

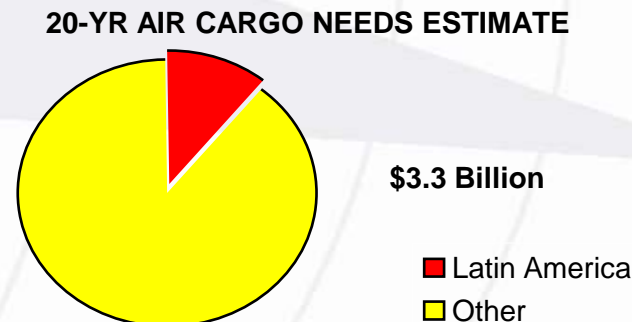
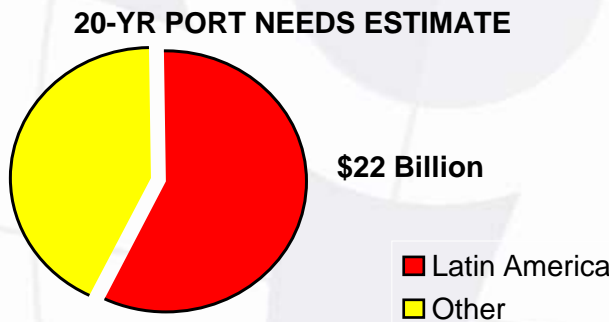
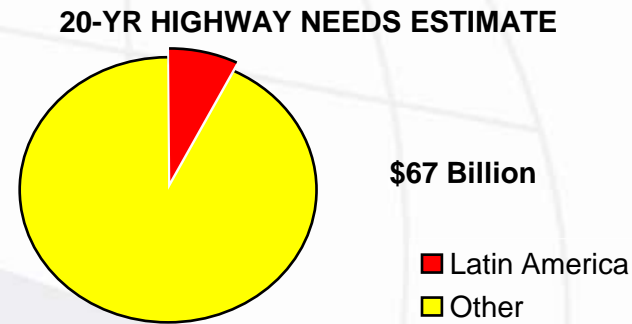
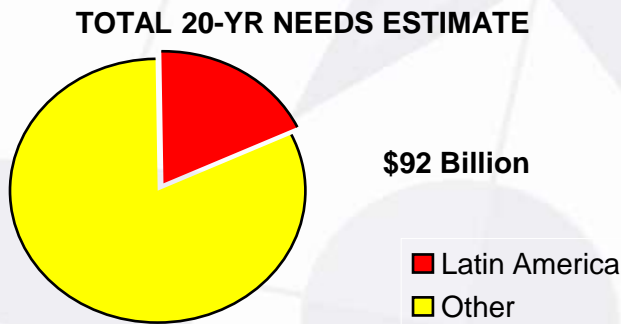
Southeast Transportation Connections



**INSTITUTE FOR TRADE AND
TRANSPORTATION STUDIES**

What Drove the States to Conduct the LATTS Study?

- Latin American Seen as Growing Market
- Did not feel region understood trade growth on region's infrastructure



Themes



- Transportation's Role in Economic Growth
- Globalization in the Southeast
- Improving Regional Freight Movements
- Perspective – Public Sector Focus



Transportation's role in economic growth

How will we live?

GOOD

Homepage | GOOD Video | GOOD Blog

THE STREET OF THE FUTURE IS A LIVABLE STREET

by CARLY CLARK and AARON NAPARSTEK

BEFORE ▶ AFTER ▶ NOW WHAT ?



See any trucks, railcars, barges or planes?
People need goods!

Freight Transportation – Changing Perceptions?



Redundancy and System Awareness

- Locks and Dam Closures
- Bridge Collapses
- Flooding in Tennessee
- Oil Spill in New Orleans
- Hurricanes, Snow, etc.

What does the Global Supply Chain Mean to the U.S.?

- U.S. logistics costs - \$1.4 trillion in 2007
- 10.1% of US GDP
- Projected to be 1/3 of National GDP by 2020 (up from 1/4 in early 2000's)

Firms See Transportation as Critical

Site Selection Magazine

Transport, Talent and Taxation Top Factor List

Site Selection's October survey of corporate real estate executives reveals which factors on average are most important to them when they are involved in location decision making.

1. **Transportation infrastructure**
2. **Existing work force skills**
3. **State and local tax scheme**
4. **Utility infrastructure**
5. **Land/building prices and supply**
6. **Ease of permitting and regulatory procedures**
7. **Flexibility of incentives programs**
8. **Access to higher education resources**
9. **Availability of incentives**
10. **State economic development strategy**

KPMG

- 90% stated - transportation directly influences their business.
- 77% stated - infrastructure:
 - Becomes more important over the next five years
 - But system will remain inadequate without new investment

Regional – Corridor Access

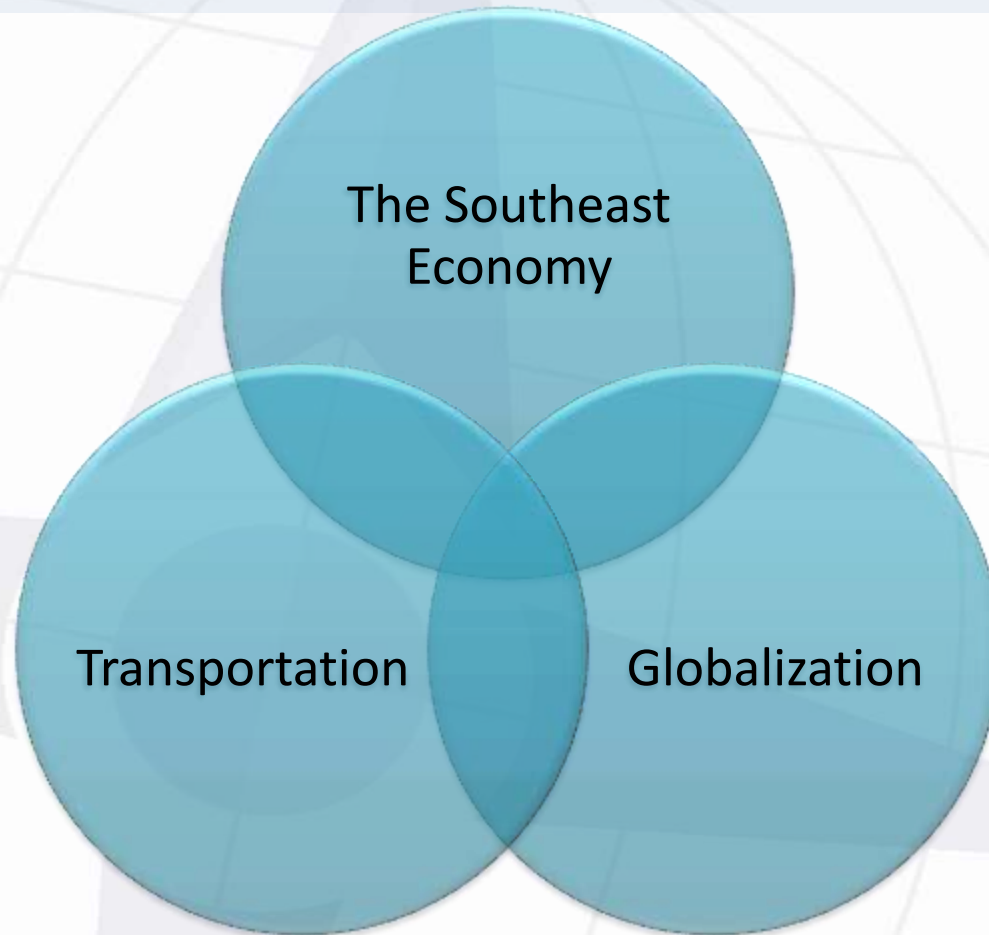


- Mobile
- Savannah
- Memphis
- Hampton Roads
- Heartland Corridor
- Crescent Corridor
- Gateway Program
- Logistic Park-Intermodal Facilities



Globalization of the southeast

Defining the Changing Southern Economy



How is the Southeast in the Global Economy?

- Imports
- Foreign Direct Investment
- Exporters
- Gateways

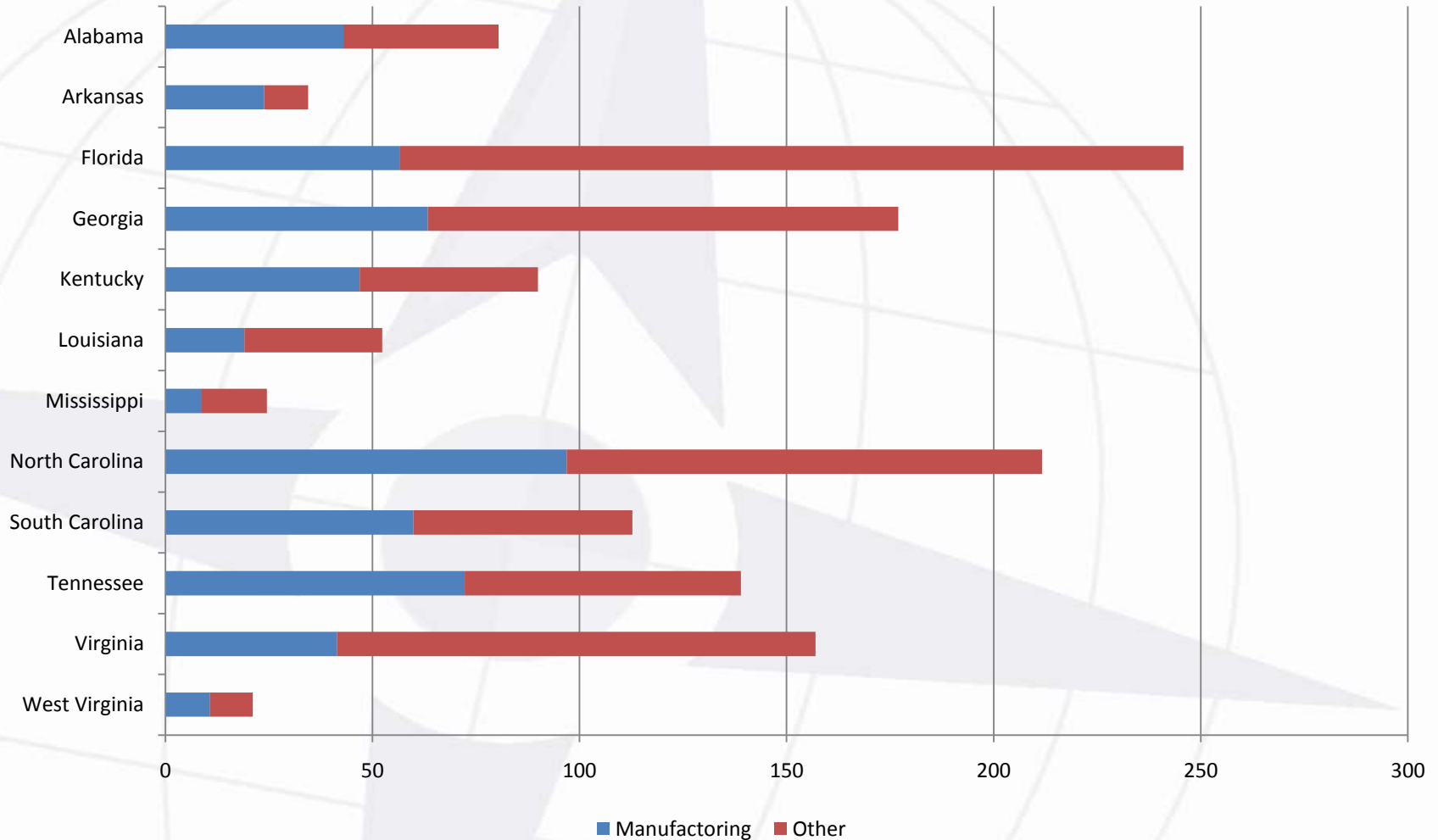


Imports

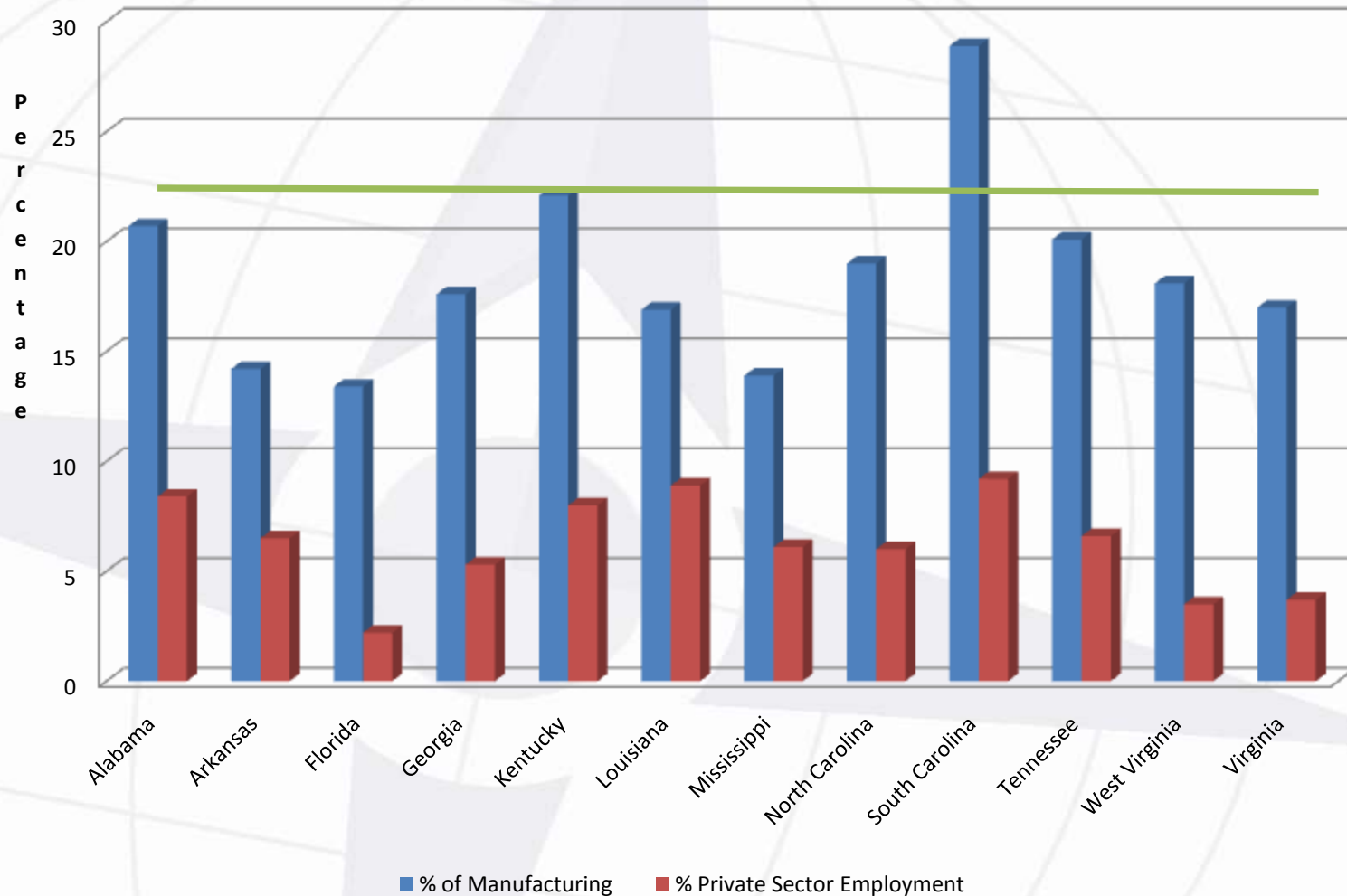


- The world feels closer
- The Chinese T-Shirt syndrome
- Assume all flows are one way

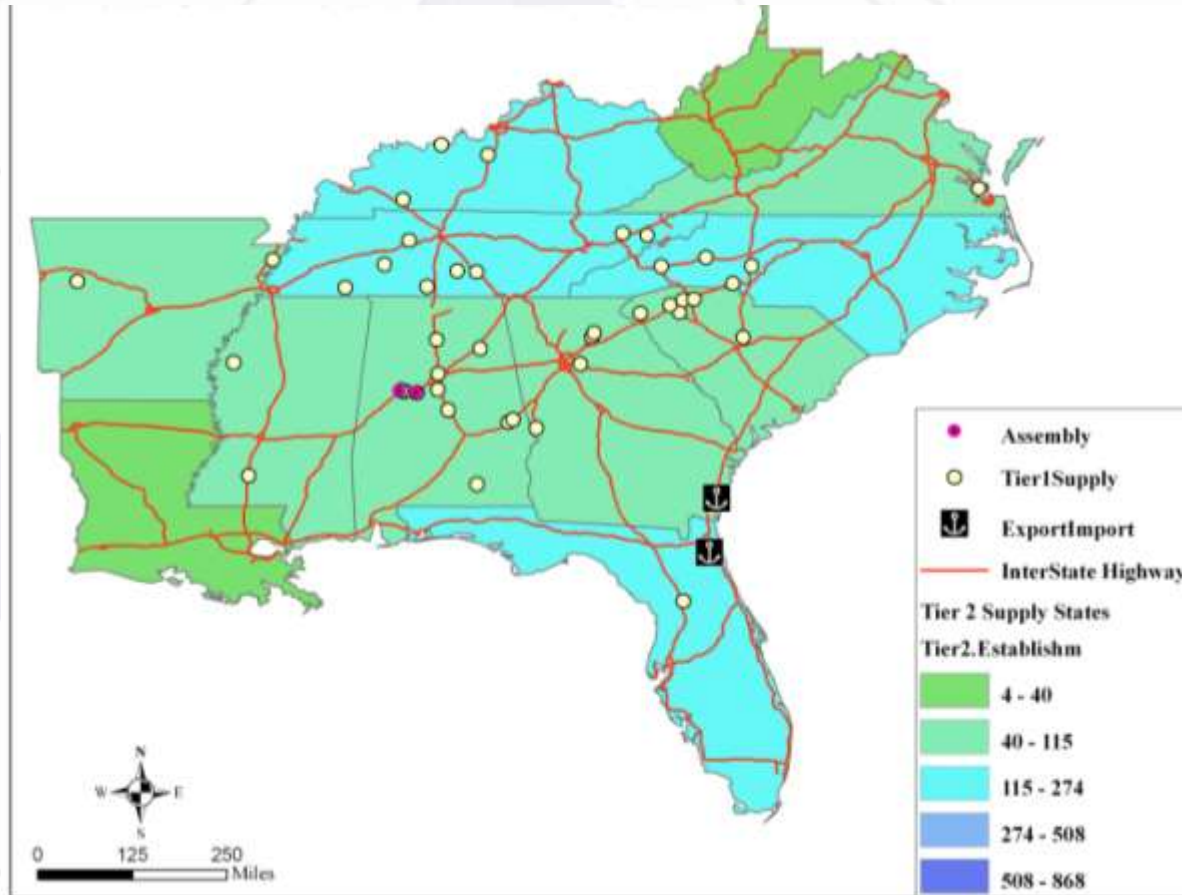
Total FDI Jobs in Southeast, 2007 (thousands)



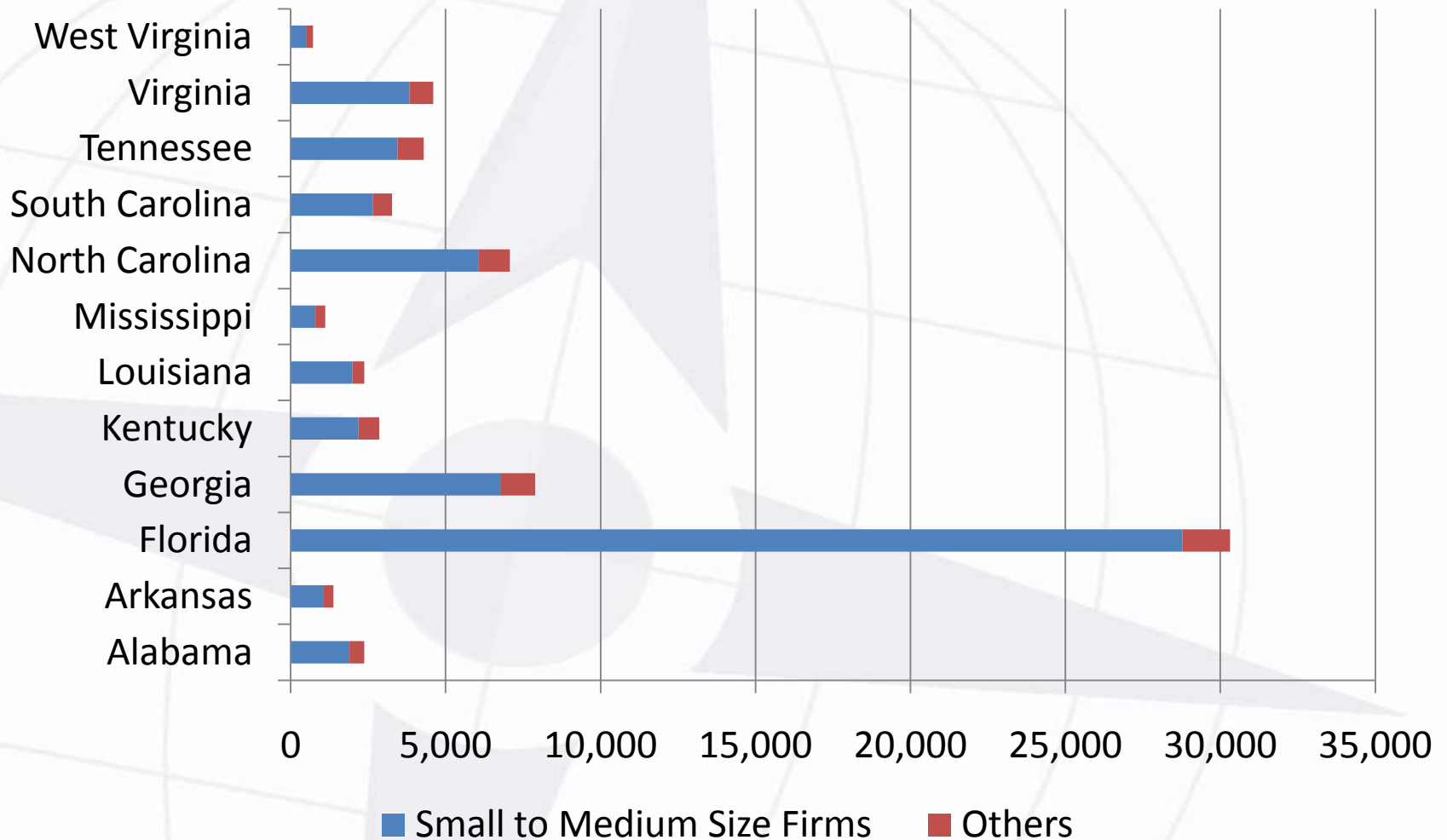
Manufacturing Exporters Share of Total Manufacturing for Southeastern States (2007)



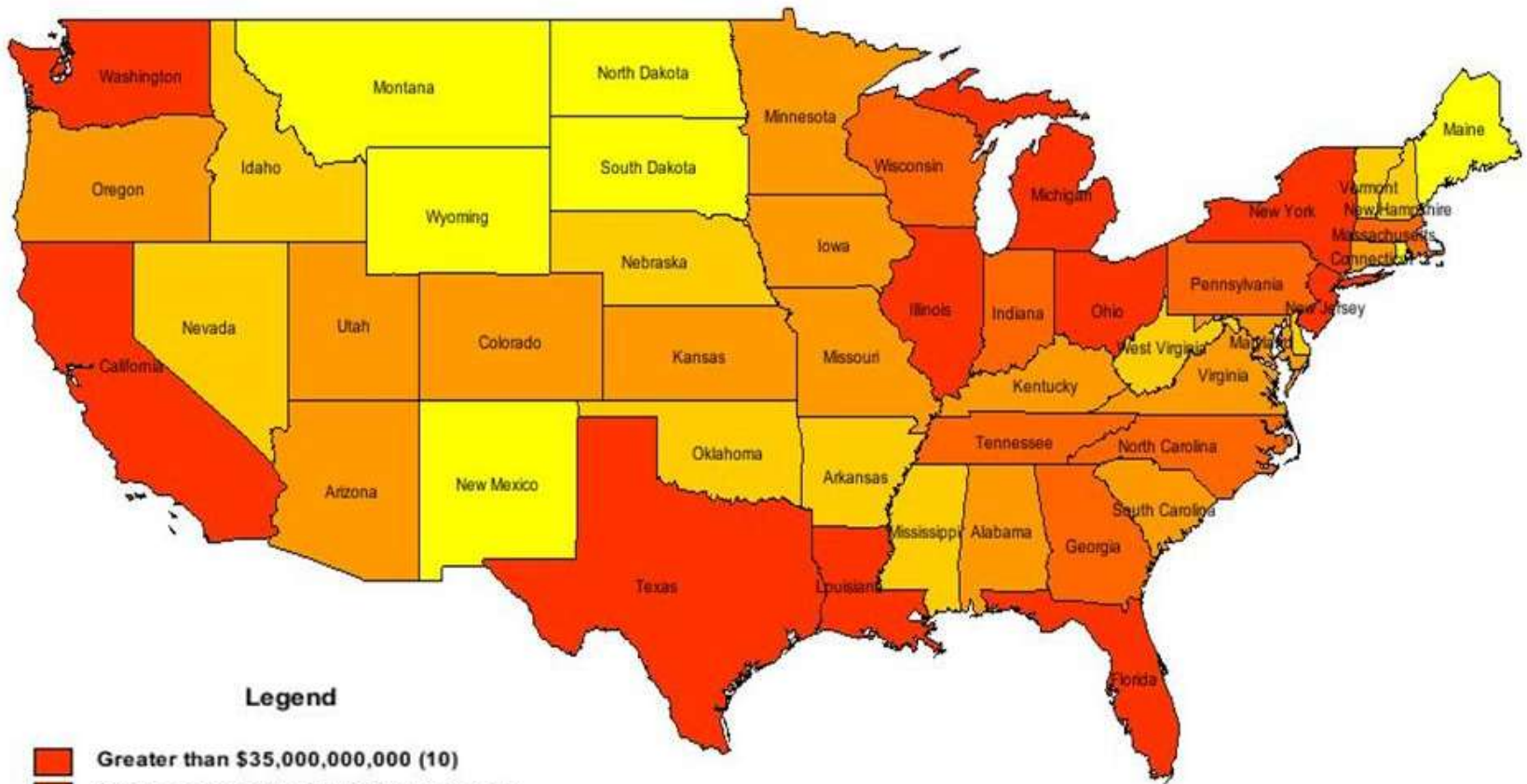
Mercedes Benz Supply Chains for Alabama



State Comparison of Exports by Business Size, 2007



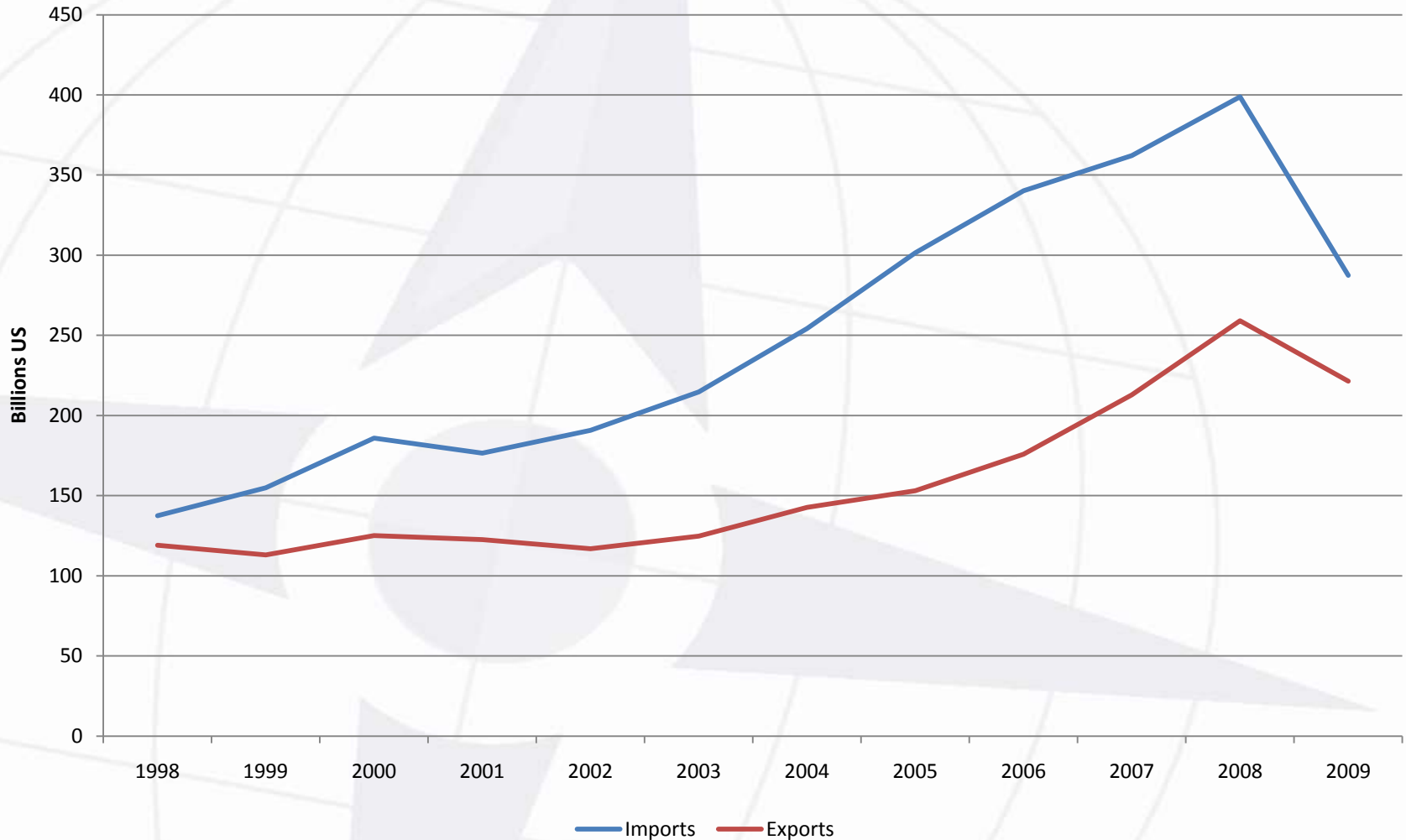
Exports by State of Origin, 2008



Legend

- Greater than \$35,000,000,000 (10)
- \$20,000,000,000 to \$35,000,000,000 (7)
- \$7,500,000,000 to \$20,000,000,000 (14)
- \$3,500,000,000 to \$7,500,000,000 (11)
- Less than \$3,500,000,000 (9)

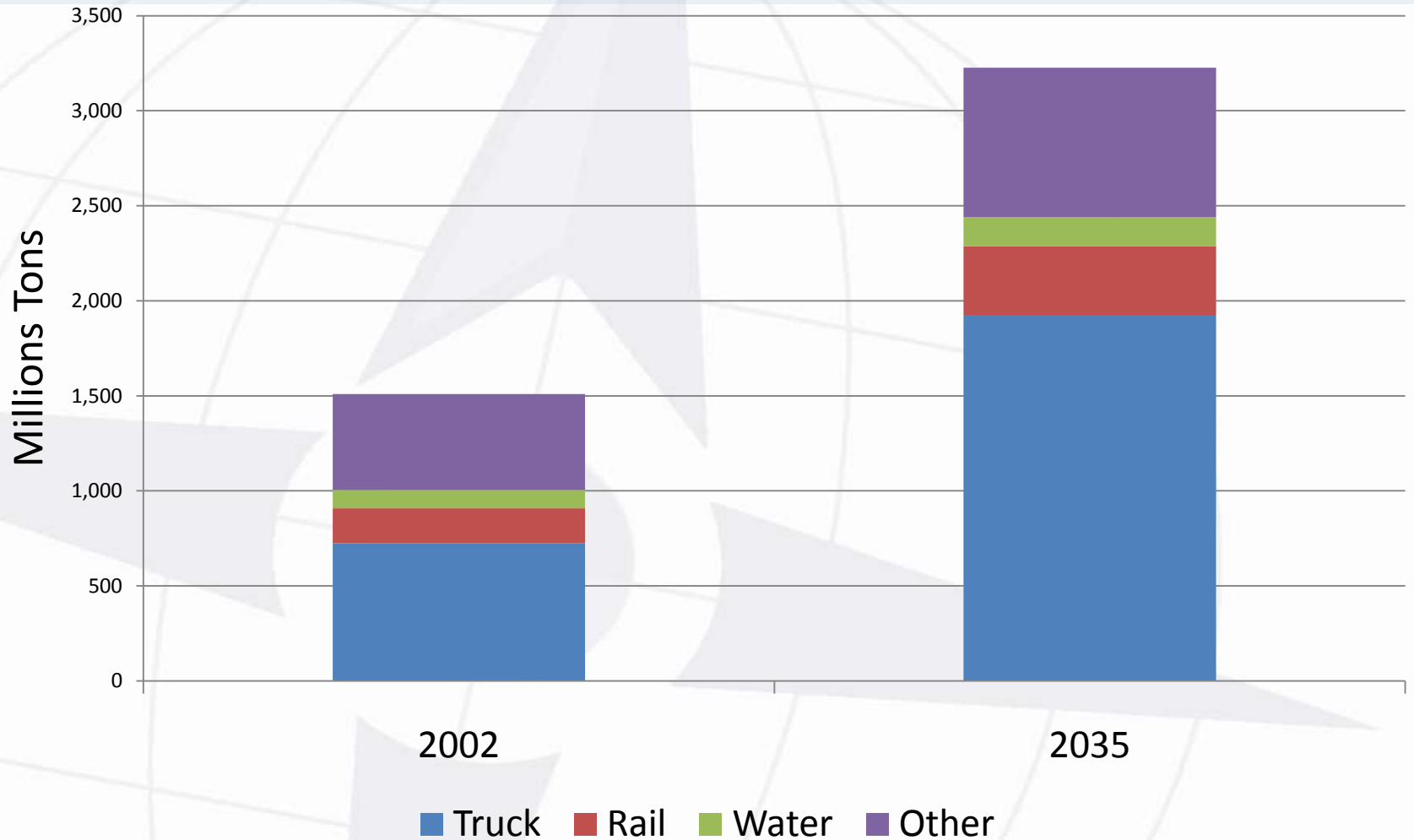
Total Trade Through Southeastern U.S. Gateways



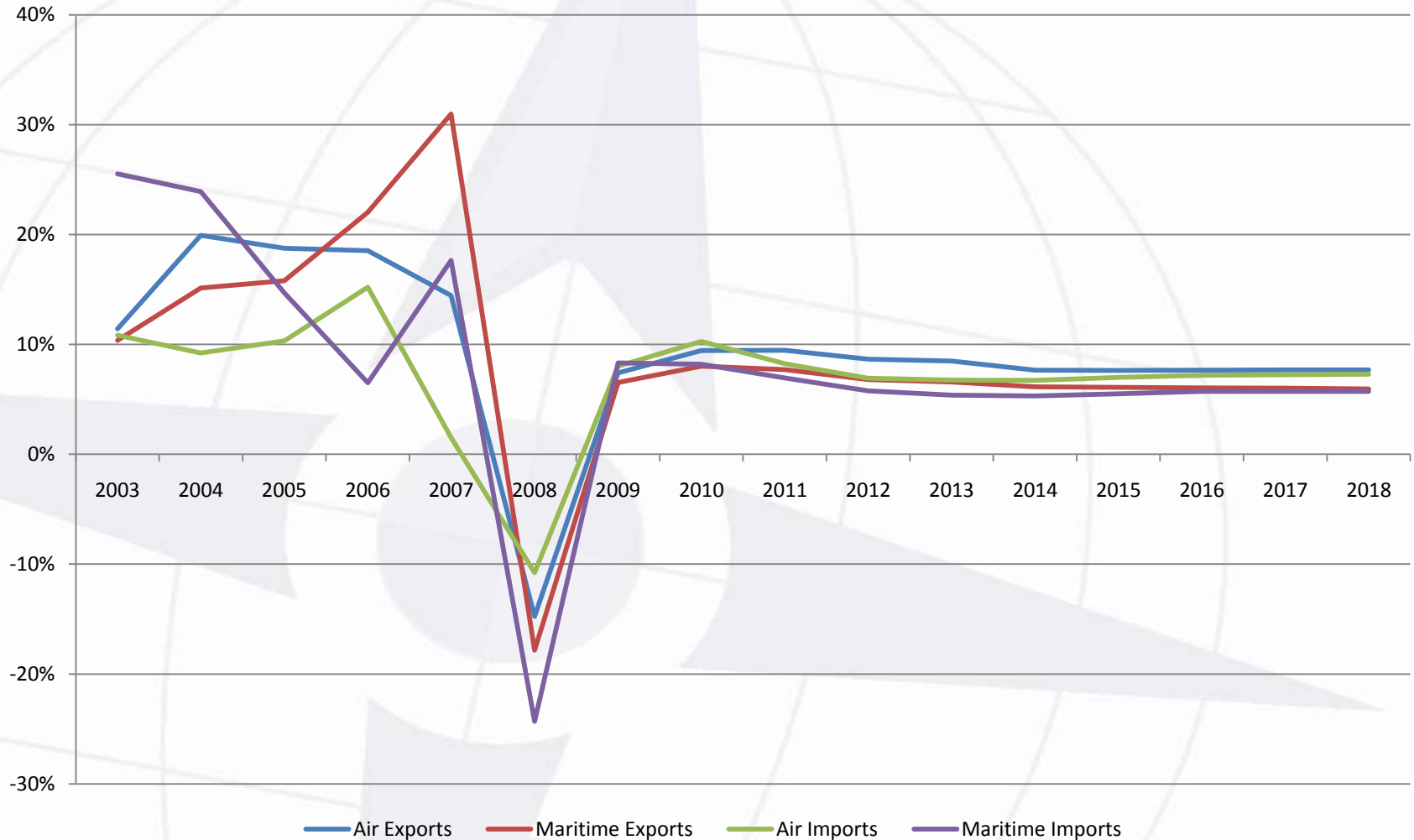


Improving Regional Freight Movements

Forecast of Freight in U.S. (Tons)



Total Trade Growth Through Southeastern Ports



The Future is Uncertain Globally...

- Changing U.S. policy
- Changing Import Sourcing
- Foreign Direct Investment trends
- Expansion of Transshipment hubs in region
- Free Trade negotiations
- Cuba
- Panama Canal Expansion
- Promoting US exports
- Transparency and Security
- Climate Change



And Domestically.

- Automotive Industry in Southeast
- Biofuels
- Alternative Energy Corridors
- Emergence of National Logistics Hubs
- Changing Urban and Rural demographics
- Carbon footprint and Sustainability
- Promoting Small Businesses



Are We Planning Wisely?

- Improving transportation different from past
 - Traffic growing on aging facilities
(but money for projects is not)
 - Need to consider all modes for cargos
 - System's use not fully understood or appreciated
 - Emerging pressures outside of traditional planning process exist

Can the Southeast be Competitive Globally?

- Promote Businesses to engage in trade
 - Support businesses in global trade
 - Each \$1 billion in new exports generates roughly 6,000 jobs
- Ensure Connectivity
 - Ports, gateways, multimodal systems
 - FHWA estimates that \$1 billion in highway investment supports 10,870 jobs

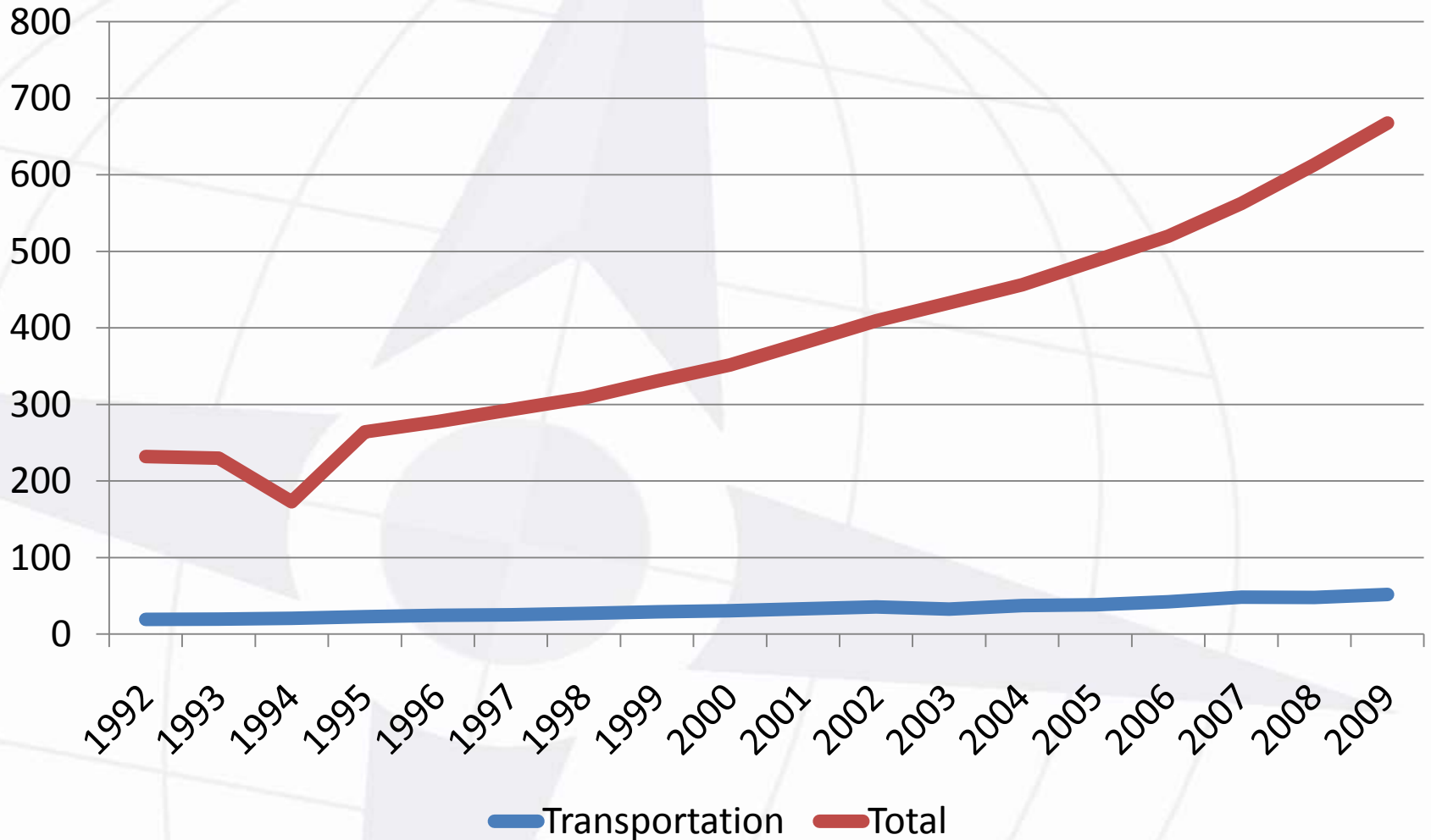
Can We Be Proactive With Corridors?

- Develop strategic intermodal corridors with connectors
- Capacity expansion
- Resolve conflicts at multimodal intersections
- Authorized corridors should be built
- Recognize multimodal corridor tradeoffs exist

Can Waterways/Railroads Be Part of Solution?

- Balance with existing international/ coastal flows
- Emissions and Environmental accountability
- Determine ways to encourage private sector investment in equipment, services
- Work with states/cities for truck congestion
- Federal and State Multiagency planning, data, analysis

State Spending on Transportation and All Spending



Final Thoughts?

- Previous investment connects us to world
- Future growth depends upon connectivity
- Inactivity may:
 - Increase congestion and unreliability
 - Add costs to the region's businesses
- Goods movement = jobs

Thank you

Bruce Lambert
Executive Director
Institute for Trade and
Transportation Studies
540-455-9882
bruce@ittsresearch.org

Visit ittsresearch.org for more information on ITTS

