



INSTITUTE FOR TRADE AND TRANSPORTATION STUDIES

PROMOTING REGIONAL AWARENESS FOR IMPROVING FREIGHT TRANSPORTATION

VOL I • ISSUE 3

What is...

Discretionary Cargo

While most people use the terms intermodal and discretionary cargos interchangeably, they really represent separate concepts.

Intermodalism refers to the ability for a piece of equipment (most people assume this means a standard maritime container but other units do exist) to be changed easily between one transportation mode to another mode. In the maritime industry, a container can be readily exchanged between truck, rail and vessel. For example, a container loaded in Japan can be carried by a truck to Yokohama and loaded onto a ship. When that container arrives in Long Beach, it is removed from the vessel and is ready to be moved inland by either truck or train. Some of those moves simply go into distribution facilities around the port area while other containers are transferred to rail cars and head east. While the box itself has been handled several times, the merchandise in the container will not be handled again until it has

Continued on page 2

Shifting Trade Routes Should Result in More Cargo through Regional Ports

On January 15-16 in Tampa, the American Association of Port Authorities and the Maritime Administration (MARAD) held its second annual conference on the changing world markets and its resulting implications on transportation and ports. As usual, the conference was well organized, with a great cross section of speakers and topics related to the question – what will changing world markets mean to ports in the U.S, especially ports in the Southeast.

The presentations addressed the current economic challenges in both the U.S. and abroad. Several speakers highlighted the uncertainty of market but expected long term economic growth trends to recover beginning in 2010. Both the Panama Canal and Suez Canal presenters discussed their role in global shipping, and remain optimistic about their development plans when world trade volumes begin recovering in a few years.

While U.S. container traffic volumes declined in 2008, there is an overall shift to use more gateways instead of the traditional West Coast intermodal services. This has implications for Southeastern ports, most of which are already planning projects to handle the anticipated growth in cargo that will arrive in the next five to ten years. Most ports in the Southeast see the third lock in the Panama Canal will provide additional services between the region and markets in Asia. (The majority of the cargo that passes through the Panama Canal has either an origin or



destination at a U.S. port.) The Suez Canal Authority anticipates that improving all-water access from Southeast Asia to the U.S. East Coast will generate additional cargo opportunities.

Most speakers agreed that supply chains will be under increased pressure in 2009 and 2010. The private sector speakers echoed the importance of supply chains becoming more critical in managing costs, but that congestion and landside access to ports are starting to hinder supply chain decisions. Several speakers suggested the nation will remain unable to adequately address these national chokepoints, because of both funding and institutional constraints. While landside access remains a critical issue, the ports must continue to invest in new terminals and dredging to be able to compete once the larger vessels begin calling the region during the next few years.

The presentations are available online at <http://www.aapa-ports.org/Programs/PastDetail.cfm?itemnumber=12567>. ■

INSIDE THIS ISSUE

Lambert's Lagniappe	2
Conference Calendar	3
Network Appalachia Listening Sessions	4



ITTS Partners

Given the depth of freight activity in the region, it is important to highlight various groups working to support and improve freight operations.

The Maritime Administration (MARAD) has developed regional gateway offices throughout the United States. The Gateway Offices serve to work with regional maritime interests to identify bottlenecks and work to promote freight mobility. The offices, while located at the major port gateways, serve both inland and coastal navigation. The Regional Offices in the Alliance area are:

Virginia and North Carolina

Frank Mach
(757) 441 3712
frank.mach@dot.gov

Kentucky and West Virginia

Bob Goodwin
(314) 539 6783
Robert.Goodwin@dot.gov

Florida, Georgia, Puerto Rico, South Carolina

Lauren Brand
(305)530-6420/6421
lauren.brand@dot.gov

Alabama, Arkansas, Florida (panhandle), Louisiana, Mississippi, Tennessee

Jim Murphy
James.Murphy@dot.gov

Susan Schaefer
Susan.Schaefer@dot.gov
540-885-4620

For more information on Marad's Gateway office please visit:

http://www.marad.dot.gov/about_us_landing_page/gateway_offices/Gateway_Presence.htm

▶ LAMBERT'S LAGNIAPPE

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

During this recent financial crisis, there are concerns over the future of the economy and the need for infrastructure investments. The current stimulus package provides needed moneys for infrastructure, but clearly not enough to meet the long term needs of the nation, and in particular the Southeast.

The Southeastern U.S. remains a dynamic region of economic activity. In the book, "The Southern Advantage", Joe Hollingsworth calls the region (including the area ranging from Texas to Kansas across to Maryland and down to Florida) the fourth largest economy in the world. The recent interim projections by the U.S. Census forecast the population in the South will increase by 42 percent from 2000 to 2030, which will generate additional freight traffic. The Panama Canal expansion should generate larger volumes moving through the region's ports, and already the ports are making the appropriate investment in terminals and landside

access. The rail network is strengthening, as highlighted the improvements along the Meridian Speedway, the Heartland Intermodal Corridor, and CSX's National Gateway program. Corridor and regional groups are working to integrate freight into Statewide and economic development goals. There are exciting regional developments, such as occurring in Memphis and Savannah, where logistics centers are being created that will provide additional options to the region.

In Louisiana, Lagniappe is a term used to describe that something extra. Hopefully, this newsletter reflects what I believe is critical: simply promoting an awareness of freight and its importance in the region. Please give me your thoughts on making this newsletter relevant by sharing any articles, conferences, etc., that you believe would improve the region's understanding regarding the linkages between transportation and economic development. ■

What is... Discretionary Cargo

Continued from cover

reached its ultimate destination.

Discretionary cargo refers to cargo moving through a specific terminal, route or port facility. As such, a cargo must use a specific facility (local cargos) or can use a separate option (discretionary cargos). The local area around the port is considered to be "captive", as the cost of using another port may be prohibitive. For example, normally a shipper based in Miami will not ship their containers through Portland only to truck these containers down to Miami if maritime services exist.

Years ago, the lack of adequate landside transportation limited a shipper's choice in determining which ports to use. Today, intermodalism has allowed shippers more options in selecting a gateway for their cargos. Shippers primarily route cargo by trying to maximize the returns on their transportation dollar (this applies equally to intermodal or general cargo operations). The chief concerns in selecting a particular route involve price and service, but other factors are equally important. Some of these factors are: what types of vessels call a particular port, what additional services are available in a port area, availability of rail connections, and how does the port fit it to existing distribution patterns. As transportation options exist, this makes service considerations very important. If a shipper feels that one port range is too crowded, or that problems exist, that shipper will likely use another carrier or port. This has already occurred in the Southeast, as shippers have begun moving some operations into the Southeast to avoid Southern California ports. ■





► CALENDAR

This list highlights upcoming conferences related to transportation that may be of interest to the ITTS member region. For any corrections or suggestions, please contact Bruce Lambert at bruce@ittsresearch.org

February 5, 2009

Mississippi State Intermodal Breakfast

Jackson, Miss. Contact: Diedre McGowan at (601) 214-1649 or insightltd@msn.com.

February 10, 2009

Coalition for America's Gateways and Trade Corridors, Annual Meeting

Contact: Leslie Blakey at (202) 828-9100 or lblakey@blakey-agnew.com.

February 8–11, 2009

Louisiana Transportation Research Center, Louisiana Transportation Conference

Baton Rouge, La. Harold "Skip" Paul at (225) 767-9131 or HaroldPaul@dotd.la.gov.

February 12–13, 2009

Coosa-Alabama River Improvement Association Annual Meeting

Monroeville, Ala. Contact: CARIA, (334) 265-5744 or cariainc@bellsouth.net.

February 22–25, 2009

American Association of State Highway Transportation Officials

Washington Briefings. Washington, D.C. Contact: Monica E. Russell at 202-624-3696 or mrussell@aaashto.org.

March 9–10, 2009

American Association of State Highway Transportation Officials Standing Committee on Rail Transportation

Washington, D.C. Contact: Andrea Ryan at 202-624-5804.

March 9–11, 2009

National Waterways Conference 2009 Budget Summit

Contact: (703) 243-4090 or info@waterays.org.

March 10–13, 2009

AASHTO/FHWA Freight Transportation Partnership III Meeting

Philadelphia, Pa. (by Invitation only). Contact: Leo Penne, at 202.624.5813 or lpenne@aaashto.org or Kate Quinn at 202-3666-4241 or kate.quinn@dot.gov.

April 7–9, 2009

American Association of State Highway Transportation Officials

Standing Committee on Water Transportation, Huntington, W. Va. Contact: Chris Smith at 202-624-5839 or CSmith@aaashto.org.

April 28–30, 2009

Critical Commodity Conference

New Orleans, La. <http://www.criticalcommoditiesconference.com> or Elizabeth Bear at ebear@mmgevents.com.

April 29–May 1, 2009

Inland Rivers, Ports & Terminals Annual Conference

Drake Hotel, Chicago, Ill. Contact: Diedre McGowan at (601) 214-1649 or admin@irpt.net.

May 2–6, 2009

Industrial Asset Management Council (IAMC) Spring 2009 Professional Forum

Corporate Real Estate's Contribution to Business Sustainability, Asheville, N.C., Contact: <http://www.iamc.org>.

May 4–6, 2009

Transportation Research Board, 34th Annual Ports, Waterways, Freight & International Trade Conference

Irvine, Calif. Contact: Joedy Cambridge, JCambridge@NAS.edu or <http://www.trb.org/calendar>.

May 7–9, 2009

Warrior-Tombigbee Waterway Association Annual Meeting

Tuscaloosa, Ala. Contact: WTWA (251) 431-9055 or email Warriortom@aol.com.

May 17–21, 2009

Transportation Research Board, 12th National Transportation Planning Applications Conference

Houston, Tex. Contact: Huey Dugas at 225-383-5203 or hdugas@brgov.com or <http://www.trb.org/calendar>.

May 26–29, 2009

International Transportation Forum, Transport For A Global Economy, New Challenges and Opportunities

Leipzig, Germany. Contact itf.contact@oecd.org or <http://www.internationaltransportforum.org>.

June 2–3, 2009

Transportation Research Board, Data and Tools for Understanding the Goods Movement: Air Quality Connection

Irvine, Calif. Contact: Tom Palmerlee at 202-334-2907 or tpalmerlee@nas.edu or <http://www.trb.org/calendar>.

July 19–22, 2009

Transportation Research Board, 2009 TRB Joint Summer Conference

Seattle, Wash. Contact: <http://www.trb.org/calendar>.

August 5–7, 2009

Joint Mississippi Water Resources Association - Mississippi Water Resources Research Institute Annual Conference

Tunica, Miss. www.mswater.org.

August 25–28, 2009

Tennessee-Tombigbee Waterway Development Opportunities Conference

Point Clear, Ala. Contact: Agnes Zaiantz (662) 328-3286 or aazaiantz@tenntom.org.

August 28–Sept 2, 2009

Southern Association of State Highway Transportation Officials

Biloxi, Miss. Contact: <http://www.sashto.org/SASHTO2009>.

September 6–9, 2009

SmartRivers Conference

Vienna, Austria. Contact: Otto Schwetz Otto.schwetz@tinavienna.at or www.smartdrivers.org. (Paper Submissions are open)

September 16–17, 2009

Transportation Research Board, North American Freight Flows Conference 2009

Irvine, Calif., Contact: Tom Palmerlee, 202-334-2907 or tpalmerlee@nas.edu or <http://www.trb.org/calendar>.

October 5–7, 2009

European Transport Conference, Transportation Research Board

Lieden, The Netherlands, Contact: Sally Scarlett at info@aetransport.org or <http://www.aetransport.org>.

October 25–29, 2009

American Association of Port Authorities Annual Convention, hosted by the Port of Galveston

Galveston, Tex. Contact: The American Association of Port Authorities, 703-684-5700, info@aapa-ports.org or <http://www.aapa-ports.org>.

November 17–19, 2009

American Association of Port Authorities, Facilities Engineering Seminar & Expo

Charleston, S.C. Contact: The American Association of Port Authorities, 703-684-5700, info@aapa-ports.org or <http://www.aapa-ports.org>.

Appalachian Regional Commission

Network Appalachia Listening Sessions

Over the past several months, the Appalachian Regional Commission (ARC) has conducted a series of listening sessions on opportunities to enhance the Region's access to both domestic and global markets, entitled *Network Appalachia*. The workshops focus on the influence that globalization is having on commodity flows and emerging trade lanes. By identifying these trends, the ARC hopes to identify opportunities to improve transportation access in a way that can help existing businesses become more competitive and enhance Appalachia's ability to attract new enterprise and employment.

The workshops began with a series of presentations focused on macro-economic trends and on how changing

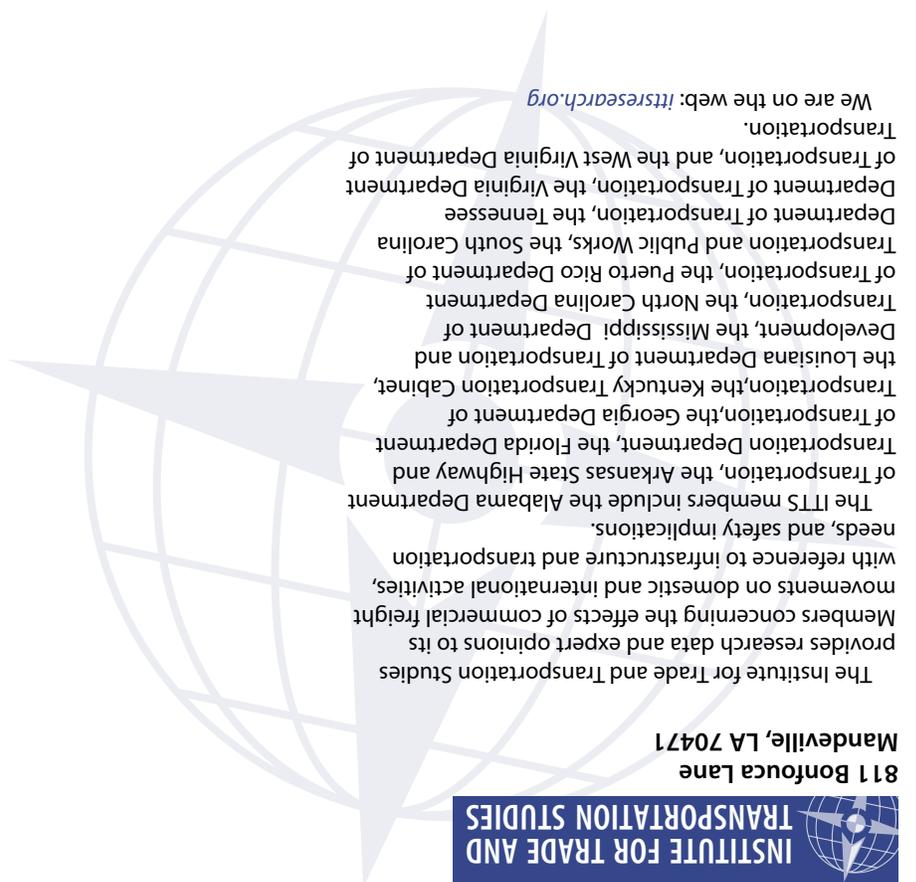
commodity flow patterns are reshaping the Region's transportation needs and opportunities in the 21st century. The Network Appalachia listening sessions also featured an overview of the impor-

The Network Appalachia listening sessions have featured an overview of the importance of improving access between the 13-state Appalachian Region and its neighboring Atlantic and Gulf coastal ports...

tance of improving access between the 13-state Appalachian Region and its neighboring Atlantic and Gulf coastal ports. Furthermore, regional presenters spoke about the importance of reliable,

safe, and cost efficient transportation in both businesses retention and attraction. To ensure that the workshops fully capture participant input, breakout sessions allowed attendees to actively engage in the discussion of how their local area can best be linked to the international marketplace. This also included discussions about how the ARC's Appalachian Development Highway System (ADHS) can serve as a regional platform to assure the region's access to the intermodal global supply chain. (ITTTS attended the sessions in Muscle Shoals, AL and Huntington, WV, with similar sessions being conducted in State College, PA and Asheville, NC).

A formal Network Appalachia report will be prepared and available for distribution by early summer. For more information on Network Appalachia, please contact Scott Hercik, ARC Transportation and Trade Advisor at 202-884-7717 or shercik@arc.gov. ■



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 Alabama Department of Transportation, the Arkansas State Highway and Transportation Department, the Florida Department of Transportation, the Georgia Department of Transportation, the Kentucky Transportation Cabinet, the Louisiana Department of Transportation and Development, the Mississippi Department of Transportation, the North Carolina Department of Transportation, the Puerto Rico Department of Transportation and Public Works, the South Carolina Department of Transportation, the Tennessee Department of Transportation, the Virginia Department of Transportation, and the West Virginia Department of Transportation.

We are on the web: itsresearch.org

811 Bonfouca Lane
Mandeville, LA 70471

INSTITUTE FOR TRADE AND TRANSPORTATION STUDIES