It’s a Big World Out There...
Can Transportation Make a Difference?

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June 21, 2012
What Drink Can’t You Live Without?

• When do you expect to get this?
• Where do you expect to get this?
• How much are you willing to pay in time or money to get it?
• What are your expectations?
Does it matter?

- $40b moving through U.S. - daily
- Average person consumes 40 tons – annually
- $1.28 trillion spent on logistics - annually
- Largest Freight Market in world
How Does Freight Move in the U.S. 2007 Commodity Flow Survey

- **Value ($11.7 Trillion)**
- **Tons (12.5 Billion)**
- **Ton-Miles (3.3 Trillion)**

- **Truck**
- **Rail**
- **Air (included truck and air)**
- **Water**
- **Pipeline**
- **Parcel, U.S.P.S. or courier**
- **Other and unknown modes**
- **Other multiple modes**
Domestic Freight Mode Share by Distance

[Bar chart showing the mode share of domestic freight by distance, with categories: <50, 50 - 99, 100 - 249, 250 - 499, 500 - 749, 750 - 999, 1000 - 1499, 1500 - 2000, > 2000. Categories are represented by bars colored for truck, rail, and water.]
It’s a Crazy World Out there...

- International Trade
- Policy
- Regulatory
- Funding
- Competition
- Job Creation
GDP Growth Rates For Various Regions

(Real GDP, percent change)

Source: IHS Global Insight
Forecast of U.S. and Canada Trade Inbound Intermodal Activity

Imports Growth Base (L) vs. Last Year

Imports Volume (R) Millions of TEUs

Sources: PIERS, TranSystems, TTX
Latin America and the Caribbean: Share of Selected Partners in Total Trade, 2000-2020 A. (Percentages)

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the United Nations COMTRADE Database and national sources.

A/ Projections from 2011 to 2020 are based on GDP growth rates for the years 2000-2010 in Asia-Pacific, China, the European Union, Latin America and the Caribbean, the United States and the rest of the world. The growth rate of trade is expected to converge with the economies’ long-term growth rate.
What Questions Should be Asked about the Canal...

• Is it needed?

• Does it fundamentally change North American flows?

• Can (will) I get a piece of the pie?
Changing Hinterlands?

- Faster Transit
- Economies of Scale
- Anything else?
  - Bulk
  - Exports
  - Container availability
A Muddled Future

North American Logistics
- Tolls versus Rail Rates
- Other Gateways (Canada, California, Suez Canal)
- Eastern Railroad developments

Expectations
- Everyone is focusing on their part
- What if nothing happens?

Policy
- Dredging
- US Chinese Trade Tensions
- Security and Regulatory Oversight
- Economy

Shippers
- Near-Sourcing
- Changing Shipment Strategies
- Intermodal Connectivity
- FDI and Market Shifts
- Pace of US Recovery

Carriers
- Ship Rotations
- Order Books
- Transshipment hubs in region
Transportation means what to Louisiana...

- International Trade
- Job Creation
- Taxes
- Domestic Transportation
- Energy
What Industries Drive the Louisiana Economy, 2010

- Agriculture, forestry, fishing, and hunting: 1%
- Mining: 14%
- Utilities: 2%
- Construction: 5%
- Transportation and warehousing: 4%
- Wholesale trade: 4%
- Retail trade: 6%
- Govt.: 11%
- Services: 35%
- Manufacturing: 16%
Comparison of Freight Dependency US, Southeast, Louisiana

Share Based on Estimated Industry Clusters, NIACS Code 2010

US Average
Southeast Average
Louisiana

Consuming  Producing
Transportation in the LA Economy

- warehousing
- Pipeline Transportation
- Truck Transportation
- rail transportation
- Other transportation services
- Transit and ground passenger transportation
- water transportation
- air transportation
Total Freight Transportation in LA - 2008

Source: Freight Analysis Framework
International Trade

• Is it only the ports?
• FDI?
• Export jobs?
The Gateways Used by LA Exporters

Value

- New Orleans, La.
- Gramercy, La.
- Baton Rouge, La.
- Lake Charles, La.
- Houston, Texas
- St. Rose, La.
- Los Angeles, Calif.
- Port Huron, Michigan
- Long Beach, Calif.
- Detroit, Michigan
And What Can We Do About It?

- Education
- Legislative
- Planning
“The Job Creation / Logistics Message”
The Freight Challenge

- Congestion
- Incorporating trucks into planning and project development
- Cross-mode analysis and investment
- Planning for new traffic generated by ports, terminals, and distribution centers
- Landuse decisions
- Economic Growth
- Acceptance?
Where is the priority?

- 10 days, 4000 miles
- 2 days, No miles
- 2 days, 1500 miles
- 4 hours, +/- 2 hours, 20 miles
Freight Access and Mobility May Create Transformative Opportunities
Who is Responsible for What?
So What? Can we be proactive?

- Foreign Investment has shaped the south – but need to become involved early remain
- Need to improve connectivity of intermodal facilities
- Need to develop strategic intermodal corridors
- Capacity expansion – waterways, dredging, railroad corridors, interstate highways
- Not every project should be built-equity vs. efficiency
- Regionalization will be key- partnerships shaping new economic geography
- Resolve conflicts at multimodal intersections (bridges, grade crossings, etc.)
- Recognition that multimodal corridor tradeoffs exist
What are you going to drink next?

- It came from somewhere
- It was packaged ready for your needs
- It was available when you wanted it
- It should met your expectations concerning price and quality
- *But how did it get here?*
Thank you

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