LOCATION, LOCATION, LOGISTICS...
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?
WHAT MUST WE/I DO- TRANSPORTATION/ECONOMIC DEVELOPMENT?

- What may change existing flows or create new markets?
- Can (will) WE/I get a piece of the pie?
- What can WE/I do to create opportunities?
What may change existing flows or create new markets?

WHERE IS THE WORLD GOING?
EVERYONE WANTS STUFF!!!

Annually

- Everyone – produce/consumes 50 tons of stuff
  - (2 Loaded Trucks)

- 11,000 ton-miles
  - (you and 9 friends driving between Los Angeles and Charleston, SC 5 times!)

- 9% of US GDP spent on logistics
SOME MACRO CHANGES?

- China – “Insourcing”
- Near Sourcing to Latin America
- Future of dollar for exports
- Port development issues
- Free Trade negotiations
- Security risks and asymmetric disruptions
- Price of fuel – “Greening”
- Intermodalism
- Transportation worker availability
GDP GROWTH RATES FOR VARIOUS REGIONS

(Real GDP, percent change)

Source: IHS Global Insight
THE PANAMA CANAL - CHANGING HINTERLANDS?

- Faster Transit
- Economies of Scale
- Anything else?
  - Bulk
  - Exports
  - Container availability
ROLE OF TRANSPORTATION IN LOUISIANA’S ECONOMY

(Do I get a piece of the pie?)
LOUISIANA HAS

- Railroads
- Waterways
- Ports
- Airports
- Highways
COMPARISON OF FREIGHT DEPENDENCY: US, SOUTHEAST, LOUISIANA (2011)

Share Based on Estimated Industry Clusters, NIACS Code

- US Average
- Southeast Average
- Louisiana

- Consuming
- Producing
### Industry Share of the Louisiana Economy, 2011

<table>
<thead>
<tr>
<th>Industry</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry, fishing, and hunting</td>
<td>1%</td>
</tr>
<tr>
<td>Mining</td>
<td>11%</td>
</tr>
<tr>
<td>Utilities</td>
<td>2%</td>
</tr>
<tr>
<td>Construction</td>
<td>4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>25%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>4%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>6%</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>4%</td>
</tr>
<tr>
<td>Government</td>
<td>10%</td>
</tr>
<tr>
<td>Services</td>
<td>33%</td>
</tr>
</tbody>
</table>
LOUISIANA SHIPMENTS BY ORIGIN, TRADE BY MODE, BY VALUE 2001-2011 ($55.1 BILLION)
LOUISIANA EXPORTS AS SHARE OF STATE GDP 1997 - 2011
EXPORTS AS SHARE OF LOUISIANA MSA GDP, 2010

- Alexandria; LA
- Shreveport; LA
- Monroe; LA
- Lafayette; LA
- Houma; LA
- Baton Rouge; LA
- New Orleans; LA
- Lake Charles; LA
TOTAL FREIGHT TRANSPORTATION IN LOUISIANA - 2010

1,022,178
Thousand of Tons

612,482
Current Millions$
2010 MODAL FLOWS WITHIN LOUISIANA

520,762 Thousand of Tons

- Rail 1%
- Water 24%
- Multiple modes & mail 2%
- Air (include truck-air) 0%
- No domestic mode 8%
- Truck 34%
- Other and unknown 1%

267,852 Current Millions$

- Rail 1%
- Water 20%
- Multiple modes & mail 2%
- Air (include truck-air) 0%
- No domestic mode 8%
- Truck 34%
- Pipeline 34%
- Other and unknown 1%
FORECAST OF TRANSPORTATION FOR LOUISIANA 2010-2040 BY WEIGHT (IN THOUSAND TONS)

Source: Freight Analysis Framework, FHWA
LOUISIANA NEEDS INFRASTRUCTURE TO CONNECT TO MARKETS
What can WE/I do to create opportunities?

TRANSPORTATION AND COMPETITIVENESS
SOME STRATEGIC QUESTIONS BUSINESSES ASK

- What are my current and potential markets?
- What facilities, resources do I need to service those markets?
- Where do I need to locate?
- Can implications from outside my control change this decision framework?
- What are the emerging trends?
- What is my competition thinking?
- What can I do to manage costs?
FIRMS SEE TRANSPORTATION AS CRITICAL

Site Selection Magazine-2010

KPMG – 2007

- 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

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
“THE JOB CREATION /LOGISTICS MESSAGE”
WHY IS INFRASTRUCTURE INVESTMENT IMPORTANT TO LOUISIANA’S ECONOMY?

- Capital projects provide construction and maintenance jobs
- Quality infrastructure important to a Manufacturing/Agriculture/Trade-based economy
- Competitive intermodal MAY attract new, value-added businesses
- Position our regional businesses to participate and react to global freight trends
- Improves our competitiveness
WHO IS RESPONSIBLE FOR WHAT?

Public Sector
- Transportation
- Utilities
- Workforce Development
- Business Climate
- Incentives

Private Sector
- Terminal Operations
  - Cargo Density
  - Business Clusters
  - Intermediaries

Vision
- Education
- Partnerships
<table>
<thead>
<tr>
<th>FREIGHT ADVISORY COUNCILS</th>
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<tbody>
<tr>
<td><strong>State/Federal</strong></td>
</tr>
<tr>
<td>- LADOTD Activities</td>
</tr>
<tr>
<td>- Freight Advisory Councils – MAP21</td>
</tr>
<tr>
<td>- Other State models</td>
</tr>
<tr>
<td><strong>Local Initiatives</strong></td>
</tr>
<tr>
<td>- Columbus Chamber of Commerce Logistics Council</td>
</tr>
<tr>
<td>- DVRPC</td>
</tr>
</tbody>
</table>
FREIGHT ACCESS AND MOBILITY MAY CREATE TRANSFORMATIVE OPPORTUNITIES
Is this how most people see trucks and trains?
THE DISCUSSION IS IMPORTANT

- Connecting with global markets
- Regional transportation needs
- Economic Development
- Corridors – Federal, State
- Finding partners
- Identifying strategic logistics markets/assets
What is the Story?

Louisiana benefits from
- Access to Waterways, Railroads, Airports, Highways
- From previous investment in public and private freight infrastructure
- Connections with world markets creates jobs

The State – growth is with external markets

Can WBRC develop a regional logistics strategy?
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 meet your expectations concerning price and quality

But how did it get here – and did someone from Louisiana make this happen?
THANK YOU

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Louisiana Transportation
Moving the economy forward