

# Commercial Transportation

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## Mission

To promote and provide the infrastructure and transportation resources necessary for strong economic development.

## Summary of Activities

A number of dedicated funding sources and authorities promote commercial transportation in Indiana. Administered by the **Indiana Department of Transportation**, (INDOT), the High Speed Rail Fund provides funding for the purpose of promoting and developing high-speed rail travel in Indiana. The Industrial Rail Service Fund, a state fund that receives 0.04% of the state sales tax revenues, supports a loan program that enables railroads to purchase and/or rehabilitate rail lines in order to provide rail transportation services, as well as a grant program for Port Authorities operating as railroads.



The Northern Indiana Commuter Transportation District (NICTD) was created in 1977 to maintain and improve rail passenger service on the South Shore Line between South Bend and Chicago. The Electric Rail Service Fund receives property taxes paid by the Chicago South Shore and South Bend Railroad. These funds go to NICTD to help pay its share of general operations. The Public Utility Tax (Commuter Rail Service Fund), which also goes to NICTD, receives 0.17% of the state sales tax, to help pay for its share of capital and general operating costs.

There are three public ports in Indiana: the International Port at Portage, Southwind Maritime Centre at Mt. Vernon, and Clark Maritime Centre at Jeffersonville. All are administered by the **Port Commission**, which promotes the agricultural, industrial and commercial development of Indiana. The Commission is also working on the development of a statewide network of Foreign Trade Zones, as required by the U.S. Department of Commerce.

The **Department of Revenue** (DOR) Motor Carrier Services Division administers the registration, licensing and tax collection of motor carriers in Indiana, licensing 11,900 carriers and collecting \$105.2 million in revenue. The DOR maintains a database of 220,000 Indiana commercial driver's license accounts and participates in a national program to monitor driver's records. It also provides special permits for those motor carriers that transport loads that exceed regular weight limits on the state's roads and bridges.

## External Factors

In 1998, 20% of Indiana's shortline railroads were operating on the lowest standard of trackage allowable. After substantial financial investments in 1999, that amount has been reduced to 10%. The implications of substandard infrastructure are that valuable freight corridors are vulnerable to costly delays. In addition, these same corridors face the coming challenge of accommodating new, large 286,000-pound rail cars.

Increasing use of Indiana's highway transportation infrastructure can bring increased air pollution, traffic congestion and highway maintenance costs. Alternate modes of transportation and the improvement of rail infrastructure can help reduce these problems and save on infrastructure repair. The maritime industry in Indiana continues to evolve in the face of economic change and industry consolidation. The market's need for port services, the role of private investors, and the labor market are all factors considered by the Port Commission.

## Evaluation and Accomplishments

INDOT recently provided over \$3.9 million dollars in loans and grants for regional railroad infrastructure improvements. This investment will bring 49% of shortline trackage up to minimum operating standards. The Chicago-Indianapolis-Cincinnati corridor was declared a federally designated high-speed rail corridor. This designation makes that passenger

rail route eligible for federal funding.

A study by the **Indiana University** Center for Urban Policy and the Environment found that the economic impact of Indiana's Ports is substantial, resulting in an annual average of \$587 million in economic activity and 5,771 jobs at an average salary of \$25,634. In 1995 the ports contributed more than \$12 million in state and local taxes to the state (\$9 million in state taxes and more than \$3 million in local property taxes).

National Freight Car Fleet				
Year	Class 1 Railroads	Other Railroads	Car Companies and Shippers	Total
1939	1,650,031.00	30,488.00	281,186.00	1,961,705.00
1975	1,359,459.00	29,407.00	334,739.00	1,723,605.00
1990	658,902.00	103,527.00	449,832.00	1,212,261.00
1996	570,865.00	87,364.00	582,344.00	1,240,573.00

Source: Assc of American Railroads

An additional \$1 million will be generated in local property taxes as tax abatements expire. Federal, state and local governments collectively have invested \$127 million in creating the public port system. Through 1995, the private sector invested \$8.82 in private funds in the ports for every \$1.00 in public funding.

## Plans for the Biennium

INDOT will continue rail development efforts, facilitating the development of a viable alternative transportation mode for the citizens of the state of Indiana, while addressing traffic congestion, air pollution and highway maintenance costs. INDOT will also continue to assist rail companies in the development of their railroad operations, leading to increased economic development.



The DOR will continue to improve their databases, resulting in a reduction in motor carriers' paperwork and faster issuance of credentials. The DOR will also continue support of law enforcement through cooperative efforts that ensure a fair economic environment in which trucking companies can operate. Safer highways will be promoted by committing to national information exchanges that identify and monitor the high-risk motor carriers.

