



INSTITUTE FOR TRADE AND TRANSPORTATION STUDIES

PROMOTING REGIONAL AWARENESS FOR IMPROVING FREIGHT TRANSPORTATION

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NEWS UPDATE

🌐 I spoke at the Transportation Distribution Logistics Conference in Columbia, South Carolina. The meeting, focusing on the importance of transportation, provided a good discussion on both the importance and the challenges of trying to improve transportation assets in the state.

🌐 “The directional development of intermodal freight corridors in relation to inland terminals,” coauthored with Gordon Wilmsmeier and Jason Monios, was published in the Journal of Transport Geography (Vol 19, Issue 6).

🌐 Finally, I am now in the process of updating all the state statistics on the ITTS website. If you have any comments, suggestions, or even data or analysis you wish to share on each webpage, please let me know. <http://www.ittsresearch.org/Latts2-State-Summaries.html>



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ITTS Freight in the Southeast Conference

Well, the third ITTS Freight in the Southeast Conference is completed. Over 120 attendees participated in sessions ranging from the general economy to economic development and international trade. Overall, the response from the participants was very positive, based on both the surveys and the comments I received at the conference.

The meeting started with a tour of the APM terminal in Norfolk, the most modern maritime terminal in the U.S., while others attended the U.S. Army Corps of Engineers listening session (an update is provided elsewhere in the newsletter). After lunch, Jeff Keever, Deputy Director of the Virginia Port Authority (VPA), welcomed the conference attendees; his address was followed by sessions on the current state of the economy and trucking issues. The first day of the conference ended with a ITTS member state dinner where states reported on their freight programs and ITTS-related work items.

During breakfast, a small group discussed freight data challenges before heading into the formal sessions. The morning sessions began with Sean Connaughton, Secretary, Virginia Department of Transportation, welcoming the attendees to the conference. The next two sessions discussed the role of logistics in the Southeast, followed by a discussion on economic development challenges.

During the lunch break, Rodolfo Sabonge, Vice President of Market Research and Analysis, Panama Canal Authority, provided an update on the Panama Canal expansion.

The afternoon found most participants struggling to decide what session to attend, as there were several concurrent sessions: The first was titled “Corridors - What Are They & Can They Work?” while the second offered a discussion on trade with Latin America. After the break, we were given the choice of urban freight railroad operations or connecting inland regions to global markets.

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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 South Carolina Department of Transportation, the Tennessee Department of Transportation, the Virginia Department of Transportation, and the West Virginia Department of Transportation.

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▶ LAMBERT'S LAGNIAPPE

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

Well, spring is here, with vacation planning, spring breaks, and enjoying the outdoors. At the same time, spring requires one to look seriously at the yard, and with it, the upcoming battle against the elements. As every homeowner knows, spring is a time of planting, pruning, mowing, and otherwise shaping a yard that will demand constant commitments over the next few months. (Yes, I have occasionally cut my grass at night with the house lights on!) In some ways, the things that you own also own you, as the maintenance of keeping a house, yard work, etc., require one not only to think about today's chores, but about future commitments as well.

At the same time, I was reflecting upon some of my recent speeches. According to the Council of Supply Chain Management Logistics report, the U.S. spends roughly 8-9% of its national GDP on logistics. Based on total federal, state, and local spending on transportation, the U.S. spends 2% of its total GDP on transportation infrastructure (this does not include the economic lost from congestion!). Clearly, with 10% of our total

economy tied to transportation infrastructure and use, it is interesting how little we reflect upon transportation, although we expect it to be there for us, a constant resource available all the time for all users to enjoy.

In the past, the focus on transportation was on trying to build capacity, much like a home owner who has moved into a new house, who wants a fabulous yard as quickly as possible. Today, federal and state budget authorities are struggling with the need to balance maintenance with existing demands for more capacity, similar to a homeowner struggling with how to put more flowers into a garden that needs to be weeded.

In reflection, the value of yard work lies in the rewards of fresh flowers, fruits or vegetables, and the scent of a new mown yard. The most beautiful blooms are from the plants that have long been cared for, pruned and shaped by the gardener's vision. And by extension, transportation, connecting us through the landscape of our nation, requires the same steady hand to ensure that the system continues to support the flowering of our economy. ■

What is ... Dunnage

Most products require some type of packaging or securing when they are being shipped, whether that is a domestic or international move. For example, unsecured cargo could very easily shift, causing damage to the cargo, the transportation equipment, and unfortunately people. Dunnage is the inexpensive materials used in protecting and/or securing cargo when it is being shipped.

Dunnage can come in many shapes, sizes or products. Dunnage could include inflatable bags, "dunnage bags" that may be placed among the cargo and inflated to prevent products from moving during a voyage. For some equipment, a special rack "or crib" to hold a piece of machinery may be required, especially if a product will be placed into a container. Dunnage may also include fiber or steel straps used to hold bundles of cargo in a container or the inside of a railcar. Finally, dunnage may also be used to prevent mois-

ture from damaging cargo, through the use of rubber mats or plastic films, especially as sealed containers can get quite humid during transportation.

Oftentimes, there are concerns about what to do with dunnage once the cargo arrives at its final destination. Generally, the dunnage is simply discarded. For example, railroads generally do not reuse fiber straps to prevent them from failing during a later trip. If wood products are used for dunnage, there are concerns about transmitting invasive species, if the product is moving internationally. This has created firms looking at using more paper products, or wood pallets that have been fumigated or heat treated. ■

I want to thank Southern Bracing Systems of Rome, Georgia for talking to me about dunnage systems.

ITTS Freight in the Southeast Conference

Continued from cover

After a second break, we enjoyed a wonderful cruise of the Norfolk Harbor, as the conversation flowed easily after the conference.

Friday morning, another informal breakfast meeting was organized to discuss the marine highways. The first session focused on how to communicate the importance of freight projects to legislatures at the local, state, and federal levels. Finally, the meeting closed with a session that summarized the challenges of trying to program, fund, and improve freight transportation throughout the region. David Tyeryar, Deputy Secretary of Transportation and Chief Financial Officer, Virginia, closed the conference.

Most of the speakers' PowerPoint presentations are posted on the ITTS website. You can also "relive the fun" by reviewing the photos, which are also posted online.

I am always open to receiving comments or suggestions on future conferences. Some of the current suggestions include specific innovations on a current topic (planning, etc.), a regional DOT roundtable, etc., or even what projects have failed and why.

As with the 2011 conference, a conference summary will be released in a few months.



In sum, the conference speakers verified the following:

- There exists a need for continued dialogue between the public and private sectors to improve freight transportation that supports freight movement and economic development.
- There is a need to work with all modes, including railroads, to improve overall system efficacies.
- International trade remains a critical component going forward, but we need to look at promoting exports and harmonizing transportation.
- We need to do a better job of promoting the need for investing in infrastructure with the general public and elected officials to improve system performance.

Finally, I wish to think the following sponsors and partnering organizations:

CoHosts:

Virginia Office of the Secretary of Transportation
Louisiana Transportation Research Center
Louisiana Department of Transportation and Development

Platinum Sponsors:

The Port of Virginia
Virginia Department of Motor Vehicles
Virginia Department of Rail and Public Transportation
Virginia Department of Transportation
Silver Sponsors
Cambridge Systematics
Visit Norfolk

Partnering Organizations

American Association of State Highway and Transportation Officials
American Transportation Research Institute
Appalachian Regional Commission
I-95 Corridor Coalition
Inland River Ports and Terminals
Southern Association of State Highway Transportation Officials
Trucking Industry Mobility & Technology Coalition
U.S. Department of Transportation, FHWA
World Trade Center of New Orleans
Yes, Virginia



▶ 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

🌐 ITTS speaking engagements

April 14-17, 2012

2012 APA National Planning Conference

Chicago, Illinois

April 17-19, 2012

2012 Joint Rail Conference: Technology to Advance the Future of Rail Transport*

Philadelphia, Pennsylvania

April 18-20, 2012

Mid-America Freight Coalition

2012 MAFC Annual Meeting

Minneapolis, Minnesota

April 30 - May 2, 2012

Innovations in Travel Demand Forecasting – 2012

Tampa, Florida

May 18-21, 2012

2012 AASHTO Spring Meeting

Traverse City, Michigan

May 23-25, 2012

Making Progress: Transportation Planners and Programmers Turn Ideas into Reality

Denver, Colorado



June 4-7, 2012

North American Travel Monitoring Exposition and Conference (NATMEC): Improving Traffic Data Collection, Analysis, and Use

Dallas, Texas

June 24-27, 2012

Transportation-Related Environmental Analysis, Ecology, and Air Quality Summer Conference

Little Rock, Arkansas

▶ TRADE PROFILE ... Haiti

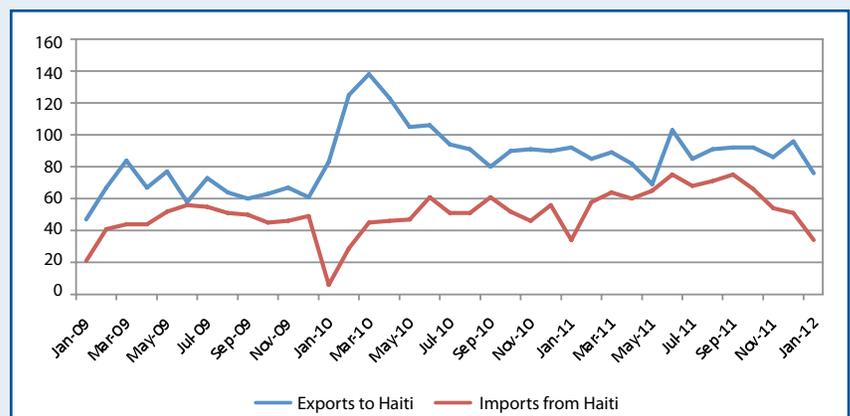
In January 2010, Haiti's capital Port-au-Prince was hit by a magnitude 7.0 earthquake and associated aftershocks, which crippled the country's economy. Even before the earthquake, Haiti ranked among the world's poorest countries. In its 2010 Post-Disaster Needs Assessment, the World Bank estimated that the earthquake caused \$7.8 billion in damages. While people continue to move out of shelters and temporary housing, which at one time involved over 1.3 million people, or roughly 13% of the population, the physical challenges of rebuilding the nation remain, exacerbated by a Cholera outbreak.

Regarding trade, the United States provided over \$1 billion in exports to Haiti in 2011. Of this, the leading commodities were charity products, rice, poultry products, and telecommunications. Imports from Haiti increased dramatically over the past few years, from \$450 million in 2008 to \$750 million in 2011, largely led by increased shipments of apparel products supported by the Haiti Economic Lift Program (HELP) Act of 2010, which reduced duties on Haitian apparel imports. The fallout from the earthquake is evident in the trade figures, as imports from the U.S. spiked while exports dropped sharply.

When disasters strike, we normally consider the shipment of water, medical supplies, and other related materials to stabilize a disaster area. The U.S. continually ships charity cargos in addition to ongoing Food for Peace programs. In 2011, the U.S. exported over \$2 billion in charity products (HS Code 9802), which includes clothes and medical supplies.

Most of these charity shipments are destined for Central American and Caribbean countries, which received 60% of these shipments in 2011. To all world markets, the top five origins of these charity cargos are Florida, Pennsylvania, Virginia, New York, and California.

The Dominican Republic, Haiti's neighbor, has been working to improve economic cooperation between the two nations, including improving border facilities, security, and other common economic issues. The Dominican Republic is Haiti's second largest import partner behind the U.S. In 2011, the U.S. exported over \$7 billion in products to the Dominican Republic, led by shipments of fuels, vehicles, electrical and industrial machinery, and cotton. The U.S. imported \$4 billion in products, mostly medical equipment and cigars, from the Dominican Republic in 2011.



USACE IWR Releases Working Draft Report for Port and Inland Waterways Modernization Strategy: Options for the Future

USACE Institute for Water Resources (IWR) has released a working draft report examining options for future modernization for U.S. port and inland waterways. In its Conference Report on the Consolidated Appropriations Act of 2012 (H.R. 2055), Congress instructed IWR to report to Congress on how it should address the critical need for additional port and inland waterway modernization to accommodate post-Panamax vessels. Because of the broad stakeholder interest in these options, IWR is committed to conducting its investigation and communicating the findings in a transparent and accessible manner.

About the Working Draft Report

Congress asked that the report consider: costs associated with deepening and widening deep-draft harbors; the ability of the waterways and ports to enhance the nation's export initiatives benefitting the agricultural and manufacturing sectors; the current and projected population trends that distinguish regional ports and ports that are immediately adjacent to population centers; the availability of inland inter-

modal access; and environmental impacts resulting from the modernization of inland waterways and deep-draft ports.

This early draft of the report has components that are still in progress. It includes a draft executive summary to show stakeholders the direction the report authors are taking based on research to date. It

... Congress instructed IWR to report to Congress on how it should address the critical need for additional port and inland waterway modernization to accommodate post-Panamax vessels.

incorporates information from activities and outreach efforts that were already underway and begins to incorporate feedback from discussions held through listening sessions and other venues over the last few weeks. The draft report consid-

ers the perspectives of shippers, carriers, ports, environmental interests, state and Federal agencies, and other interested parties as well as taking a national view.

Opportunity for Stakeholder Input

IWR will collect comments on the draft through April 18 and will host a webinar listening session on April 13 from 1:00-4:00 p.m. EST. To participate, please RSVP to Portandwaterways@usace.army.mil. To review summaries of comments collected during last months' listening sessions, visit the study website at <http://www.iwr.usace.army.mil/portandwaterways/>.

Next Steps

The preliminary report continues development and will ultimately be reviewed by USACE Headquarters and the Executive Branch prior to being transmitted to Congress in June 2012. The study team is headed by Technical Director Keith Hofseth, Study Manager Kevin Knight, and Communications and Public Engagement Lead Hal Cardwell, all of IWR. ■



Diagnosing the Marine Transportation System: Measuring Performance and Targeting Improvement

TRB's Marine Board is cosponsoring the conference on "Diagnosing the Marine Transportation System: Measuring Performance and Targeting Improvement" on June 26-28, 2012, at the National Academy of Sciences Building in Washington, D.C. The conference will serve as a forum to examine the use of performance metrics in maritime transportation and waterways management. Through collaborative input from stakeholders in government, academia, and the private sector, conference participants will explore how the marine transportation system and intermodal connectors perform through the application of performance metrics. Additional information on the conference program, exhibits, and other opportunities is available at www.TRB.org/Conferences/Metrics2012.aspx (ITTS has been serving on the conference organizing committee, so I hope to see in D.C. this summer.)

Exports from States in the Southeast

Over the past few years, exports from the U.S. have been one of the bright spots in the U.S. economy. Since 2007, total U.S. exports increased by 29%. The large increase in exports last year was partially supported by a weak dollar, which boosted shipments of bulk products, and the reemergence of the U.S. auto industry. (The weak dollar makes U.S. exports more competitive (cheaper) when compared to other markets.)

While the Southeast accounts for roughly 20% of all U.S. exports, the region outpaced most other areas with large volumes of export growth last year, led by exports of energy products (oil and coal) and auto parts. (West Virginia exports, largely led by coal, have outpaced both the regional and national average for the past few years.) Canada remains the region's largest trading partner, receiving 15% of the Southeast's exports, as over 48

billion dollars in trade moved northbound. (Trade with Mexico and Canada accounts for almost 23% of the region's exports, by value.) While China remained the second largest export market, other markets, such as Switzerland and Brazil, showed strong growth. While not one of the area's top ten trading partners, Chile had an increase of 67% of exports (mostly oil and machinery) from the Southeast.

The effect of this trade growth on the region's economy is hard to quantify, as exporters tend to include workers in their normal business activities. To quantify these gains based on the state economic data will have to wait several months when the final state economic numbers are released, but clearly exports have sustained economic fortunes, and will remain an important area for growth. ■

Exports from the U.S. and the Southeast in Millions of Dollars, 2007 – 2011

	2007	2008	2009	2010	2011	Change 2007-2011	Change 2010-2011
Total U.S.	1,148,199	1,287,442	1,056,043	1,278,263	1,480,552	29%	16%
Southeast States	225,320	264,525	223,479	268,751	317,763	41%	18%
Alabama	14,407	15,879	12,355	15,502	17,893	24%	15%
Arkansas	4,887	5,776	5,267	5,219	5,559	14%	7%
Florida	44,858	54,238	46,888	55,365	64,756	44%	17%
Georgia	23,366	27,514	23,743	28,950	34,713	49%	20%
Kentucky	19,652	19,121	17,650	19,343	20,066	2%	4%
Louisiana	30,319	41,908	32,616	41,356	55,124	82%	33%
Mississippi	5,184	7,323	6,316	8,229	10,926	111%	33%
North Carolina	23,356	25,091	21,793	24,905	26,964	15%	8%
South Carolina	16,575	19,853	16,488	20,329	24,680	49%	21%
Tennessee	21,865	23,238	20,484	25,943	29,973	37%	16%
Virginia	16,864	18,942	15,052	17,163	18,105	7%	5%
West Virginia	3,987	5,643	4,826	6,449	9,002	126%	40%

Top Markets for exports from the Southeast during 2011

	2011 (millions)	%Change 2010-2011	Share
Canada	48,266	12.36	15%
China	25,797	20.65	8%
Mexico	23,536	29.03	7%
Brazil	13,815	17.33	4%
Germany	13,564	16.59	4%
Japan	13,017	11.25	4%
United Kingdom	9,930	11.98	3%
Netherlands	9,341	22.39	3%
Switzerland	8,112	35.67	3%
Korea, Republic of	7,219	18.98	2%

Top Commodities exported from the Southeast during 2011

	2011 (millions)	%Change 2010-2011	Share
Oil (Not Crude)	21,096	77.85	7%
Motor Cars & Vehicles	18,052	29.01	6%
For Transporting Persons			
Civilian Aircraft, Engines, & Parts	17,307	6.88	5%
Coal; Briquettes, Ovoids Etc.	10,545	67.98	3%
Soybeans	9,062	-8.81	3%
Waste & Scrap Of Precious Metal	7,359	47.50	2%
Corn	7,325	42.52	2%
Parts & Access For Motor Vehicles	5,955	16.87	2%
Automatic Data Process Machines	5,955	12.27	2%
Medical, Surgical, Dental Instruments	5,416	14.16	2%