TDL Industry Trends from a National Viewpoint
TDL-Freight Means What
Globalization
Corridor Connectivity Matters
Future and Regionalization
SC Response
TDL-Freight Means What
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?
How Does One Look at Freight Activity?

- Inventory Functions
- Engineering
- Operational Reliability
- Economical and Financial
- Safety and Security
- Markets
- Jobs
- Big F or little f
U.S. is Largest Freight Transportation User in World (Source OECD)
Logistics Matters to US Economy - 2011

- U.S. spent $1.2 trillion on logistics
  - 8.3% of GDP (CSCMP)

- U.S. spent $289 billion on public infrastructure (Governmentspending.com)
  - 5% of all government spending
  - 2% of US GDP
What Industries Drive the South Carolina Economy, 2010

- Agriculture, forestry, fishing, and hunting: 1%
- Mining: 0%
- Utilities: 3%
- Construction: 4%
- Manufacturing: 16%
- Wholesale trade: 5%
- Retail trade: 8%
- Transportation and warehousing: 2%
- Services: 43%
- Government: 18%
Comparison of Freight Dependency US, Southeast, South Carolina

Share Based on Estimated Industry Clusters, NIACS Code 2010

- US Average
- Southeast Average
- South Carolina

- Producing
- Consuming
Where Does SC Freight Go? – 2010 FAF

- Within 47%
- To 21%
- From 32%
- From 37%
- To 37%
- Within 26%

Value (outer)
How Will SC Freight Get There –
(2010 FAF, Value)

- Pipeline/Other
- Multiple modes & mail
- Air (include truck-air)
- Water
- Rail
- Truck

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Ton Miles of Truck Shipments by State for 2002

- West Virginia
- Virginia
- Tennessee
- South Carolina
- North Carolina
- Mississippi
- Louisiana
- Kentucky
- Georgia
- Florida
- Arkansas
- Alabama
- Regional Average

Legend:
- Within/Local
- To/From
- Through
Globalization
Export Related Jobs as Share of Employment, 2008

- % of Manufacturing
- % Private Sector Employment
South Carolina Shipments by Origin, Trade by Mode, By Value 2000-2010
South Carolina Shipments of Origin, top Commodities 2010 (All modes - $20.3 Billion)
South Carolina Shipments of Origin, Top Destinations 2010 (All modes - $20.3 Billion)

- Canada (16%)
- Germany (14%)
- China (11%)
- Mexico (6%)
- United Kingdom (6%)
- Australia (3%)
- Brazil (3%)
- Kuwait (3%)
- India (2%)
- Japan (2%)
- Other (34%)
Corridor Connectivity Matters
What is a Corridor?

- Different terms: Trade or traffic lane or route
- May have few or many access points
- Can be multimodal
- Will be multijurisdictional
- Mixed users on corridor
- Connectivity and access are critical
“The Job Creation /Logistics Message”
Major Flows by Truck To, From, and Within South Carolina: 2007

Note: Major flows include domestic and international freight moving by truck on highway segments with more than twenty five FAF trucks per day and between places typically more than fifty miles apart.

Trends in Economic Development

- Greenfield-Brownfield development
- Global-nested hierarchies
- Operational considerations
- Integrated Logistic Supply Chain Centers
- Rail Access
Corridors will be more important in the future

- Panama Canal Expansion
- Intermodal/ inland ports developments
- Emphasis on Economic Growth Poles/Clusters
- Emergence of National Logistics Hubs
- Carbon footprint and Sustainability
- Transparency and Security
Future and Regionalization
Changes in Global Markets - Other Trends

- China – “Insourcing”
- Near Sourcing to Latin America
- Future of dollar for exports
- Port development issues
- Panama Canal expansion
- Free Trade negotiations
- Security risks and asymmetric disruptions
- Price of fuel – “Greening”
Changes in Domestic Market

- New Energy Plays
- Price of Fuel
- Housing Stocks and Consumer Credit
- Automobiles
- Workforce Issues – Skills, Availability
- Changing 3PL/4PL Integration
- Transportation Operations/Regulations
Joe Hollingsworth, Jr.

1. The South becomes even more competitive in the world economy
2. South shifts from manufacturing to service sector which improves manufacturing
3. Migration continues as the South becomes “land of opportunity”
4. South develops knowledge based economy
5. South leads way in education reform
6. Contiguous counties around major metropolitan areas will be the action in the south
7. South becomes practically the only location for automotive plants
Southeast-Leader in Regional Thinking

- I-10 Corridor
- LATTES I+II
- I-95
- I-81
- Heartland Intermodal Corridor
- ARC, DRA, Related Regional Groups doing freight studies
Identified Needs Related to Changing Demand

Exhibit A-6
20 YEAR NEEDS ESTIMATES

- **TOTAL 20-YR NEEDS ESTIMATE**
  - $92 Billion
  - [Pie Chart]

- **20-YR HIGHWAY NEEDS ESTIMATE**
  - $67 Billion
  - [Pie Chart]

- **20-YR PORT NEEDS ESTIMATE**
  - $22 Billion
  - [Pie Chart]

- **20-YR AIR CARGO NEEDS ESTIMATE**
  - $3.3 Billion
  - [Pie Chart]
Where is the National Priority?

10 days
4000 miles

2 days
No miles

2 days
1500 miles

4 hours
+/- 2 hours
20 miles
Where do we go from here…
South Carolina’s Response
How Do We Shape the Future

Today
- Business Needs
- Operations
- Policy Goals
- New Plants

10 years
- Infrastructure
- Education
- Business Climate

20 Years Out
- Sustainable
Who Are the Players?

Private
- Shippers
- Carriers
- Economic Developers

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

Private Sector

- Terminal Operations
  - Cargo Density
  - Transportation services

Public Sector

- Transportation
- Utilities
- Workforce Development
- Business Climate
- Incentives
What Will We Build/Operate?

- What is your market?
- What type of facility/services are needed?
- Develop densities and services
  - Service Requirements
  - Drayage and equipment issues
  - Domestic and international
  - Shippers bear what costs?
If I gave South Carolina one dollar... 

What would the State buy?
The Problem - Linking Transportation to Actions

- Funding has not kept pace with need
- Flexibility to develop and maintain freight Corridors
- Conflicting national policies may limit State’s economic competitiveness
- Congestion costs South Carolina $$
The Discussion is Important

- Connecting with global markets
- Regional transportation needs
- Economic Development (land use/access)
- Corridors – Federal, State
- Finding partners

But who is listening?
Can Freight Compete Against Complete Streets?

See any trucks, railcars, barges or planes?
Freight Access and Mobility May Create Transformative Opportunities
Some Considerations

What do “WE” want
- Relinking Transportation to industrial development
- Perception of value of capital stock
- Economic development = jobs

What must “WE” balance
- Everyone more engaged in parts of the debate
- System’s use not fully understood
- “Others Have It” syndrome
- Scale and Densities
- Aging Infrastructure vs. Capacity
- Manage Expectations
Help With the Engagement
FREIGHT IN THE SOUTHEAST
Moving Our Region’s Business

March 14-16, 2012 – Norfolk, VA
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