

CONFERENCE ON TRANSPORT INFRASTRUCTURE:
CHALLENGES FOR THE 21ST CENTURY
NORTHWESTERN UNIVERSITY

Evanston, Illinois
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- I. I'd like to officially welcome you all here today to discuss a subject paramount to the future prosperity of Chicago: our transportation infrastructure.
 - A. Transport has always defined the shape of our great city. This is of course because in a country as big as ours, any city that can organize its boats, trains, and planes to move goods and people quickly and efficiently, is going to prosper. And prosper we have.
 - B. Our first great innovation was the Canals, envisioned in the 1600s by the French missionaries Marquette and Joliet. Thanks to the canals, the harvests of this region flowed to Chicago and onto the East, and not south to New Orleans or St. Louis. However, the importance of the canal was quickly eclipsed by the railroads.
 - C. The success of our train system after its inception in the 1840s is hard to overstate. One gauge is the pace of its development. Chicago trains began bringing goods from farmers, merchants and mill operators to Chicago from as far as Galena in 1846. Only 11 years later the city was at the center of a 3,000-mile network of rails.
 - D. Chicagoans were also at the forefront of transportation in terms of "getting around" the city. The electric trolleys were as well-received as the transport trains. In fact, some historians argue that no other invention in history was put into general use more quickly.

- E. As for the more recent innovations in Chicago's transport technology ... well, O'Hare's expansiveness speaks for itself.
 - 1. Chicago is number one in North American destinations served non-stop, and airport activity is associated with an estimated 500,000 jobs in the Chicago area.
 - 2. O'Hare is serving almost ten times what its designers originally believed was its capacity.
- F. It would be reassuring to think that these great transportation innovations were inevitable products of the smooth onward flow of progress. But that's probably not true.
 - 1. In fact for every transportation success story, there are those who were for it, and those who were against it.
 - 2. And the bottom line is that it was only by bold risk-taking and informed decision-making that Chicago became one of the fastest growing and most dynamic metropolises of its time.

II. Your task here today is certainly a challenging one: to identify the key transportation infrastructure issues facing Chicagoland and fashion a plan of action accordingly. This weighty responsibility is made even more difficult than for past policy makers by the rapid changes now reshaping the global economy.

- A. The internet is reshaping commerce even as we speak. This is especially true of business-to-business transactions. It seems likely that we'll scarcely recognize commerce within a decade's time.
 - 1. It's possible that the warehousing and transport of goods as we know it will be replaced by something all together new. Perhaps delivery will be from factory to home.
 - 2. And would this mean we'd need more or less overland transport structure?
- B. Similar questions arise with respect to trips to work.
 - 1. Will telecommunications allow more and more of us to work from home, and if so, how many of us will choose to dodge the daily grind?
 - 2. How many of us will pack up and move out of urban and suburban areas all together?
- C. If history is any guide, we can be sure that some of our guesses will be in error by substantial margins along the way.
 - 1. But the importance of getting it right is too great for Chicagoland not to put on our thinking caps and try to predict the future.
 - 2. This great city, and the leaders who have ventured before us to shape this city's transport system, deserve no less than a bold and rational transportation policy as we speed into the next millennium.

III. Bill Testa will be the first of our speakers to provide perspective on how the transportation system impacts the shape and future of our economy.

- A. Bill is a vice president and economic advisor at the Chicago Fed.
- B. Some of you may know him from his many involvements in projects related to the regional economy, including his work on the Commercial Club of Chicago's Metropolis 2020 project.
- C. He also directed the Chicago Fed's Midwest Assessment study, which focused on how the regional economy transformed itself over the past 20 years. Please welcome Bill Testa.