

THE COST OF CONGESTION

**Underinvestment in U.S. freight infrastructure comes at a price –
U.S. businesses and consumers pay for inefficiencies**

The Domino Effect

By 2020 degraded infrastructure will result in \$95 billion lost in retail trade sales. But it doesn't end there. Restaurants and bars will lose \$55 billion, hotels will lose \$36 billion, and agriculture, forestry and fisheries will lose \$17 billion in sales.

Inflated Business Costs

A 5 minute delay for each of UPS's vehicles costs the company \$100 million annually.

Cost of Doing Business in U.S. Surges

If we do not invest adequately in our surface transportation system, U.S. companies will pay \$430 billion more in transportation costs between now and 2020, causing them to underperform by \$240 billion.

Small Businesses Lay Off Workers

Small businesses, like Thomas Home Furnishings in Douglas, Arizona, have been forced to lay off employees as a result of underinvestment in border infrastructure. Citing border wait times that are frequently over an hour in length, Thomas Home Furnishings' owner Bill Thomas said that Mexican consumers are "tired of it." He said people are no longer willing to wait in long lines at the international border to purchase goods in the United States.

Consumers Cancel Orders

50% of consumers have abandoned carts while shopping online, due to lengthy delivery time or dissatisfaction with the date provided at checkout.

Fluidity Stalls Out

Rail operations are severely impeded due to insufficient investment and operating funds at the Deconcini Port of Entry in Nogales, Arizona. Staff members responsible for regular customs operations are pulled from duty to manually open the rail gate and help process trains as they arrive and cross the border.

Productivity is Lost

The Otay Mesa Port of Entry (POE) accommodates the second highest volume and value of trucks among all southern border POEs. Commercial truck drivers have often logged four hours in line. In addition to lost productivity associated with this long border wait, idling engines are detrimental to air quality.

Time is Money

Nike spends an additional \$4 million per week to carry an extra 7-to-14 days of inventory to compensate for shipping delays.

Businesses Incur Extra Costs

On average, UPS delivery drivers in New York City and Northern New Jersey are delayed 16 minutes per day due to traffic congestion. Since 2010, UPS has had to dispatch an additional 61 delivery drivers and an additional 20 tractor-trailer combinations every day, to meet customer service obligations in this geographic area due to traffic gridlock.

Economic Recovery Stalls

American businesses are currently paying \$27 billion a year in extra freight transportation costs and suffering increased shipping delays.

Solution

Federal freight infrastructure funding by Congressional leaders would help move the U.S. from 16th in quality of overall infrastructure back to where it belongs: leading international trade competitiveness.

CAGTC

Coalition for America's
Gateways & Trade Corridors

For our sources, please visit:

<http://www.tradecorridors.org/freight-resource-center/facts-and-figures>