

Building North America

NORTH AMERICAN TRANSPORTATION COMPETITIVENESS RESEARCH COUNCIL



WORKING PAPERS

International trucking in the European Union: Policies and Practices

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This Working Paper is the second in a series of that combines the issues of public policy and the transport market in Europe. The aim of the series is to gain insight in European practices and strategies in the transport sector in order to see if and where lessons can be learned for the North American situation. This paper deals with international trucking in the European Union. In particular it describes the implementation of cabotage (transport where goods are loaded and unloaded within a country by a carrier resident in a third country) and cross-trade transport (international transport performed by a carrier resident in a third country). This can provide an example to other countries of ways to open transport markets to foreign competition.

The European Commission turned its attention to transport infrastructure as a critical element of the Treaty of Maastricht. Article 129b of the Treaty notes

1. To help achieve the objectives [of the internal market] and to enable citizens of the Union, economic operators and regional and local communities to derive full benefit from the setting up of an area without internal frontiers, the Community shall contribute to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures.

2. Within the framework of a system of open and competitive markets, action by the Community shall aim at promoting the interconnection and inter-operability of national networks as well as access to such networks. It shall take account in particular of the need to link island, landlocked and peripheral regions with the central regions of the Community.

In 1996, the European Parliament and Council established Community guidelines for the development of the trans-European transport network (TEN-T). And in October 2007, the European Commission adopted a series of initiatives aimed at making freight transport in the EU more efficient and sustainable. In announcing these new measures, the Commission stated: “This new package of measures consists of proposals concerning logistics, a rail network giving priority to freight, and European ports, as well as two documents on the barrier-free European maritime transport area and the motorways of the sea. The simultaneous adoption of all these measures gives a strong signal demonstrating the close links between logistics and the various modes of transport. The common objective of these initiatives is to promote innovative infrastructure technologies and practices, develop means of transport, improve freight management, facilitate the construction of freight transport chains, simplify administrative procedures and enhance quality throughout the logistic chain.”

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Introduction

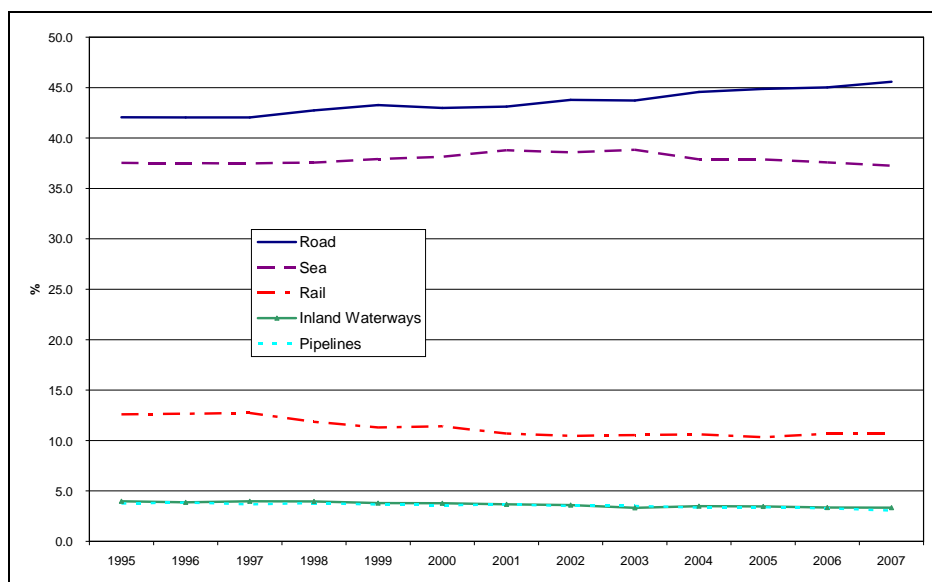
The European Union (EU) is not a homogeneous entity. Member States do not share a common language, common taxes or common regulations. Starting from the original six Member States in the 1950s it has grown to the current 27. In 2004 there was a major round of accession that added 10 new Member States, mostly from Eastern Europe, to the existing 15 States. In 2007 Romania and Bulgaria joined the European Union as well, bringing its total population to almost 500 million in 2007 (EU 2008). Some important roles of the EU are to improve international interactions within its member states and guard against discrimination based on nationality. For transport, the EU oversees regulation of international transport whereas member states are free to regulate domestic transport, as long as they do not discriminate against foreign carriers.

This paper studies the regulation and the trends of international road freight transport in the EU during the last couple of decades. In particular it describes the implementation of cabotage (transport where goods are loaded and unloaded within a country by a carrier resident in a third country) and cross-trade transport (international transport performed by a carrier resident in a third country). This can provide an example to other countries of ways to open transport markets to foreign competition.

Road freight transport is the most important mode of freight transport in the EU. In 2008 it accounted for 46 percent of all intra-EU freight transport and 73 percent of all inland freight transport (i.e. excluding short-sea shipping) when measured in ton-kilometers (ton-km).¹ Figure 1 shows how the modal shares of intra-EU freight transport have evolved since 1995. It is clear that road is becoming more and more important. In fact short-sea shipping is the only other mode of freight transport that is growing at rates close to those of road. In new accession countries the rate of growth of road has far surpassed the rate of growth of short-sea shipping resulting in the slight dip in the modal share of short-sea shipping after 2004.

¹ A ton-kilometer is defined as a metric ton of goods transported for one kilometer.

Figure 1. Modal share of transport (by ton-kms), EU-27



Source: EU(2009)

The importance of trucking is higher in the EU than for the United States where it accounted for 32 percent of all inland ton-kms transported in 2006 (EU 2009). Rail on average hauls lower value goods that are transported for greater distances, so it accounts for a larger share when transport is measured in ton-kms and a smaller one when it is measured in tons. The reverse is true for road freight transport: excluding transport by pipeline, trucking in the EU was responsible for 89 percent of all tons hauled in 2006 (Eurostat 2009), compared to about 70 percent in the United States.²

Trucking is also a significant contributor to the economy. In 2004 it produced about €210 billion in value added to the total economy of the (then) 25 members of the EU (Eurostat 2008).³

Most road freight transport in Europe is performed by for-hire companies. Shippers who carry their own goods form the private or own-account sector that tends to operate primarily on shorter distances. In fact own-account operators carried about 30 percent of national ton-kms but only about 10 percent of international ton-kms for the EU-15 in the late 90s (Lafontaine and Malaguzzi Valeri, 2009). This share further eroded after liberalization and the accession of new

² 2002 data from the U.S. Department of Transportation

³ This includes both value added for road freight transport and for ancillary services to freight transport such as cargo handling and storage.

countries. In 2006 own-account operators were responsible for only 20 percent of domestic road freight transport for the EU-27 and 6 percent of international transport (Pasi 2008).

Section 2 introduces the history of regulation of international trucking in the European Union and outlines the direction that policy has been taking recently. Section 3 summarizes research on the effects of changes in regulation on international transport. Section 4 gives an overview of the current trends in international transport and finally section 5 concludes.

2. History of international trucking regulation

International trucking in the European Union was initially regulated in the 1930s to protect rail freight transport. The treaty of Rome in 1957, which founded the European Economic Communities—the precursor of the EU—stated that barriers to trade of goods and services within the EU had to be eliminated by 1969, including barriers to transport services. Despite this, deregulation of international trucking did not actually start until 1985 when the issue was brought to the EU Court of Justice. Resistance to liberalization of international trucking was based on member countries' fear that their domestic carriers would lose business to foreign carriers in a more competitive environment. Deregulation took place progressively until 1998 when international road freight transport was completely liberalized within the EU (a few caveats are discussed later). The following paragraphs explain the type and extent of international trucking regulation in the EU.

A complex series of bilateral and multilateral agreements governed both the amount and price of road transport between countries. International trucking was allowed either under bilateral agreements between member states, under Community permits, under European Conference of Ministers of Transport quota arrangements, or for a minor set of goods that were exempt from quotas (Lafontaine and Malaguzzi Valeri 2008). By far the most common arrangements were bilateral agreements and these agreements typically specified either a time period during which the carrier could transport goods between the two countries or a maximum number of trips that could be taken by the carrier. Until 1980 these limits applied both to for-hire and to own-account transport. Starting in 1980 international transport was liberalized for own-account transport (although own-account carriers were and still are prohibited from taking on

any type of for-hire transport, one of the reasons they have a high number of empty backhauls) (Bernadet, 1997; Scharf and Smolders 1999).

Officially bilateral agreements also set a minimum and maximum price at which transport could take place, but they were not enforced (see e.g. Bayliss and Coleman 1994). Carriers involved in international road transport in the EU also faced less obvious regulatory constraints, for example lengthy controls at borders before their elimination in 1990.

In addition to international regulations each country had its own set of regulations for domestic transport. When the deregulation of international road transport began in the 1980s, not every European country regulated both the prices at which shipments could take place and the number of licenses that were available to carriers for international transport, but most did one or the other.

Carriers also faced tight restrictions on other forms of international transport: cross-trade transport and cabotage. Cross-trade transport is defined as international road transport performed by a motor vehicle registered in a third country. Such transport was authorized only under Community quotas. As the availability of such quotas increased, the restrictions on cross-trade transport became less stringent. Cabotage, on the other hand, is defined as transport within a member state performed by a carrier registered in a different country. The prohibition against cabotage was lifted gradually, as discussed below. The larger member states were particularly nervous about liberalizing these two forms of transport because in principle they could allow carriers to register in low-cost countries and transport goods all over the European Union.

In July 1990, the EU introduced a limited number of permits for for-hire carriers to perform cabotage operations and these were gradually increased until their need was eliminated in July 1998. Own-accounts carriers were allowed to perform cabotage operations starting in 1994.⁴

Despite the official liberalization there are still some limitations on cabotage transport. Carriers can engage in cabotage only on a temporary basis, meaning that trucks have to regularly

⁴ EU regulation 792/94.

exit the ‘cabotaged’ country and cannot transport goods on a regularly scheduled basis (OJL18 of 21/1/1997). This limitation is designed to be phased out by 2014 according the most recent EU proposal (due to be voted on by the EU Parliament in April 2009).

Most of the recent legislation regarding trucking in the European Union is connected with the desire to improve its efficiency and decrease its emissions. Transport in Europe, as in most developed countries, is one of the main contributors to green-house gas emissions. In 2004 it was responsible for 23 percent of total emissions for the EU-27 and 27 percent of its carbon dioxide emissions. Excluding the sectors covered by the EU-Emission Trading Scheme (EU-ETS), the share of transport emissions would be even larger.⁵ Recently the EU has declared its commitment to reduce greenhouse gas emissions by 20 percent with respect to 1990 levels. This includes a target of 10 percent below 2005 levels for the sectors that are not subject to the EU-ETS, such as transport, agriculture and housing. It is in this context that the revisions to cross-trade and cabotage transport should be viewed. These changes are deemed necessary to increase efficiency in the sector in part by facilitating a reduction of the level of empty backhauls in European freight transport.

It is important to note that with the enlargement of the EU there is more space for some countries to specialize in freight transport. Therefore the impact of freight transport should be assessed on a European basis rather than nationally. McKinnon (2007) shows that according to national statistics the United Kingdom (UK) was experiencing a very large decoupling between GDP growth and growth in transport with the former substantially outstripping the latter. McKinnon goes on to show that about a third of the decoupling was actually due to foreign-registered carriers transporting more goods on UK territory.

In parallel to the continued shift towards more liberalized markets the EU is also promoting increases in taxation of heavy goods vehicles through the introduction of the so-called Euro-Vignette which would allow countries to internalize all costs of road transport such as

⁵ The Emissions Trading Scheme is a cap and trade scheme for carbon dioxide emissions that applies to the largest energy consumers such as power plants and chemical plants.

pollution, noise and congestion. The main stumbling block for this legislation is congestion charges that some member countries strongly oppose.⁶

Finally the EU is pushing for a higher use of biofuels in freight transport. At the moment the target for biofuel adoption is 10 percent for all transport fuels by 2020, although it is unclear if it will be achieved. In 2004 the EU-25 average was 0.5 percent and in April 2008 the European Environment Agency called for the repeal of the target due to growing concerns on life-cycle emissions in biofuel production.

3. Results of existing research

McKinnon (1996) reports that prices of freight transport have decreased during the period of deregulation of national and international road freight transport in the EU. Lafontaine and Malaguzzi Valeri (2009) use data on international road freight transport up to 2002 and show that deregulation increased international road freight transport more than would be warranted simply by the increase in intra-EU international trade. This is most likely due to increased competitiveness of the international road freight transport segment with respect to alternative shipping modes. Additionally, there was an increase in the share of international for-hire transport during this period, but it was statistically similar to the increase in the share of for-hire transport that took place in the short-distance transport market, which was never regulated. The authors therefore conclude that the change in the structure of the industry was driven by factors other than international road transport deregulation. Finally they find no evidence that carriers registered in low-cost countries had an advantage post-deregulation, or that there was an advantage for carriers of countries that had deregulated their domestic market earlier.

Guihéry (2008) finds that since 2000 French carriers have been losing market share in international trucking and ascribes this both to higher operation costs with respect to Eastern European countries and to more limited adoption of technological improvements with respect to carriers in Germany and the Netherlands which appear to have maintained their market share.

Arruñada et al (2004) do not address deregulation directly but they do point out a characteristic that differentiates the EU trucking market from its counterpart in the US. In the EU a large share of all transport is performed by subcontractors, often owner-operators, defined as

⁶ See <http://www.euractiv.com/en/transport/eu-states-shelve-debate-green-road-charges/article-180793>

drivers who own and operate their own truck. In fact owner-operators accounted for 60 to 75 percent in Europe during the late 90s against an estimated 20-30 percent of trucking in the US during the same period. The authors suggest that this is due to the institutional setting in the EU. They find that the rate of owner-operators decreases during the deregulation period, although they do not explicitly ascribe this to deregulation

4. Trends in international transport

One of the main reasons that full liberalization of freight transport has been opposed by the larger member countries is the fear that lower-cost countries would be able to obtain a disproportionate share of European road freight transport. This section therefore gives an overview of the existing differences in costs among countries and looks at recent trends in cabotage and cross-trade transport, the areas of international transport where low-cost carriers are likely to have the greatest advantage.

Table 2 shows the average price for a liter of diesel and the average cost per employee as approximations for the differences in firm costs across member states.⁷ Taking the EU-27 average as reference, columns 3 and 5 show how each country compares to the reference. It also separates old EU countries (the EU-15) and new accession countries (excluding Bulgaria and Romania that joined in 2007). As would be expected, there are greater differences in labor costs than fuel prices. Trucking is labor intensive so countries that have low labor costs and are centrally located, like Slovakia, Poland and the Czech Republic have a significant cost advantage. In addition to these costs one should also note that there are differences in the level of registration taxes required for trucks in the various EU countries. Unlike in the US, there is no unified tax registration scheme among EU Member States: trucks pay the registration tax in their country of residence.

Table 2. Average personnel costs for for-hire firms and diesel price in 2006, absolute and relative to average EU-27

Personnel costs per employee		Diesel price (excl VAT)	
€thousand	Relative to EU-27	€1000 liters	Relative to EU-27

⁷ Employee costs measure total remuneration, in cash or in kind, paid by the employer to the employee.

EU - 15:				
Austria	33.3	127.1	842.1	97.3
Belgium	40.2	153.4	866.0	100.1
Germany	25.7	98.1	966.2	111.7
Denmark	38.9	148.5	889.5	102.8
Spain	25.4	96.9	833.3	96.3
Finland	37.4	142.7	846.0	97.8
France	33.7	128.6	907.8	104.9
Greece	16.5	63.0	817.8	94.5
Ireland	28.5 [†]	108.8	910.7	105.3
Italy	33.2	126.7	985.1	113.9
Luxembourg	38.0	145.0	797.4	92.2
Netherlands	41.5	158.4	915.5	105.8
Portugal	15.9	60.7	852.8	98.6
Sweden	38.5	146.9	937.5	108.4
UK	33.7	128.6	1189.0	137.4
EU – 10:				
Cyprus	33.3 [†]	127.1	788.1	91.1
Czech Republic	9.0	34.4	851.3	98.4
Estonia	7.3	27.9	738.8	85.4
Hungary	7.9	30.2	861.9	99.6
Lithuania	5.0	19.1	763.3	88.2
Latvia	3.0	11.5	748.8	86.6
Malta	12.0 [‡]	45.8	830.1	96.0
Poland	5.7	21.8	806.8	93.3
Slovenia	14.8	56.5	787.9	91.1
Slovakia	6.3	24.0	893.0	103.2
EU-27 average	26.2	100	865.1	100

†2005; ‡2004; †2002

International transport is still mostly performed by carriers of the EU-15. However the new accession countries are catching up. Figure 2 compares the level of international transport (excluding cabotage and cross-trade transport) for the EU-14 versus the EU-8 countries between 2004 and 2007. The EU-14 countries include all of the ‘old’ EU-15 countries except Italy due to missing data, whereas the EU-8 countries include all the Member States that joined in 2004 except Cyprus and Malta, two small island countries that have limited amounts of international transport. The EU-14 countries have gone from transporting three times as much international freight than the EU-8 countries to only about twice as much. This is even more significant since during these same years growth in the domestic road freight transport sector has been similar for these two groups of countries.

Figure 2. Total international road freight transport, thousand million ton-kms

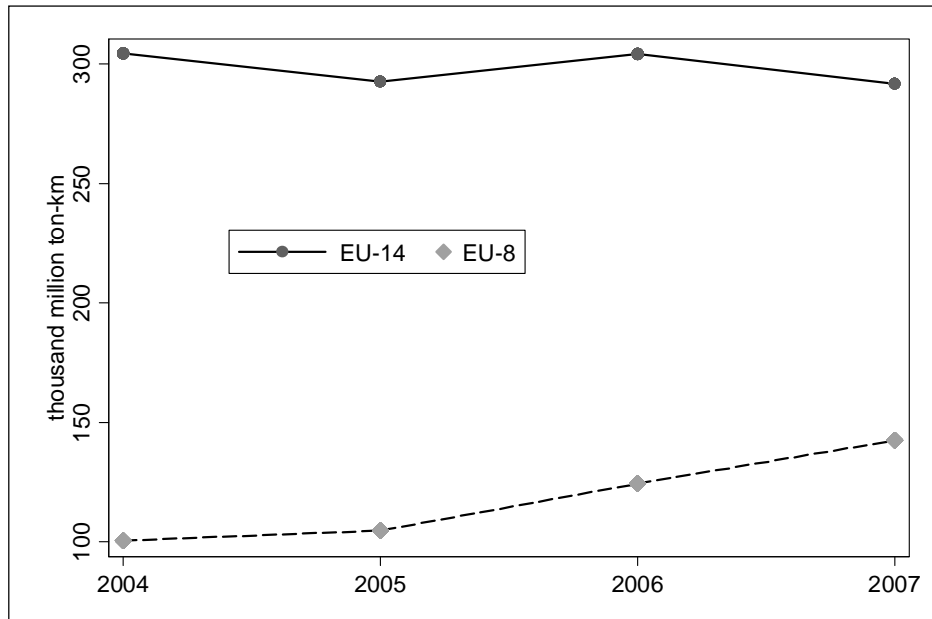


Figure 3 shows trends in cabotage separately for the EU-14 and the EU-8 countries, where the amount of cabotage performed in 2004 is set equal to 100. The amount of cabotage performed by carriers registered in new accession countries has increased steeply. Despite this in 2007 the new member countries were only responsible for about 15 percent of total European cabotage. In 2006 cabotage still represents less than 1 percent of national transport in most EU countries. For that year cabotage accounts for more than 2 percent of national transport (measured in ton-kms) only for Belgium, France and Luxembourg. One should keep in mind that the data on cabotage and on cross-trade transport is statistically not very precise because of small sample problems, especially for smaller countries (Pasi 2009).

Figure 3. Cabotage index, 2004 = 100, based on ton-kms

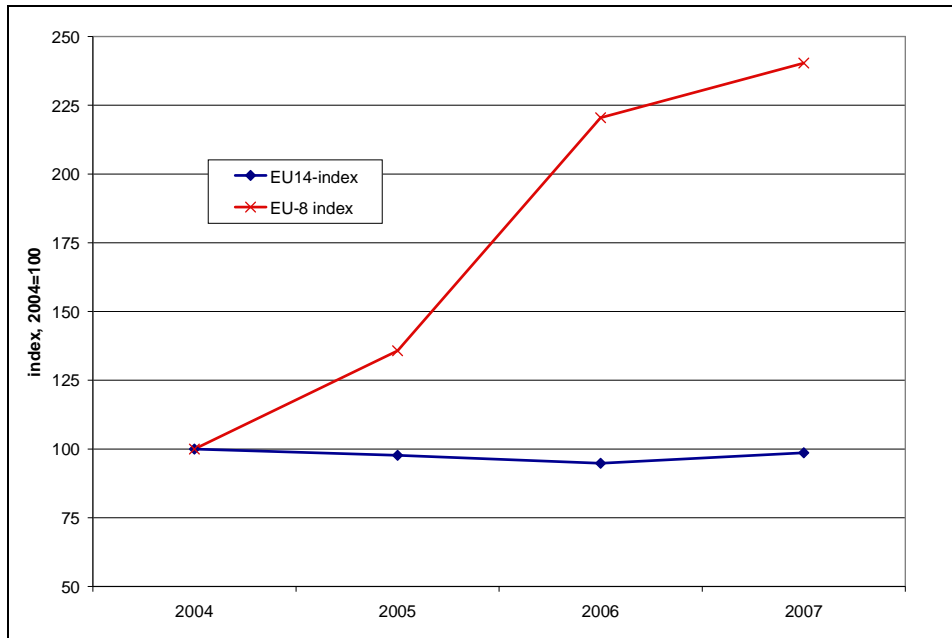
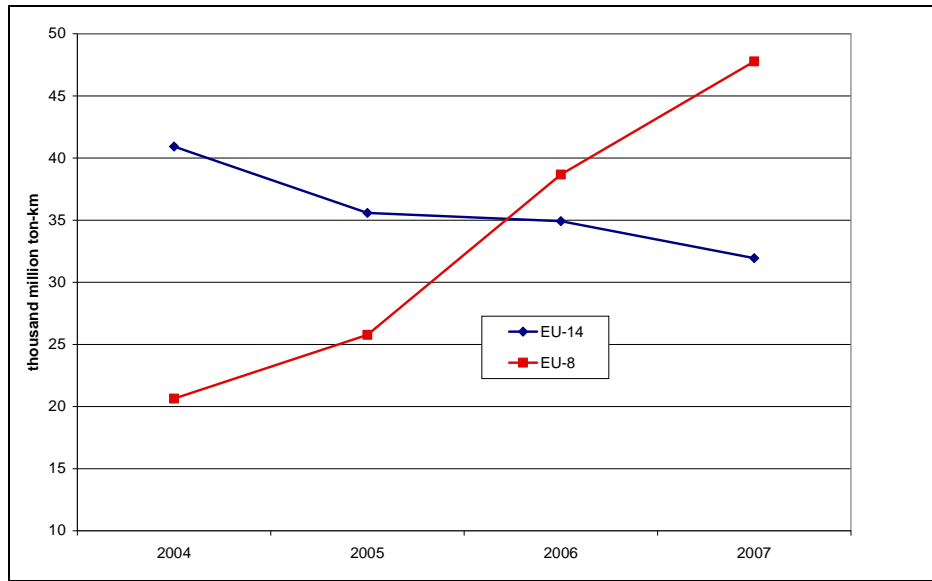


Figure 4 presents the same information for cross-trade transport. The EU-14 line represents aggregate information for all countries that were members of the EU prior to 2004 except for Italy, which has missing data in 2006 and 2007. The EU-8 includes all states that became part of the EU in 2004 except for Malta (no data available) and Cyprus (missing data), but as noted above cross trade and cabotage performed by residents of these countries is likely to be nil or very small. Figure 4 shows that there is a dramatic increase in the amount of cross-trade transport performed by new countries. (As in the case of cabotage the countries that are driving this trend are Poland and the Czech Republic. In fact carriers registered in Poland are the leaders of this market, accounting for 22 percent of total cross-trade transport in 2007, followed by carriers of the Czech Republic, Slovakia and the Netherlands, all holding about 9 percent of this market. Cross-trade is much larger than cabotage. In 2007 cross-trade transport was about one fifth of the size of 'regular' international road freight transport for the EU-25 group, and between 2006 and 2007 it grew at a rate of about 10 percent as opposed to the 3 percent increase in regular international road freight transport. Caution should be exercised in interpreting data for single countries since the margin of error is large.

Figure 4. Cross-trade transport, million ton-kms

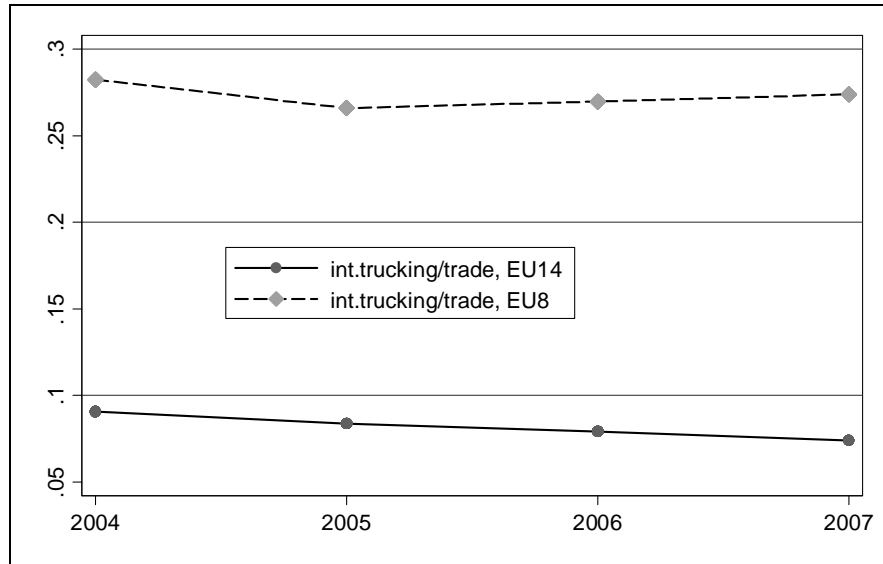


The analysis shows that there was indeed a large take up in cabotage and cross-trade from carriers based in countries that are considered ‘low cost’, especially Poland and the Czech Republic who joined the European Union in 2004. Apart from the lower costs these countries also have a geographic advantage by being centrally located in the EU-25.⁸

The question that remains to be answered is if there are other drivers of the change. Carriers resident in countries that engage in large amounts of international trade tend to have a location advantage since the majority of goods exported (and a sizeable minority of those imported) by a country are transported by domestic carriers. This is one of the reasons Dutch carriers, taking advantage of the location of the port of Rotterdam, have historically had a larger than expected share (compared to the size of the country) in the European Union. To explore this hypothesis Figure 5 displays a measure of transport intensity of the two groups of countries. Transport intensity is calculated as the ratio between international road freight transport (excluding cross-trade and cabotage) and total trade of goods. Trade is measured as the trade of goods between the EU-25 countries deflated by the country-specific consumer-price index (CPI).

⁸ There is initial evidence that carriers based in Romania are playing a large role in international road freight transport relative to their country’s size. Romania is centrally located in the EU and has low labor costs (equal to less than 10 percent of the EU-27 average cost reported in Table 1).

Figure 5. Transport intensity: international trucking/trade



Transport intensity, as defined above, decreases slightly for new accession countries, whereas it decreases by more than 15 percent for the EU-14 group between 2004 and 2007. This suggests that carriers based in new member states are gaining a relatively larger share of total road freight transport than would be expected given the increase in their countries' share of total trade within the EU-25 countries.

The figures presented here necessarily represent the short-run changes following the accession of 10 new Member States to the EU. It is possible that in the medium to long run other forces will come into play. For example at times of rising fuel prices countries whose rolling stock is more recent (typically richer countries) might have an advantage on technological grounds. In the EU fuel used in long distance trucking accounts for 20 to 30 percent of operating costs and in the long run the free movement of labor should cause wage rates to converge, eroding the difference in average labor costs seen in Table 1.

5. Conclusion

This paper has examined the deregulation of international trucking in the European Union in the past couple of decades. Road freight transport has continued to grow significantly in recent years outstripping growth rates of other modes of freight transport such as short-sea shipping and rail. Part of the growth is undoubtedly driven by the increasing trade ties between countries of

the EU, which As more goods are shipped around Europe more trucks are going to be used to transport them.

After giving an overview of the changes in regulation of international road freight transport the rest of the paper analyzed differences in international road freight transport between carriers based in the original EU-15 countries and those based in the new accession countries. Whereas previous studies have shown that there is no evidence that the first round of deregulation went to the advantage of lower-cost countries the same conclusion cannot be reached after the accession of 10 new Member States to the EU in 2004. Carriers based in the new EU countries are now transporting the majority of cross-trade transport (where international transport is performed by a carrier based in a third country) and are gaining larger shares of cabotage (domestic transport performed by a carrier based in a third country).

Transport intensity, calculated as the ratio of international transport to international trade, is decreasing for both the original EU-15 and the new member countries, but the decline is much larger for the EU-15 countries. This suggests that carriers based in new Member States are becoming relatively more specialized in international trucking. The majority of the new member states do not have access to a seaport, so they cannot engage in short-sea shipping, the only other mode of freight transport that has significantly grown in Europe.

In conclusion, new Member States appear to be successfully specializing in international road freight transport and this is likely due to their lower costs, especially for labor, and their central location in the enlarged European Union. It would be interesting to determine if the liberalization of international trucking and the entry of new players has had an effect on average freight rates and on the efficiency of freight transport, as measured by the percentage of trips or kilometers that trucks run empty.

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Comments by members of the North American Transportation Competitiveness Research Council

Malcolm Cairns: “The idea that lower cost Mexican trucking could start to move traffic between the US and Canada (cross-trade), or that such carriers could move traffic within the US or Canada (cabotage) is probably an economically good idea. However, neither of these possibilities exist today and, given the current protectionist sentiment in Obama World, the chances for liberalization to take advantage of the economic benefits are very small.”

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The North American Transportation Competitiveness Research Council

Who are we?

In response to mounting concerns about carrying capacity throughout the United States, Mexico, and Canada, we have come together to form the North American Transportation Competitiveness Research Council. The Council is composed of researchers in transportation, logistics, and supply chain management from universities, transportation research institutions, and companies in Canada, Mexico and the United States.

Our initial meetings were organized with the support of authorities in Kansas City and Winnipeg – well-established freight and distribution hubs in their respective regions. However, it has become clear to all of us that the issues must be addressed on a continent-wide basis. Mexico, the U. S., and Canada each have unique needs and capabilities which complement each other. But realizing these synergies requires a continent-wide approach to moving freight within and between these three countries. Many companies have organized trilateral production systems whose continued efficiency is threatened by deterioration in infrastructure capacity and network capabilities

What does the Research Council do?

North American companies have spent the last thirty years finding ways to leverage the unique capabilities of the three countries that share the continent. This progress is now threatened by rising congestion at borders, in major cities, and at critical hubs. The Council intends to investigate how to transform the overstressed, disjointed network into an efficient and secure continental freight transportation system that will enhance North American competitiveness in the 21st century.

Trustworthy information, innovative alternatives, and political insights are all critical to enabling the necessary changes to the North American network. The Council will deliver objective information, policy assessments, and options to key stakeholders in industry and government. It will organize projects to educate and train professionals in North American transportation, bringing together planners, civil engineers, users, and operators of the North American transportation systems. Thus we will facilitate collaboration between North American transportation research institutions, transportation industry executives and their customers, and urban region leaders to seek both short term and long term solutions to congestion issues that are facing every freight transport mode serving the North American business community.

Developing an agenda for addressing transportation shortcomings to North American Competitiveness

The members of the Research Council welcome the opportunity to work with transportation industry and government agencies to cooperatively develop an agenda for this purpose and to undertake the necessary research, consultation and evaluation to ensure that North America remains the global leader in transportation productivity and efficiency. We hope to:

Evaluate technological, organizational, and political solutions to port, infrastructure, and modal bottlenecks throughout North America

Determine specific requirements and priorities for infrastructure improvement and expansion to improve North American freight and data connectivity

Lay out options for creating a more efficient and secure North American transportation infrastructure for the 21st century.

The Council's initial output will be briefs on transportation infrastructure competitiveness, relevant policy options, and alternative future scenarios. These briefs will be designed to address the needs of decision makers who have been identified in cooperation with transportation industry and government leaders. The Council believes that it can initially contribute by:

- identifying existing research assets and completed studies that support specific initiatives
- building links among research projects already underway in research centers, industry, and government agencies throughout North America
- locating gaps where new work should be undertaken to address near term choke points in the continental network.

The Council will have an equally important mission to show policy makers the need to configure transportation systems to support the reality of a deeply integrated continental economy. The Council, in cooperation with industry and government leaders, will strive to open points of access into the national policy making processes – through the SPP-North American Competitiveness Council, through elected representatives and through other governmental agencies. The overarching goal is to create a dialogue among transportation industry leaders and experts representing different regional, modal and industry perspectives, a dialogue that will produce recommendations for action and also build a broad constituency to support the implementation of these recommendations.

North American firms have long since understood the need to be globally competitive, and they have made many adjustments to face that reality. However, competitiveness is a moving target, and what served in the past will not assure a bright future. Safeguarding and improving living standards in North America requires the best use of the talents, knowledge, and resources of three major countries working together. These synergies can only be realized if the physical connections throughout the continent are capable of handling an increasing level of commerce. The North American Transportation Competitiveness Research Council is committed to finding and synthesizing the best information available to give policy makers alternatives which address current congestion, capacity, and security issues while showing the best ways to employ North America's formidable resources to enable three major economies to work together and improve opportunities for citizens of all three nations.



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