

## INVESTING FOR FUTURE PROSPERITY

### Keep Georgia's Freight Moving

Georgia's population is projected to grow by 20% and employment by 30% over the next 20 years. This is almost double the population and job growth from the last decade. Population and business growth fuel increased activity and congestion across the transportation system.

Each new resident and new home, new student and new school, new employer or employee in the state generates additional travel and demand for goods and services. The increased demand is putting immense pressure on the state's transportation infrastructure.

#### Georgia today:

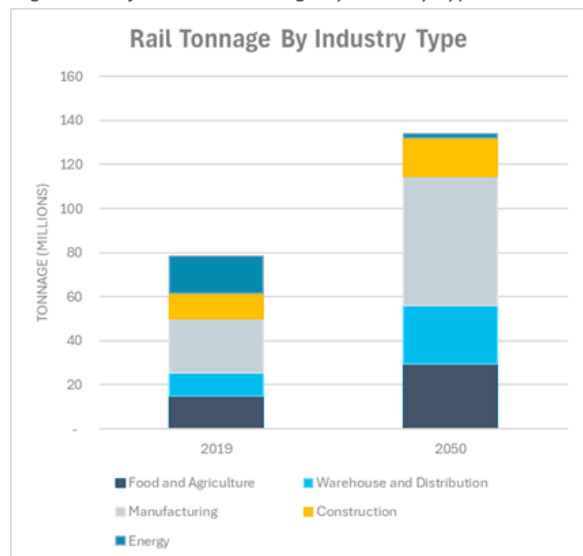
- Georgia is now home to two of the top five worst freight bottlenecks and five of the top twenty overall congestion points in the nation, with 239 bottleneck miles across urban and rural areas<sup>1</sup>.
- This congestion costs system users \$4.4 million daily due to wasted time and delay<sup>2</sup>.

#### Georgia in 2050:

Between 2025 and 2050, population is projected to increase from 11.3 million to 13.4 million, approximately 20%. Over the same period, the number of jobs in the state is expected to grow by 33% from 5.2 to 6.9 million<sup>3</sup>. As a result of this additional growth, freight and goods movement will rise sharply due to increased consumption, production, and distribution of goods across the state<sup>4</sup>:

- Freight tonnage and container traffic at Georgia's ports will double by 2050.
- Rail tonnage will increase by almost 70% by 2050, **with the largest tonnage increase in manufacturing and distribution** (Figure 1).
- Distribution freight flows resulting from increased freight volume will trigger an increase in the number of truck trips from 24 million truck trips each year to 43 million.
- Average truck trips per person per year is projected to increase from 2.2 to 3.2. This increase will occur at a faster rate than population and jobs, reflecting increased production and consumption and Georgia's growing role as a distribution hub serving the Southeastern US population (Figure 2).

Figure 1 Projected Rail Tonnage by Industry Type



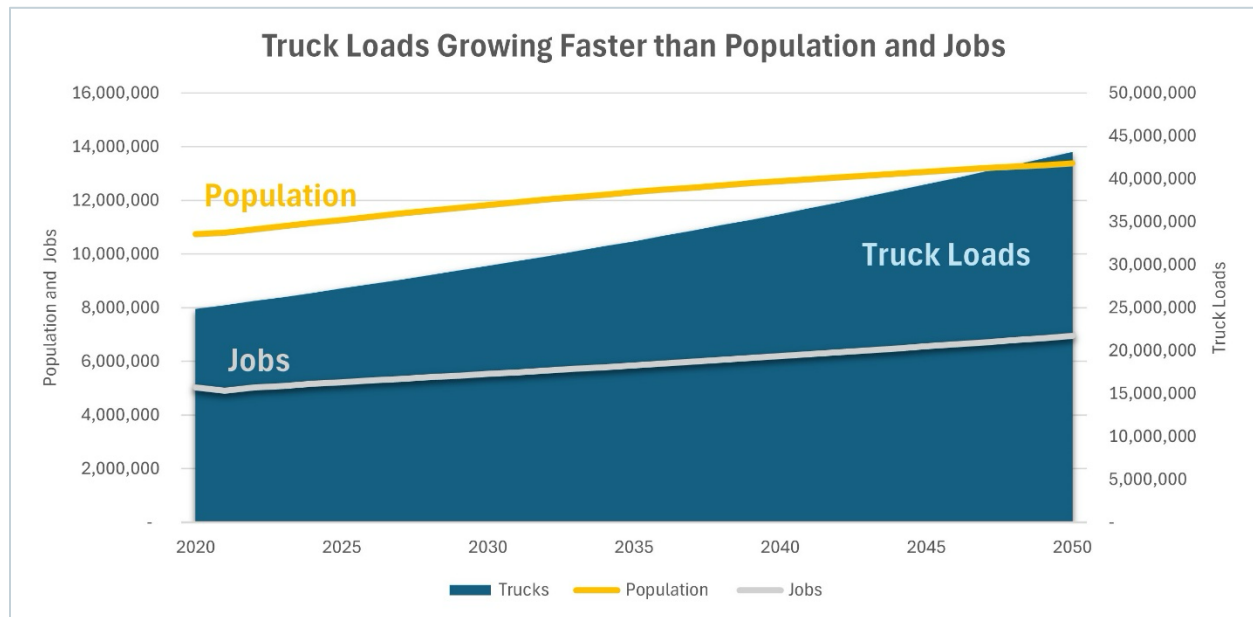
<sup>1</sup> Georgia Freight Plan. Georgia Department of Transportation. March 1, 2023.

<sup>2</sup> ATRI Bottleneck Report. American Transportation Research Institute. February 2024.

<sup>3</sup> Georgia Statewide Travel Demand Model (GSTDM)

<sup>4</sup> Georgia Freight Plan. Georgia Department of Transportation. March 1, 2023.

Figure 2 Growth in Truck Loads Compared to Growth in Population and Jobs (2020-2050)



While the Georgia economy has benefited tremendously from strategic transportation investment over the last decade, it has required a commitment to investment levels that keep pace with growth.

For eleven consecutive years, Georgia has been ranked the #1 state for business by Area Development Magazine. Georgia has experienced consistent growth in both population and employment during this time. Between 2010 and 2020, the state's population grew by more than 10%, while jobs increased by almost 20%<sup>5</sup>. **Georgia's population and employment growth in absolute terms over the last decade is greater than every other state in the southeast region, other than Florida<sup>6</sup>.**

This success has been fueled in part by strategic transportation investment that has provided the transportation access and connectivity needed to unlock economic opportunity across the state. **This is evident by gains in the manufacturing, distribution, and food/agriculture industries which account for 95% of freight totals by value.** These investments also serve a dual purpose to respond to increased growth pressures through projects that reduce congestion, improve travel time reliability, and enhance movement of goods and services.

Georgia has ensured that it is investing at a level that keeps pace with growth through significant legislative initiatives that advance increased transportation funding. Examples include:

- The **Transportation Investment Act (TIA) of 2012** which empowers local/congressional districts to fund essential transportation projects through voter-approved one cent sales tax.

<sup>5</sup> U.S. Census Bureau

<sup>6</sup> U.S. Census Bureau 2010-2019, 2020-2023.

Georgia is the Southeast's logistics and distribution hub. This will continue to drive accelerated growth and economic activity. Georgia must continue to invest at a level that keeps pace with this additional growth to maintain our prosperity.

Georgia serves as a regional freight and logistics distribution hub for many companies, serving a population of almost 100M throughout the Southeastern United States<sup>7</sup>. The backbone of Georgia's logistics prowess is its extensive multimodal transportation network. The state's 1,200 miles of interstate highways—including key routes like I-75, I-85, I-95, and I-20—along with 20,000 miles of federal and state highways, ensure the smooth movement of goods within Georgia and beyond. Additionally, Georgia's 5,000 miles of rail (including two Class 1 railroads and 24 short-line rail companies), five intermodal rail yards, nine commercial airports, 2 deepwater seaports, and two inland ports make it the largest intermodal hub in the Southeast.

- **Hartsfield-Jackson Atlanta International Airport**, renowned as the world's busiest and most efficient airport, is a critical asset in this network. The airport hosts three massive cargo complexes, covering over 2 million square feet of warehousing space, and houses the Southeast's only USDA-approved On-Terminal Perishables Complex. Handling more than 650,000 metric tons of cargo annually, the airport also utilizes North America's first Air Cargo Community System (ACCS), which enables seamless electronic communication among shippers, airlines, trucking companies, customs brokers, freight forwarders, and cargo handlers—ensuring smooth supply-chain operations<sup>8</sup>.
- Complementing this is the **Port of Savannah**, a key driver of Georgia's logistics supremacy. The port is the nation's top seaport for American-made exports and ranks as the third busiest and fastest-growing gateway for container trade in the U.S. With over \$3.2 billion invested since 2012 and plans for an additional \$4.5 billion in infrastructure expansions over the next decade, the Georgia Ports Authority is preparing to meet future supply chain demands. Currently, the port handles more than half of all imported TEUs (twenty-foot equivalent units) and almost half of all exported TEUs in the Southeast, reinforcing its status as a vital hub for trade.<sup>9</sup>
- Beyond its air and sea capabilities, Georgia's **logistics ecosystem** includes a robust network of distribution and warehousing companies. With 85% of the world's top third-party logistics (3PL) providers operating within the state, Georgia offers businesses unparalleled access to local, national and global markets.<sup>10</sup>
- In addition to its transportation assets, Georgia benefits from a **broad network of logistics education and training programs** across 30 institutions within the university system, 23 technical colleges and 37 college and career academies. These academic partners provide critical training in logistics and supply chain management as well as supply chain and industrial systems engineering. These programs support a Georgia workforce capable of building and maintaining a healthy freight and logistics system. Key state partners such as

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<sup>7</sup> U.S. Census Bureau

<sup>8</sup> UPS continues to innovate. Transportation, Distribution & Logistics | Georgia Department of Economic Development. (n.d.). <https://georgia.org/industries/logistics-supply-chain>

<sup>9</sup> GDOT Accountability & Investment Report (2023)

<sup>10</sup> *Atlanta's freight market: Opportunities for 3PLS and freight brokers*. Factoring and Payments for Freight Brokers. (n.d.). <https://www.denim.com/blog/atlantas-freight-market-opportunities-for-3pls-and-freight-brokers>

the Department of Economic Development's Workforce Division and Georgia Department of Labor facilitate ongoing dialogue between industry and related workforce and training programs on the skills required in a rapidly changing logistics industry. Georgia's comprehensive efforts in workforce development will support continued job growth and the ability to attract, train and retain a strong employer and employee base within the freight and logistics sector.

### Georgia has leveraged its freight and logistics assets for tremendous economic success.

Over the past decade, the state has benefited from its position as a logistics hub<sup>11</sup>.

- More than 250 freight and logistics companies have expanded or located in Georgia.
- There are over 32,000 logistics establishments operating across the state.
- There are more than 250,000 Georgians employed in freight and logistics which comprises approximately 40% of Georgia's total employment base.
- Collectively, the freight and logistics industry generates an economic impact of \$83 billion annually<sup>12</sup>.

Georgia can maximize its competitive advantage and continue its success As a logistics hub, Georgia's infrastructure investment must keep pace not only with the increasing consumption and production levels of its residents and businesses, but also with that of our neighboring states. States such as Texas, Tennessee, Florida, North and South Carolina, and Mississippi are all proactively investing in transportation to promote their own growth and economic development.

**The Georgia Freight and Logistics Program is a strategic framework for policy, funding, and partnerships to ensure we are investing at a level that continues to maximize the state's tremendous freight and logistics assets.** It will sustain and support the people and businesses that have already decided to locate here and serve as a signal to the market that Georgia is prepared for and investing in a bright future.

### through ongoing investment in its freight and logistics assets.

The Georgia Freight and Logistics Program will reinforce Georgia as a leader in freight and logistics, fostering continued economic growth, enhancing safety and travel reliability to meet the needs of businesses and consumers throughout the state. The program prioritizes investments that are crucial for logistics-driven industries. Investment options are categorized into three categories needed to MAINTAIN, EXPAND, and MODERNIZE the system.

- **Investment to Maintain the System** include upgrades to interchanges and bridges, expanding truck parking and availability systems, enhancing grade crossing safety, supporting local assistance programs, and improving traffic signalization.

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<sup>11</sup> Logistics Resources. COI Logistics | Georgia Department of Economic Development. (n.d.-a). <https://georgia.org/center-of-innovation/areas-of-expertise/logistics>

<sup>12</sup> A study of Georgia's logistics industry in 2021. (n.d.-b). [https://georgia.org/sites/default/files/2022-10/in\\_motion\\_report\\_-\\_23coi248\\_5.pdf](https://georgia.org/sites/default/files/2022-10/in_motion_report_-_23coi248_5.pdf)

- **Investment to Expand the System** will catalyze additional economic growth for key industries across Georgia. These investments can be directed toward both highway and multimodal projects, focusing on increasing roadway capacity or creating connections to new markets.
- **Investments to Modernize the System** concentrate on the development, piloting, and implementation of new and emerging data, technology and business practices within the freight and logistics sector to enhance freight capacity and efficiencies.

### Next Steps

The GDOT Statewide Freight Plan estimates an additional \$85B is needed to address projected freight demand<sup>13</sup>. The Governor's \$1.5B General Fund Transfer in FY24 includes approximately \$500M for freight-oriented investments which is a critical down payment on our future success. As we move forward, there is a need for a sustainable recurring revenue source to fund investment necessary to keep Georgia's freight and its economy moving. Potential options include:

- **Traditional Revenues Only** – this is a “status quo” option that requires freight-oriented investment to compete with multiple other transportation investment programs for funding.
- **New Revenue** – this option advances new revenues via additional fees or taxes and can be politically challenging.
- **Redirect Existing Revenue** – this option focuses on dedicating (all or portions of) existing sales and use taxes or fees generated by freight-intensive industries to the freight and logistics system. This option provides a range of implementation considerations, including a phased approach for dedicating revenues.

These options will be further refined and vetted through ongoing stakeholder discussion as we work towards stable funding for a well-defined, outcomes-oriented program that will continue to drive Georgia's future prosperity and success.

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<sup>13</sup> Georgia Freight Plan. Georgia Department of Transportation. March 1, 2023.