

# 2013 Agricultural Symposium

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# Transportation Issues Facing Agriculture

- **Transportation is vital to Agriculture....**
- **Agriculture is dependent on system wide U.S. transportation improvements.**
- **U.S. Transportation Challenges:**
  - Keeping up with U.S. and world population and economic growth
  - Continuing to strengthen U.S. competitive advantage in transportation infrastructure
  - Funding requires Private and Public funds
  - Working with a fragmented Government Transportation Policy



# U.S. Transportation Capabilities

("other" excluded)	Rail	Water	Truck	Total
<b>Total Tons</b> (2007) <i>(thousands)</i>	2,082,720 16%	781,020 6%	8,721,390 67%	13,017,000
<b>Ag Tons</b> (2007) <i>(thousands)</i>	384,200 19%	228,000 11%	1,379,000 69%	1,991,200
<b>Ag Share of Total Tons</b>	18%	29%	16%	
<b>Total Ton Miles</b> ( 2007) <i>(millions)</i>	1,549,557 46%	331,506 10%	1,351,531 40%	3,344,663
<b>Ag Share of Total Ton Miles</b>	22%	44%	28%	
<b>2010 System Miles</b>	138,518	12,612	150,309	
<b>1 ton = MPG</b>	413	576	110	

Source: Bureau of Transportation Statistics



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# Capacity and Infrastructure

- **Capacity**

- Growing U.S. and World populations: 41M and 1B respectively by 2025
- Incremental gains in Domestic Freight Shipments: 1.6B tons (13%)/(40 tons/person/year)
- Accelerated growth expected for Imports and Exports

- **Infrastructure**

- Infrastructure spending not aligned with projected growth rates
- Cost of new capacity is in addition to cost of maintenance



# Competitive Advantage

- **Infrastructure Rehabilitation is Key to U.S. Competitive Edge in Transportation.....**
  - **Highway: Improving but must increase pace.**
  - **Water: More than 50% of locks are over 50 years old.**
  - **Rail: Capital spending of \$110B from 2002 through 2012 has improved system reliability and capacity.**
  - **Brazil and Argentina are still very dependent on higher cost truck transportation, but increasing use of rail and water**



# Funding

- **Highways: \$170B combined Federal, State and Local funding in 2012. Approximately 50% from user taxes and 50% from general fund contributions.**
  - Total funding split is 25% Federal and 75% State/Local
  - “Maintain” level requires additional \$13B/year.
- **Water: Funding model of 50% from User Fees and 50% from General Appropriations.**
  - Inland Waterway Trust Fund supports a \$170M annual expenditure.
  - \$380M/yr estimated to maintain reliable system. Scheduled to 2090
  - Large balance of deferred maintenance.
- **Rail: Primarily private funding. Demand for capacity driving higher returns and increased capital spending.**



# Government Transportation Policy and Programs

- **Fragmented National Transportation Policy: not fully defined, integrated or supported.**
- **Regulation burden:**
  - Hours of Service (HOS): U.S. DOT
  - Comprehensive Safety Analysis (CSA)
  - Positive Train Control
  - EPA Emission requirements



Prototype of Union Pacific's aerodynamic wedge, which reduces wind drag to improve fuel efficiencies and reduce emissions



POSITIVE TRAIN CONTROL



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# Key Takeaways

- **Growth in U.S. and World GDP and population will place higher demands on U.S. transportation infrastructure.**
- **U. S. has a well developed and efficient transportation infrastructure that needs repair and expansion to keep U.S. agriculture and the entire economy competitive.**
- **U.S. transportation strategy does not align the strengths of each mode, funding requirements and regulatory management.**

