

Conversations along the Highway: Where Gasoline Prices Hit the Hardest

Posted by Heading Out on June 12, 2008 - 10:00am Topic: Demand/Consumption Tags: peak oil, rural, travel, urban [list all tags]

Back when we started writing on this site, I mentioned that it was the time to take vacations that would likely soon become too expensive. In keeping with that, this summer we are taking, what will probably be our last holiday where we drive, in part, just to see the countryside. And so, on Friday, this brought us to the Arts and Crafts Show in Frankfort, KY. It was some 93 degrees, and thus attendance was a bit sparse, but I suspect that there are more reasons than that for the reducing popularity that these shows face, both from vendors and customers, and that their viability will slowly fade in the face of high oil prices. (*clicking map will take it to full size...*)



One of the stalls, for example, was run by a lady from Alabama, and she talked about going to a show in Springfield, MO as the range of her "territory." But when one considers the distance, and the need for some accommodation it is already becoming difficult for her to justify the expense for the longer trips, in light of size of the potential income she anticipates. The wife of a colleague of

<u>The Oil Drum | Conversations along the Highway: Where Gasoline Prices Hit the**httpr#est**ww.theoildrum.com/node/4125 mine, who had been working the same "circuit" has, in fact, recently stopped since it is no longer profitable. Their hope is that they can still get business, but working instead through the internet.</u>

Which led to another conversation with a nearby stall holder, who had also just set up a web site, selling jewelry. He mentioned that this was becoming much more of a source of income, but also commented on something that I had not thought of. For much of my professional life I have bought items that I need through salesmen and local offices. But now I purchase more through the internet. The vendor was commenting that this holds true for many businesses, but that in doing so this cuts out the role of the salesman, who concurrently loses the commission that would otherwise have come with getting the order. I am not sure this is totally a good thing, since in the past the visit of a salesman brought up new technology I wasn't aware of, and I suspect that if I looked at the records I would find I bought more than I do now, to stay current and extend our capabilities.

Well, after a quick trip through the State Capitol it was time to get back on the road, and into the 2-hour traffic mess that is the current intersection of highways 64 and 75 outside of Lexington. So much for making good mileage, as we slowly wormed our way up the 5-odd miles of stop and go traffic caused by a highway resurfacing project.

And speaking of things that will become more costly, and thus less common, Leanan noted in Drumbeat that the <u>cost of asphalt is rising</u> with the price of oil, and that Highway Departments are already having to trim severely the amount of repairs that they can afford each year.

Larimer County, Colo., would like to resurface 16-20 miles of its 450 miles of paved road each year. "This year, we'll be lucky to do seven miles," says road and bridge director Dale Miller.

Paul Degges, chief engineer for the Tennessee Department of Transportation, will resurface 1,600 miles of state highway this year, well short of his 2,500-mile target. "Since my budget is not growing and costs are up, we're doing less paving," he says.

Unfortunately the rate of road disintegration is not similarly stalled and so, without a series of those election-winning tax increases (grin), this is going to become a spiraling problem of the next decade.

In regard to the traffic control through the construction, the Actress did wonder why the local highway department hadn't adopted something similar to the <u>controlled speed system (pdf)</u> that the British had put in on the M25.

Controlled motorways prevent bunching and flow breakdown and, thus, increase safety and throughput. A controlled motorway system has been operating of the M25. Its purpose is to smooth traffic flow by imposing a mandatory speed limit, which is varied automatically in response to flow conditions. Following the successful trials on the M25 further extensions to the system will take place.

Since a significant part of the problem comes with stopping and starting large trucks, keeping the traffic moving at a slow rate would help overcome the problem (as was discussed in comments the other day). It has also received <u>Automobile Association approval</u> I had to explain that Highway Engineers tend to be some of the more conservative of the Engineering Bretheren.

The Oil Drum | Conversations along the Highway: Where Gasoline Prices Hit thettpr#estww.theoildrum.com/node/4125 And so we moved on, visiting two more State Capitols in the following two days and then coming to a short rest for a couple of days in Raleigh, NC. And here the conversation turned to the change in education that is starting to occur. It was interesting to note the number of entries, in an Art Exhibition at the State Museum, that had been submitted by home-schooled children. The advent of the internet would seem to make this choice a more palatable one, in terms of the availability of materials, and in much the same way as oil price encourages working at home, perhaps, particularly in rural communities, where transportation is already expensive, home education way well increase in popularity.

The nature of education is in itself changing, as the internet makes the classroom a far distant place from the little red schoolhouse, but some other older habits may return. My mother, for example, was raised in a small village in Scotland, and boarded over the week in a larger town, in order to get a better education in her more senior school years. In that same period of my own life I also went to a boarding school (traveling in a train not that dissimilar to the one seen in the Harry Potter movies – though not a dedicated train, rather that those were the carriages of the normal British Rail of the period). One wonders if the increasing costs may strengthen the appeal of such schools. I suspect it may not, although in this case the school has been around since 11xx and boarding students since at least the middle of the 13th Century. Yet it is also having to adapt to the changing demands of both student expectation and the more widespread involvement of students outside the schoolroom, that is increasingly part of education, but which also relies on inexpensive transportation as a facilitator. But one of the reasons for the long success of the school has partially been the same reason that induced my grandparents to send my Mother to board.

There was an exhibit in the North Carolina Historical Museum in Raleigh that noted how liberating the car had been for rural America, a point I have heard emphasized by other historians. The presence of good roads (requiring asphalt) and the power and speed that cars brought in moving goods and people (based on oil) opened the horizons and markets for the farming communities in ways that is hard for those of us today to understand. It is why some form of similar transport is still going to vital to the community at large.

And so it is that I think that I don't think that <u>Kiashu</u> understands the rural economy. His piece, sensibly saying that, instead of <u>Hypermiling</u> we should stop driving, fails to understand the imperative in the rural community of the car. In many places in the United States, and I suspect in other rural parts of countries such as Canada and Australia, the population density will make it harder and more costly to provide public transport for the low numbers of folk out there. At the same time they will continue to need the services of the community in the villages and small towns and thus will increasingly be forced to drive. It was, after all, the uneconomic aspects of serving the rural community that caused <u>Dr. Beeching</u> to close almost a third of British Railways largely through reducing that service in the 1960's. As the costs of rural service go up it is more likely that communities will continue to prune the public services that they provide to areas of lower public density, and then for those who live outside the urban conurbation there will be no choice but to increasingly rely on cars and trucks.

PG here; to further edify HO's point, here's a chart of "where gasoline prices hit the hardest" from the NYT (Hat tip to <u>Tim Iacono over at The Mess that Greenspan Made</u>; click to enlarge to full size):

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"This crisis really impacts those who are at the economic margins of society, mostly in the rural areas and particularly parts of the Southeast," said Fred Rozell, retail pricing director at the Oil Price Information Service, a fuel analysis firm. "These are people who have to decide between food and transportation."

A survey by Mr. Rozell's firm late last month found that the gasoline crisis is taking the highest toll, as a percentage of income, on people in rural areas of the South, New Mexico, Montana, Wyoming and North and South Dakota.

With the exception of rural Maine, the Northeast appears least affected by gasoline prices because people there make more money and drive shorter distances, or they take a bus or train to work.

But across Mississippi and the rural South, little public transit is available and people have no choice but to drive to work. Since jobs are scarce, commutes are frequently 20 miles or more. Many of the vehicles on the roads here are old rundown trucks, some getting 10 or fewer miles to the gallon.

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