CONTAINER CAST 2: CAMPAIGN TRAIL

Mat: This is Container Cast from the Center for International Trade and Transportation at California State University, Long Beach. I’m Mat Kaplan. Our guest, once again, is Dr. Thomas O’Brien. Thomas is the Director of Research for the Center for International Trade and Transportation and the Associate Director for the Metrans Transportation Center, and Tom, welcome back.

Tom: Thanks, Mat.

Mat: We’re going to, once again, start. The jumping off point will be a recent column that you wrote for the Long Beach Business Journal, something you do regularly, and this one was Trade and Transportation on the Campaign Trail.

Tom: That’s right.

Mat: So, where are we with this? Your column provided evidence for, maybe you’d call it, an imbalance between the attention that trade and transportation are getting in the presidential race. If we look at trade first, how has it been coming up in the campaign?

Tom: Well, if you look at just the past few days alone, we’ve seen debates in the Congress, and the presidential candidates at the forefront of that debate, talking about the Colombia Free Trade Agreement. It’s emblematic of a debate that’s been going on for a long time, about the role that bilateral agreements play in U.S. Trade Policy, the impact that it has on employment in the U.S, particularly in a time when we’re facing a downturn in the economy. It was a hot topic in the runup to a couple of key primaries, in particular Ohio, where Hilary Clinton’s history of statements on NAFTA were hotly debated, hotly contested; and as I said, over the past few days we’ve had a discussion about whether we’re going to be entering into a bilateral agreement over free trade with Colombia and it looks for the moment as if we’re not. It’s been stalled in the Congress by Democratic leadership. It’s something that the president greatly wants.

Mat: These are just too hot considering the opposition from labor and other factors?

Tom: Yeah. It’s opposition from labor, it’s concern about the lack of enforcement of environmental standards in countries that we do trade with. That was a concern with NAFTA and with CAFTA. Hosts of other issues depend upon the country involved, with the Korean Free Trade Agreement, concerns over what implications it might have for greater geopolitics on the Korean Peninsula.

Mat: If we turn now though to transportation, there really does seem to be a disconnect here between the two of these. Is transportation getting anything like the attention it deserves from the major candidates?

Tom: I don’t think so. I think it’s easier to argue and discuss trade issues because it seems to be a national issue and it’s unavoidable on the campaign trail. Transportation is less so for a couple of reasons, I think. One is that transportation improvements - bridges, road - are going to cost a lot of money. And I don’t think anyone wants to be on the stump
arguing at this point for something like an increase in the gas tax, which has to be discussed if we’re going to talk about long term improvements to our national transportation system. So it’s something that most of the candidates have avoided. They’ve talked about local transportation issues on the campaign trail, depending upon what the hot topic is in any given state or any given locality. As an example, both Obama and Clinton came out in support of some of the more controversial elements of the L.A. and Long Beach ports’ Clean Air Action plan. I’m talking in particular about the employee driver provisions of the clean truck program, but it’s safer to do so because that’s a local issue. It’s not requiring them to commit to any funding at this point, but I think at some point the newly elected president, whoever he or she may be, is going to have to deal with crumbling infrastructure because it’s in our national interest to do so.

Mat: That’s really what I was hoping to get into next. I mean, what is the danger of not seeing the leadership at the national level from these candidates but also from Congress?

Tom: Well, it’s going to end up being a mismatch between, as you said, transportation and trade policy if we’re going to be key players in globalized trade. If we’re going to be the linchpin of trade between Asia and not only U.S. but Europe as well, we need to have an infrastructure that’s going to support that trade and that’s a national concern. When we built the highway system in the 1950s, the nation as a whole understood it to be an issue of not only national defense but national commerce as well. It meant everything to our livelihood as a nation and you don’t see that as much anymore and part of the problem is since the 1950s, U.S National Policy has devolved greatly. Responsibility for transportation funding, financing, planning has devolved to the state and local governments. So, there isn’t much leadership; although highways, the development of highways, the good running of the transportation system has national economic impact; it’s not just a localized issue. The ability of L.A. and Long Beach ports and airports to bring in goods that benefit the rest of the country means that the rest of the country should be concerned about crumbling infrastructure on the I-710 or the Gerald Desmond bridge. They might be concerned but you’re not likely to see them ponying up to pay for some of those infrastructure improvements, particularly when they feel they have their own needs in their own backyards.

Mat: It strikes me that this is something which, I mean perhaps, when we know who the democratic candidate would be and we have just two people facing off, that national infrastructure this time is sort of a no lose issue for somebody, except of course that we have to find the revenue some place, but I mean you think of the pride that was generated by the development of the interstate system.

Tom: And I agree, but again it’s a question of the cost. There have been a couple of proposals for national infrastructure banks. Last month, Barack Obama talked about a 60 billion dollar, ten-year program; the funding was less concrete, less specific, some talk about using proceeds that would come from ending the war in Iraq. Hilary Clinton, last year, proposed something called Rebuild America which was a 10 billion dollar infrastructure improvement program that would address some of the concerns that we have over bridges and roads, but it’s very telling that, you know, after the Minnesota bridge collapsed, infrastructure improvement was at the top of everyone’s list. Everyone
was talking about the need to improve our infrastructure because national commerce depended upon it, but you don’t hear as much talk about that anymore. Again, it’s being left to the state and local governments to do the inspections but when it comes time to make the new improvements where will the money come from? And I don’t know that we know that yet.

**Mat:** Tom, I guess we’re out of time. We’ll look forward to talking to you again for our next Container Cast.

**Mat:** You just heard Container Cast, where our guest has been Dr. Thomas O’Brien. We’d love to hear from you. Write to CITT@uces.csulb.edu. Container Cast is produced by the Center for International Trade and Transportation, a division of University College and Extension Services at California State University, Long Beach, and in partnership with the Metrans Transportation Center. We offer an outstanding selection of events, programs, and courses, including the Global Logistics Specialist program. Visit us online at www.uces.csulb.edu/CITT, or call 562-985-2872. That’s 562-985-2872.