



INSTITUTE FOR TRADE AND TRANSPORTATION STUDIES

PROMOTING REGIONAL AWARENESS FOR IMPROVING FREIGHT TRANSPORTATION

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What is...

Incoterms

International traders must deal with a complex system of laws and procedures but also with uncertainties related to such events as theft, acts of God, loss at sea, etc. The Incoterms were developed to reduce or remove altogether uncertainties arising from differing interpretations of such things in different countries. Incoterms, by defining the responsibilities that both the buyer and seller involve in a transaction, seek to provide a framework outlining who accepts responsibility for the cargo during its shipment. The scope of Incoterms is limited to matters relating to the rights and obligations of the parties to the contract of sale with respect to the delivery of goods sold, but excluding "intangibles" like computer software.

Incoterms closely correspond to the U.N. Convention on Contracts for the International Sale of Goods but are determined by the International Chamber of Commerce. They are revised to reflect changing patterns in international transportation practice. The current revision occurred in 2000 to revise the 1990 standard.

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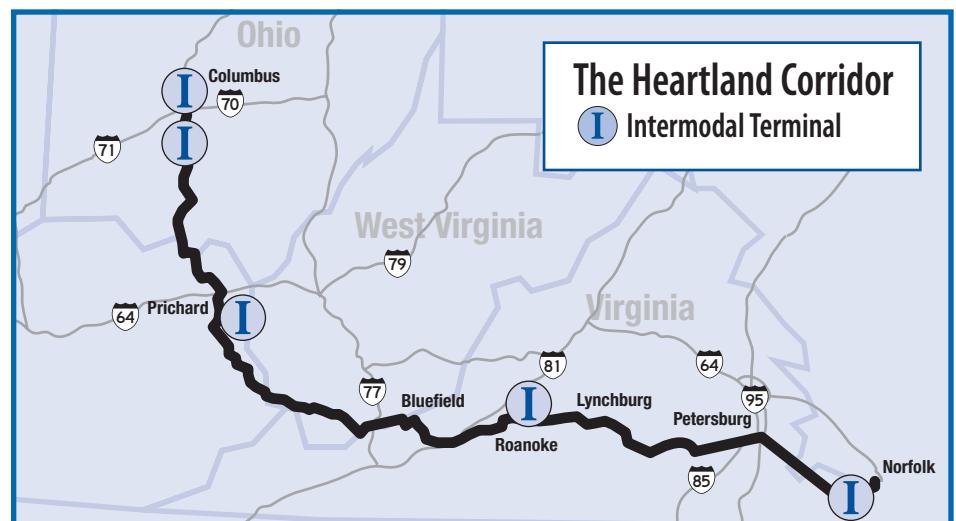
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Heartland Corridor

Following completion of the VSRP (Virginia State Rail Plan) in 2004, this project received approvals and funding, including a \$100 million Federal earmark. The work involves upgrading an existing coal line with restricted dimensions to handle international maritime and domestic double-stack container traffic moving from the Virginia Port Authority west through Virginia, West Virginia, and Ohio, continuing to Chicago and its interchanges with the western Class I railroads. Two Memorandums of Agreement, one between Federal Highway Administration (FHWA) Eastern Federal Lands Highway Division and Norfolk Southern Corporation (Railroad), and the other between FHWA, EFLHD and the three states were completed in August 2006. The agreements identify roles and responsibilities for the Environmental Planning, Design and Construction of the Heartland Corridor Project, as well as establish an unprecedented funding mechanism between the federal government and the railroads which allowed money to flow

directly to the railroads from the federal government.

The project affords a significant competitive advantage to Virginia's ports by providing a shorter (by several hundred miles) and faster route to the Midwest along with high-speed double-stack capacities. It also benefits communities along the route through Virginia, West Virginia, and Ohio by providing economic development and transportation opportunities. Project funding is coming from both public sources (Virginia Rail Enhancement Grant and Ohio Rail Development Commission Grant) and the private sector (Norfolk Southern Corporation). Compared to other rail improvement projects across the U.S., this project is on a very accelerated schedule, with completion estimated in 2009 or 2010. The Heartland Corridor was designated as a Project of National and Regional Significance under SAFETEA LU legislation. Additional information on the Heartland Corridor may be obtained at www.epl.fhwa.dot.gov/projects-heartland-corridor.aspx. ■





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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 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: www.ittsresearch.org

Please share this newsletter with your friends and coworkers. Any comments, suggestions, or additions should be sent to Bruce Lambert at 540-455-9882 or bruce@ittsresearch.org.

The ITTS Newsletter is a free publication of ITTS. To subscribe, please visit the website.

► LAMBERT'S LAGNIAPPE

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

Highway infrastructure received a spat of publicity over the past few weeks. Parade Magazine ran a discussion on the worst roads in America. This followed the release of a new study by the American Trucking Research on the Nation's top freight bottlenecks. The National Surface Transportation Infrastructure Financing Commission called for more spending on highway infrastructure, including the use of additional funding approaches to alleviate future traffic needs. Finally, the stimulus bill was the topic du jour at the AASHTO Washington Briefing.

During this dialogue, it is clear that the future of infrastructure is a large priority but there exists no clear vision regarding how to "fix it". Improving freight transportation must move beyond the traditional highway approach to a broader strategic network. Already, freight corridors are recognized as critical components of the nation's economic health. The Marine Highway program, as well as the projects of national significance, implies that "freight projects" must move toward being considered in a strategic investment framework. Some examples exist with

this new approach, such as the I-95 Coalition and I-70 truck lanes project, the Heartland corridor and the James River container on barge service. Each of these projects uses different approaches to improve regional freight capacity (technology, capacity expansion, rail and maritime approaches) to optimize corridor activity. In the future, system optimization will require all modes to be considered when seeking to both maintain and improve freight movements.

There are risks associated with a more system approach, no least of which involves determining and funding new programs during these troubled times. However, multimodal corridors and regional approaches will become critical for developing a 21st century transportation network. At the Freight Partnership meeting in Philadelphia, this message was echoed by all presenters that both the public and private sector want to see a viable freight system going forward, but there remain many institutional and communication challenges that must be addressed for this vision to be implemented. ■

North Carolina Rail Plan

Recently, the State of North Carolina completed a Rail Study Plan. With over 3,300 miles of rail lines in North Carolina, all but about 491 miles are owned by the State's freight railroads and the entire track is controlled by the freight railroads. There are a total of 22 active freight railroad companies operating today. There are 2 active Class I railroads, 12 active shortline railroads, and 8 active shortline railroads that specialize in switching and terminal service. The State also has

passenger services through both Amtrak and regional commuter services.

In 2006, North Carolina's freight railroads moved more than 118 million tons of freight. In addition, the large share of goods moving through the State (34.7 percent of total freight tons by rail) is a clear sign of the strategic role North Carolina's infrastructure plays in connecting major economic



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What is... Incoterms

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Shippers will use different strategies depending upon managing transportation costs, the size of the shipment, etc., to both reduce their costs and risks. In all cases, the seller remains responsible for packaging!

There are 13 Incoterms

Each Incoterm is referred to by a three-letter abbreviation and are arranged to show the where responsibilities for an international transaction begin and end. Here is a complete list, categorized by the main grouping:

E Group:

The seller makes the goods available to the buyer at the seller's own premises. The Importer is responsible for all costs, such as carriage and insurance, to move the shipment from the dock to its final destination.

EXW EX WORKS (named place)

F Group:

The seller has responsibility for moving the cargo to a point of departure, such as alongside a vessel, to a port area, or when the cargo is actually placed on a vessel. The main carriage remains the responsibility of the buyer and the seller delivers the goods to a carrier appointed by the buyer.

FCA FREE CARRIER (named place)

FAS FREE ALONGSIDE SHIP (named port of shipment)

FOB FREE ON BOARD (named port of shipment)

C Group:

The seller arranges for the carriage of the cargo to a port or gateway and is responsible for arranging the main international carriage. However, in most cases, the seller does not assume the risk of loss or damage to the goods or additional costs due to events occurring after shipment.

CFR COST AND FREIGHT (named port of destination)

CIF COST, INSURANCE AND FREIGHT (named port of destination)

CPT CARRIAGE PAID TO (named place of destination)

CIP CARRIAGE AND INSURANCE PAID TO (named place of destination)

D Group:

The seller arranges and bears all risks for carriage of the cargo to specific facility or port. The buyer accepts responsibility for the cargo when the cargo arrives at that facility.

DAF DELIVERED AT FRONTIER (named place)

DES DELIVERED EX SHIP (named port of destination)

DEQ DELIVERED EX QUAY (named port of destination)

DDU DELIVERED DUTY UNPAID (named place of destination)

DDP DELIVERED DUTY PAID (named place of destination)

To use the terms correctly, the contract should specify the location where delivery is to be made. For example, FCA Kuala Lumpur Incoterms 2000 or CIF Mobile Alabama Incoterms 2000. For more information about Incoterms, please visit the International Chamber of Commerce website at <http://www.iccwbo.org/>

AASHTO Standing Committee on Water Transportation

April 7-9

ITTS has been working with AASHTO and the West Virginia Public Port Authority in developing the 34th National Meeting of the Standing Committee on Water Transportation, April 7-9, 2009 in beautiful Huntington, West Virginia.

This year's meeting theme, "Developing the Marine Highway Corridors", is ideally located alongside Huntington Tri-State port area along the industrial heart of the Ohio River. Participants will experience first-hand the economic impact the Ohio River has on the national freight transportation network as the United States Army Corps of Engineers hosts a half-day float on one of its barges. Additionally, the Institute for Trade and Transportation Studies (ITTS) will co-host an Advisory Council Meeting on Thursday, April 9th. Other sessions include a discussion on the Marine Highway program from the Maritime Administration.

Landside meetings and hotel accommodations will be at the Pullman Plaza Hotel. Reservations may be made by calling 1-866-613-3611. Just ask for the AASHTO/West Virginia Public Port Authority room block to receive the federal per diem rate of \$70 a night.

Registration for this critically important meeting is only \$150. Registration may be made to AASHTO by indicating your availability to Chris Smith, csmith@aaashto.org, at 202-624-5839. For more information, please visit the AASHTO Website at http://freight.transportation.org/water_meetings.html ■

▶ ITTS PARTNER

Tennessee-Tombigbee Waterway Development Authority

Tennessee-Tombigbee Waterway Development Council

This month, ITTS will highlight a unique entity, the Tennessee-Tombigbee Waterway (Tenn-Tom). The congressional definition states "from the Port of Mobile to the confluence of the Mississippi, Ohio, and Tennessee Rivers..."

There are two separate entities involved in the use and promotion of the Waterway. The Tennessee-Tombigbee Waterway Development Authority is an interstate compact ratified by the U.S. Congress to promote the development of the Waterway and its economic and trade potential. The compact consists of the States of Alabama, Kentucky, Mississippi and Tennessee and is funded solely by appropriations from the member states. The Authorities mission includes trying to

promote economic development in the region, including industrial development, commerce, and recreation. The Council seeks to complement the work of the Authority by identifying and resolving development issues and seeking opportunities for the region. The Authority is a public entity, while the Council is a private trade organization. This unique role is reflected in the coordination between the Authority and the Council through its staff appointments.

The Tennessee-Tombigbee Waterway runs 234 miles, starting at Pickwick Lake on the Tennessee River and ending in the Warrior-Tombigbee system in Alabama. The Tenn-Tom opened in 1985 after 12 years of construction. The Tenn-

Tom handled roughly 8 million tons of cargo in 2007. Last year, Severstal and Steel Development Corporation both announced plans to build steel facilities in the Tenn-Tom corridor. Two other recent announcements include a biodiesel refinery in Aberdeen, MS and the TEPPCO fuel depot in Boligee, AL.

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North Carolina Rail Plan

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hubs in the northeastern, mid-Atlantic, and southern parts of the United States.

The anticipated surge in economic activity and population in North Carolina have increased the demand for a system that serves the needs of citizens and the interests of freight and goods movement industries today and in the future. Rail funding and investment strategies, if maintained at existing levels, will be unable to support North Carolina's rail system improvement needs. Preliminary findings from NCDOT, Class I and Shortline rail operators, and the States Ports Authority show rail improvement needs exceeding \$5.9 billion. These needs are vital for the mobility, safety, and economic competitiveness of rail users and include \$488 million in rail safety projects, \$439 million for CSX, NS, and NCRR improvement needs, \$205 million for shortline railroad-related projects, and \$4.8 billion for passenger rail projects including \$2.88 billion⁵ for the Southeast High Speed Rail, \$194.5 million for North Carolina's Western Pas-



senger Rail Service, and \$324.4 million for the States Southeastern Passenger Rail Service and \$1 billion for commuter infrastructure between Greensboro and Goldsboro.

The key issues facing rail transportation in North Carolina, as identified during the public outreach process, include focusing on more funds for maintenance for bridges, track and tie replacement, reinvesting to handle heavier railcars, improving capacity through sidings and rail promotion, providing more access to

shortline rail facilities, matching state and local plans on land use, and economic development and transportation investments, preserving rail corridors, improving communications between the rail industry, state and local governments and the general public, integrate railroads into a broader transportation system framework, and improve highway/rail crossing safety, and improve on-time-performance and increase frequencies for passenger service. The report is available at <http://www.bytrain.org> ■



▶ ITTS 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

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. Contact: Leo Penne, at 202.624.5813 or lpenne@aaashto.org or Kate Quinn at 202-3666-4241 or kate.quinn@dot.gov.

March 16–18, 2009

Transportation Research Forum.

Portland, Oregon. Contact Sue Hendrickson at (701)231-7766 or info@trforum.org or <http://www.trforum.org/forum/2009/>.

March 16–18, 2009

JAXPORT Logistics and Intermodal Conference Event.

Amelia Island, Florida, <http://jaxportconference.com/index.htm>

March 18, 2009

in Mobile, Alabama

March 25, 2009

in Muscle Shoals, Alabama

Container-on-Barge: A Report from the Alabama Freight Mobility Study. Coalition of Alabama Waterway Associations, Inc.

Contact: Jerry L Sailors (334) 265-5744 or www.caria.org

March 26, 2009

Setting A Vision for Sustainable

Development: The Louisiana Transportation Renaissance

New Orleans, La. Contact: Jim Repass at (617) 269-5478 and jprepass@nationalcorridors.org

March 31–April 1, 2009

34th Annual FAA Aviation Forecast Conference

Washington, D.C., Contact Linda Baranovics, Conference Coordinator (202) 267-7924 or Linda.Baranovics@faa.gov, or http://www.faa.gov/news/conferences_events/aviation_forecast_2009/

April 1–3, 2009

Gulf Coast Trade Alliance World Trade Conference

Lake Charles, LA. Contact David Conner, Regional Coordinator at (337) 433-3632 or dconner@allianceswla.org or www.allianceswla.org

April 1–2, 2009

North America's Marine Highways Conference

Jacksonville, Fla. Contact the Journal of Commerce <http://www.joc.com/node/409535>

April 26–29, 2009

Logistics Conference & Expo, NASSTRAC (National Shipper's Strategic Transportation Council)

Orlando, Florida. Contact <http://www.nasstrac.org/conference/default.asp>.

April 27–28, 2009

Delta Regional Authority Annual Conference

Memphis, Tenn. Contact Sissy Kidd at (501) 686-6195 or visit www.dra.gov.

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.

Calendar continued on back

The 4th International Congress of

Smart Rivers '21

**The Future of Inland Navigation –
September 6-9, 2009 – Vienna, Austria**

CALL FOR PAPERS—DEADLINE: MAY 29, 2009

www.smartdrivers.org

You are invited to submit a draft paper to be considered for presentations and publication at the Smart Rivers '21 Conference 2009 in Vienna, Austria. Technical papers may address technical subjects as well as the institutional, business and economic aspects of inland waterway navigation. Scientific papers should concentrate on research and scholarship. Policy and organizational aspects concerning inland waterway navigation with reference to smart rivers issues are also welcome. All proposals must be original and report on recent significant and substantive achievements. Papers of a predominantly commercial nature will not be accepted.

To identify the main subject of your topic we ask to select one topic of the list below. All topics must be related to inland waterway navigation or maritime mode. (ITTS serves on the program committee.)

Topics:

- Availability of infrastructure
- Economic development
- Climate and Environmental protection
- Water bound tourism
- Contribution of IWT to economic needs
- ICT in IWT
- Transport policy
- Impact of extreme weather conditions
- Role of ports
- Education & Training

Guidelines for paper submission

Submission deadline for papers is May 29, 2009. The official congress language is English. For submitting please provide following information:

- Draft paper title
- Topic
- Full contact details of the Author
- Paper abstract (10-12 lines)
- Draft paper: min. 3, max. 7 pages

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

International Maritime Statistics Forum Annual Meeting
New Orleans, La. John Dowden John.Dowden@british-shipping.org or by phone +44 20 7417 2835 or visit http://www.imsf.info/next_conf.htm

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 5–6, 2009

3rd Biennial FHWA/KYTC Freight Conference
Louisville, KY. For more information, please visit <http://www.fhwa.dot.gov/kydiv/conf.htm>.

May 7–9, 2009

Warrior-Tombigbee Waterway Association Annual Meeting
Tuscaloosa, Ala. Contact: WTWA (251) 431-9055 or email Warriortom@aol.com.

May 11, 2009

Eighth Transportation Situation & Outlook Conference. The Chartered Institute Of Logistics & Transport North America (CILTNA)
Ottawa, Ontario, Canada
Contact Ed Cuyllits at (613) 688-1438 or cuyllits@primus.ca or <http://www.ciltna.com/>

May 14–15, 2009

International Trade Symposium: Surviving Today; Positioning for Tomorrow
Virginia Maritime Association & American Shipper Magazine, Norfolk, Virginia.
Contact <http://www.vamaritime.com/symposium>

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>.

May 27–29, 2009

11th Annual Harbor Safety Committee Conference
Tampa, Fla. Contact: <http://TRB.org/Calendar>

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 15–16, 2009

PIANC USA Annual Meeting 2009 and Tour
Pittsburgh, PA. Hosted by the Port of Pittsburgh Commission & the US Army Corps of Engineers Pittsburgh District, Contact Kelly Barnes at 703-428-9090 or Kelly.J.Barnes@usace.army.mil

July 19–22, 2009

Transportation Research Board, 2009 TRB Joint Summer Conference
Seattle, Wash. Contact: <http://www.trb.org/calendar>.

July 22–24, 2009

Port Security Seminar and Expo
The American Association of Port Authorities, Houston, Texas 703-684-5700, info@aapa-ports.org or <http://www.aapa-ports.org>.

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 azaiaontz@tenntom.org.

August 28–Sept 2, 2009

Southern Association of State Highway Transportation Officials
Biloxi, Miss. Contact: <http://www.sashto.org/SASHTO2009>.

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 13–15, 2009

20th Annual Breakbulk Transportation Conference & Exhibition
New Orleans, Louisiana. Contact the Journal of Commerce <http://www.joc.com/node/409535>.

October 27–30, 2009

Annual Conference, Association of Metropolitan Planning Organizations
Savannah, Georgia
Call AMPO at 202-296-7051 or visit <http://www.ampo.org/events/details.php?id=36>

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>.