



U.S. Department of Transportation  
Bureau of Transportation Statistics  
Washington, D.C.  
[www.bts.gov](http://www.bts.gov)  
**BTS DATA**

BTS 04-04  
Wednesday March 10, 2004

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### **BTS Releases First Monthly Transportation Services Index (TSI) Combined Index and Freight Index Reach Record Highs**

The Transportation Services Index (TSI) reached the highest level in the 14-year period covered by the index with a 1.0 percent rise in December, the Department of Transportation's Bureau of Transportation Statistics reported today in the first monthly release of the new index. The increase was the fourth consecutive monthly increase following a July to August decrease.

The December level of 118.5 (1996=100) was 0.06 percent higher than in December 2002, the previous peak.

Research on the TSI began in early 2001. The first monthly release of the TSI, which combines freight and passenger services into a single seasonally adjusted index, includes historic data from 1990 to the present, allowing for examination of trends, peaks and low-points. Changes are measured against the base year of 1996.

TSI is a measure of the month-to-month changes in the output of services provided by the for-hire transportation industries, including railroad, air, truck, and inland waterways transportation, pipeline transportation, and local transit. The TSI is still under development and is considered experimental.

#### The Transportation Services Index for Freight

On a seasonally adjusted basis, the TSI for freight increased 2.9 percent in December reaching a record high of 120.2. The December 2003 level of 120.2 was 1.2 percent higher than the December 2002 level of 118.7 and 1.0 percent higher than the previous peak of 119.0 in January 2000.

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**TRANSPORTATION SERVICES INDEX RELEASE  
ADD ONE**

Transportation Services Index for Passengers

The TSI for passengers was down 3.6 percent in December, ending seven consecutive months of increases from May to November 2003. The December 2003 level of 114.4 is 2.9 percent lower than the December 2002 level of 117.9. The passenger index peaked at 122.0 in November 2000.

**Table 1: Percent changes in the Transportation Services Index by Month Since June 2003 (Seasonally Adjusted):**

	TSI		Freight		Passenger	
	Index	Pct. Change	Index	Pct. Change	Index	Pct. Change
<b>June</b>	113.4	0.3	115.5	-0.2	108.3	1.6
<b>July</b>	115.4	1.8	116.6	1.0	112.5	3.8
<b>August</b>	114.3	-1.0	114.9	-1.5	112.9	0.4
<b>September</b>	114.9	0.5	115.2	0.3	114.1	1.1
<b>October</b>	116.5	1.4	116.9	1.4	115.5	1.2
<b>November</b>	117.4	0.8	116.8	-0.1	118.7	2.8
<b>December</b>	118.5	1.0	120.2	2.9	114.4	-3.6

**Table 2: Percent changes in the Transportation Services Index from Year-to-Year December TSI (1996 = 100)**

	TSI	Percent change from previous year
<b>1996</b>	102.0	4.00
<b>1997</b>	109.5	7.35
<b>1998</b>	111.9	2.25
<b>1999</b>	117.2	4.69
<b>2000</b>	114.8	-2.00
<b>2001</b>	109.1	-4.97
<b>2002</b>	118.5	8.54
<b>2003</b>	118.5	0.06

**TRANSPORTATION SERVICES INDEX RELEASE  
ADD TWO**

**Table 3: Percent Changes in the Transportation Services Index from Previous Years to 2003 December to December**

<b>Percent change to December 2003</b>	<b>Since December...</b>	<b>Duration</b>
0.06	2002	One Year
8.60	2001	Two Years
3.20	2000	Three Years
1.13	1999	Four Years
5.87	1998	Five Years
8.26	1997	Six Years
16.21	1996	Seven Years

**Table 4: Percent changes in the Freight Transportation Services Index from Year-to-Year**

**December Freight TSI (1996 = 100)**

	<b>Freight TSI</b>	<b>Percent change from previous year</b>
<b>1996</b>	101.7	3.15
<b>1997</b>	110.9	9.06
<b>1998</b>	112.8	1.75
<b>1999</b>	118.9	5.41
<b>2000</b>	112.3	-5.56
<b>2001</b>	109.2	-2.80
<b>2002</b>	118.7	8.72
<b>2003</b>	120.2	1.24

**Table 5: Percent changes in the Passenger Transportation Services Index from Year-to-Year**

**December Passenger TSI (1996 = 100)**

	<b>Passenger TSI</b>	<b>Percent change from previous year</b>
<b>1996</b>	102.6	5.91
<b>1997</b>	106.6	3.85
<b>1998</b>	110.1	3.31
<b>1999</b>	113.6	3.20
<b>2000</b>	120.8	6.34
<b>2001</b>	109.0	-9.80
<b>2002</b>	117.9	8.17
<b>2003</b>	114.4	-2.91

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**ADD THREE**

During the six months ending in December, the TSI rose 4.5 percent (seasonally adjusted). The Freight TSI rose 4.1 percent and the Passenger TSI rose 5.6 percent during the six-month period. In 2003, the TSI rose 2.2 percent from January to December (seasonally adjusted). The Freight TSI rose 2.8 percent and the Passenger TSI rose 0.9 percent during the year.

**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, which include railroad, air, truck, and inland waterways transportation, pipeline transportation, and local mass transit.

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 original research that produced the TSI was conducted by Professor of Economics Kajal Lahiri of the State University of New York at Albany and George Washington University's Professor of Economics Herman Stekler along with graduate assistant Vincent Yao under a BTS research grant. For a summary of the research, see "Monthly Output for the U.S. Transportation Sector," a forthcoming article from the *Journal of Transportation and Statistics*, Vol. 6, No. 2/3, which can be found at [http://www.bts.gov/programs/transportation\\_services\\_index/html/paper\\_01/](http://www.bts.gov/programs/transportation_services_index/html/paper_01/)

The TSI is still under development and is therefore considered experimental. It is being examined for refinements in data sources, methodologies and interpretations.

The freight transportation index consists of:  
For hire trucking (including parcel services),  
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 mass transit,  
Intercity passenger rail, and  
Passenger air transportation.

**AIRLINE TRAFFIC PRESS RELEASE**  
**ADD FOUR**

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

The components have been selected to give the best coverage possible of the for-hire transportation industry, subject to current limitations on the availability of monthly data.

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