

# Free global transportation essay example

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North America and Europe are the two main markets that have several similarities in terms of the freight transportation systems, implications of the policy at global level, and globalized trade. But, there are also many differences in terms of the implication of the logistical strategies in particular territories. North American and European freight transport systems are similar in way that they are trying to configure the logistics and transport networks through the operational decisions and formation of the regulatory framework, which is paving the way to the emergence of the supply chain management practices at the global level. These practices are, however, helping in the reconciliation of the prices, efficiency, ability, and the operational restrictions. The similarity in the freight transport system of North America and Europe can be analyzed from the fact that in both the regions the maritime shipping organizations are forming the networks in order to provide services at global level. Further, the operators of the transnational port are setting diverse portfolio of the terminals at the global level, and the logistic services providers are taking necessary measures in order to insure the uninterrupted distribution of the services in the consumption and production markets. Additionally, the companies in North America and Europe are investing heavily in order to ensure seamlessness in the freight transport.

However, the freight transport system of Europe and North America differs in several ways, such as their intermodal terminals and the networks of rail are different. The freight transport policy of North America believes on the big bang theory, but the transport policy of Europe relies on the incremental temperament and nature. In the North America, economic activities with the

manufacturing hinterlands and remarkable resources can be found along the coastal regions. Gateways are considered as the major markets, and commercial contemplation is regarded as the major element responsible for shaping the corridors and gateways in North America, which remained stable but it also considered the changing trends and patterns of concentration of traffic. But, North America does not rely much on the gateways, and port ranges are not fully developed so the chances of taking part fully in the international network of shipping are less. Comparatively, the European gateways are strong as well as they are in interior particularly along the system of Rhine river and the rivers in its tributary (Rodrigue, Comtois & Slack, 2013). So, the European gateways are considered as the major markets, and also they are intermediary areas and major industrial centers. Furthermore, if the railway freight transport system of both the countries are considered then the North America has an independent network of rail for the freight traffic, but this is not the case in Europe, where passenger and the freight traffic is sharing common networks. Further, in North America the trains do not have any restrictions regarding length, but in Europe the railroad organizations are suffering from the low capacities of train so they are unable to get greater benefit from the economies of the scale. The railway infrastructure in Europe, however, does not give permission for the double-deck trains, so the capacities of train are lower in Europe. This is affecting the price structure for the railway freight transport. The average cost for each ton kilometer is about ten times higher in Europe as compared to North America (Clausen & Voll, 2013).

An increase in the traffic is observed every decade, so both North America

and Europe are using containerization in order to promote globalized trade. The containerization is considered as a sophisticated mode of the transportation in the international trade (Levinson, 2010). Both the countries are investing in the outland terminals in order to serve the large market areas. Europe and North America do not consider the transportation hubs. In the North America, the trans-shipment function, however, takes place in some terminals of offshore hub along the Caribbean such as Bahamas, and Freeport, and they are positioned accurately in such a way that they are acting as intermediary place between the main shipping routes such as Europe and Latin America, Asia and Europe, and are offering reduced costs. The hinterland in Europe, however, remained stable for a long period, and the influence of the integration and changes in the access in European hinterland is negatively impacting the distribution of the flows relating to freight. Further, North America and Europe are following different paths in the introduction of the intermediary terminals of port in the maritime networks. Additionally, for the implication of the policy at the global level, there are several impediments regarding transport regulations such as shipping revolving around the United States Merchant Marine Act of the year 1920, which is also called Jones Act have preferred limited services between the ports of North America and other countries. Whereas, in Europe, the European Commission has supported the introduction of short sea for widening the modes of transport from road to the sea, and for reducing the harmful impacts of the transport activities on the environment. The European Commission has also set obvious policy objectives in order to remove the administrative and other barriers in the creation of the European

maritime space for facilitating international trade (Bookbinder, 2012).

In a nutshell, the freight transportation systems of North America and Europe are similar as they have adopted regulatory frameworks and decisions in order to organize logistics and networks properly. Both the countries have formed maritime shipping organizations for providing effective services globally. The rail networks and the intermodal terminals of both the companies are different. North America does not believe much on the gateways, but Europe strongly considers the gateways. The acts in North America such as Jones Act emphasize on limited trade, but the European commission is removing the obstacles for promoting trade at the global level.

## References

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