Thoughts on Freight Logistics in the Southeast

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Freight matters

Daily –
• 48.3 million tons of goods worth $46 billion

Annually –
• 57 tons per person

Annually –
• 9% of economy is spent on 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 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?
Some components of Freight in the Southeast…

- The State of the Economy
- Foreign Trade Zones, Foreign Direct Investments, Site Selection and Industrial Properties
- Role of Public Private Partnerships in Freight and Logistics
- Performance Metrics and Managing Transportation Systems
- The Autonomous Supply Chain
- Ports and International Trade
- Urban Freight Issues
- Federal Transportation Policy
Comparison of Freight Dependency between the US, Southeast, 2010

- US Average: 17.5% Consuming, 18.3% Producing
- Southeast Average: 19.6% Consuming, 18.8% Producing
Logistics Parks and Economic Development

- What type of facility?
- Trackage and Terminals
- Develop densities
  - Drayage and equipment issues
  - Domestic and international
  - Shippers bear costs?
- Don’t cannibalize other facilities
KY – top 200 firms - Intermodal facilities

Yellow – Top 200 Firm
Green – Intermodal Facility
“What is the Message”

It's about me...  

Really?
Who Are the Players?

**Private**
- Shippers – International
- Shippers – Domestic
- Carriers – Intermodal
- Carriers – Drayage, Regional

**Public**
- State
- Local
- Federal
- National
Who is Responsible for What?

Terminal Operations
- Cargo Density
- Business Clusters
- Transportation services
- Intermediaries

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

Private Sector
- Vision
- Education
- Partnerships

Who is Responsible for What?
Bottlenecks and Through Movements

Through Ton-Miles as Share of Regional Truck Traffic

- 0%
- 25%
- 50%

Map of the United States showing bottle necks and through movements.
How Do Businesses Respond to Congestion?

• Move away from distribution facilities away from urban centers
• Locate in areas that have access to multiple modes
• Align operations to minimize congestion and manage fuel costs
• Site Selection magazine – 2nd tier cities doing well for attracting new businesses
Operations - Traditional Push Supply Chain Framework

"PUSH" METHODS OF CONTROL (relative importance)

Supplier → Manufacturer → Distributor → Customer
Buyer Expectations Are Changing Retail Logistics

Wow!! The Little Orphan Annie Decoder Ring Finally Arrived!!

Wow!! What a bargain, and I will get it tomorrow!
Retailers Changing Their Domestic Supply Chains

- Locate Closer to Customer
- More Integrated Supply Chains
- Manage Variability
- Transloading
- Reduce unreliability
Operations - Modern Push Supply Chain Framework

Supplier → Supplier → 3PL → Supplier → Supplier → Supplier → Supplier

Designer → Manufacturer → Marketer

Distributor

Customer

Recycled products

Point-of-sale data

“PULL” METHODS OF CONTROL (relative importance)

Inventory

Transport System

Information System
Automated Vehicles

- Preparing Trip
  - Driver Assisted Vehicles
  - Route Planning
- During Trip
  - Electronic Notifications of parking, spacing, etc.
  - Electronic Logs
  - Platooning
  - Routing Assistance
- Last Mile
  - Scheduling at Ports
  - Geofencing
  - Truck Parking Management
Does Understanding The Big Picture Matter?

- Will imports/exports go up or down in 10 years?
- Where will people live in twenty years?
- Where will the state see more truck traffic?
- What if we go to heavier/longer trucks?
- What if the State attracts more manufacturing, energy jobs?
- Truck parking issues?
- What is my neighbor doing?
- What will this change and where?
Mississippi’s Main Multimodal Corridors
Public Sector Planning for Freight - Today

More modal balance
Largest trading partners are neighbors
Need to move along corridors

All Modes
All cargos
Discretionary routing

To-From State

Within State

Through Freight

Mostly Trucks
Tend to be heavier products
Rural-urban flows
Urban-urban flows
What are you drinking 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
- Did it generate any jobs in your area?
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NHI Course – Fundamentals of Freight Data –
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