



INSTITUTE FOR TRADE AND TRANSPORTATION STUDIES

PROMOTING REGIONAL AWARENESS FOR IMPROVING FREIGHT TRANSPORTATION

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NEWS UPDATE

ITTS has begun working on updating all the state Data files posted on the State Summaries. If you wish to provide linkages to your state specific data, analysis or information please send me a link. (<http://www.ittsresearch.org/Latts2-State-Summaries.html>)

Continue to coauthor various papers with Dr. Monios on U.S. intermodal transportation systems, based partially on the Heartland Corridor scan ITTS organized last year. I hope to announce more details on the next tour soon.

Attended a meeting where the UK Ambassador to the U.S. spoke about the need to strengthen trade between the two nations, which included not only more trade linkages, but also increased Foreign Direct Investment and business integration. Such comments are very consistent with trade promotional messages that I hear here in the U.S., which makes me wonder how we can collaboratively "grow" the economic pie.

Had an interesting interview in the Charleston Regional Business Journal (you can read it here <http://www.charlestonbusiness.com/>)

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Export Trends for ITTS States

Since the launch of the National Export Initiative (NEI) by President Obama, the interest in supporting and developing exports has been growing. The NEI does promote the expansion of U.S. businesses abroad, including additional support to small to medium firms (SMEs) who traditionally are not engaged in international trade.

Many people do not necessarily equate that the need to support international trade is dependent upon a variety of transportation networks (rail, highway, air, waters) that move cargo between gateways and markets. There have been many discussions over the development of various new terminals and corridors, the connectivity between ports and hinterlands, as well as the importance that exports may play in growing the U.S. Economy, especially given concerns over World Markets, the Panama Canal, and the price of fuel.

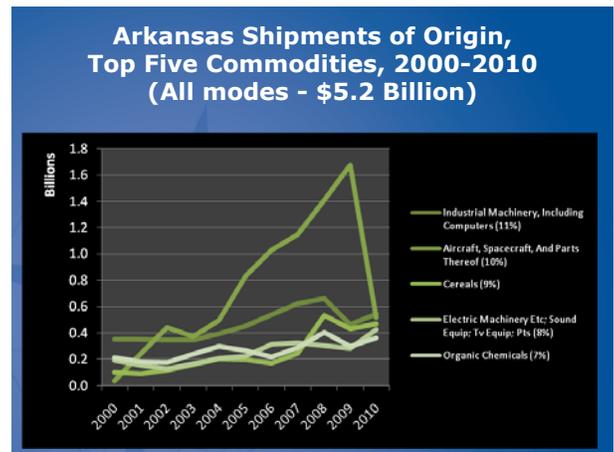
There have been several studies that have examined the role of international trade and a state's transportation needs, such as Florida's recent Trade and Logistics Study, and of course, the Latin American Trade and Transportation Study (LATTS). These studies highlight the importance of international trade and offer various solutions to improve freight mobility.

Linking trade and transportation is important, which is why ITTS has developed a set of PowerPoint slides summarizing various aspects of international trade for each state. These slides are available for use in presentations, documents, etc., to showcase the relationship of a state's exports to its regional economy.

For each of the ITTS member states, the files are posted at <http://www.ittsresearch.org/Latts2-State-Summaries.html>. The files contain the following categories for each of the states:

1. LATTs State Briefing Report
2. Domestic Transportation
3. International Trade
4. International Trade for the State and Major Metropolitan Statistical Areas
5. Assorted PowerPoint Information on Transportation
6. Maps Related to Transportation
7. Assorted Links

The State Export PowerPoint Files have been updated for 2010. (The Arkansas maps are presented here.) The maps are developed in a specific color scheme in mind, namely a black background indicates the slide refers to state of origin, while a clear background



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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 South Carolina Department of Transportation, the Tennessee Department of Transportation, the Virginia Department of Transportation, and the West Virginia Department of Transportation.

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▶ LAMBERT'S LAGNIAPPE

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

What does it take to tell a story? Throughout history, we have celebrated the ability of the written word to inspire or simply entertain us. Brett Battles, my wife's cousin, just published his fourth book, "The Silenced". Driving back from the bookstore, I reflected about the discipline it takes Brett to write his novels. While I don't write thrillers, at the same time, I find myself constantly telling the story of infrastructure – why does it matter and what opportunities does it provide.

Recently, I was discussing how different the freight transportation story becomes based upon the audience. For example, when I talk to DOT and MPO planners, they tend to discuss freight in the context of projects and localized networks. They understand that freight is important; there will be more trucks in the future and multimodal transportation networks should be examined. However, freight shipments, while recognized as critical, are seen as simply another user community, which must be balanced against bicycles, transit, or other passenger movements.

When I make the same discussion with various businesses, they focus on the regulations or operational needs of the transportation system, although some will discuss the longer term structural aspects of infrastructure improvements. Most believe that there is an implicit commitment that infrastructure will

be maintained and developed at the regional level.

When I meet with legislators, they will discuss funding, but also the need for specific projects in their region. The wider network effects and discussions on transportation connectivity seem buried against the broader budgeting activities.

Given the very diverse nature of freight transportation, there are many different people involved in the discussion. Meetings such as the upcoming Georgia Logistics Summit or AAPA's seminar on Communicating the Importance of Infrastructure Investment are critical in highlighting the importance of this dialogue.

But when there is a story, there is always a cost: what did the hero give up to reach his goal? No one watches James Bond beat up a local bully in a school yard. As with transportation, we get the same discussion – what is the cost of the story? Generally, the funding issue seems to be the biggest barrier to some resolution, not only regarding the reauthorization of the various transportation bill but also at the state and local level.

Unlike Brett's novel, we can't seem to agree on what the story line is regarding transportation's linkage to economic growth, jobs, and finally funding in a nice, coherent manner. But the dialogue is critical if we hope to find ways to enhance America's competitiveness in global markets. ■

Trade Profile – Japan

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in trade passing through the state. North Carolina (\$1.7 billion), Tennessee (\$1.3 billion) and Georgia and Kentucky (\$1.2 billion) were the other leading Southern state exporters to Japan in 2010. For Louisiana, most of these products (cereals and chemicals) passed through the state's ports, while roughly half of the cargos from Tennessee, Georgia and Kentucky involved air cargo shipments.

IHSGlobal Insight forecasted that exports to Japan will grow at a compound average growth rate around 5% over the next 20 years, while imports are forecasted to grow at an average rate of 6% over same period of time.

However, these forecasts by IHSGlobal Insight were prepared before the March 11 earthquake devastated the Japanese Coast. (The economic ties between the U.S. and Japan are closely integrated not only through trade activities, but also through foreign direct investment and the corresponding supply chains). The reporting on regional implications have mostly focused on the movement of auto parts to various Japanese plants in the Southeast. The true implication of the earthquake will take several months to be reflected in the trade statistics beyond anecdotal stories in the trade press. ■

Trade Through the Region's Gateways

When people discuss international trade, they tend to talk about it as if it's some great amorphous activity. While most people understand the flow of consumer goods from China and Asia, imported oil, or even trade with Canada and Mexico, most do not understand the linkage between international trade and their state infrastructure. What is normally not discussed relates to actually reporting on what commodities, markets and destinations a gateway actually serves. (In this discussion, we are focusing on international gateways, not domestic terminals or related facilities, which provide important national and regional services and do support international trade shipments.)

For each state (flows for West Virginia and Arkansas are not reported due to a lack of a significant international gateway), ITTS has also prepared a series of slides highlighting

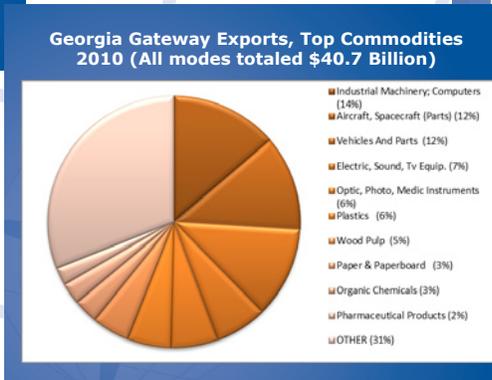
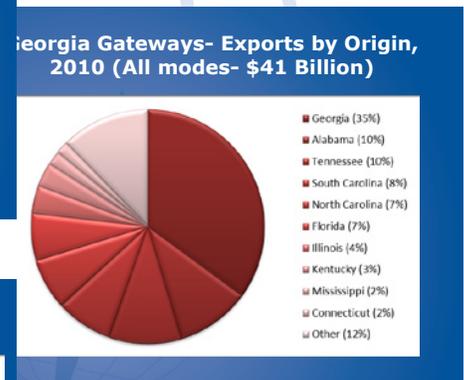
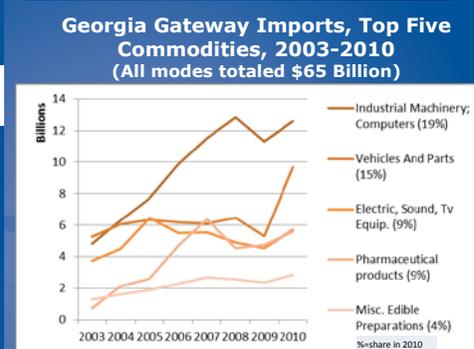
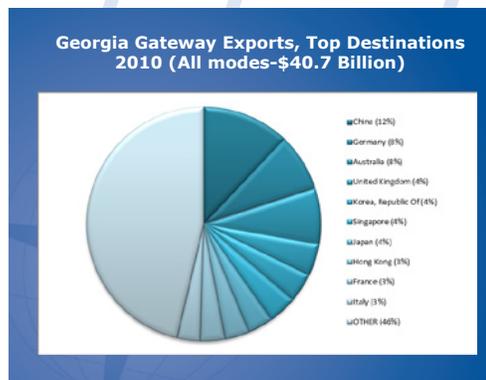
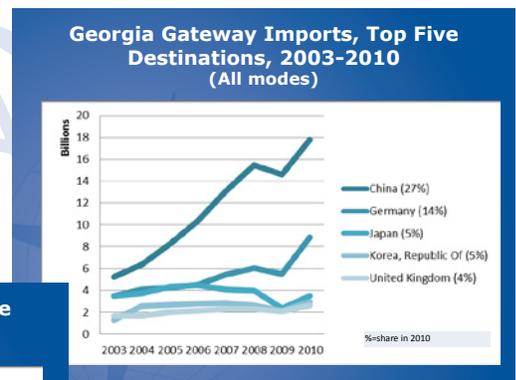
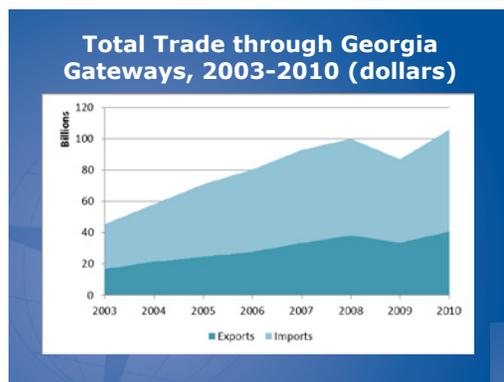
various aspects of trade through the respective state's gateways. The information is based on U.S. Census Bureau trade that was accessed through WISERtrade portal. As such, the commodity information is based on the Harmonized Schedule (with some commodities renamed to simply space on the slides) as well as the US customs port code.

To prevent confusion with the State origin of Shipper slides which use a black background; these charts use a white background. (The different colors are to differentiate between the slides if used in the same presentation.)

A gateway is determined to be a maritime port or airport, based upon the statistics used to classify the facility that the cargo moved through. This may lead to some differences from

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Georgia Gateway Presentation slides



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reported trade flows used by a port or airport, which may report trade volumes based on landings, Twenty Foot Equivalent units (TEUs), tonnage (metric or english), or some other metric.

The figures are reported in value, which may lead to some discussion about the relative worth of traditionally bulk cargos, such as coal, grains or fertilizer. This may also lead to some discussion about the importance of air cargo, which tends to be less dense than maritime cargo and higher value cargo.

The Charts, differentiated by color, are:

- Total imports and exports (blue)
- Total Trade partners (blue)
- Total Commodities (brown)
- Regional trade sources based on state of origin (red) (exports only)

For each of the groupings, the slides contain information on total exports and imports, followed by air and vessel cargo statistics. There is also a pie chart for 2010 ranking the top ten items, as well as a trend line for the top five items over the past few years. (The first demonstrates the relative magnitude versus the second which discusses annual trends.)

For example, using the slides here for the State of Georgia, total trade through State of Georgia amounted to over \$100

billion dollars. Of that, the majority was import cargos (\$65 billion) and \$40 billion in exports.

When discussing trading partners, Georgia's partners are China, Germany and Japan. (It is interesting that Canada and Mexico do not rank as the top trading partners.)

The top commodities traded through Georgian Gateways include industrial machinery, vehicles and auto parts, as well as aircraft, electrical equipment, and aircraft parts.

Finally, the state's gateways are heavily dependent upon cargo moving to from the state, but also on cargo moving from other areas. For total exports, 35% originated in Georgia, but the figure for air is actually lower (27%) given the importance of cargo moving through the Atlanta Airport. But in all cases, the Georgia gateways are heavily dependent upon drawing cargo from its neighboring states.

These slides are encouraged to be used as a component in a presentation. If you have any questions on the slides or can think of other related materials that will help people understand the complexity of international trade, please do not hesitate to contact me. I am always looking at ways to help people convey the message that supporting transportation operations and infrastructure are critical to America's economic future. ■

The Loss of Maritime Containers at Sea

Every day there are millions of containers moving across the world's waterways. During any voyage, containers may face severe conditions from wind, rain or tides. As such, maritime conditions, coupled with broken lashings and other factors result in containers falling overboard. Annually, it is estimated that up to 10,000 containers find their way overboard into the world's oceans, bays, and waterways. (Statistically, this is insignificant when considered against the millions of containers moved worldwide annually.)

Occasionally, some of these containers do wash up on shore, especially if the container was lost fairly close to shore, but the majority of the containers simply sink to the bottom of the ocean. Regarding cleanup, generally it is impossible to clean up after a container goes overboard, unless the containers come to rest in a protected area or fairly close to shore or beach. Some of these containers that remain on the ocean floor have been studied, only to find they can serve as an artificial reef (given concerns about the cargo in the container, such as chemicals!). However, not every container

sinks, and depending upon the cargo, the container may be floating at or near the waterline. This creates a navigation hazard, especially if a vessel strikes a semi-submerged container or "floater".

Ironically, a recent book entitled "Moby-Duck" highlights a container of rubber bath toys that fell overboard on a journey to Tacoma in 1992. Freed from the container, the 28,000 rubber ducks have travelled across the globe, with a few rubber ducks washing up in the Artic

and Europe in addition to many areas in the Pacific Ocean. The scientific community has benefited from observing the movement of the ducks to trace ocean currents; however, there is a large degree of trash in the world's oceans, collected in natural sink areas, called Gyres, that collect not only the remnants of maritime trade, but other floatable items (chemicals, plastics, etc.) The lesson here: get insurance related to any international transportation movement! ■



Exports Trends for ITTS States

Continued from page 1

refers to a state's gateways (airports and ports). The charts contain tonnage and value information, as well as the top trade by commodity, country and gateway. (I normally use dollar figures when I discuss international trade trends as it is more accessible to the general public, but tonnage does better reflect the nature of transportation movements.) When examining the data, it is clear that states are highly dependent upon their gateways, and vice versa, ports are dependent upon their respective states, but there is a lot of international freight movement that cross state boundaries.

Feel free to use these charts as you feel appropriate, but I would appreciate you mentioning the source of the slides (There is a version of the PowerPoint that I developed on the presentation page to provide an example of a generic format I have used in the past <http://www.ittsresearch.org/ITTS-Presentations.html>). Other files and datasets are consistently being added and updated, so stay tuned. If you have any thoughts or ideas regarding a state profile series, or other related materials (including links posted on the state website), just contact me. I always appreciate comments and suggestions! Just as an FYI, since the first of the year, the North Carolina and Kentucky State Summaries were the most accessed, while Mississippi and Arkansas were the least accessed. Maybe after this email, we will see which state generates more traffic! ■

News Update

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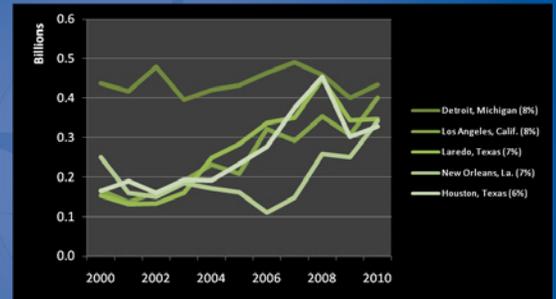
[news/38593-institute-focuses-transportation-on-the-big-picture](#)).

🌐 Attended the Kentucky's 2011 Regional FREIGHT Conference which also included a side visit to the West Virginia DOT, Kentucky Cabinet of Transportation and the Corps of Engineers in Huntington WV.

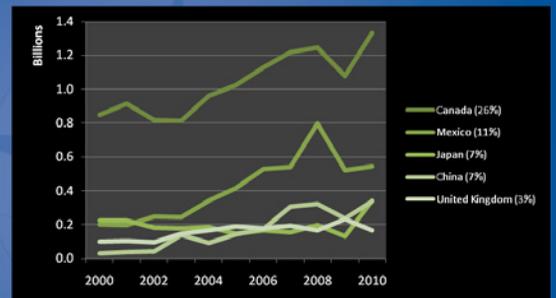
🌐 I also attended the M-10 Corridor meeting in Brownsville Texas, where the discussion focused on the development of moving containerizable/trailerable loads to move along the Gulf Coast's many waterways.

(Both trip reports are posted on the ITTS Blog.)

Arkansas Shipments of Origin, Top Five Gateways, 2000-2010 (All modes - \$5.2 Billion)



Arkansas Shipments of Origin, Top Five Destinations, 2000-2010 (All modes - \$5.2 Billion)



What is a... Shippers Export Declaration

While international trade is dependent upon the physical flow of material, it is also dependent upon the movement of information. Every export from the U.S. valued at over \$2500 or that requires an export license is required to have a Shipper Export Declaration (SED or Form 7525-V). (It excludes luggage and other personal effects that are not being sold while being carried out of the U.S.) The SED serves not only as the basis for the valuation U.S. exports, but also to provide additional checks on the compliance. (The Foreign Trade Division of the US Census tracks US export statistics, but import data are collected by the US Customs.)

The form covers basic information ranging from company information, such

as the name, Export Identification Number, and information about the ultimate consignee or related parties. There is a lot of information about the physical movement of the cargo, such as listing the point of origin (state) or Foreign Trade Zone, the mode that the cargo will use to leave the Country, its ultimate destination, and commodity information. (U.S. export classifications are listed in the Schedule B- Statistical Classification of Domestic and Foreign Commodities Exports from the United States.) Other information includes details about the weight and value of the cargo and other related units of measurement (pallets, boxes, etc.) or special marks.

The information must be submitted

manually or through the Automated Export System (AES) previous to the shipment leaving the United States and is generally submitted by the carrier at the port of export. (The Electronic Export Information is data as filed in AES and is the electronic equivalent of hardcopy SED.) Incomplete or inaccurate SED's may result in cargo delays in leaving the U.S. or penalties (fines) after the cargo has left the U.S.

In sum, all US trade data depends upon firms engaged in international trade accurately reporting their shipment details. In turn, the information provides inputs used for planning and developing the infrastructure that supports future volumes. Sounds like a fair trade-off. ■

▶ 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

🌐 ITTS speaking engagements

🌐 **May 18-19, 2011**

Arkansas Transportation Planning Conference

May 18-20, 2011

Transportation Research Board, Fourth International Transportation Systems Performance Measurement Conference

June 6-7, 2011

Using National Household Travel Survey Data for Transportation Decision Making: A Workshop

🌐 **June 13-14, 2011**

Southern Growth Policy Board - Chairman's Conference

🌐 **June 21-23, 2011**

American Association of Port Authorities - Communicating the Importance of Infrastructure Investment (Seminar for Public and Government Relations Professionals)

June 21-23, 2011

2nd Chief Supply Chain Officer Forum

🌐 **July 10-13, 2011**

2011 TRB Joint Summer Meeting

July 11-12, 2011

Port Maritime Economic Development Seminar

July 20-22, 2011

American Association of Port Authorities - Port Security Seminar and Exposition

August 10-12, 2011

Gulf Intercoastal Canal Association 106th Annual Convention

🌐 **August 20-24, 2011**

SASHTO Annual Meeting

August 30-September 2, 2011

Tennessee-Tombigbee Waterway Development Opportunities Conference

🌐 **September 11-14, 2011**

AASHTO Standing Committee on Rail Transportation (SCORT) Annual Meeting

🌐 **September 13-16, 2011**

Smart Rivers 2011 Conference

September 19-21, 2011

2011 National Waterways Conference

October 2-5, 2011

American Public Transportation Association

October 13-17, 2011

AASHTO Annual Meeting

October 19-21, 2011

Eighth Annual Waterways Symposium

October 24-25, 2011

Railway Age/Passenger Trains on Freight Railroads

October 25-27, 2011

Breakbulk Americas Transportation Conference & Exhibition

October 25-27, 2011

Using Census Data for Transportation Applications Conference

October 25-28, 2011

2011 AMPO Annual Conference: Conference Theme: Moving America's Metros

October 26 - 27, 2011

2nd Annual Southeast Freight Conference

October 28, 2011

2011 AASHTO Annual Meeting

🌐 **November 1-3, 2011**

Mississippi Transportation Institute MTI Conference 2011

November 12-15, 2011

NITL 104th Annual Meeting & TransComp Exhibition

November 15-17, 2011

TOC Americas

December 5-7, 2011

Transportation Research Board-Strategies for Meeting Critical Data Needs for Decision Making in State and Metropolitan Transportation Agencies

▶ TRADE PROFILE ... Japan

Japan ranks as the fourth largest trading partner with the U.S., with total trade amounting to \$181 billion in 2010. (The top three, in order, are Canada (\$525 billion), China (\$457 billion) and Mexico (\$393 billion).) Total trade with Japan increased during 2010, but total volumes remain below 2008 levels.

In 2010, imports from Japan amounted to \$120 billion dollars, again recovering from 2009's decline, but volumes remain below 2008's volumes. The leading commodities imported from Japan include motor vehicles (which amounted to \$32 billion in 2010). The other leading import commodities were auto parts (\$7 billion), industrial machinery (including printers) (\$25 billion) and electrical machinery (\$18 billion).

In 2010, the U.S. exported \$61 billion in goods to Japan. The strong growth in exports (an 18% increase that benefited from a relatively weak dollar) was still below the 2008 record of \$67 billion. Of this, the largest



exports by value were optical and medical equipment and industrial machinery. (These products were mostly shipped by air to Japan.) Cereal and grain exports (the fourth largest commodity by value at \$4 billion) represented the maritime export from the U.S. to Japan.

Regarding exports originating in the Southeast in 2010, Louisiana ranked as the fourth largest source of exports to Japan (following California, Washington and Texas), with over almost \$4 billion

Total U.S. Trade with Japan

