

Navigation Economic Technologies Symposium

Large Group Exercise

Question #2: What qualities and characteristics of current inland navigation economic evaluation techniques should we DISCARD over the next 10 years?

- It isn't necessary to disregard in qualities & techniques, we need to improve not disregard
- Assumption of perfectly elastic rail supply
- Willingness to pay limited to least cost alternative, rail rates -- maybe higher
- Exogenous OD forecasts – lack of sufficient modeling of commodity forecasts
- Risk a version of shippers
- I don't think we should discard anything, I think we are on the right track and should improve what we already have.
- Collection of WCSC data by hand – coding, entering, etc.
- No link between LPM's & WCSC data bases
- 50 – 70 years forecasts
- Funding stream disjointedness (continuing resolutions)
- Layers of study mgt. Overhead
- Modeling benefits as transportation cost alone
- Using maximum willingness to pay as the next least costly land rate
- Omitting externalities
- Keeping forecast as exogenous
- Problem is getting the full set of cost data on individual shipments from original origin to waterways to ultimate destination
- Cut ridge ORD – upper Mississippi model of labels
- Substitute disaggregated treatment of demand for current aggregated methods
- Better treatment of spatial relationships
- Absence of supply chain influence on shipper choice
- The self serving on overestimation of NED benefits
- The scenario based forecasting of future with out project conditions
- The focus on “expected delays”
- Constructed costs of transportation should be replaced by willingness to pay
- Emphasis on dock-to-dock evaluation
- Aggregation to annual movements
- Capacity-delay to represent congestion
- Emphasis on transportation cost savings rather than benefits
- Existing alternative mode cost basis for calculating benefits
- Deterministic evaluations
- Static/short run view of waterway operations
- Constant overland rate
- Inelastic demand curves
- ??? approaches to equilibrium solutions

- The belief that traffic volume doesn't depend on price (transport cost); think about competition in commodity destination markets
- Ad hoc approaches
- Long term forecasting – with ??
- Poor technical documentation
- Limited presents in academic or expert literature
- Closed process
- Use of unconstrained queues for barges
- Unrealistic projections for 50 years to the future
- Better origin destination costs and routes that are realistic
- Benefit measurement not based on demonstrated willingness to pay
- Constant output methodology should be examined
- Forecasting methods need to be refined
- Planning/economic analysis should be better integrated
- Ignorance of relevant (potentially) alternatives shippers have
- Independence of mode choices and quantity should be removed
- Model of shippers choice between shipping waterways versus next best alternatives
- The assumption that amount of freight is fixed & choice is wither water ways or best next alternative
- Assumption that ultimate destination is fixed
- Thinking of demand & willingness to pay for improvements by comparing a constructed cost of an alternative mode for the identical commodity origin destination triple now carried by water
- Inelastic demand
- Short term focus & assumptions
- Assumption that negative externalities are captured by mitigation cost
- Obsession with spatial equilibrium model which cannot be populated & even verified with “real” inputs
- Careful or general equilibrium model