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AMERICAN
ECONOMY

U.S. Department of Transportation
Research and Innovative Technology
Administration
Bureau of Transportation Statistics
Washington, D.C.
www.dot.gov/affairs/briefing.htm

BTS Data

BTS 7-09
Wednesday, February 11, 2009

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Freight Transportation Services Index (TSI) Fell 2.3 Percent in December from November

The Freight Transportation Services Index (TSI) fell 2.3 percent in December from its November level, falling for the second consecutive month, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today (Table 1).

The December decline, the fourth monthly decrease in five months, dropped the freight index to a loss of 3.0 percent for 2008. The index was up 2.7 percent for the first seven months of the year but declined 5.5 percent in the final five months, the largest five-month decline since the period ending April 2000 (Tables 2, 3).

The 2008 decline of 3.0 percent was the third consecutive annual decline and the largest since 2000 (Table 3).

At 105.1 in December, the freight TSI is at its lowest level since September 2003 when it was 104.4 and is down 7.1 percent from its historic peak of 113.1 reached in November 2005. For additional historical data, go to <http://www.bts.gov/xml/tsi/src/index.xml>.

The freight TSI measures the month-to-month changes in the output of services provided by the for-hire freight transportation industries. The index consists of data from for-hire trucking, rail, inland waterways, pipelines and air freight.

The 2.3 percent decline from November to December dropped the freight index to its lowest year-end level since 2002 (Table 4).

As a result of the 2.3 percent decline in December, the freight index dropped 2.7 percent in the five years from December 2003, the first such five-year decrease since January 1990, the starting date of the index. The index is still up 5.3 percent in 10 years (Table 5).

The TSI is a seasonally adjusted index that measures changes from the monthly average of the base year of 2000. It includes historic data from 1990 to the present. Release of the January index is scheduled for March 11.

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BTS has issued a technical report explaining the TSI. *BTS Technical Report: Transportation Services Index and the Economy* is available for download at <https://www.bts.gov/pdc/index.xml> in the BTS bookstore.

Transportation Services Index for Passengers

The TSI for passengers fell 0.9 percent in December from its November level (Table 6). The Passenger TSI December 2008 level of 113.0 was 3.6 percent lower than the December 2007 level, the first annual decrease since 2001 (Table 3). The 3.6 percent annual decline dropped the passenger index to its lowest year-end level since 2005 (Table 7). Despite the decline for the year, the passenger index is up 12.5 percent in five years and 20.8 percent in 10 years (Table 5).

The passenger TSI measures the month-to-month changes in the output of services provided by the for-hire passenger transportation industries. The seasonally adjusted index consists of data from air, local transit and intercity rail.

Combined Freight and Passenger Index

The combined freight and passenger TSI fell 1.9 percent in December from its November level (Table 8). The combined TSI December 2008 level of 106.7 was 3.1 percent lower than the December 2007 level and marked the first annual decrease since 2006 (Table 3). This annual decline dropped the combined index to its lowest year-end level since 2003 (Table 9). However, the combined index is up 0.9 percent in five years and 9.1 percent in 10 years (Table 5).

The combined TSI merges the freight and passenger indexes into a single index.

4th Quarter Changes

On a quarterly basis, the Freight TSI fell 2.6 percent in the fourth quarter, the largest quarterly decline since 4.8 percent decrease in the first quarter of 2000. However, the 2.6 percent fourth quarter decline following a 1.6 percent third-quarter drop resulted in the largest decline of any two consecutive quarters in the last 10 years (Table 10). The Passenger TSI fell 1.7 percent in the fourth quarter following a 2.8 percent third-quarter decline that was the largest in the last five years (Table 11). The Combined TSI fell 2.4 percent in the fourth quarter, falling for the second consecutive quarter (Table 12).

More on TSI

Note: TSI numbers for August (Freight, Passenger and Combined) were revised because of revisions in the output data of the component transportation services. The August Freight TSI is 108.7, revised from the 110.8 reported in last month's release (December). The August Passenger TSI is unchanged at 116.8. The August Combined TSI is 110.3, revised from 111.9. The TSI for September, October, November and December are preliminary.

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TSI revision policy: TSI is updated monthly with the latest four months' index numbers considered preliminary. Each month BTS releases the latest preliminary TSI, and replaces the oldest preliminary TSI with a revised TSI. More information about the monthly revision policy, the comprehensive revision conducted in July 2007 and the TSI index is available at <http://www.bts.gov/xml/tsi/src/index.xml>

Table 1: Freight, Passenger and Combined Transportation Services Indexes since June 2008

Percent Change by Month
(Seasonally Adjusted, Monthly Average of 2000 = 100)

	Freight		Passenger		Combined	
	Index	Pct. Change	Index	Pct. Change	Index	Pct. Change
June	109.8	-0.2	118.3	-0.1	111.5	-0.1
July	111.3	1.4	118.3	0.0	112.6	1.0
August ^R	108.7	-2.3	116.8	-1.3	110.3	-2.0
September ^P	108.0	-0.7	114.9	-1.6	109.4	-0.9
October ^P	109.1	1.0	114.3	-0.6	110.1	0.6
November ^P	107.6	-1.4	114.0	-0.2	108.8	-1.1
December^P	105.1	-2.3	113.0	-0.9	106.7	-1.9

SOURCE: Bureau of Transportation Statistics

NOTE: P = preliminary; R = revised

NOTE: Percent changes based on numbers prior to rounding.

Table 2: Freight Transportation Services Index Monthly Changes, 2005-2008
Percent change from previous month

	2005 % Growth	2006 % Growth	2007 % Growth	2008 % Growth
January	1.7	0.4	-0.3	2.8
February	-0.9	-1.4	0.0	0.1
March	0.1	0.4	1.1	-2.9
April	-0.3	-0.3	-0.4	1.1
May	0.0	2.4	-0.1	0.4
June	-0.4	-0.3	-0.7	-0.2
July	-0.5	-0.9	0.1	1.4
August	1.0	-2.5	0.5	(R) -2.3
September	-1.3	0.9	-0.9	(P) -0.7
October	-0.3	-0.1	1.7	(P) 1.0
November	2.8	-1.4	0.4	(P) -1.4
December	-1.7	0.6	-1.7	(P) -2.3

SOURCE: Bureau of Transportation Statistics

NOTE: P = preliminary; R = revised

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Table 3: Freight, Passenger and Combined Transportation Services Indexes Year-to-Date Change, 1999-2008

Percent change from December of previous year
December to December

Year	Freight	Passenger	Combined
1999	5.1	1.9	4.1
2000	-6.8	6.0	-2.9
2001	-0.6	-9.6	-3.4
2002	7.5	7.0	7.4
2003	3.3	2.9	3.2
2004	2.7	5.9	3.6
2005	0.2	2.3	0.8
2006	-2.2	4.9	-0.5
2007	-0.5	2.7	0.3
2008^P	-3.0	-3.6	-3.1

SOURCE: Bureau of Transportation Statistics

NOTE: P = preliminary

Table 4: Freight Transportation Services Index from Year-to-Year

Percent change in the December Freight TSI
(Monthly average of 2000 = 100)

	Freight TSI	Percent change from same month previous year
1999	105.0	5.1
2000	97.9	-6.8
2001	97.3	-0.6
2002	104.6	7.5
2003	108.1	3.3
2004	111.0	2.7
2005	111.3	0.2
2006	108.9	-2.2
2007	108.4	-0.5
2008^P	105.1	-3.0

SOURCE: Bureau of Transportation Statistics

NOTE: P = preliminary

NOTE: Percent changes based on numbers prior to rounding.

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**Table 5: Transportation Services Indexes from Previous Years
Percent Change to 2008 (December to December)**

Since December . .	Duration in years	Freight TSI Percent change to December 2008	Passenger TSI Percent change to December 2008	Combined TSI Percent change to December 2008
2007	1	-3.0	-3.6	-3.1
2006	2	-3.4	-1.1	-2.8
2005	3	-5.5	3.8	-3.3
2004	4	-5.3	6.2	-2.5
2003	5	-2.7	12.5	0.9
2002	6	0.5	15.7	4.1
2001	7	8.1	23.8	11.8
2000	8	7.5	11.9	8.0
1999	9	0.1	18.6	4.8
1998	10	5.3	20.8	9.1

SOURCE: Bureau of Transportation Statistics

Note: The percent changes to December 2008 are all preliminary.

**Table 6: Passenger Transportation Services Index Monthly Changes, 2005-2008
Percent change from previous month**

	2005 % Growth	2006 % Growth	2007 % Growth	2008 % Growth
January	1.4	1.9	-0.1	-0.1
February	-0.1	-0.6	-2.0	-0.5
March	0.5	1.0	2.2	0.8
April	0.0	0.3	0.5	0.7
May	0.8	0.6	1.5	0.1
June	0.1	-1.0	-0.2	-0.1
July	0.1	0.5	-0.1	0.0
August	0.2	0.0	1.1	(R) -1.3
September	1.4	0.9	-0.1	(P) -1.6
October	-1.9	0.4	0.7	(P) -0.6
November	0.7	-0.2	-1.5	(P) -0.2
December	-0.9	1.1	0.7	(P) -0.9

SOURCE: Bureau of Transportation Statistics

NOTE: P = preliminary; R = revised

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**Table 7: Passenger Transportation Services Index from Year-to-Year
Percent change in the December Passenger TSI
(Monthly average of 2000 = 100)**

	Passenger TSI	Percent change from same month previous year
1999	95.3	1.9
2000	101.0	6.0
2001	91.3	-9.6
2002	97.6	7.0
2003	100.5	2.9
2004	106.4	5.9
2005	108.8	2.3
2006	114.2	4.9
2007	117.3	2.7
2008^P	113.0	-3.6

SOURCE: Bureau of Transportation Statistics

NOTE: P = preliminary

NOTE: Percent changes based on numbers prior to rounding.

**Table 8: Combined Transportation Services Index Monthly Changes, 2005-2008
Percent change from previous month**

	2005 % Growth	2006 % Growth	2007 % Growth	2008 % Growth
January	1.6	0.8	-0.3	2.1
February	-0.7	-1.2	-0.5	-0.1
March	0.2	0.6	1.4	-2.0
April	-0.2	-0.1	-0.2	1.0
May	0.2	2.0	0.3	0.3
June	-0.3	-0.4	-0.6	-0.1
July	-0.3	-0.6	0.0	1.0
August	0.8	-1.9	0.7	(R) -2.0
September	-0.6	0.9	-0.7	(P) -0.9
October	-0.7	0.1	1.4	(P) 0.6
November	2.3	-1.1	-0.1	(P) -1.1
December	-1.5	0.7	-1.1	(P) -1.9

SOURCE: Bureau of Transportation Statistics

NOTE: P = preliminary; R = revised

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**Table 9: Combined Transportation Services Index from Year-to-Year
Percent change in the December TSI
(Monthly average of 2000 = 100)**

	TSI	Percent change from same month previous year
1999	101.9	4.1
2000	98.9	-2.9
2001	95.4	-3.4
2002	102.5	7.4
2003	105.8	3.2
2004	109.5	3.6
2005	110.4	0.8
2006	109.8	-0.5
2007	110.2	0.3
2008^P	106.7	-3.1

SOURCE: Bureau of Transportation Statistics

NOTE: P = preliminary

NOTE: Percent changes based on numbers prior to rounding.

**Table 10: Freight Transportation Services Index Change by Quarter, 1999-2008
Percent change from the last month of the previous quarter**

Year	1st Quarter (Jan-Mar) % Growth	2nd Quarter (Apr-Jun) % Growth	3rd Quarter (Jul-Sep) % Growth	4th Quarter (Oct-Dec) % Growth
1999	2.9	-0.4	1.7	0.9
2000	-4.8	0.3	-1.4	-0.9
2001	1.6	-0.7	-1.3	-0.1
2002	1.6	2.6	1.1	2.0
2003	-1.5	0.1	1.2	3.5
2004	1.6	0.6	-0.4	1.0
2005	0.9	-0.7	-0.7	0.8
2006	-0.5	1.8	-2.5	-0.9
2007	0.8	-1.3	-0.4	0.4
2008	-0.1	1.4	(P) -1.6	(P) -2.6

SOURCE: Bureau of Transportation Statistics

NOTE: P = preliminary

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Table 11: Passenger Transportation Services Index Change by Quarter, 1999-2008
Percent change from the last month of the previous quarter

Year	1st Quarter (Jan-Mar) % Growth	2nd Quarter (Apr-Jun) % Growth	3rd Quarter (Jul-Sep) % Growth	4th Quarter (Oct-Dec) % Growth
1999	0.2	0.4	3.3	-1.9
2000	4.1	0.9	2.5	-1.6
2001	-0.5	-0.2	-21.0	15.2
2002	2.0	1.4	-0.6	4.1
2003	-4.0	-0.2	5.0	2.3
2004	1.6	2.0	0.9	1.2
2005	1.8	0.9	1.7	-2.1
2006	2.2	-0.1	1.4	1.3
2007	0.0	1.8	1.0	-0.1
2008	0.1	0.7	(P) -2.8	(P) -1.7

SOURCE: Bureau of Transportation Statistics

NOTE: P = preliminary

Table 12: Combined Transportation Services Index Change by Quarter, 1999-2008
Percent change from the last month of the previous quarter

Year	1st Quarter (Jan-Mar) % Growth	2nd Quarter (Apr-Jun) % Growth	3rd Quarter (Jul-Sep) % Growth	4th Quarter (Oct-Dec) % Growth
1999	2.0	-0.2	2.2	0.0
2000	-2.1	0.5	-0.2	-1.2
2001	0.9	-0.5	-7.4	3.9
2002	1.7	2.3	0.6	2.6
2003	-2.2	0.0	2.2	3.2
2004	1.6	1.0	-0.1	1.0
2005	1.2	-0.3	-0.1	0.1
2006	0.1	1.4	-1.6	-0.4
2007	0.6	-0.5	0.0	0.2
2008	0.0	1.2	(P) -1.9	(P) -2.4

SOURCE: Bureau of Transportation Statistics

NOTE: P = preliminary

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Brief Explanation of the TSI

The Transportation Services Index (TSI) is a measure of the month-to-month changes in the output of services provided by the for-hire transportation industries.

The TSI tells us how the output of transportation services has increased or decreased from month to month. The index can be examined together with other economic indicators to produce a better understanding of the current and future course of the economy. The movement of the index over time can be compared with other economic measures to understand the relationship of changes in transportation output to changes in Gross Domestic Product (GDP).

The freight transportation index consists of:

For-hire trucking,

Railroad freight services (including rail based intermodal shipments such as containers on flat cars),

Inland waterways transportation,

Pipeline transportation (including principally petroleum and petroleum products and natural gas), and

Air freight.

The index does not include international or coastal waterborne movements, private trucking, courier services, or the US Postal Service.

The passenger transportation index consists of:

Local transit,

Intercity passenger rail, and

Passenger air transportation.

The index does not include intercity bus, sight seeing services, ferry services, taxi service, private automobile usage, or bicycling and other non-motorized transportation.

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