Metropolitan Policy Program at BROOKINGS

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Metro Freight Series page: http://www.brookings.edu/research/reports2/2015/06/metro-freight

25 Metropolitan ports move 85 percent of U.S. exports and imports

First-Ever Analysis of Metropolitan Goods Trade Reveals Need to Prioritize Freight Investment

Washington, D.C. – Today the Brookings Metropolitan Policy Program releases the final two installments in the Metro Freight Series, a collection of new research examining the volume of goods flowing through U.S. ports and across the nation by truck, train, boat, plane, and pipeline. Using a unique database developed by Brookings and the Economic Development Research Group, these reports illustrate how a small collection of metropolitan markets produce, consume, and distribute the vast majority of all U.S. goods. This concentration puts enormous pressure on specific infrastructure, and demonstrates how problems in one market can spread across the entire country.

The first report, "The Great Port Mismatch: U.S. Goods Trade and International Transportation," focuses on how the country's international ports—the water, air, and surface transportation facilities that handle its exports and imports—function at the metropolitan level. While the largest 25 ports move 85 percent of all international goods, they primarily serve customers in other parts of the country. With only 4 percent of their goods starting or ending in their local markets, these ports are true national assets.

"From the perspective of ports, these flows create an enormous logistical burden for serving hundreds of different areas across the United States," said Adie Tomer, Brookings associate fellow and report co-author. "Public policies must recognize the hierarchy and mechanics of international trade flows. That will require a policy framework that prioritizes specific places to boost trade for the entire county."

The findings are especially timely considering the prospective impacts of the expanded Panama Canal and potential trade deals, like the Trans-Pacific Partnership (TPP), on total international trade.

"Whether one supports trade deals or not, their passage is likely to increase goods movement at the few ports handling most of the country's Asian trade," said Tomer. "Adding the potential impacts from an expanded Panama Canal, now's the time for federal leaders to work with state and local officials to boost investment inside and outside major ports."

The second report, "Metro Modes: Charting a Path for the U.S. Freight Transportation Network," supplements the international analysis by exploring the domestic freight network in greater depth. While a variety of transportation modes help stitch these regions together, including airports, railroads, and waterways, trucks serve as a backbone for the nation's entire freight network, moving more than two-thirds of the volume of all U.S. goods annually.

At the center of these movements are the country's 100 largest metropolitan areas, which account for 60 percent ($8.1 trillion) of all goods that travel by truck. In particular, metropolitan areas that neighbor each other and have similar economic specialties can depend on trucks for 90 percent or more of their freight activity, as evident in places like Kansas City and St. Louis or Baltimore and Washington, D.C.

"Throughout the country, regions depend on an efficient, well-integrated infrastructure network to exchange goods with other markets," said Joseph Kane, Brookings senior research assistant and report co-author. "Freight policies must begin to recognize how certain places and infrastructure assets are central to this network, whether it is trucks moving electronics, pipelines moving energy, or air modes carrying high-value precision instruments."

The two reports, part of the Global Cities Initiative, a joint project of Brookings and JPMorgan Chase, shed light on how international and domestic goods trade—supported by particular ports and infrastructure assets—contribute to metropolitan economic growth. However, as congestion costs rise and budgets for infrastructure investment shrink across the country, federal policies must do a better job recognizing the outsized benefits the entire country receives from efficient connections to these key markets and assets. Ultimately, leaders at the national, state, and local level can support more efficient goods movement by developing freight plans, policies, and investments in light of regional trade and transportation specialties.

*Launched in 2012, the **Global Cities Initiative** is a five-year joint project of Brookings and JPMorgan Chase aimed at helping city and metropolitan leaders become more globally fluent by providing an in depth and data-driven look at their regional standing on crucial global economic measures, highlighting best policy and practice innovations from around the world, and creating an international network of leaders who ultimately trade and grow together. For more information please visit http://www.brookings.edu/projects/global-cities.aspx.*
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