



INSTITUTE FOR TRADE AND TRANSPORTATION STUDIES

PROMOTING REGIONAL AWARENESS FOR IMPROVING FREIGHT TRANSPORTATION

VOL 2 • ISSUE 3 • MARCH 2010

NEWS UPDATE

Well, despite cheering for the Saints, Mardi Gras, Valentine's Day, and snow everywhere, February seemed like the month that went on forever. Well, at ITTS, the work continued, including making a presentation at the 53rd Annual Alabama Transportation Conference in Montgomery Alabama on freight and state infrastructure needs. (The presentation is posted on the ITTS website.) This was in addition to finishing a paper on comparing dryport regulation between the U.S., Scotland and Sweden with researchers from Edinburgh Napier University.

Furthermore, in addition to working on the ITTS conference summary reports, ITTS also is involved in the planning for the TRB Summer Meeting in Minnesota and is serving as the Planning Team Chair of the Commodity Flow Survey (CFS) Conference to be held November 16. If you use the CFS, please let me know if you have any specific thoughts related to the CFS that should be incorporated in the conference.

INSIDE THIS ISSUE

Lambert's Lagniappe	2
What Is	2
Truck Bottlenecks in the Southeast U.S.	3
Trade Profile...Chile	4
Calendar	4

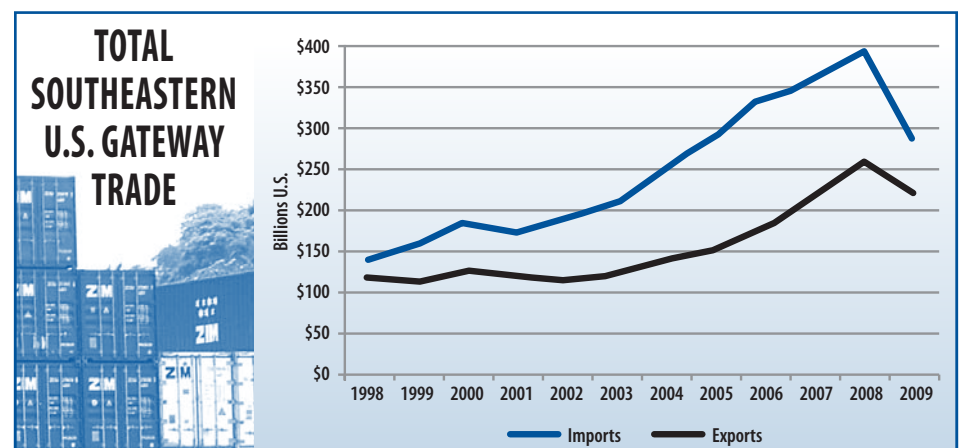
International Trade Patterns in the Southeast

As reported throughout the year, total U.S. trade, by value, declined during 2009. (This was the first drop in both imports and exports, in total U.S. trade, since 2001.) On a value basis, total U.S. imports were almost \$1.6 trillion dollars, but this represented a 26% drop from the values reported for 2008. (Of this drop in total value, roughly 40% was due to declining imports of petroleum, as both demand and crude barrel prices declined.) U.S. exports also declined in 2009, but by a more modest 19% (total exports for 2009 were roughly 1.06 trillion).

The gateways (ports and airports) in the Southeastern U.S. handled \$287 billion in imports and \$221 billion in export cargos. This represented a decline in imports of 28% and exports of 15% from the previous year.

The top five origins for imports into the Southeast are China, Germany, Japan, Mexico, and Ireland (which edged out the United Kingdom). Each of these regions experienced drops in trade activity, but the largest drop from the top ten trading partners were reduced shipments of petroleum from Saudi Arabia and Venezuela. While most products experienced declining trade values, the largest decline, on a commodity basis, was mineral fuels (petroleum), which accounted for roughly half of the drop in dollar value during 2009. (The value of mineral fuels declined from \$116 billion to \$60 billion.) The next largest import commodity groups, regarding declining trade volumes, were industrial machinery and vehicles (which includes autos).

The top five export markets were Germany, Brazil, China, the Netherlands, and the United Kingdom. With the exception of China, which continued to receive gains from the Gulf South, the other major export markets saw similar declines of between 15 and 25 percent. Regarding commodity flows, the top five commodities had vary mixed showings. Shipments of Industrial Machinery, electrical machinery, and vehicles had declines ranging from 20 to 36%, while exports of airplane parts, etc., doubled from 8 trillion to 16 trillion.





Institute for Trade and Transportation Studies

Bruce Lambert
New Orleans Board of Trade
316 Board of Trade Place
New Orleans, 70130

Phone: 504-566-7227

Cell: 540-455-9882

Fax: 504-525-8197

bruce@ittsresearch.org

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.

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:

www.ittsresearch.org

▶ LAMBERT'S LAGNIAPPE

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

For most people, February felt like a "long winter of discontent", with snow and cold gripping most of the country. The old saying, "March comes in like a Lion and goes out like a Lamb", hopefully will ring true this year.

Although most of the country endured cold weather in February, two major actions influenced U.S. transportation: The TIGER Grants and the extension of the Highway Trust Fund. The TIGER grant announcements demonstrated that a successful solicitation process can be done to address critical needs. Across the Southeast, these included several projects that will benefit commercial freight movements, such as rail projects in the Appalachian region, port development in Gulfport, Mississippi, and I-95 improvements in South Carolina. But like all things, there always remain more needs than money.

The month ended with the failure to

extend authorization of the Highway Trust Fund. While an extension was approved a few days later, the resultant stoppages demonstrated the commitment needed to develop long term, multiyear projects (We need a similar commitment to WRDA projects!) Finally, February marked the one year anniversary of the American Reinvestment and Recovery Act. While others can argue the jobs creation numbers, the states committed all the money to projects, and projects are being implemented. Overall, it was a busy month for transportation policy in the U.S.

In February, Punxsutawney Phil saw his shadow, predicting a longer winter. But Spring is coming, and March holds the promise of better days. Like the approaching summer, a meaningful commitment to infrastructure (and jobs) seems far away, but it appears that more see the value of funding our transportation needs. ■

What is... A Foreign Trade Zone

Foreign Trade Zones (FTZs) represent secured areas under U.S. Customs authorization and supervision that allow firms to delay or manage customs duties. Operating in secured locations, the cargo has physically entered the U.S., but remains outside of the U.S. for customs purposes. (Although they operate outside of U.S. customs duties, FTZ's are subject to applicable federal, state and local laws.)

By using a FTZ, a receiver can add value to a product by importing goods, blending them with U.S. products and reexporting the goods to overseas markets. The firm avoids paying any duties on the imported materials (duty exemption), assisting U.S. firms in being more competitive with foreign firms by lowering costs. In addition to the example above, a FTZ user can delay paying for duty fees, such as storing materials in the warehouse, or can convert the material into a finished product that has a lower tariff rate for importing in the U.S.

These FTZ's are authorized to either public (normally a port or an airport) or private entities by the Foreign Trade Zones Board, Import Administration of the U.S. Department of Commerce in Washington, D.C. They must be within or adjacent to an approved Customs and Border Protection (CBP) gateway. These FTZ's can authorize subzones, which are normally private businesses engaged in export related activities. While Florida leads the ITTS member states, with 20 FTZ's, there are 65 FTZ's in the Southeast and Puerto Rico.

All activities, such as manufacturing, packaging, assembly, storage, etc., are allowed in an FTZ, except for retail sales. In addition to supporting commercial activities, they do provide public benefits, such as encouraging U.S. exports, attracting offshore investments, and providing employment and economic development opportunities.

The LATTs report on Foreign Trade Zones is available at <http://www.ittsresearch.org/LATTs2-briefing-papers.html>. ■

Truck Bottlenecks in the Southeastern U.S

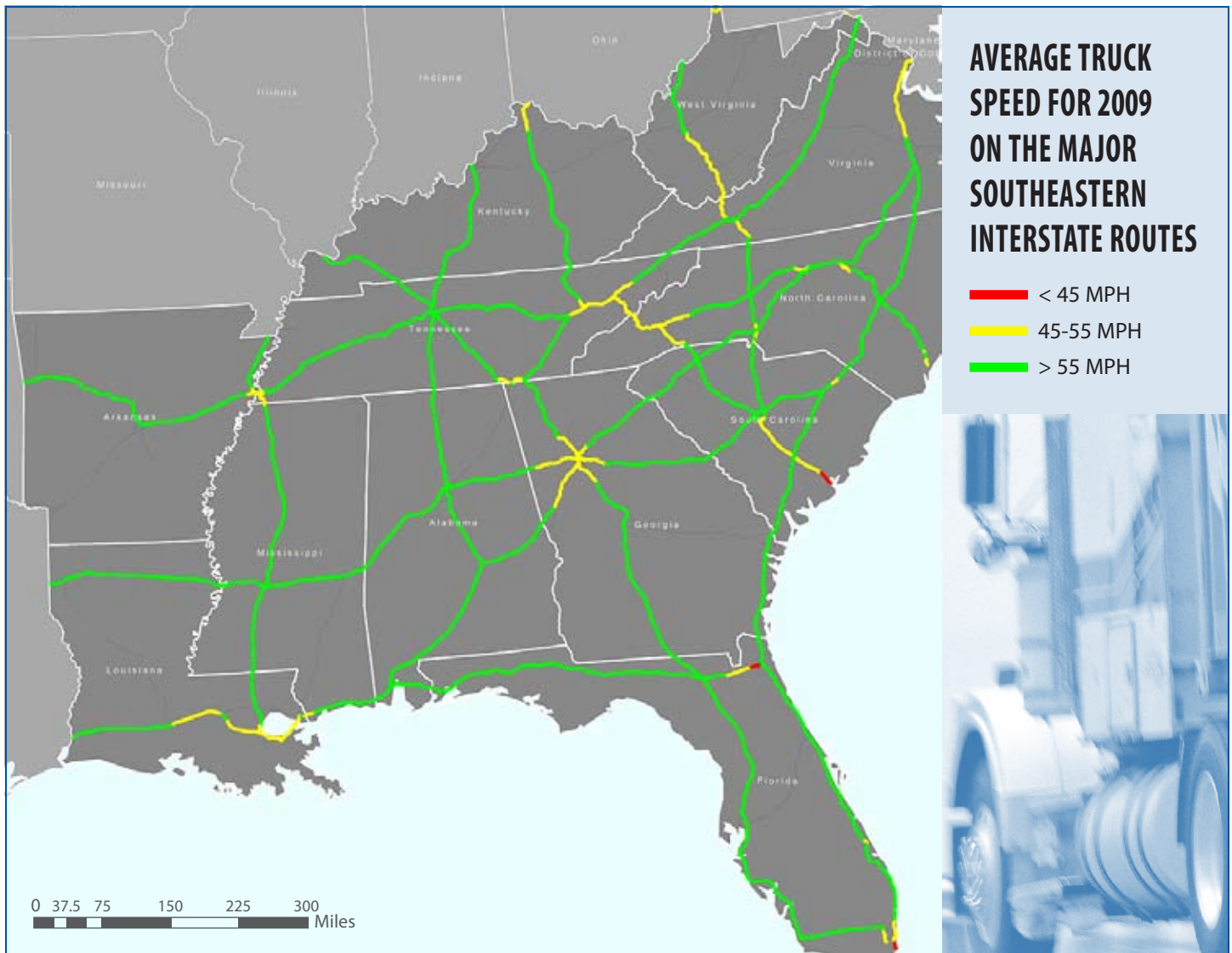
Working with the Federal Highway Administration and American Trucking Research Institute, the graph shows the average truck speeds for 2009 on the major interstate routes in the ITTS region, regardless of time of day or month. Generally, a truck operating at or above 55 miles per hour would represent free flow conditions, while any delays, either from geography, road construction, congestion, weather, or incidents, would result in slower speeds.

In some areas, trucks operated below 55 miles an hour because of geographical features. The bridges over the Atchafalaya Basin in Louisiana and steep roadways in the Appalachian region reported lower trucks speeds. However, there are bottlenecks along the major interstate corridors feeding the larger metropolitan areas. For example, truck speeds were below free flow conditions in the Atlanta region, as well as in Jacksonville, Miami and I-26 to Charleston. Truck

speeds also operated below free flow levels in other areas, such as I-75 in Northern Kentucky and I-40 in the Memphis region.

While a fairly gross estimation of bottlenecks, truck speeds less than free flow conditions represent segments that can influence regional truck operations. It should be noted that the severity and duration of delays could greatly influence the values reported here. Long periods of reoccurring congestion will pull the segment average down, despite off peak operations that may move at free flow levels on the same segments.

The information is based on trucking communication data generated during normal operations. Each truck position pair is the location of the truck based on its positioning information, collected on an hourly basis. For more information on the program, please visit the FHWA website at <http://www.ops.fhwa.dot.gov/freight/time.htm> ■



▶ 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

April 7-9, 2010

Gulf Coast Trade Alliance, World Trade Conference 2010
Pensacola, Florida
<http://www.worldtradeconference.com/>

🌐 **April 10-14, 2010**

American Planning Association Planning Conference
New Orleans, LA
<http://www.planning.org/conference/>

April 13-15, 2010

Annual Delta Regional Authority Conference
Contact: Bevin Hunter at bhunter@dra.gov

April 14-16, 2010

IRPT Conference
Mobile, Alabama
<http://www.irpt.net>

April 20-22, 2010

Critical Commodities Conference
New Orleans, LA
<http://www.aiis.org>

May 19-21, 2010

Fourth International Conference on Financing Surface Transportation in the U.S.—Forging a Sustainable Future - NOW!
New Orleans, LA
<http://www.trb.org>

🌐 **May 19-20, 2010**

Toward Better Freight Transportation Data: A Research Road Map
Irvine, California

May 19-23, 2010

2010 AASHTO Spring Meeting
Natchez, MS
<http://www.transportation.org/meetings/260.aspx>

May 26-28, 2010

CNREP 2010 (Challenges of National Resource Economics and Policy)
New Orleans, LA
<http://www.cnrep.lsu.edu/2010/Agenda.html>

🌐 **July 11-14, 2010**

2010 TRB Joint Summer Meeting
Minneapolis, Minnesota
<http://www.trb.org/conferences/Public/JointSummer2010.aspx> or contact Bmillar@nas.edu.

August 11-13, 2010

GICA Annual Convention New Orleans, LA
<http://www.gicaonline.com/pages/news/calendar.html>

September 22, 2010

PIANC USA 2010 Annual Meeting & Tour
Boston, MA
Held in conjunction with the National Waterways Conference 50th Anniversary Meeting (Sept 23-24, 2010). www.waterways.org

🌐 **November 16, 2010**

TRB Commodity Flow Survey Workshop
Washington, D.C.
http://www.trb.org/Calendar/Blurbs/Commodity_Flow_Survey_Workshop_162826.aspx

SMART RIVERS 2011 CONFERENCE

September 13-16, 2011

New Orleans, Louisiana, USA
Westin New Orleans Canal Place

www.pianc.us



Mark your calendar for the next installment of the outstanding **Smart Rivers Conference** series, a biennial forum bringing together an international group of professionals involved in inland / river transport from around the world.

This 3-day technical specialty conference is organized by PIANC USA, along with more than twenty partnering organizations (including ITTS). The concept of 'Smart Rivers' sprang from a group started in 2004 called SmartRivers21, an international coalition intent on realizing "Strategic Maritime Asset Research and Transformation for 21st Century River Systems." It began with a cooperation agreement between American and European partners, and was followed by the organization of Smart Rivers 2005 Conference in Pittsburgh, Pennsylvania. Smart Rivers 2006 Conference was held in Brussels, Belgium, and the 2007 conference was held in Louisville, Kentucky. The organizers decided to move to a biennial schedule and Smart Rivers 2009 was held last September in Vienna, Austria.

Themes for the 2011 conference in New Orleans will include topics such as "Smart" Service Design and Innovation, System/Technology, Public Policy/Finance, Environmental Management, Flood Protection/Mitigation, Port & Landside Economic Development, etc., with a particular emphasis on making this a global conference.

▶ TRADE PROFILE ...Chile

Total U.S. Chilean trade amounted to \$15 billion, of which \$6 billion were imports and over \$9 billion were exports. (The U.S. is the largest importer into Chile, followed China, Brazil and Argentina. The U.S. does have a free trade agreement with Chile.) The largest gateways for U.S. - Chilean trade in 2009 were Miami, Houston, and Los Angeles.

The top imports from Chile are edible nuts and fruits, copper, fish, and wood products, which accounted for 66% of total imports. (The fruits are mostly produced and shipped counter seasonally to U.S. production.) The top five exports to Chile were industrial machinery, fuels, aircraft parts and electrical machinery, which contributed to 62% of total exports.

From the Southeast, regional exporters (the top five states are Florida, Louisiana, Georgia, South Carolina and Tennessee) shipped \$2.6 billion in trade to Chile (a -15% drop from 2008). The largest exports to Chile included petroleum, data processing equipment, civilian airplane parts, communications equipment and tires. ■

