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Director

11:45 am – 12:55 pm

### Panel 2: What is to be Done?

In a moderated discussion format, panelists, drawn from rail, highways, aviation, and ports, will discuss specific issues and challenges related to moving forward with a more regional and more intermodal approach to transportation along the Northeast Corridor, and provide examples of how this is done elsewhere.

Moderator: Mark Schweiker, President and CEO of the Greater Philadelphia Chamber of Commerce

Speakers: Paul Bea, Government Relations Advisor, Maritime Coastal and Logistics Advisors (short-sea shipping)  
John Bennett, Chief, Business Strategy, Amtrak (hsr)  
Jean-Paul Rodrigue, Associate Professor, Hofstra University (international perspective)  
Mark Strauss, FAIA, AICP  
*Principal, FXFOWLE ARCHITECTS, PC*  
Lou Venech, Senior Manager of Transportation Policy & Development, Port Authority of New York & New Jersey

### Comments by Jean-Paul Rodrigue

**An uncertain economic environment.** A great deal of the economic growth that has taken place in the last few years was artificially induced with asset inflation and debt as the main driving force. We have entered the bust phase in the largest asset bubble in human history. The debasement of the USD and the rise oil prices are interrelated with the collapse of real estate assets. My assessment is that freight traffic figures will stall, if not decline. This will leave a significant opportunity to think strategically and invest in new infrastructure projects.

**Global changes, local pains.** I think it is somewhat of a misconception that planning is done at a much wider scale elsewhere in the world. It is important to keep in mind that large capital investment projects, particularly in transportation, follows the shift in the world's commercial geography. This process is mainly the outcome of economic forces, little of it is a concerted effort, but more of a reaction to changes that have already taken place and changes that are expected to take place. There is little planning involved, but a multitude of decisions concerning the allocation of capital where global processes are often "stamped" on local patterns. So, at start it is important to realize that global changes are accompanied by local difficulties to cope with an array of transportation issues, namely congestion.

**Geographical disconnect.** In the current global context, major decisions are taking place at a scale beyond the jurisdiction and I should say sometimes the comprehension of planning agencies. Take for example the strategies of global port operators, which have emerged as powerful vectors of international trade and transportation. Along with maritime shipping companies, they are in my opinion the entities the most involved in a global strategic planning of transportation. As of 2005, port holdings accounted for over 58% of container port capacity and 67% of global containerized throughput. An overview of their strategies reveals a keep grasp of global commercial trends and the corresponding allocation of assets.

**Commercial trends and infrastructure cycles.** The United States, much as Western Europe, is simply in a more mature phase of the process where much of the infrastructure development and

capital investment has already taken place. Yet, we are entering a new phase where infrastructures will have to be upgraded or built to service a transport environment quite different from the one they were initially designed for. It has become quite obvious that our Interstate, airport and port systems have a difficult time coping with the requirements of contemporary passengers and freight transportation. This is not just a matter of capacity, but also of reliability. I do however have concerns as the financing requirements would come at a time when the availability of capital would be seriously restrained. Many investment opportunities were missed while a gigantic quantity of capital was misallocated.

**Is planning a “rear mirror” process?** In a world that is increasingly market driven, rational decisions may often appear to be planned while actually they are not. For instance, if one looks at the map of the world’s largest container ports, the prominence of Pacific Asia would be easily noted. Many of these ports did not exist 20 years ago. The scale and scope of industrialization in China took many by surprise, including the Chinese themselves. The response was a vast array of ad-hoc projects behind the mask of general planning frameworks. Thus, infrastructure development was continuously striving to keep up with the demand. It is the impressive scale of these projects that gives the impression that there must be an effective planning process at play. If we look at Europe, planning is more of a cumbersome and heavily bureaucratic process embedded within layers after layers of red tape. It is not about what should be done, but about what cannot be done. The implementation of any strategy thus follows the path of least resistance, which is still plagued by layers after layers of regulations. Projects get delayed, redesigned and by the time they are implemented the commercial environment may have changed to a point that they are much less relevant. Still, things often get done. One example concerns high speed rail which due to historical reasons and consensus permitted the setting of a pan-European network.

**Disconnection between the outcome and the transport process.** People see goods in stores, but do not understand the transportation and distribution processes behind this outcome. Freight transportation is seen as generator of externalities, but its crucial contribution to the regional economic wealth is misunderstood.

**Corridors as structures for consensus.** In terms of what needs to be done, as usual, things are much easier said than done. Any statement made by an academic should be taken with a grain of salt. Around the world, the pattern appears to be relatively similar. In many places, a lack of coordination between different agencies and jurisdictions, from local to national governments, is constantly noted. More than 25 years of deregulation has started to have a significant impact on the decision making process of various agencies. The emerging themes concern regions and corridors, which is a concept that has been articulated about 50 years ago. The idea is now catching up, but “planning” should sound more like “lacking”. It looks like planning is more about incorporating the past processes within the collective framework than showing foresight. Still, corridors offer an opportunity for a consensus as it forces its constituents to look at a common set of issues and once those issues are recognized there is a higher possibility for setting strategies that truly regional in character.