IV. THE FREIGHT TRANSPORTATION INDUSTRY

The private sector owns a significant share of assets in the transportation industry: $925 billion in equipment plus $515 billion in private structures, compared to $429 billion in transportation equipment plus $2.1 trillion in highways owned by public agencies.¹ Freight railroad facilities and services are almost entirely private, while trucks in the private sector operate over public highways, air-cargo services in the private sector operate in public airways and mostly public airports, and ships in the private sector serve public waterways and both public and private port facilities. Pipelines are mostly in the private sector, although significantly controlled by public regulation. In the public sector, virtually all truck routes are owned by state or local governments, airports and harbors are typically owned by public authorities (although terminals are usually owned or managed by private operators), air and water navigation is mostly federal, and safety is regulated by all levels of government.

Freight transportation is a big part of the economy. The value generated by transportation services in moving goods and people on the transportation system is about 5 percent of GDP. In the transportation services sector about 60 percent of the value is generated by for-hire transportation services and the rest is generated by “in-house” transportation (transportation provided by businesses for their own use). In-house trucking accounted for $142 billion of GDP in 1996 (the latest year for which data are available) and for-hire trucking accounted for $101 billion.

¹Fixed assets are for 2005 and include both passenger and freight transportation. See Bureau of Economic Analysis at http://www.bea.gov/bea/dn/FA2004.