



INSTITUTE FOR TRADE AND TRANSPORTATION STUDIES

PROMOTING REGIONAL AWARENESS FOR IMPROVING FREIGHT TRANSPORTATION

VOL I • ISSUE 6 • MAY 2009

What is...

The Baltic Exchange

While many vessels (including most container vessels) move on dedicated trade lanes or services (called liner services), bulk vessels tend to move on a “tramp” basis, carrying cargos between ports when they are hired. (Think of liner services as buses and tramp services as taxis.) Shipbrokers seek to match vessels with cargos.

The Baltic Exchange, started over 250 years ago, allows brokers to arrange forward contracts for industrial dry bulk cargo (coal, iron ore, etc.). Based in London, the Exchange has over 550 companies and 2000 individuals, mostly based in England, but with members in the United States and Asia.

Given the diversity of cargos and vessels, the Exchange developed the Baltic Dry Index. The BDI represents the average price of contracts for 26 of these various trade lanes and cargos. The rates are determined based on the demand for cargo, the availability of ships, seasonal pressures, bunker (fuel) prices, port congestion, chokepoints, and market sentiment. Historically, the rates

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The Alliance Region and Total U.S. Trade

Over the past few years, U.S. international trade dramatically increased. In 2000, the U.S. imported \$1.2 trillion dollars of goods. By 2008, that figure almost doubled to \$2.1 trillion. Exports also experienced dramatic growth, as total export shipments increased from almost \$800 billion to \$1.3 trillion. This steady growth occurred along all the nation's gateways, such as the border crossings with Canada and Mexico, and the nation's ports.

Since 1999, airports and ports in the 13 Members of ITTS Alliance Region experienced higher annual growth rates than the U.S. average. Over that same period of time, the share of the Nation's trade passing through the Alliance Region's gateways increased from roughly 15% to 20% of all trade. In the LATTs1 forecasts, called for similar growth rates in the Region, although the expectation was

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Institute for Trade and Transportation Studies

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The Institute for Trade and Transportation Studies provides research data and expert opinions to its Members concerning the effects of commercial freight movements on domestic and international activities, with reference to infrastructure and transportation needs, and safety implications.

The ITTS members include the Alabama Department of Transportation, the Arkansas State Highway and Transportation Department, the Florida Department of Transportation, the Georgia Department of Transportation, the Kentucky Transportation Cabinet, the Louisiana Department of Transportation and Development, the Mississippi Department of Transportation, the North Carolina Department of Transportation, the Puerto Rico Department of Transportation and Public Works, the South Carolina Department of Transportation, the Tennessee Department of Transportation, the Virginia Department of Transportation, and the West Virginia Department of Transportation.

Please share this newsletter with your friends and coworkers. Any comments, suggestions, or additions should be sent to Bruce Lambert at 540-455-9882 or bruce@ittsresearch.org.

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► LAMBERT'S LAGNIAPPE

*la-gniappe |lan'yap|:
something given as a bonus or extra gift.*

A few weeks ago, I attended the International Maritime Statistics Forum (IMSF) meeting, which was held in New Orleans. The meeting focused mostly on international maritime statistics, including vessel and fleet capacity and new buildings, but also maritime and port information. (The presentations will be posted on the IMSF <http://www.imsf.info/>.) While I spoke broadly on the need for balanced performance measurements to assist decision makers, there seemed some agreement about the inability of decision makers to readily accept the value of data used to make infrastructure decisions.

With the current discussions on the future of freight transportation in America, there should be some dialogue about the information necessary to guide investment decisions. In this regard, the current data programs are woefully underfunded or lacking the necessary geographic or commodity detail as evidenced by several TRB publications over the past few years. While the Freight Analysis Framework remains the nation's premier multimodal database, it remains inadequate for analyzing all traffic patterns. There are gaps in the research,

such as local land use and traffic generation estimates, shipper and behavioral models, and agreements on ways to calculate the related externalities of freight movements. In this context, we will probably never have all the data necessary to fully understand the relationship between freight movements, the environment, economic development and international trade.

The ultimate goal of data is its transformation into intelligence for decision makers. Any discussion regarding improving freight shipments should not discount the data and analytical programs necessary to support the intelligent discussion on freight programs. But this is not only a U.S. problem. Some of the IMSF participants echoed these same concerns about the future of transportation in Europe, where conflicting policy goals are not matched up with existing data and analytical models, leading to mismatched expectations. There is much to learn, but we already have much to share regarding data and analytical models, especially if these can be properly valued for their contribution to the discussion on freight mobility improvements. ■

What is... The Baltic Exchange

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have been volatile due to the dynamics of supply and demand. Normally, higher prices benefit the vessel operators and owners while lower prices mean shippers receive lower transportation costs. Heavy demand in China for bulk commodities pushed the index up between 2005-2007, but the recent global recession has witnessed the overall BDI declining from its peak in May of 2008. The resulting loss of cargo has resulted in vessels being anchored throughout the world, simply waiting for rates to recover.

The BDI serves as an important leading eco-

nomical indicator, as the Exchange does not allow speculators to participate and represents actual transactions. The trading is limited to parties actually supplying or carrying the bulk cargos, so it represents current demand for materials. (Most economic indicators based on consumer spending are lagging, or based on estimates that occurred in the past.) While the rates remain depressed, the BDI has posted

steady gains over the past few days, and has increased steadily since the beginning of the year, although not nearly at the same levels experienced a year ago. ■

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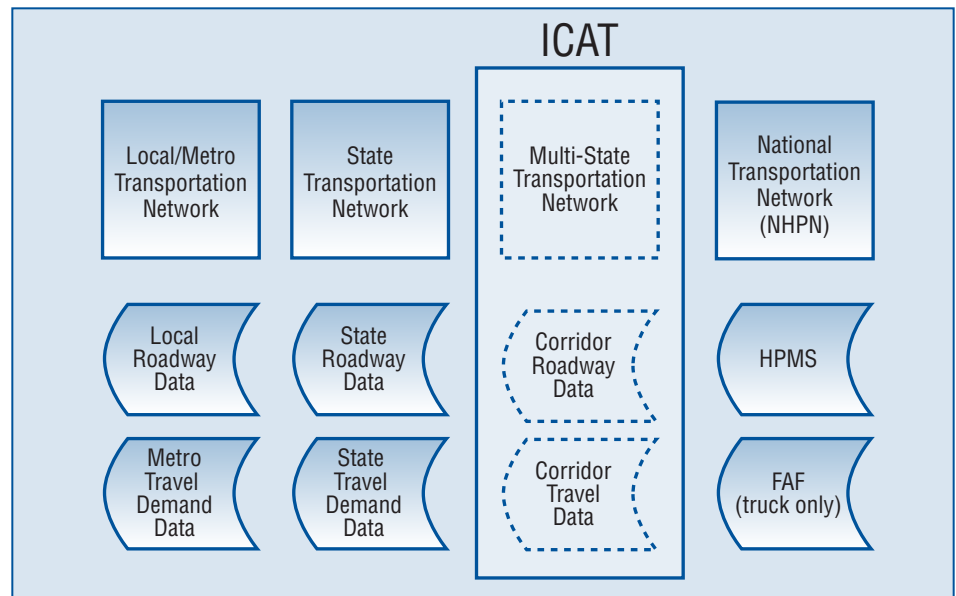
► ITTS PARTNER

I-95 Corridor Coalition's Multi-State Analysis Tool

The I-95 Corridor Coalition is an alliance of transportation agencies, toll authorities, and related organizations representing a 16-state region from Maine to Florida. The Coalition provides a forum for key decision and policy makers to address transportation planning, management, and operations issues of common interest. The Coalition has successfully served as a model for multi-state interagency cooperation and coordination for over a decade.

For the past several years, the I-95 Corridor Coalition has been sponsoring development of the Integrated Corridor Analysis Tool (ICAT), to assist Coalition members in conducting multi-state transportation planning and operations studies. ICAT is a web-based geographic information system (GIS) that enables users to visualize current transportation infrastructure and traffic patterns, and to forecast future travel volumes across multiple states within the Coalition region.

ICAT consists of corridor-wide highway and rail networks, and synthesized auto and truck trip tables for the entire Coalition region, containing attribute data gleaned from state and national data sources such as FHWA's Highway Performance Monitoring System (HPMS) and Freight Analysis Framework (FAF). The networks are connected across state



ICAT fills the gap between local/state and national transportation networks by providing multi-state data.

borders, enabling analyses of multi-state traffic flows for applications such as evaluating the impacts of regional transportation investments, developing and tracking of performance measures, or coordination of evacuation planning strategies. The ICAT networks and trip tables are accessible to Coalition members via a web-based data site, and can be viewed over a web-based map display server <http://ags.camsys.com/icat/>

ICAT is specifically intended to help member agencies look beyond their own jurisdictional boundaries to ensure that the best value is achieved for the public investments in the region's transportation system. Issues such as regional economic impacts, effects on long distance freight movements and diversions around major construction areas can now be more thoroughly analyzed through the use of this powerful tool. ■

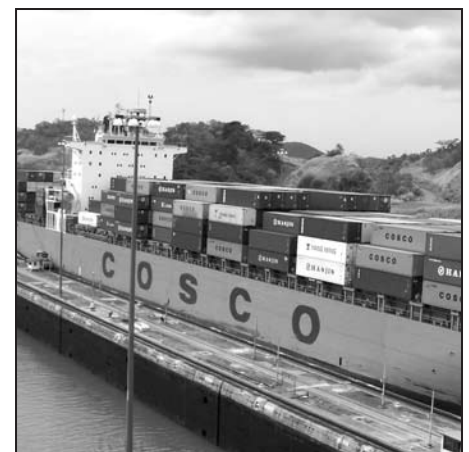
The Alliance Region and Total U.S. Trade

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these cargos would be arriving from Latin American and not Asia.

While most news has focused on the growth of U.S. - China trade, the Alliance region benefits from diversified trading opportunities. While China is currently the largest source of imports into Alliance Region, it ranks as third behind Germany and Brazil for export shipments. (The largest commodity moving between the Alliance Region to Germany is blood and medical supplies from Puerto Rico.)

This diversification does not mean that the region's trade is immune from the current economic recessions, as the weak dollar strongly pushed regional exports in 2008 and today trade volumes are closer to those in 2004 than 2008. It will be interesting to see how the markets recover over the next few months, as traditionally consumer spending starts to ramp up in the summer months before climaxing with the Christmas Shipping season in October-November. ■



▶ ITTS CALENDAR

This list highlights upcoming conferences related to transportation that may be of interest to the ITTS member region. For any corrections or suggestions, please contact Bruce Lambert at bruce@ittsresearch.org

May 27–28, 2009

2009 Tennessee Valley Corridor National Summit

Oak Ridge, TN <http://www.tennvalleycorridor.org/summits/detail.html> or 865-483-8850 or info@tennvalleycorridor.org

May 27–29, 2009

11th Annual Harbor Safety Committee Conference

Tampa, Fla. Contact: <http://TRB.org/Calendar>

May 27–29, 2009

Southeastern Regional Rail/Highway Safety Training

Robinsonville, MS <http://www.regonline.com/builder/site/Default.aspx?eventid=687277> Contact: 601-359-9723 or knord@mdot.state.ms.us

May 28–31, 2009

International Freight Forwarders and Customs Brokers Association of New Orleans

31st Annual Meeting Point Clear, Alabama <http://iffcbano.org/annualconf.htm> Contact iffcbano@bellsouth.net or 504-779-5671

May 29, 2009

"The Outlook on U.S. - Cuba Relations and What it Could Mean for Louisiana" World Trade Center of New Orleans.

For more information contact the New Orleans World Trade Center at (504) 529-1601 or visit http://www.wtcno.org/programs/2009/cuba_29may/cuba.htm

June 2–3, 2009

Transportation Research Board, Data and Tools for Understanding the Goods Movement: Air Quality Connection

Irvine, Calif. Contact: Tom Palmerlee at 202-334-2907 or tpalmerlee@nas.edu or <http://www.trb.org/calendar>.

June 2–5, 2009

UConnect 09 – Transforming Your Supply Chain for Extraordinary Times

Orlando, Florida. <http://uconnect.gs1us.org/>

June 17–18, 2009

AASHTO Subcommittee On Highway Transport

2009 Annual Meeting - Savannah, Georgia. Contact Chresa Jones, Georgia DOT at (912) 427-5707 or cjones@dot.ga.gov or http://freight.transportation.org/highway_meetings.html

July 8–10, 2009

XVIII Latin American Congress of Ports

Miami, FL. Contact: The American Association of Port Authorities, 703-684-5700, info@aapa-ports.org or <http://www.aapa-ports.org>.

July 15–16, 2009

PIANC USA Annual Meeting 2009 and Tour

Pittsburgh, PA. Hosted by the Port of Pittsburgh Commission & the US Army Corps of Engineers Pittsburgh District, Contact Kelly Barnes at 703-428-9090 or Kelly.J.Barnes@usace.army.mil

July 19–22, 2009

Transportation Research Board, 2009 TRB Joint Summer Conference

Seattle, Wash. Contact: <http://www.trb.org/calendar>.

July 22–24, 2009

Port Security Seminar and Expo The American Association of Port Authorities

Houston, Texas 703-684-5700, info@aapa-ports.org or <http://www.aapa-ports.org>.

August 5–7, 2009

Joint Mississippi Water Resources Association - Mississippi Water Resources Research Institute Annual Conference

Tunica, Miss. www.mswater.org.

August 25–28, 2009

Tennessee-Tombigbee Waterway Development Opportunities Conference

Point Clear, Ala. Contact: Agnes Zaiontz (662) 328-3286 or azaiontz@tenntom.org.

August 28–Sept 2, 2009

Southern Association of State Highway Transportation Officials

Biloxi, Miss. Contact: <http://www.sashto.org/SASHTO2009>.

September 6–9, 2009

Smart Rivers '21- The Future of Inland Navigation –

– Vienna, Austria Contact Kelly Barnes at 703-428-9090 or kelly.j.barnes@usace.army.mil or www.smartdrivers.org

September 15–16, 2009

The Louisiana Freight Transportation Summit

New Orleans, LA Contact: Colonel Tom Atkinson (225) 274-4134 or tomatkinson@dotd.la.gov

September 16–17, 2009

Transportation Research Board, North American Freight Flows Conference 2009

Irvine, Calif., Contact: Tom Palmerlee, 202-334-2907 or tpalmerlee@nas.edu or <http://www.trb.org/calendar>.

September 20–23, 2009

Council of Supply Chain Management Professionals

Annual Meeting Chicago, Illinois <http://cscmpconference.org>

September 29–30, 2009

National Waterways Conference, Inc. Annual Meeting

Charleston, West Virginia <http://www.waterways.org>

October 5–7, 2009

European Transport Conference, Transportation Research Board Lieden

The Netherlands, Contact: Sally Scarlett at info@aetransport.org or <http://www.aetransport.org>

October 13–15, 2009

20th Annual Breakbulk Transportation Conference & Exhibition

New Orleans, Louisiana. Contact the Journal of Commerce <http://www.joc.com/node/409535>.



October 27–30, 2009

Annual Conference, Association of Metropolitan Planning Organizations

Savannah, Georgia Call AMPO at 202-296-7051 or visit <http://www.ampo.org/events/details.php?id=36>

October 25–29, 2009

American Association of Port Authorities Annual Convention, hosted by the Port of Galveston

Galveston, Tex. Contact: The American Association of Port Authorities, 703-684-5700, info@aapa-ports.org or <http://www.aapa-ports.org>.

November 17–19, 2009

American Association of Port Authorities, Facilities Engineering Seminar & Expo

Charleston, S.C. Contact: The American Association of Port Authorities, 703-684-5700, info@aapa-ports.org or <http://www.aapa-ports.org>.

January 10–14, 2010

TRB 89th Annual Meeting Washington, DC

Contact The Transportation Research Board <http://www.trb.org/meeting/2010/default.asp>