

Transportation and Energy

In order to implement any certain type of public policy one must understand the importance of transportation not only to economic development, but also to everything else. It is the link that connects everyone to each other, directly affecting factors such as population growth and demographic transition. Our ability to travel fast using different modes (land, water, and air) is what has caused the evolution of economic markets. Companies are now able to expand more rapidly beyond borders to maximize their major financial assets: land, labor, and capital. Yet, it is the various connections and competitiveness both nationally and internationally that the transportation system enables that allows this beneficial change to happen.

The most important aspect of the transportation system, however, revolves around energy, supply and price. The supply and price of fuels is critical in determining the future of transportation because any disruption will affect our ability to move fuel. So if fuel drives our transportation system and the transportation system is connected to all of us, then this disruption will affect the world population negatively. Automobiles account for 32.5% of U.S. transportation energy use. This puts autos as the most used mode of transportation. Together with light trucks and air transport, in 2000 the three modes made up 80% of worldwide transport energy use. It is predicted that that percentage will augment to 83% by 2030 as a result of developing countries (China, India, Brazil, etc.) become more industrialized and their increasing desires to have more cars.

Worldwide, the transportation sector is the largest user of oil out of any sector.

Increasing dependence on oil has engendered a big issue: what we need to do to be more independent from oil. Though alternative fuel is being researched, it is certain that oil prices will increase with our dependence.