

Chapter 6

Conclusion

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6.0 The Way Ahead

From Isolation and Distress to Global Access and Economic Opportunity

Appalachia, “A land apart.” Much of the economic growth and prosperity of the 20th century simply by-passed Appalachia. It was through a vacuum of advocacy and leadership, a failure of planning and vision, and drought of investment that, during the first half of the past century, doomed Appalachia to physical isolation and sentenced its residents to a long and painful history of chronic economic distress. Reacting to the findings and recommendations of the President’s Appalachia Regional Commission (PARC), the Appalachia Regional Development Act of 1965 established the Appalachia Regional Commission (ARC), a program of regional advocacy, planning, and investment, joining the Tennessee Valley Authority (TVA) as one of only two sustained national regional development programs in America.

6.1 Projecting Forward: A Changing World of New Challenges and Opportunities

The 21st century brings powerful new challenges and opportunities to the businesses, communities, and the 23 million people of Appalachia. Now 85% complete, the Appalachian Development Highway System (ADHS) has made significant progress in overcoming the region’s physical isolation and its chronic economic distress. While research confirms the need to continue ADHS development, shifting economic and demographic trends call for a broader and more comprehensive planning and development framework to guide Appalachian transportation into the 21st century. An in-depth review of macro-economic trends and of the characteristics and capabilities of the Region’s current transportation resources confirms the following;

1. Over the past six decades, global trade in manufactured goods has grown on average 7.6% per year, twice as fast as the inflation adjusted growth rate of global GDP.
2. Long-term economic expansion is the underlying driver of trade growth. Additional factors also have contributed to the establishment of a global economy. These include new efficiencies in containerized intermodal transport, growth of international trade agreements, advances in transportation and information technology, and a long term pattern of demographic shifts, affecting both consumption patterns and labor markets.
3. While annual trade patterns may vary, a half-century trend of increased international commerce has permanently established a global economy for the 21st century.
4. International trade lanes between the United States and Asia will remain strong, while trade lanes connecting the United States with Canada, Mexico, Europe, and the Middle East will also remain as important corridors for international commerce. Trade lanes between the United States and South America show potential for new growth.

5. Strategically centered amidst some of America's strongest production centers and consumer markets (Midwest, Northeast, Mid-Atlantic, Southeast, etc.), Appalachia is positioned as a natural cross-roads for emerging international trade lanes linking America with markets worldwide.
6. The demographic characteristics of Appalachia feature mostly rural areas, with a number of major population centers along its periphery. Demographic trends indicate the southern portion of the Region will experience the strongest population growth in the years ahead.
7. Imports into the Region tend to consolidate toward those areas of greatest population and consumption, while exports from the Region, tend to originate from dispersed locations, more evenly spread throughout the Region.
8. Those industrial groups within Appalachia that can benefit most from enhanced domestic and global access include;
 - Industrial Machinery
 - Lumber and wood products
 - Agricultural products
 - Plastics and chemicals
 - Auto-parts and related products
 - Furniture, household goods, and related products
 - Textiles and apparel
 - Electronics and communication products
 - Environmental technologies
 - Medical instruments and supplies
9. A more coordinated and integrated transportation network provides the opportunity to better balance and diversify longer-distance movements of goods, taking more advantage of the inherent energy and environmental benefits of both railway and waterway systems. Thus, a coordinated network of intermodal corridors of commerce can enhance competitive access and overall capacity, while at the same time achieving new and increasingly important energy and environmental efficiencies for Appalachia and for America.
10. The Region is benefiting from improved highway access throughout the development of the Appalachian Development Highway System (ADHS). Appalachia also benefits from a network of railway routes, including a number of emerging intermodal corridors and an extensive system of short line railways. Importantly, the Region also benefits from a 1,500 mile system of navigable inland waterways. Increased coordination between these individual modes is essential to enhance the Region's competitive access to coastal ports, Appalachia's gateways to international trade.

6.2 Positioning for Success in the 21st Century: Network Appalachia

In a Region that for so long endured the economic consequences of isolation, ensuring access to economic opportunity in the 21st century is a priority that will shape Appalachia's success well into the new century. By fully leveraging past investment and through a planning and development framework that expands connections to both domestic and international commerce, **Appalachia is within reach of a transportation network that will position the Region as a growing cross-roads for both domestic and international commerce.** It is a network that stresses inter-jurisdictional coordination, intermodal cooperation, and the importance of public and private sector planning and investment partnerships. Importantly, it is a network that brings new economic and employment benefits to Appalachia, while at the same time providing transportation capacity, safety, and efficiency benefits to many of Appalachia's neighbors, including those facing congestion-related economic and environmental challenges. Finally, it is a balanced intermodal network that, through efficient new highway, rail, and maritime connections, provides important energy and environmental benefits to both Appalachia and the entire nation.

Network Appalachia represents a 21st century regional transportation network that establishes the domestic and international connections necessary for Appalachia to successfully compete in the global economy. It is a network that revolves around three interconnected building blocks. These include;

A. Continued Development of the Appalachia Development Highway System.

Authorized by the Appalachian Regional Development Act of 1965 the Appalachian Development Highway System (ADHS) is the first highway system in America authorized by Congress for the purpose of stimulating economic development. ADHS is a 3,090-mile near-interstate highway system composed of 31 corridors located throughout the 13 Appalachian states and is now approximately 85% complete. A recent ARC sponsored study of the economic benefits of completing ADHS highlights 80,500 new jobs and \$5.0 billion in increased value added, including \$3.2 billion in new wages per year for Appalachian workers by 2035.

Importantly, the research also spotlights ADHS benefits that extend far beyond the boundaries of Appalachia. The study confirmed that in addition to strengthening links between Appalachian communities, ADHS is an important component of longer-distance trade lanes, extending to, from, and through Appalachia. Figure 6.1 indicates Appalachia's Strategic Highway System and pin points those sections of the ADHS that still need to be completed.

NETWORK APPALACHIA

Emerging Strategic Highway System: Appalachian Development Highway System and Connecting Interstate Highways



Figure 6.1: The Appalachian Development Highway System

B. Intermodal Corridors of Commerce: Appalachian Routes to Global Opportunity.

The 1999 ARC report entitled An Assessment of Intermodal Transportation Plans, Systems, and Activities in the Appalachia Region warned, "While ADHS has served as the centerpiece of ARC's economic development program in the past, highways alone are no longer sufficient to help Appalachia's communities compete in the global marketplace. Increasingly, the efficient movement of goods requires an intermodal

transportation system that provides access to critical supplier and consumer markets. In the 21st century, Appalachia's growth and prosperity will depend on its ability to develop integrated intermodal transportation systems."

Building from ADHS as its foundation, Appalachia in the 21st century will be served by an interconnected network of primary highway, rail, and inland waterway routes, each serving as designated intermodal corridor of commerce. These are corridors of both regional and national significance and establish important new Appalachian connections

NETWORK APPALACHIA

Intermodal Corridors of Commerce (Existing and in Development)



Figure 6.2: Intermodal Corridors of Commerce

to both domestic and international markets. These corridors provide for the safe, efficient, and high-speed movement of containerized international cargo between inland Appalachia and coastal ports, the Region's gateways to global commerce. In addition, these corridors support the flow of conventional, non-containerized cargo, bound to and from both domestic and international markets. Figure 6.2 shows Appalachia's network of Intermodal Corridors of Commerce.

Appalachian intermodal corridors of commerce are not merely a vision for the future. They are, in fact, taking shape today. Across the Region work continues on developing

ADHS corridors as well as a number of other planned highway priorities, such as the Continental One corridor and the Atlanta-Huntsville-Memphis highway corridor. Important new intermodal rail corridors are also taking shape as shown previously in Figure 3.8. These include the Norfolk Southern Heartland Corridor serving Virginia, West Virginia, and Ohio and the Crescent Corridor serving Pennsylvania, Maryland, Virginia, Tennessee, North Carolina, South Carolina, Georgia, Alabama, and Mississippi. In addition, the CSX National Gateway Corridor is expanding high speed intermodal rail service to North Carolina, Virginia, Maryland, West Virginia, Pennsylvania, and Ohio. These initiatives establishing new models for public and private sector cooperation, improving rail, highway, and maritime intermodal coordination, and creating powerful new Appalachian connections to both domestic and international markets are attracting national attention and wide-spread recognition.

For example, Gilbert E. Carmichael, Senior Chairman of the Intermodal Transportation Institute and former Federal Railroad Administrator, declared "*These are models of collaboration, cooperation, and innovation. They prove that our often-fragmented modes of transportation can work together and demonstrate the potential of building successful new public and private partnerships. Perhaps most importantly, they are creating powerful new links in the global supply chain that will stimulate economic growth and opportunity.*"

Complementing Appalachia's emerging highway and rail corridors, a new Marine Highway initiative is focused on taking full advantage of Appalachia's 1,500-mile system of navigable inland waterways. This was presented in figure 3.10 Patterned after successful programs in both Europe and Asia, these plans call for inland waterways to become important new links in the global supply chain, shuttling intermodal containers between inland port locations in Pennsylvania, West Virginia, Ohio, Kentucky, Tennessee, Mississippi, and Alabama and coastal ocean ports in both Mobile, AL and New Orleans, LA.

C. The Inland Ports of Appalachia: Linking Economic Success to Transportation.

While emerging corridors of commerce establish strong new Appalachian connections to both domestic and international markets, it is a region-wide system of local freight terminals, referred to as inland ports, that establish the vital connection between Appalachia's transportation system and its economy. These inland ports are the consolidation, distribution, and warehousing centers that directly connect local businesses with the Region's highway, railroad, and waterway corridors. Such centers come in various shapes and sizes and are tailor-designed to serve the specific needs of local communities.

Successful models include both the Virginia Inland Port in Front Royal, VA and the International Intermodal Center in Huntsville, AL. These are intermodal container transfer facilities that shift containerized cargo between trucks and trains, offering local businesses high speed/low cost intermodal access to gateway ocean ports. They also stimulate economic and employment growth, as so successfully demonstrated in both Front Royal and Huntsville. As part of the development of new emerging intermodal rail corridors, new inland container port facilities are being developed in the heart of Appalachia as shown in Figure 6.3.

NETWORK APPALACHIA

Inland Container Ports (Existing and in Development)

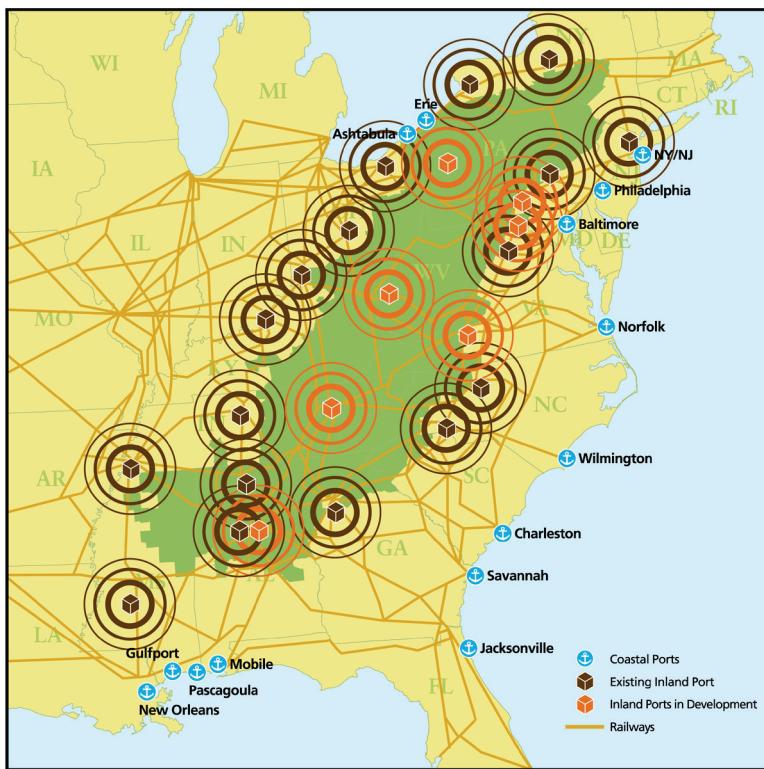


Figure 6.3: Inland Container Ports

Other models for inland port success can be found in Appalachia's smaller towns and rural areas, such as Somerset, KY, Dubois, PA, and Lenior, NC. These centers are trans-load and consolidation terminals for conventional, non-containerized cargo. Here, local businesses gain multi-modal access that saves on transportation costs and expands market reach, while local communities gain an important new feature to attract enterprise and employment into their area. Building on the success of these models, inland port planning and development is rapidly expanding across Appalachia, opening new connections and attracting new opportunity.

6.3 Proactive Planning: The Way Ahead

A 20th century approach to transportation planning and development can no longer ensure Appalachia the domestic and global access that it will require to compete and succeed in the global marketplace. Fully incorporating the emerging economic, energy, and environmental priorities of the 21st century, a new, pro-active planning and development framework can both enhance the Region's global competitiveness and help attract new enterprise and employment into Appalachia. This new framework is outlined below:

Transportation Planning and Development Framework for Economic Competitiveness in the 21st Century

Appalachia's economic success in the 21st century will depend on reliable, safe, and cost-efficient access to domestic and international markets.

- **Advocacy and Partnerships:** Appalachia must strongly advocate for its own future, which is best accomplished through building innovative and collaborative new partnerships. Such partnerships will expand awareness of both challenges and opportunities and encourage/support increased local and regional planning activities. Proactive in nature, these partnerships will be both internal and external to the Region, feature public and private sector participation, expand coordination between transportation, economic development, and international trade interests, and strengthen Appalachia's connections to both domestic and international commerce.
- **Planning and Coordination:** To prepare for the future, a comprehensive and sustained planning process must be established that features inter-jurisdictional cooperation, intermodal coordination, and actively engages both public and private sector participation. The planning approach must be driven by economic development priorities, with strong attention to quickly emerging energy and environmental priorities.
- **Investment:** Appalachia faces a complex economic future, filled with new challenges and opportunities. Building on the historic success of the Appalachian Development Highway System, sustained transportation investment in the 21st century must be secured that is both sufficient to meet the Region's planning and development needs and flexible to encourage a strong commitment to intermodal coordination and cooperation. A new emphasis on better integrating public and private sector investment can also maximize economic and employment benefits to the Region.

In its 1964 report to President Lyndon Johnson, the President's Appalachian Regional Commission (PARC) stressed that, "Progress in Appalachia can only be realized through the coordinated effort of a regional development organization, with state and local development units, with research and demonstration centers, and with multiple state and federal agencies." For nearly a half century, the Appalachian Regional Commission has applied this model and has, time and again, demonstrated the power of advocacy, planning, and investment to create

economic and employment opportunity. Building from its past success with the Appalachian Development Highway System, it is this same collaborative approach, not aimed at overcoming past distress, but focused on creating future opportunity, that can expand connections to domestic and international commerce and serve as Appalachia's route to economic success in the global 21st century.