



**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# Transportation Challenges Impacting Agriculture Markets

## *PNWER Summit*

Leslie Blakey, President, Coalition for America's  
Gateways and Trade Corridors

# What is CAGTC?

- Coalition for America's Gateways and Trade Corridors: Founded in 2001 as a national advocacy organization for freight infrastructure
- Mission: Raise public recognition and Congressional awareness of the nation's freight needs and to promote sufficient funding in federal legislation for our multimodal goods movement system
- Composition: 60+ member organizations that are geographically and politically diverse from the public & private sectors

**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# Global Rankings

The World Economic Forum's 2012 Global Competitiveness Report ranks U.S. infrastructure in 14th place, down from 8th in 2009.



**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# Investment is Urgently Needed

- Our largest trading partners and competitors are investing at twice to five times the rate we are:
  - U.S. — <2%
  - Canada — 4%
  - Mexico — 4.5%
  - Europe (average) — 5%
  - India — 8%
  - China — 9%

**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# In order for the U.S. to maintain its competitiveness....

We need a **national freight strategy** that takes a **comprehensive view of every mode** of freight transportation, including waterside and landside infrastructure improvements.

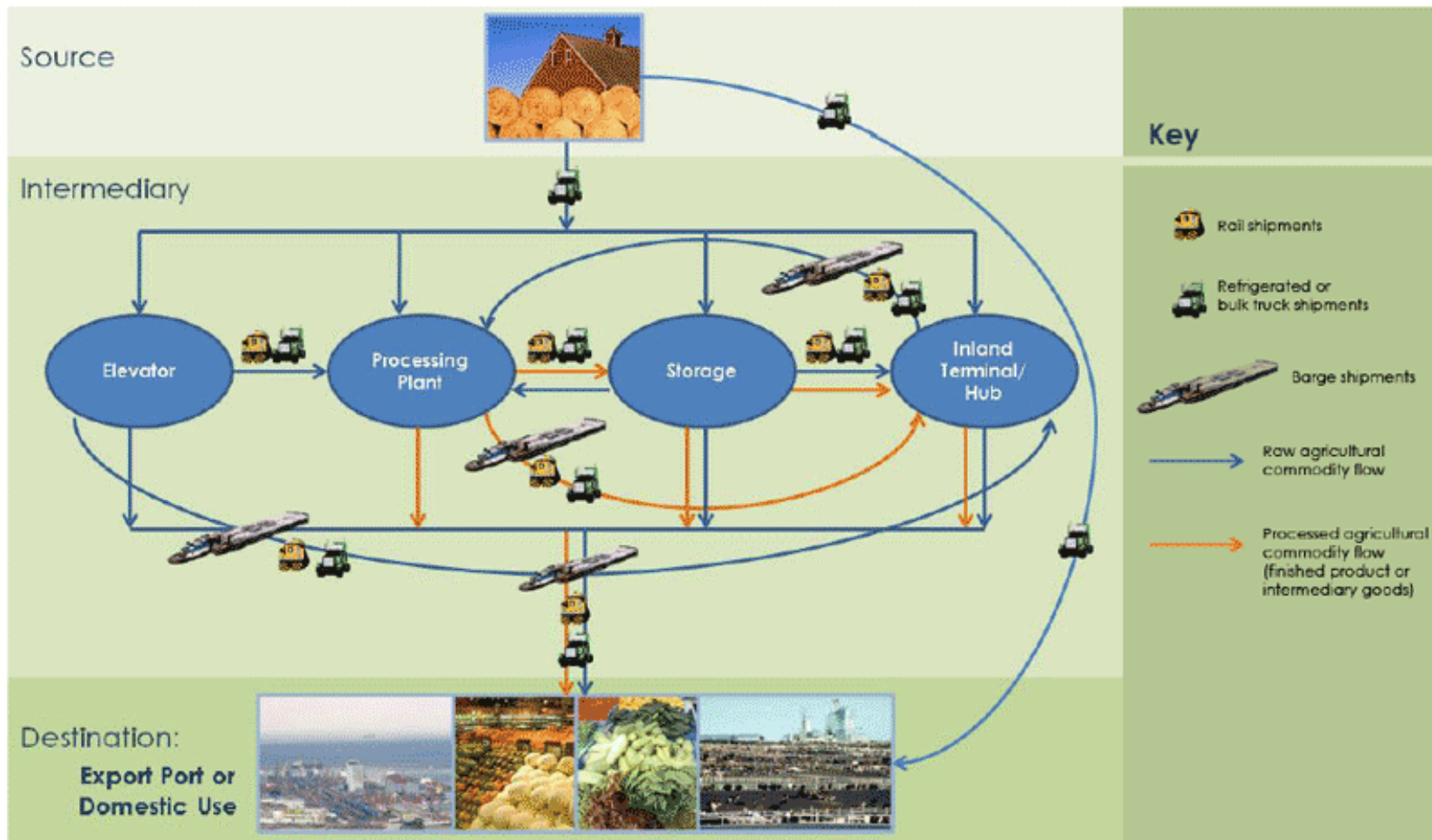
*“The average international product or commodity travels over 1,00 miles within the U.S. to get from a port to its market, underscoring how international trade relies on the domestic freight network.”\**

*\*Brookings: “The Great Port Mismatch”*

# Canada's Economic Action Plan (2013)

- Builds off of the Building Canada Plan of 2007
- The largest and longest federal infrastructure investment in Canada's history
- Prioritizes investment in Canada's gateways
- Focuses on supporting projects that enhance economic growth, job creation and productivity
- Makes use of P3s

# Agriculture travels on every mode



**U.S. Agriculture Supply Chain for Raw and Processed Products**

**Source: Federal Highway Administration**

# Demand for Agricultural Products is Growing, *especially in foreign markets*

- Each mode has its challenges & opportunities, but access to foreign markets requires seamless, cost-efficient multimodal transport.
- Canada is investing - but the U.S. is not keeping pace.
- By 2020 degraded infrastructure will result in agriculture, forestry and fisheries losing \$17 billion in sales, according to the American Society of Civil Engineers.

**CAGTC**

Coalition for America's  
Gateways & Trade Corridors



# Inadequate Border Infrastructure

- Existing infrastructure is beyond capacity.
- Long wait times are harming economic productivity.
- The Canadian Government paid for the entire Detroit-Windsor crossing in Michigan.

**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# Agriculture by Highway



**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# Highway

- Globally, the US ranks 16th in quality of roads. Countries including Japan, France, the Netherlands, and the United Arab Emirates are ranked higher.
- There are major chokepoints along trade corridors and at the U.S. – Canadian border.

**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# Agriculture by Inland Waterway



**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# Inland Waterways

- The inland waterway system includes 242 navigational locks and dams, most of which are more than 50 years old. A number of them are 70–80 years old.
- A disruption, such as a failure, dramatically impacts barge shipments.
- According to the American Society of Civil Engineers, barges laden with freight are delayed an average of 52 times each day.

**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# Agriculture by Rail



**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# Rail – Capacity Constraints

*“If there’s a capacity problem who pays more, coal or grain?”*

- Increased demand abroad for coal coupled with the Bakken shale oil boom, is creating a capacity crunch that is particularly pronounced in the Pacific NW.
- The remaining capacity available to other railroad shippers is limited, constrained, and more expensive.
- Transit times increase as a result of congestion.

**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# Ports





# Ports

- Port infrastructure in the United States is ranked 12th globally.
  - Denmark, New Zealand, and Spain have higher rankings
- West Coast labor strikes were particularly damaging to Agriculture:
  - Christmas trees, exported to Asia, missed the entire holiday shopping season.
  - Apple producers in the Pacific NW say they lost \$19 million a week.
  - Suppliers worry about a permanent loss as customers look elsewhere.

**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# Present Landscape



- Two-year bill, funded at \$52B/ yr
- Developed first-ever National Freight Policy and other freight provisions
- Expired 9/30/14, was extended through 5/31/15, and again through 07/31/15

**CAGTC**

Coalition for America's  
Gateways & Trade Corridors

# What's Next?



- Money: HTF revenue will not support a bill; tax reform, including repatriation, could possibly happen by late fall and support a long-term surface transportation bill
- “Do Nothing Congress”: Republicans will likely be inspired to shake the 113<sup>th</sup> Congress’ reputation in time for the 2016 Presidential race. The 113<sup>th</sup> Congress passed just 185 laws.

# Contact:

Leslie Blakey

1120 20<sup>th</sup> Street NW  
Suite 500 N  
Washington, DC 20036

[lblakey@blakey-agnew.com](mailto:lblakey@blakey-agnew.com)

(202) 828-9100