

Freight Movement



SACRAMENTO REGION
MTP2035
METROPOLITAN TRANSPORTATION PLAN
THE NEXT STEP IN BLUEPRINT

ISSUE BRIEF

OCTOBER 2006

The movement of goods to, from and within the Sacramento region will change dramatically over the next 25 years. This brief summarizes issues related to freight and goods movement for consideration in the region's next transportation plan.

Freight in the Region

With nearly two million people, the Sacramento area is a major consumer of goods, but aside from agriculture not a major producer of goods shipped elsewhere. As more goods are manufactured abroad, freight movement into and through the region, by roads and highways, rail, waterways and air, is changing. The Sacramento region may have economic opportunities to be a freight terminal center, but it comes with environmental and traffic tradeoffs.

Economic Drivers behind Freight Shipping

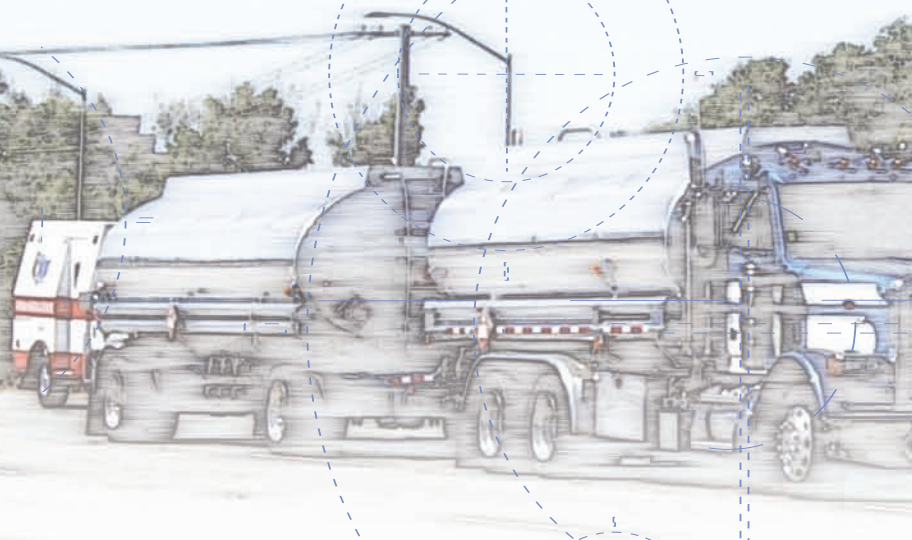
Low-cost labor in Asia and Mexico and low transportation costs worldwide mean it is now cheaper to produce many goods elsewhere and ship them here than to manufacture them locally. Advancements in manufacturing and freight movement allow goods to be manufactured and shipped only as needed, so just-in-time delivery replaces storage of product in warehouses.

Constraints and Opportunities for this Region

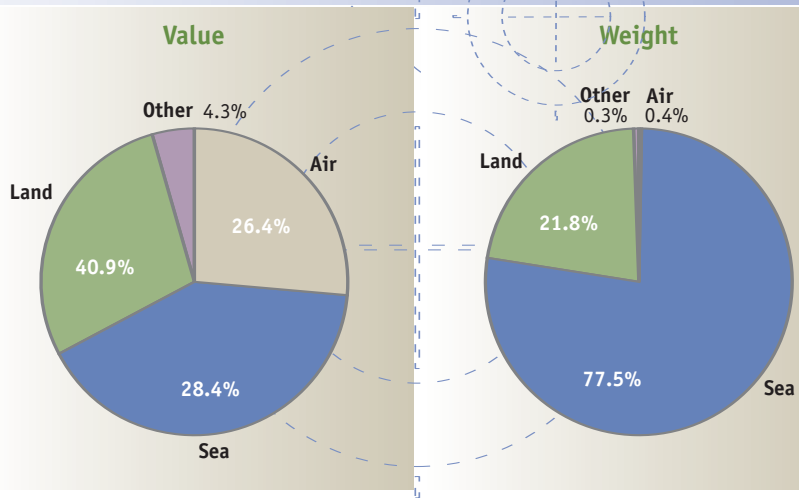
Trucks

Most increased freight shipment is being carried by truck, a trend likely to increase. Both Interstate 5, linking the Central Valley with southern California seaports, and Interstate 80, linking the Bay Area, Sacramento, and areas east of the Sierra, carry 2,500 truck trips per

This brief highlights the freight movement issues being studied for the MTP2035. For the complete Freight Movement Issue Paper visit www.sacog.org/mtp/2035



US EXPORTS BY MODE



day through the region plus another 5,000 that stop here. More truck traffic must use arterial roads as businesses move to suburban areas with limited highway access. With greater use of local routes and increases in truck weight limits, roads have deteriorated.

Railroads

Major Western railroads operate near capacity today, and can compete with trucks only hauling goods for more than 500 miles. Freight train miles traveled continue to increase, and are forecasted to double by 2020 and double again by 2036, while very little new track is being added. A mile of track costs \$3.5 million to construct and \$466,000 annually to maintain, and railroads are not earning a high enough rate of return to expand main-line track significantly.

Port

The Port of Sacramento, serving one ship every three weeks, loses almost \$1 million every six months and requires significant infrastructure investments to compete. A strategic alliance between the Ports of Oakland and Sacramento has recently been established to enhance the prospects for an economically successful Port of Sacramento. The port lies outside the congested Bay Area, nearer the Central Valley cargo market, with good connections via I-5, I-80, and railroad lines.



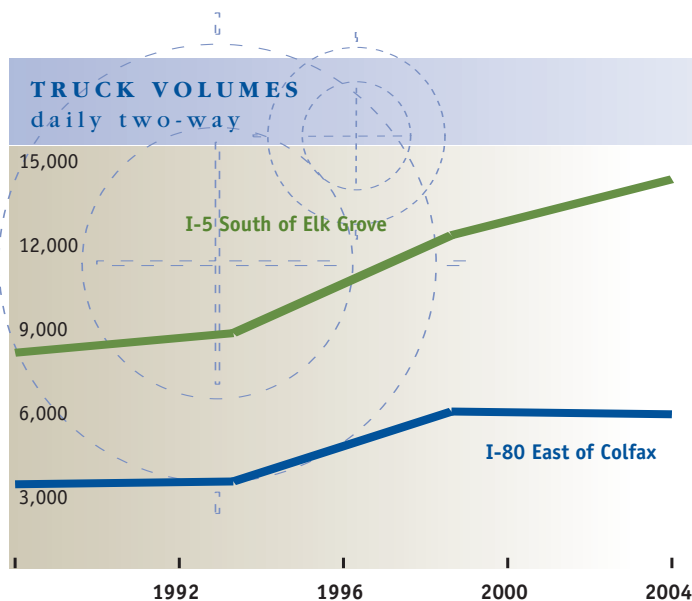
Nevertheless, encroaching residential development threatens the port and an upriver navigation location with a shallow channel limits opportunities.

Airports

Mather Field has become the region's air cargo hub, even though half of air cargo still moves through Sacramento International Airport. Sacramento is still a minor player; more than 90 percent of the state's airborne freight moves through Los Angeles or San Francisco. Both those cities, constrained by congested highways and limited opportunities to expand their airports, face challenges as international air cargo volume is expected to double or triple by 2025.

Blueprint and Land Use Considerations

Industrial land uses do not always adapt well to mixed-use development. Residents living near freight facilities complain about traffic, noise, safety, pollution and night operations. Rising real estate values and a desire to redevelop older industrial sites have led many older freight facilities to relocate to outlying areas with no rail access, making large parcels of centrally located land available, but leading to more congestion, emissions and vehicle miles traveled.





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Environmental Considerations and Impacts

Increasing freight movement raises concerns about traffic, safety, noise and air pollution. Freight-related transportation contributes 49 percent of nitrogen oxide and 36 percent of particulate emissions from mobile sources, almost two-thirds coming from trucks. As freight shifts more to trucks, truck traffic has increased faster than auto traffic, raising emissions, noise, safety and traffic concerns.

Private Roles and Public Pressures

The private sector manufactures, assembles, ships, distributes and sells goods. It owns and operates the vehicles used to move the goods, and chooses the mode, route and timing for shipping. Taxes collected from the private sector are used to construct and maintain the transportation system. Railroads, intermodal facilities, warehouses and distribution centers are built by the private sector, although public-private partnerships and joint-planning efforts are increasing. Since deregulation, freight movement has become very competitive, and profit margins tend to be thin.

The public sector provides roads, highways, airports and sea-ports, and makes laws and policy decisions. Influence over the private sector is limited to pricing and regulation. The public sector typically has reacted to freight demand rather than strategically planning for freight impacts. Increasing system usage will require intelligent transportation system projects that help maximize the efficiency of goods movement.