Transportation has been a key component of economic growth and we must make sure that it continues to help — and not hinder — our economy. As a new administration plans to take office, it would be a good time to take a fresh look at how policy is made.

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