Politics warming transportation

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The framers of the U.S. Constitution distributed authority among the three branches of government. In the last six months, we have seen this separation of powers applied to environmental issues — many at the heart of the transportation industry.

With the Democratic election success last November, Congress went from contemplating whether global warming was a hoax, to considering remedies. President Bush, in his State of the Union address in January, even referenced “the serious challenge of global climate change” In April, the Supreme Court ruled that carbon dioxide and other greenhouse gases are pollutants and that the Bush administration broke the law by refusing to limit their emissions.

In February, the U.N. Intergovernmental Panel on Climate Change stated that global warming is “unequivocal.” Environmental issues and policy deeply impact our industry. The U.S. is the world’s largest consumer of petroleum — and transportation uses more of it than any other sector of our economy. While the price of fuel has become a significant contributor to the delivered price of transportation, it also has the potential to alter the competitive landscape between modes in the future. This gives rise to some pressing questions.

What will happen to coal? Many see enhanced air quality as bad for the coal business and the modes that carry it. TXU’s recent decision to forgo building eight plants that would have been coal-burning and served by rail has caused some concern.

Carbon sequestration offers a technology to store carbon dioxide released by burning coal someplace other than the atmosphere (i.e., underground). Such technology may mark a return to “dirtier” coal that is less expensive than Powder River Basin coal. This could not only impact transportation carriers, it could affect modal change. Barge and coal slurry pipelines may prosper from increased demand.

What will ethanol mean? Ethanol is frequently mentioned as a possible fuel solution, although meeting future ethanol needs would mean consuming more of our nation’s total corn production. There is concern that a massive corn-planting program could adversely impact other agricultural commodities — and their distribution.

Ethanol distribution is also problematic. Pipelines cannot accommodate ethanol’s chemical state; ethanol must move by rail or truck. Today’s fuel pump infrastructure will corrode if exposed to a mixture of greater than 10 percent ethanol.

Is this good for intermodal? Anything that increases the cost of trucking should benefit intermodal rail’s competitive position and result in increased cooperation among modes. But increased truck size and weight limits could offset this advantage. The Senate is contemplating an increase in federal weight limits from 80,000 to 97,000 pounds.

What is the impact on transportation infrastructure? Concern about global warming is closely linked to expansion of insufficient transportation infrastructure. The best example may be the Clean Air Act Plan, adopted by the ports of Los Angeles and Long Beach in November. Millions of dollars would be invested by the ports and various government jurisdictions to reduce pollution risk in the South Coast Air Basin.

Numerous capacity-expansion plans for rail, port and marine terminals are on hold; concern exists that some may never get off the drawing board. The source of additional capacity is unknown. The ports also propose to spend millions for a fleet modernization program to replace older, dirtier trucks driven by owner-operators with newer, less polluting trucks driven by a company employee. This could completely transform the harbor trucking industry. (See related article, Page 40.)

The Supreme Court’s recent decision to give state governments the standing to implement their own rules has many eyes on California. If myriad state actions result, industry may have no choice but to seek a uniform set of federal rules that would preempt local actions.

Transportation is the engine that literally drives the U.S. economy, and transportation providers will seek to perfect their practices. Some industries have taken a more aggressive position, but it’s time for our nation to address environmental problems in a more comprehensive fashion. Our sector increasingly finds itself in the leadership role. Hopefully, we will continue to produce sufficient capacity, higher standards, new technology and efficient solutions. Private-sector initiatives are essential.

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