



INSTITUTE FOR TRADE AND TRANSPORTATION STUDIES

PROMOTING REGIONAL AWARENESS FOR IMPROVING FREIGHT TRANSPORTATION

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NEWS UPDATE

Over the past few months, ITTS visited with Mississippi DOT staff to discuss the data integration work, while doing a similar training with the Arkansas Highway and Transportation Department in Fayetteville. I presented an update on ITTS during the 2017 Arkansas Planning Conference.

Last week, ITTS hosted a “Peer Review” meeting in conjunction with TRB’s “Innovations in Freight Data Workshop” in Irvine California. While the states benefited from the conference, it also provided the ITTS members with the time to talk about the data integration project, especially ways to incorporate training opportunities for ITTS member states.

Training for the Freight Economic Analytical Tool (FEAT) has begun, with presentations to Mississippi and Arkansas having already been completed.

ITTS has created a private YouTube channel to better share training videos and other materials. Please contact Bruce/Judy for the login details.

ITTS Regional Trade with NAFTA

The U.S. first negotiated a free trade agreement with Canada in 1988 with the Canadian Free Trade Agreement. In 1993, Mexico formalized its partnership with Canada and the U.S. through the North American Free Trade Agreement. While trade agreements tend to discuss mostly trade liberalization concerning goods, the agreement also covers trade in services, such as insurance and banking, and specialized agreements regarding intellectual property.

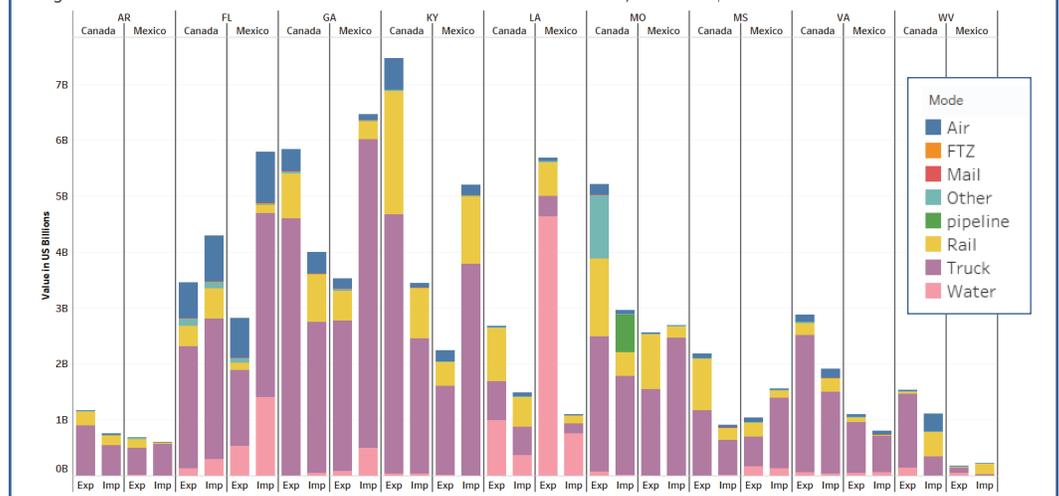
Given the discussions concerning President Trump’s consideration of renegotiating NAFTA, it is interesting that for most states in the ITTS region, our NAFTA neighbors are our largest trading partners. Figure 1 reports value of trade between the ITTS Member States and our NAFTA partners.

While NAFTA trade activity relies heavily upon the nation’s border crossings, it is our integrated transportation networks that really make NAFTA trade move. For many of the ITTS member states, NAFTA trade represents their largest trading partner for both imports and exports, so any discussion on renegotiating NAFTA could influence the region’s business and by extension transportation systems. Figure 2 shows the transportation modal share of NAFTA trade by each ITTS member state. For most states, trucking served as the dominant transportation mode, with the only exception being trade between Louisiana and Mexico.

Figure 1. Total U.S. and ITTS Member State Trade with NAFTA Trading Partners, in 2015 and 2016, in Millions of US\$

	Imports			Exports		
	2015	2016	Share of Total	2015	2016	Share of Total
Total U.S.	47,734	45,290	15%	53,665	52,261	24%
Arkansas	1,437	1,350	17%	2,050	1,849	32%
Florida	9,794	10,088	14%	6,641	6,281	12%
Georgia	10,490	10,463	12%	9,891	9,363	26%
Kentucky	9,804	8,641	22%	9,563	9,712	33%
Louisiana	6,618	5,650	17%	8,722	8,366	17%
Mississippi	2,492	2,470	18%	3,193	3,221	31%
Missouri	2,983	2,576	15%	7,011	7,781	56%
Virginia	2,736	2,714	10%	4,655	3,973	24%
West Virginia	1,381	1,337	40%	1,939	1,715	34%

Figure 2. Modal Trade between ITTS Member States and Canada and Mexico, in Billions \$US





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The Institute for Trade and Transportation Studies provides research data and expert opinions to its members concerning the effects of commercial freight movements on domestic and international activities, with reference to infrastructure and transportation needs, and safety implications.

The ITTS members include the:

Arkansas State Highway and Transportation Department

Florida Department of Transportation

Georgia Department of Transportation

Kentucky Transportation Cabinet

Louisiana Department of Transportation and Development

Mississippi Department of Transportation

Missouri Department of Transportation

Virginia Department of Transportation

West Virginia Department of Transportation

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▶ LAMBERT'S LAGNIAPPE

*la-gniappe |lan'yap|:
something given as a bonus or extra gift.*

Over the past few weeks, I have been immersed in creating a “big data” project for the ITTS member states using Tableau. Using 2000 as a base year, it’s interesting to reflect upon how our considerations of transportation are so much different almost 20 years later. As I integrate various databases from sources ranging from population, economics, trade and transportation, I could argue that the future is not the present.

Technological advances are driving some of these gains, much as improved telecommunications, trade regulation and computer software speed up the pace of globalization. However, while trade remains an important part of the U.S. economy, there are other changes on the horizon that could fundamentally shift the economy in the future. The role of additive or 3-D printing, as well the increased investment in robotics will change the future of manufacturing, while e-commerce and omnichannel supply chains have changed logistics operations. The potential for the remote office is finally becoming a reality, especially as firms outsource services that were once performed “in-house”. This merger among production, consumption, and movement has only seemed hastened by the promised connectivity from the “Internet of Things.”

On the consumer side, the growth in services, and adoption of the sharing economy (Airbnb, Uber, etc.) have resulted in changing values concerning the true cost of owning assets. At the same time, people continue moving into urban areas, expecting transportation options other than passenger automobiles, while aging rural populations are seeking more mobility related to medical concerns. The rush to delivery, highlighted by increasing expedited transportation delivery windows and drones, only seems to devalue the true value of a complex transportation system. Furthermore, all levels of society are eagerly waiting for more autonomous vehicles, even as the integration of these cars and trucks onto the nation’s roads is occurring at a record pace.

As society becomes increasing digital, modal and disconnected from the “physical nature of ownership”, how should transportation planners examine the future needs of a highway system? There exists a clear need to update the nation’s transportation

infrastructure. The most recent American Society of Civil Engineers’ report card ranked the U.S.’s infrastructure at a D+. No one would argue that the system does not need reinvestment, but the question may be what kind of system should we prioritize concerning limited resources?

The implications of these decisions are: changing land use patterns, increasing desire for access to modal choice, more reliance on near real time decisions based on operationally based information, commodifying of physical assets, and growing the demand for both freight and passenger services. In most cases, regulatory reform will take place long after many of the market decisions are made regarding technology, adoption, etc. The pace of these adoptions may simply overwhelm our ability to adequately prepare for the transportation options of the near future. For example, the rapid escalation of oil sands resulted in a tremendous demand for very localized transportation movement of oil and water, but outbound rail movements and global shipments of sands and other materials put unexpected flows on the nation’s infrastructure system.

When faced with all choices, the potential for making right and wrong decisions, with their corresponding benefits and costs, exists. There is a “we” who will use whatever transportation systems are available. So, as the world transforms before our eyes, there remain questions not only regarding how should we plan for transportation, but who should pay these costs.

As I return to the database work, my own thoughts concerning the future of the freight transportation from my earlier days seems naive. In the 1990s, the technologies we are discussing today resided in science fiction novels. Almost thirty years later, we are struggling with a system that could be potentially different in another thirty years. However, in many cases, the system will be the same: people will still need mobility to travel, shop and work, while employers (businesses/government) will still need workers, markets, and inputs. So, while reviewing these figures, I am struck by how much the nation has changed in twenty years, but also, how much it has not. We will still need infrastructure to make the future better than the past. ■