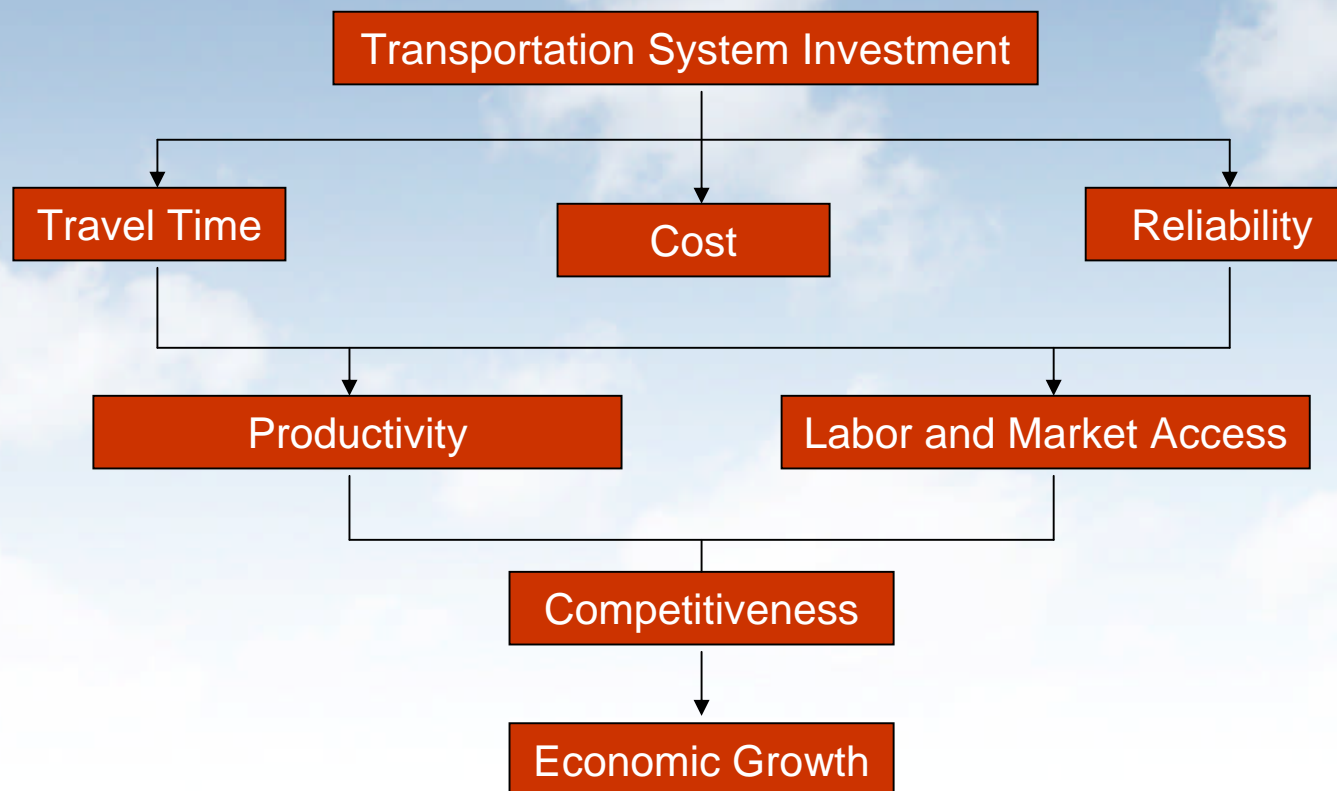


The Transportation Challenge

MOVING THE U.S. ECONOMY



Purpose: Economic Perspective

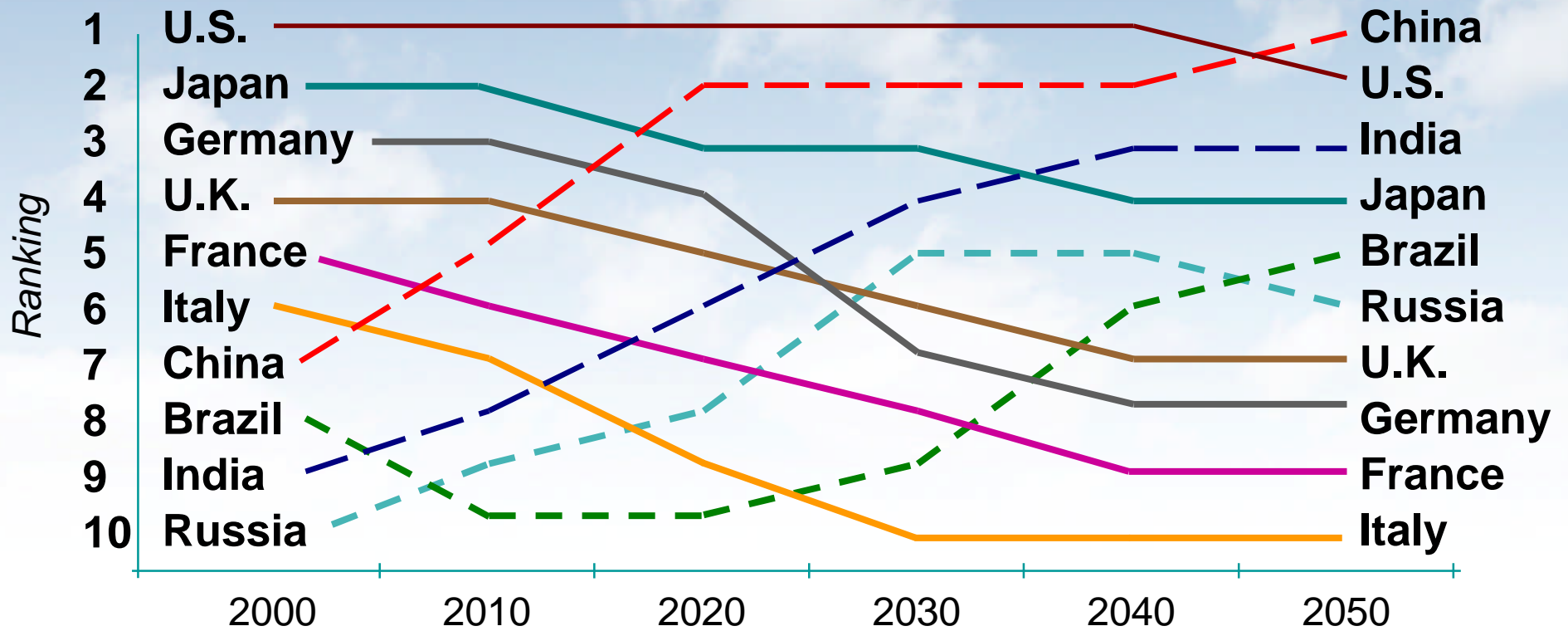


Source: Cambridge Systematics, Inc.

Situation: Global Competition

GDP Top 10

Billions of Real (2003) U.S. Dollars

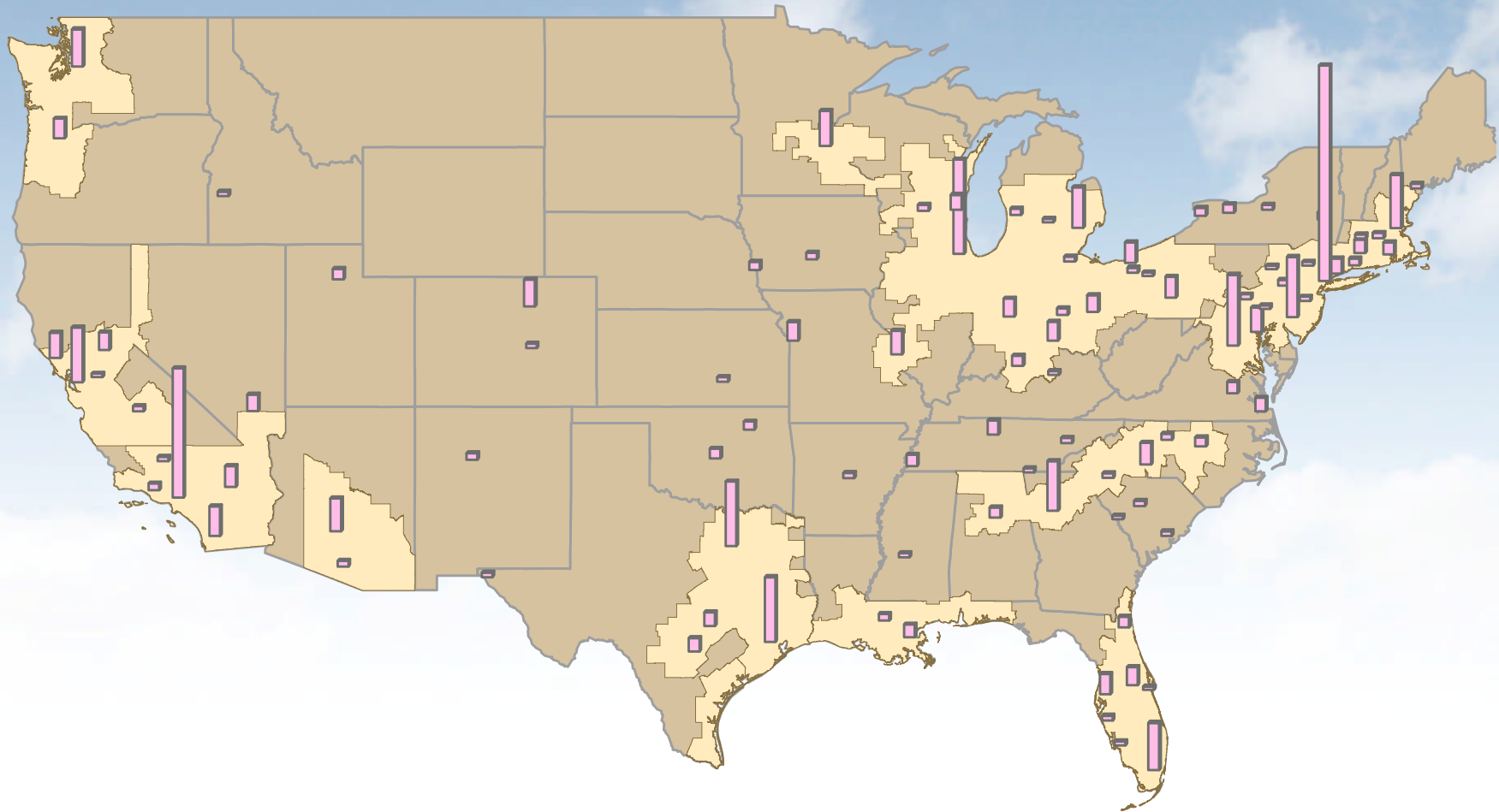


Situation: Changing Economy

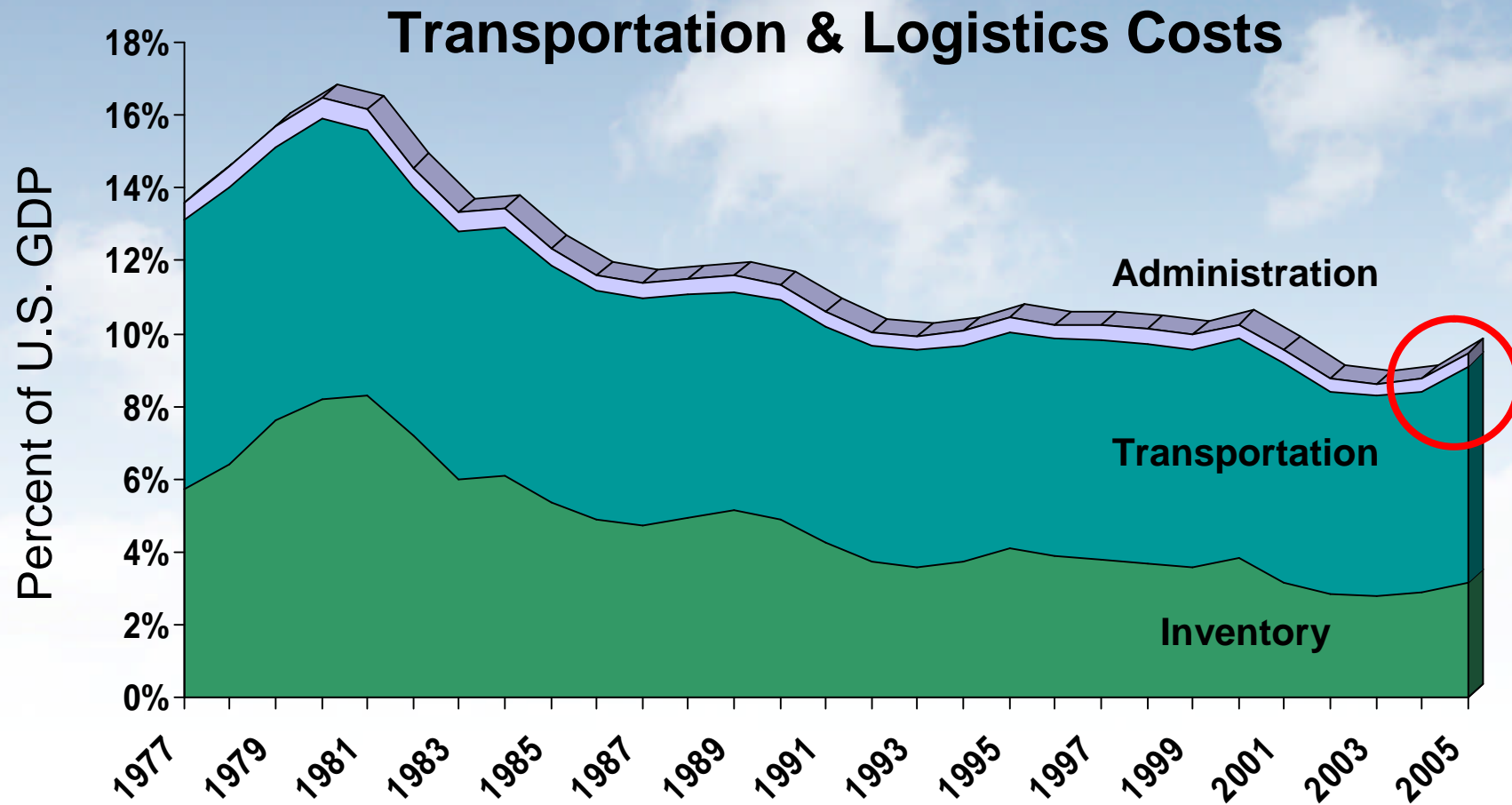
The United States economy is experiencing a fundamental transformation because of confluence of trends.

- U.S. and global economic growth
- A more global economy
- A more diverse economy
- A more urban economy
- A more diverse and aging workforce

Situation: Engines of Growth



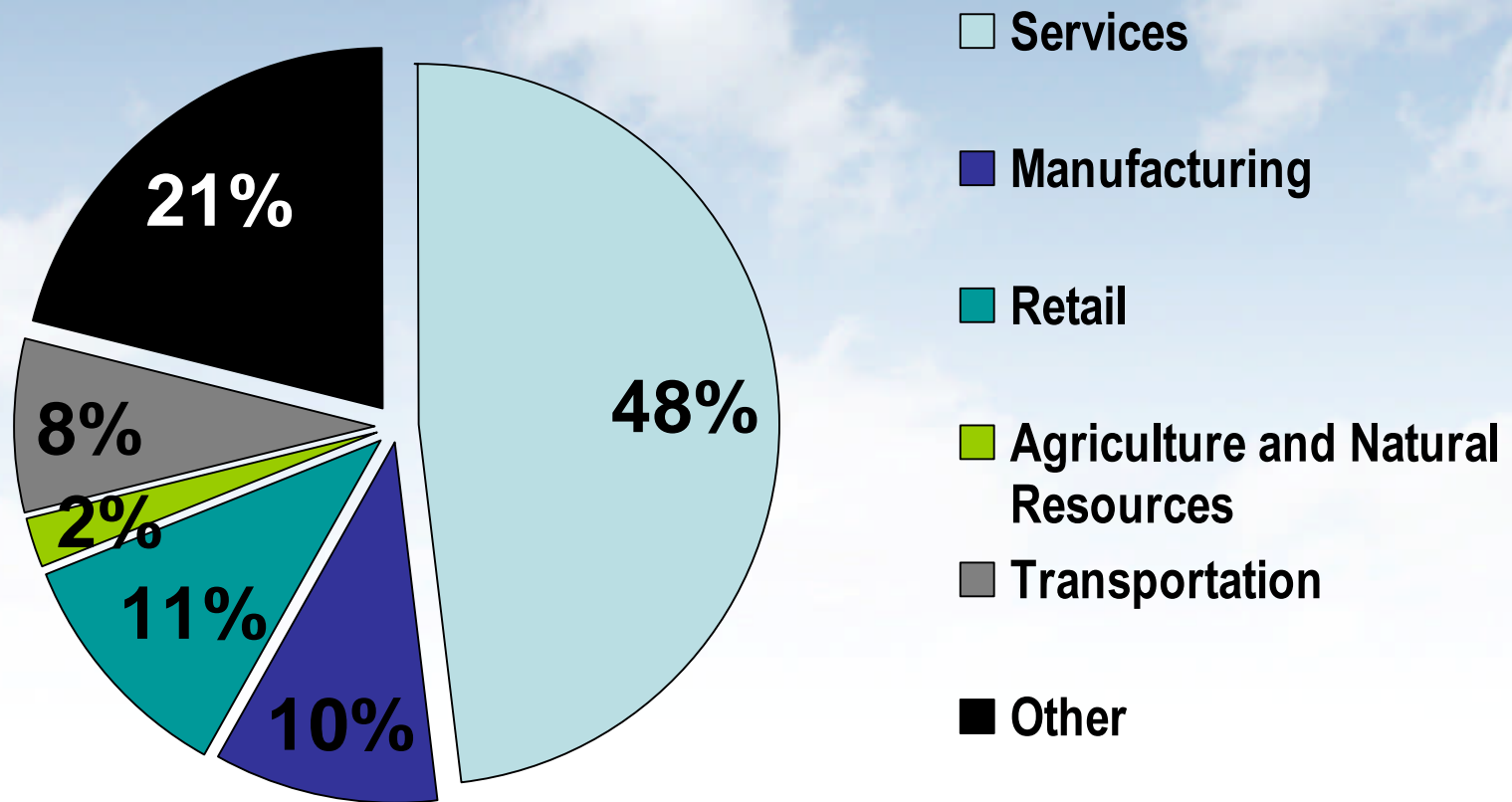
Industries: Productivity and Cost



Source: Rosalyn A. Wilson, *State of Logistics Report*, Council of Logistics Management, 2006

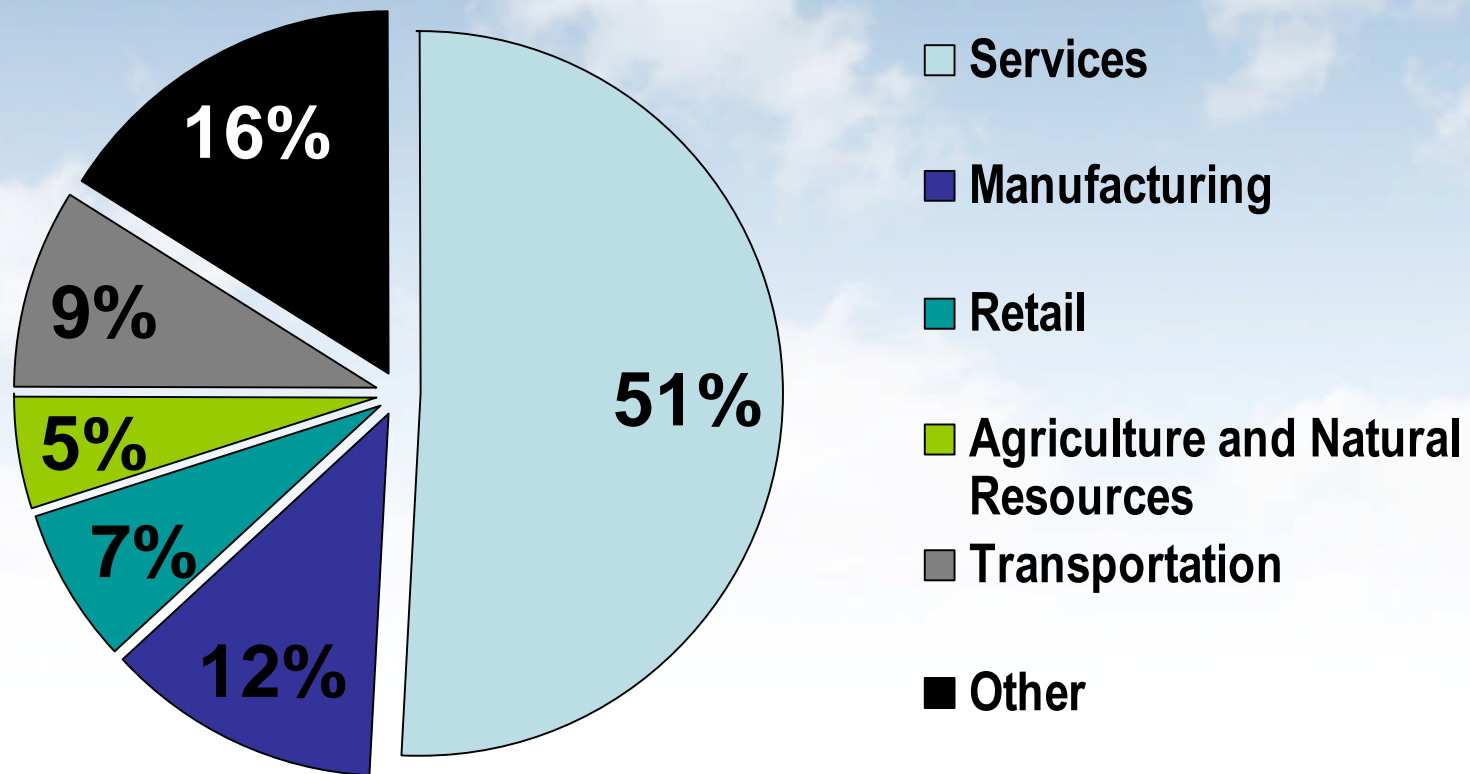
Industries and Transportation

Employment by Industry



Industries and Transportation

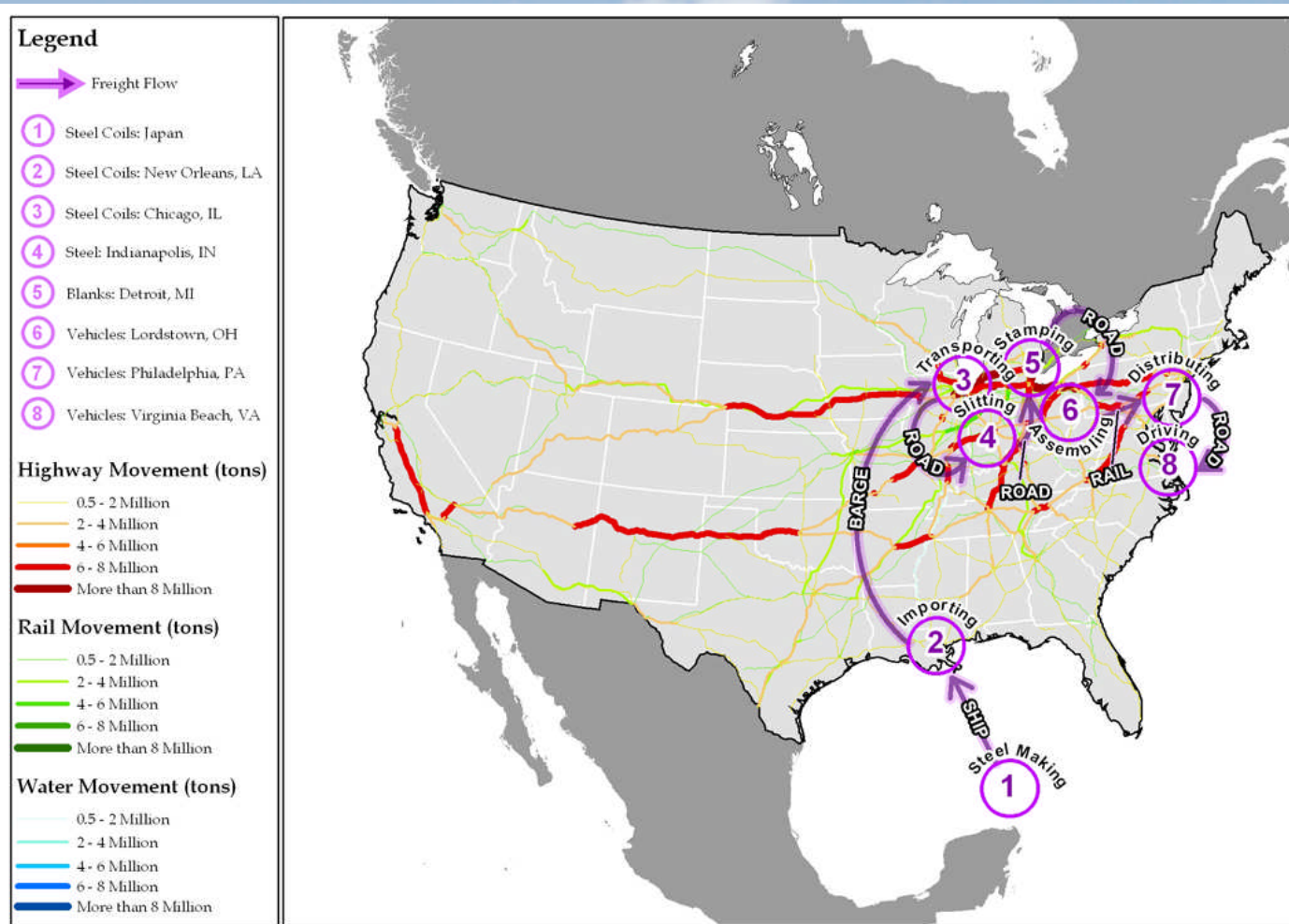
GDP Contribution by Industry



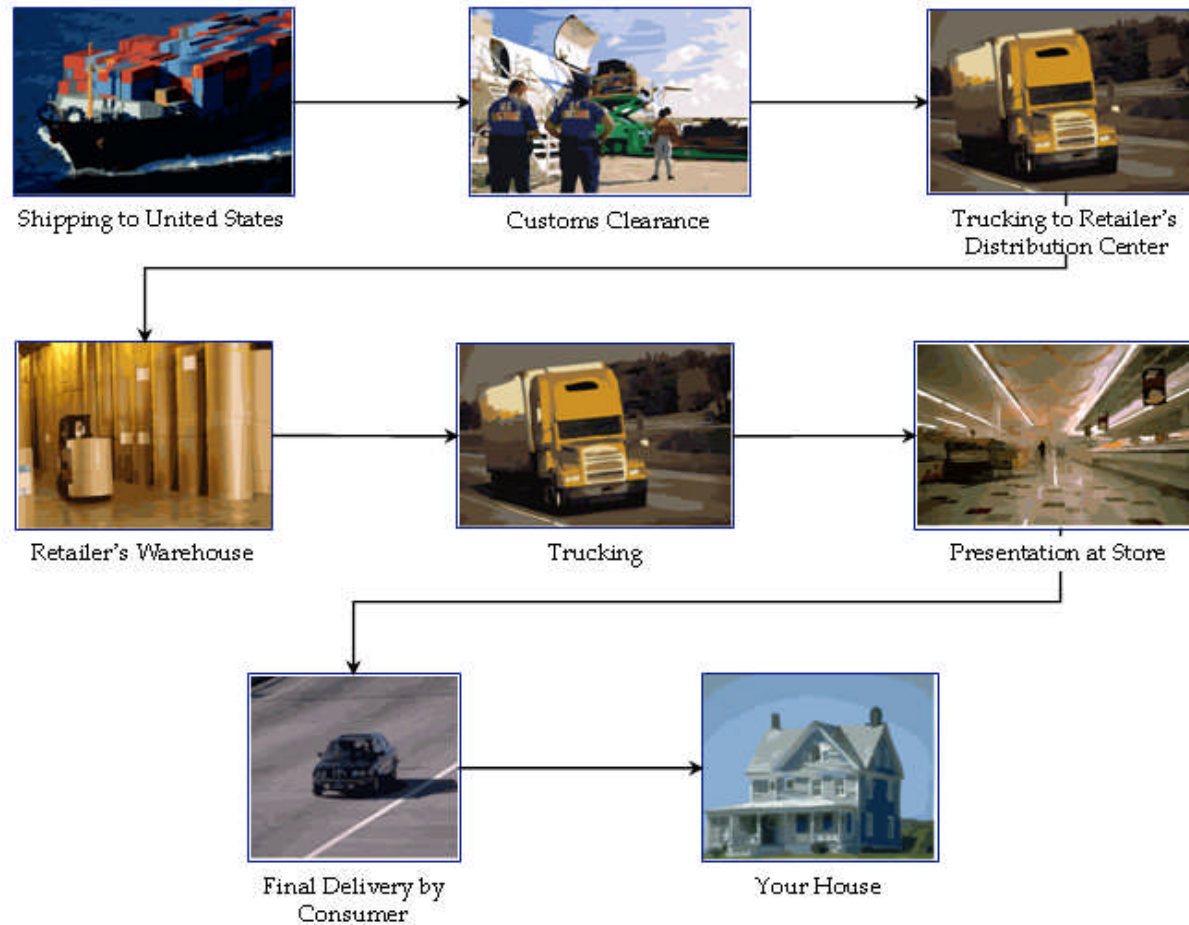
Agriculture and Natural Resources: Building Blocks



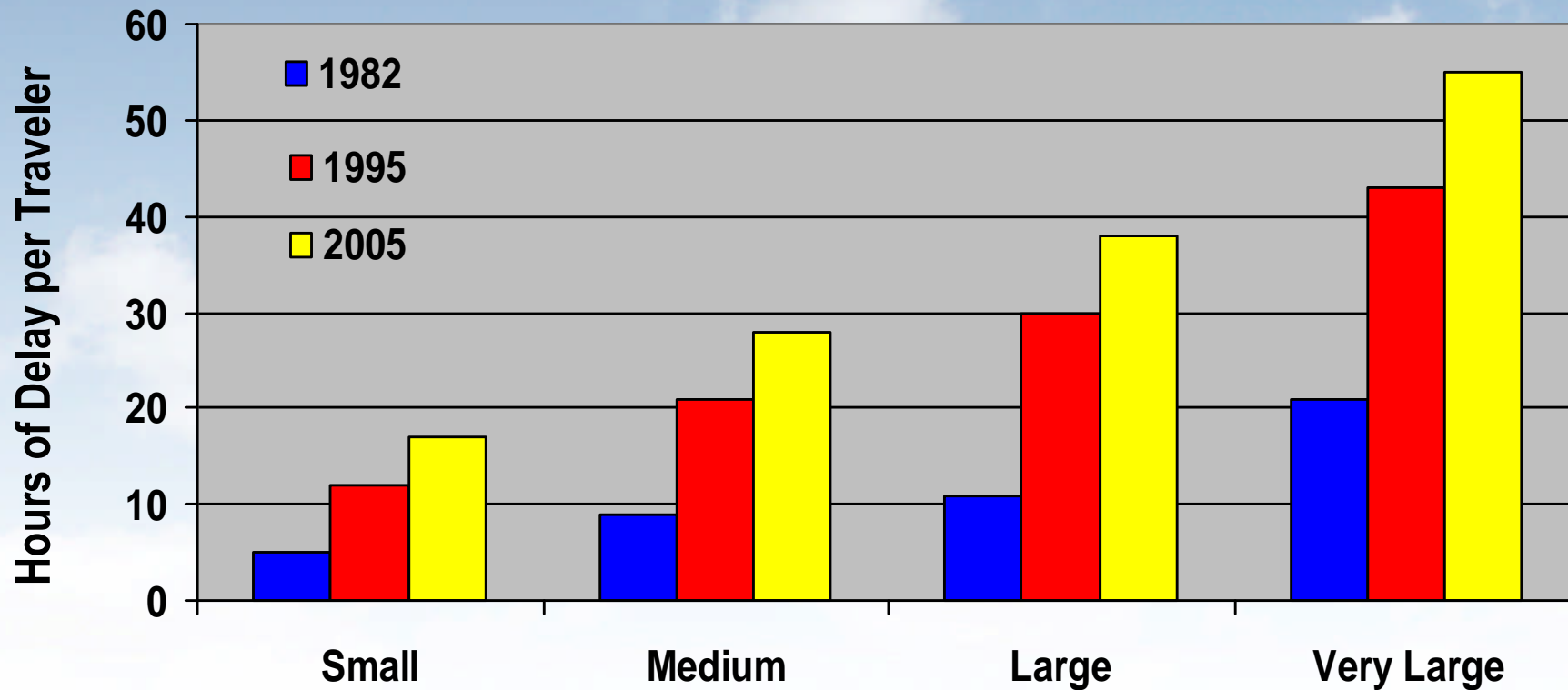
Manufacturing Just In Time : Cars



Retail On Demand: Toys



Services Sector Faces Congestion

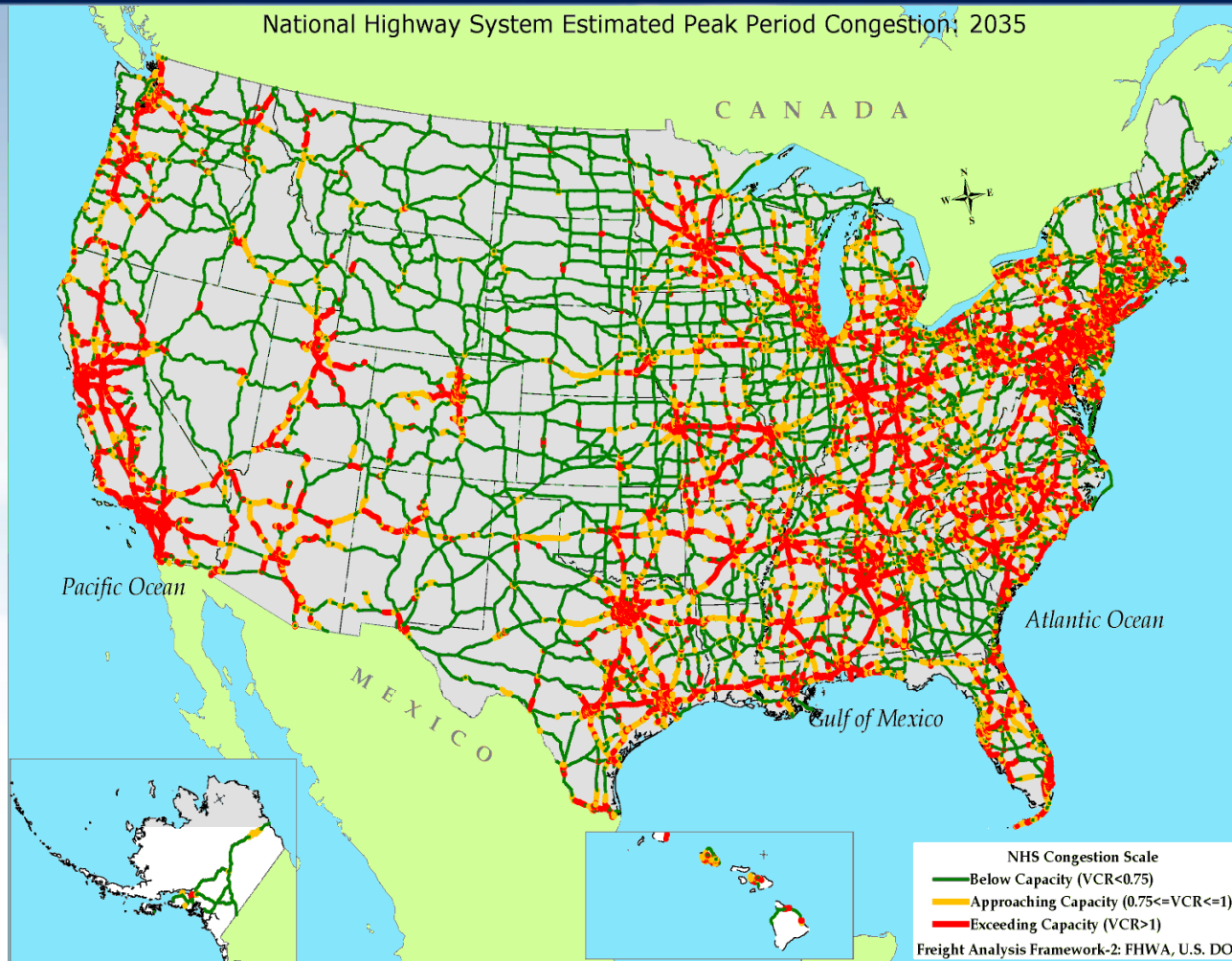


Population Area Size

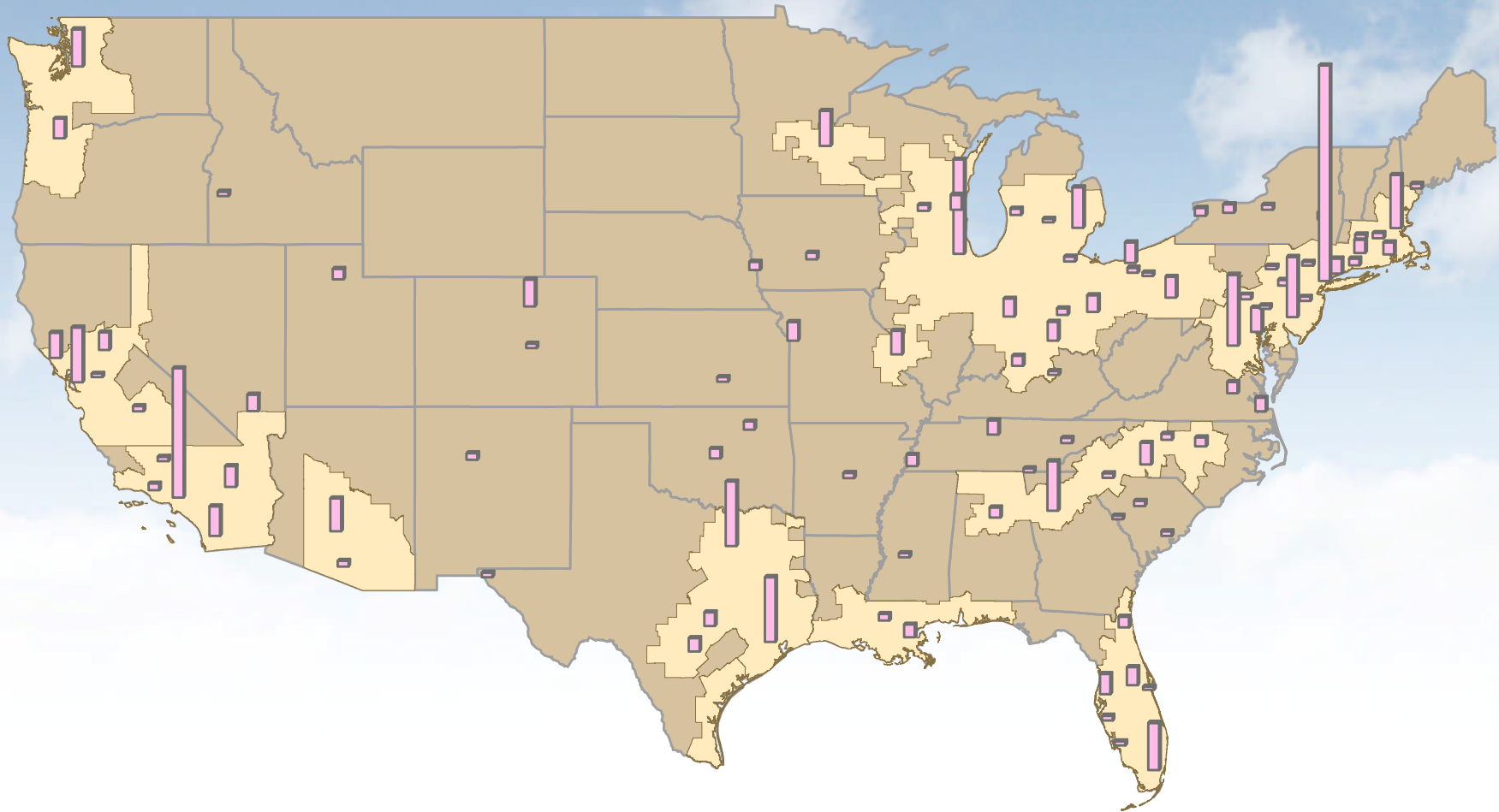
Small = less than 500,000
Medium = 500,000 to 1 million

Large = 1 million to 3 million
Very Large = more than 3 million

Gridlock in 2035

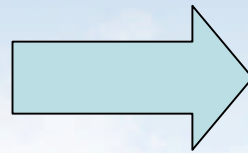


Stalled Engines?



Transportation Services and Systems

Crumbling
Conditions
+
Crushed
Capacity



<i>Roads</i>	D
<i>Aviation</i>	D+
<i>Rail</i>	C
<i>Transit</i>	D+
<i>Navigable Waterways</i>	D-
<i>Bridges</i>	C

Investment and Growth

- Local and Regional
 - Improved productivity
 - Chicago, \$350 million per year
 - Economic development:
 - Portland: Meeting needs saves 6500 jobs
 - Philadelphia: Six-to-one returns on transit investment
- National
 - GDP growth
 - Job support

Conclusion: Invest and Grow

1. Fix Federal Highway Trust Fund deficit
2. Create a national consensus
3. Emphasize economic needs and issues
4. Emphasize national freight transportation program investments
5. Increase public investment in infrastructure using all potential revenue sources
6. Increase financing and credit options

It's Time to End Business as Usual

Now is the time to develop a robust, thoughtful, and comprehensive plan to build, maintain, and fund a world-class 21st century infrastructure.

We cannot afford to delay.