Dryports in the United States
“Describing an elephant”
What Is ITTS?

- Evolved from LATTS Studies
- 12 State Departments of Transportation
- “Forward Thinking” on freight planning and policy needs
Intermodal Rail Traffic

- Started in 1980's
- Fastest Growing Segment
- Domestic and International
- Dedicated services for certain shippers
- Different sized terminals
- Private Operators
Maritime Gateways are limited


Total TEUs (in millions)

KEY: TEUs = twenty-foot equivalent units.
One 20-foot container equals one TEU, and one 40-foot container equals two TEUs.

NOTE: The data in this figure include only loaded containers in U.S. international maritime activity and cover U.S. imports, exports, and transshipments. Therefore, the trade levels will be greater than those reported from U.S. international trade statistics, which exclude transshipments. The data also exclude military shipments.

What is an Intermodal Corridor?

• Different terms: Trade or traffic lane or route
• Will be multijurisdictional
• May have multimodal options
• Mixed users (carriers/shippers) on corridor
• Connectivity and access are critical
• Mix of local, regional, international traffic
Everyone wants logistics!
Who Are the Players?

Private
- Shippers
- Carriers
- Developers

Public
- State, local, national
- Civic Groups
**Private Sector Role in Intermodalism**

<table>
<thead>
<tr>
<th>Railroads</th>
<th>Shippers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privately owned</td>
<td>Services are assumed</td>
</tr>
<tr>
<td>Focus on density</td>
<td>Don’t tell me your problems</td>
</tr>
<tr>
<td>“Big corridor” focus</td>
<td>Intermodalism is part of supply chain</td>
</tr>
<tr>
<td>Economic Developers</td>
<td>Their logistics costs are not based on your services alone -options</td>
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<tr>
<td>See federal funds as partners</td>
<td></td>
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<tr>
<td>Want consistency</td>
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</tbody>
</table>
Public Sector Role in Intermodalism

**Agency**
- Most operate as landlords
- Not planning agency
- Economic Development “Catalysts”
- Transparency and merit based
- Performance metrics

**Political**
- Civic Pride and Competition
- Election cycle versus life cycle
- Accountability
- Conflicts over local objectives
- Willing for Public Private Partnerships
What will you build/operate?

- What is your market? Expand or Cannibalize
- What type of facility/services are needed?
- Develop densities and services
  - Service Requirements (cargo or regulatory)
  - Drayage and equipment issues
  - Domestic and international
  - Shippers bear costs?
- Financing and debt settlement
- The “Champion” – In or Out?
Mercedes Benz Supply Chains for Alabama

- FDI trends not understood
- Supply chains stretch beyond project area
- Imports/exports more important to site
An “emerging” debate on infrastructure
Forecast of Freight in Southeast 2002-2035 (source: FAF)
Corridors will be more important in the future

- Panama Canal Expansion
- Emerging corridors/hubs
- Densities critical in determining new sites
- More intermodal locations may develop
- Will we choke on congestion first?
- Legacy concerns
20 Year Needs Estimates
LATTS Strategic System

TOTAL 20-YR NEEDS ESTIMATE
$92 Billion
- Latin America
- Other

20-YR HIGHWAY NEEDS ESTIMATE
$67 Billion
- Latin America
- Other

20-YR PORT NEEDS ESTIMATE
$22 Billion
- Latin America
- Other

20-YR AIR CARGO NEEDS ESTIMATE
$3.3 Billion
- Latin America
- Other
Where is the National Priority?

10 days
4000 miles

2 days
No miles

2 days
1500 miles

4 hours
+/- 2 hours
20 miles
Benefits of discussion on dryports

• Connecting ports and hinterlands
• Connecting exports to trade markets
• Discussion of regional transportation needs
• Finding partners
  ▪ Railroads, barges, public, private sector

• But who is listening?
  ▪ Shippers
  ▪ General Public
  ▪ Public Decision Makers
Dryport Partnership Challenges?

• Mixing Federal and State and Private Funds
• Grade Crossings - clearances
• Modal interchanges
• External Pressures
  ▪ Reregulation (rates)
  ▪ Positive Train Control (operations)
  ▪ “Cap and Trade” (cargo mix)
  ▪ Security
• Balancing Expectations
• “Do no harm” to modal “balance” or create unfair advantages
Can Dryports be a part of a Freight Strategy?

- Balance with international/coastal flows
- Recognize multimodal corridor tradeoffs exist
- Work with states/cities for truck congestion
- Multiagency planning, data, analysis
- Efficiency versus equity
- “3I’s” - Infrastructure, Information, Institutions
Heartland Intermodal Corridor
Scan, Sept 2010
One Summary...

- If you are hinterland and network deficient
  - Desire partners
- If you have potential partners
  - Desire terminal/intermodal transfer services
- If you have intermodal services
  - Desire connectivity
- If you have connectivity,
  - Desire ongoing profitable relationship
Thank you

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