



INSTITUTE FOR TRADE AND TRANSPORTATION STUDIES

PROMOTING REGIONAL AWARENESS FOR IMPROVING FREIGHT TRANSPORTATION

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NEWS UPDATE

- ⊕ Made a presentation on promoting waterways as a viable mode at the AASHTO SCOWT meeting in Mobile. I used a Hank Williams song as the basis of my speech, where I discussed the importance of the Maritime system, but it is one that most people do not understand. (This presentation, as all my presentations, are posted online.)
- ⊕ Attended the SASHTO Annual Meeting in Little Rock. Made a presentation on Freight Railroads in the Southeast as well as a presentation to the ITTS board.
- ⊕ Visited Georgia DOT to discuss various freight research topics.
- ⊕ Made a presentation on Globalization in the Mississippi Economy at the Mississippi World Trade Center Intermodal Transportation Conference.
- ⊕ "Globalization and the U.S. Southeast: Considerations for the Transportation Infrastructure" was published in TR News July-August 2010
- ⊕ Working with the National Multi-Modal Transportation Steering Committee regarding their upcoming trip to Panama, December 4-8. ITTS will be sponsoring some ITTS member travel to visit the Canal.

Heartland Intermodal Corridor Tour September 7-15, 2010

Recently, ITTS hosted a working tour of intermodal facilities across the U.S. for Dr. Jason Monios with the Transportation Research Institute and for various state Department of Transportation staff.

Over the past year, ITTS has been working with the Transport Research Institute, Edinburgh Napier University, to study the relationship between ports and their respective hinterlands. (A paper on comparative port-hinterland policies was presented at the International Association of Maritime Economists annual meeting.) Dr. Monios received a grant from the Royal Society of Edinburgh to visit the U.S. to study the relationship of planning and operating port hinterland corridors.

Why tour the Heartland Intermodal Corridor? The Heartland Intermodal Corridor involved upgrading an existing coal line with restricted dimensions to handle international maritime and domestic double-stack container traffic moving from the Virginia Port Authority through Virginia, West Virginia, and Ohio, continuing to Chicago and its interchanges with the western Class I railroads. Two Memorandums of Agreement, one between Federal Highway Administration (FHWA) Eastern Federal Lands Highway Division and Norfolk Southern, and the other between FHWA, EFLHD and the three states were completed in August 2006. The agreements identified roles and responsibilities for the Environmental Planning, Design and Construction of the Heartland

Continued on page 3

INSIDE THIS ISSUE

Lambert's Lagniappe	2
What Is... ..	2
Trade Profile	4
Calendar	4

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<http://www.ittsresearch.org/blog/>



Greg Edwards (VPA), Michelle Caldwell, (GA DOT), Bruce Lambert (ITTS), Jed McMillian (NC DOT), George List (NC State), Erik Johnson (VA DOT), Jason Monios (Napier University), George Moss (TN DOT), Tom McQueen (GA DOT).



Institute for Trade and Transportation Studies

Bruce Lambert
Executive Director

New Orleans Board of Trade
316 Board of Trade Place
New Orleans, 70130
Phone: 540-455-9882
Alternate No: 504-566-7227
Fax: 504-525-8197
bruce@ittsresearch.org

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.

During one of my recent trips, a “ding” was discovered during the final inspection after everyone had been seated on the plane. After listening to the standard update announcements (which basically stated nothing had changed from the last announcement) someone questioned if the train would have been a better choice. This quickly led to a discussion not only about the “joys” of traveling but also passenger rail service. It was an interesting discussion, as the week before I had rode the City of New Orleans from Jackson, Mississippi to Hammond, Louisiana.

For several of the Jackson passengers, this was their first train ride. They were clearly excited. (There was one guy who sang the chorus to Arlo Guthrie’s “City Of New Orleans”, but everyone ignored him.) They were abuzz when a train pulled into the station, only to discover it was a Canadian National train. Obviously, they felt disappointed when they realized it was not the Amtrak train.

A few weeks earlier, I participated in a rail

panel at the SAHSTO annual meeting. Both Gene Conti, Secretary, North Carolina Department of Transportation, and Paul Nissenbaum, Federal Railroad Administration, spoke on the need to encourage and fund passenger rail services. I spoke about ensuring rail services should remain a viable transportation option for freight traffic in the region. When in D.C. the following week, I had a long discussion about the future of railroads with several FRA staffers. The same concerns were raised: how do you encourage more passenger rail service over commercial railroad networks?

Passenger rail services do operate well in certain corridors. However, operating freight and passenger services over the same line requires a delicate “touch” (which was strongly highlighted when discussing rail operations in Chicago). Anything we do regarding rail services will be an expensive proposition. We need to educate the public about the associated benefits and challenges, so they are not waiting for the wrong train at the station. ■

What is... Private Truck Carrier

As trucks “exist” to move stuff, it is important to know why a truck is moving and who owns either the truck or the cargo to model truck movements for planning purposes. (This goes beyond the traditional need for regulators or tax collectors!). Knowing why a truck is travelling along a certain road and how often he will travel on that road depends upon understanding the owner and operational model of the truck. While there are many different truck operations types, we will focus on private carrier fleets - a fleet owned by a company to assist it in its business operations.

Unlike a public carrier that offers its transportation services to various customers, a private fleet operator tends to own both the cargo and the truck. As expected, private fleets tend to operate in specialized businesses, where outsourcing truck operations may be complicated. That is not to say that these firms do not use public fleets, which are often integrated into their supply chains, but private carriers tend to focus on shipments to their stores or to dedicated facilities (such as a gasoline delivery truck). By owning the truck, the private fleet maintains complete control over the truck route, but also its delivery window and other related operational information. This allows the firm to better manage the costs and use of the equipment, especially as the level of shipments to any store or site will vary from day to day.

Managing a private fleet is complicated. For example, at the start of the recession, several firms considered outsourcing their private fleet operations to reduce costs. Today, private fleets are seen as a way to secure freight capacity during a tight freight market, as well as being considered to expand backhaul freight opportunities to reduce empty miles.

According to Transport Topics (August 23rd), the largest private carriers were PepsiCo Inc., Coca-Cola Enterprises, Sysco Corps, Wal-Mart Stores, and U.S. Foodservice.

According to the 2007 Commodity Flow Survey, private fleets handled 41% of the value of truck freight in the CFS. In addition, private fleets carried 54% of the reported tons moved by truck and 21% of the reported truck ton-miles.

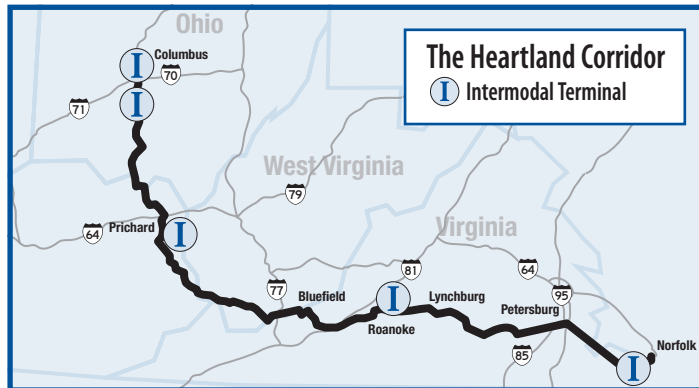
For the Southern Region (which includes the ITTS Region, plus Texas and Oklahoma) private fleets handled 39% of the value of the region’s truck movements. Private fleets also handled 52% of the reported truck tonnage, but only 23% of the region’s total ton-miles moved by truck. ■

Heartland Intermodal Corridor Tour

Continued from cover

Intermodal Corridor Project. Furthermore, the MoA's established an unprecedented funding mechanism between the federal government and the railroads that allowed money to flow directly to the railroads from the federal government.

The project should afford a significant competitive advantage to Virginia's ports by providing a shorter (by several hundred miles) and faster route to the Midwest along with high-speed double-stack capacities. It also benefits communities along the route through Virginia, West Virginia, and Ohio by providing economic development and transportation opportunities. Project funding came from both public sources (Virginia Rail Enhancement Grant and Ohio Rail Development Commission Grant) and the private sector (Norfolk Southern). The Heartland Corridor was designated as a Project of National and Regional Significance under SAFETEA-LU legislation. Additional



information on the Heartland Intermodal Corridor may be obtained at www.epl.fhwa.dot.gov/projects-heartland-corridor.aspx.

The Heartland Intermodal Corridor was officially opened during our tour!

Trip details: The tour began in Washington, D.C. Jason and I met with staff from various federal agencies (FHWA, FRA, MARAD and DOT) to discuss intermodal transportation policy. In addition, we met with ARC and AAR representatives also.

We drove down to Norfolk where we toured the Virginia Port Authority, met with Norfolk Southern to discuss intermodalism, and Maritime Economics at Old Dominion University. That night, we flew to Huntington, where the next morning we toured the site of the Prichard Intermodal Terminal, Virginia Point, and Winfield Locks and Dam before meeting with West Virginia DOT officials. That Saturday, we drove along Highway 23 to Columbus Ohio, where we saw several trains running on the Heartland Corridor.

In Columbus, we visited the Rickenbacker Intermodal terminal, as well as two warehouses (including the Victoria Secret Catalogue Distribution Facility) and the new Norfolk Southern Terminal. Monday night, we flew from Columbus to Chicago, where we spent two days touring railroad terminals (CN, CSX, BNSF, and NS) throughout the city.

After Chicago, Jason continued on to Memphis, Tennessee, Los Angeles, California, and Jacksonville, Florida, where Jason met with port and railroad officials. After Chicago, the rest of the party returned to our respective workplaces.

Lessons Learned:

The main lesson of the Heartland Corridor was that public private partnership can work, even for long distance corridors, if people are willing to commit the time, effort and funding necessary. During the meetings, most of the people stressed the obstacles they faced in convincing others that this corridor would lead to increased opportunities for their local businesses. But, with expected future traffic growth, most remain optimistic that the Corridor will provide improved access to global markets.

ITTS would like to thank the following people who assisted in organizing the meetings and making the tour a great success: Greg Edwards (Virginia Port Authority), Patrick Donovan (West Virginia Public Port Authority), Ben Ritchey (Arcadia Group), Libby Ogard (Prime Focus), Dr. Marty Lipinski (University of Memphis), and Michael Vanderbeek (Port of Long Beach).

My photos are posted on the ITTS blog. ■

"Performance Indicators for Inland Waterways Transport" User Guide.

The World Association for Waterborne Transport Infrastructure (PIANC) recently released a report on performance indicators for inland waterways. (PIANC Report No. 111-2010.)

PIANC is the global organization providing guidance for sustainable waterborne transport infrastructure for ports and waterways. Its main effort is to develop technical reports written by experts, who volunteer their services to develop international technique publications. (I, along with Jim McCarville, served as the U.S. representatives to the working group.)

The report seeks to provide a transnational and transmodal framework to understand the importance of inland waterway activities. There exists a need for performance measures that focus on common definitions, standards and measurements, which allowing users to understand the associated data collection and uses from the associate measures.

The manual provides a standard set of performance indicators that should emphasize the advantages of inland navigation to improve its acceptance in modern supply chains. These measures should provide users with a framework to identify if inland waterway performance will match a shipper's expectations.

You can order the report (no 111-2010) by visiting PIANC.org once it is posted online. ■

Trade Profile ...China

Continued from back cover

largest regional port, having received \$7 billion in total trade with China in 2009. New Orleans handled almost \$5 billion in Chinese trade, followed by Charleston, S.C.

While total trade volumes declined during 2009 levels, total U.S. Chinese trade has rebounded strongly, as total trade for the year to date ending in July is 25% higher than the 2009 figure. Total U.S. imports from China are up by 22%, but exports are up 35%, due to strong shipments of electrical components and semiconductor parts. ■

▶ 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

October 5-8, 2010

84th Annual International Propeller Club Convention
 Marriott Tampa, Florida
<http://www.propellerclubtampa.com/index.asp?pagelid=50>

October 4-6, 2010

Waterways Council Annual Meeting
 St. Paul, MN
www.waterwayscouncil.org

October 18-19, 2010

Railway Age, Veolia Transportation: Passenger Trains on Freight Railroads
 Washington Marriott Hotel, Washington, D.C.
 Email: conferences@sbpub.com
 Website: www.railwayage.com

October 18-19, 2010

Tennessee River Valley Association Annual Meeting Gatlinburg, Tennessee
<http://www.trva-tcwc.org/trva-annual-meeting/>

October 19-22, 2010

2010 AMPO Annual Conference
 St. Louis, Missouri
<http://www.ampo.org/events/details.php?id=53>

October 21-22, 2010

International Conference on Intermodal Strategies for Integrating Ports and Hinterlands
 Transport Research Institute (TRI), Edinburgh, Scotland
 For more information on the call to papers, please contact g.wilmsmeier@napier.ac.uk

October 28-Nov 3, 2010

AASHTO 2010 General Meeting
 Biloxi, Mississippi
<http://www.gomdot.com/divisions/aashto%20annual/home.aspx>

November 3-5, 2010

Mississippi Water Resources Association 2010 Water Conference
 Hollywood Hotel, Bay St. Louis, MS
www.mswater.org

November 7-9, 2010

American Short Line and Regional Railroad Association
 Atlanta, Georgia
http://www.aslrra.org/meetings_seminars/Southern_Region_Meeting/

November 13-17, 2010

NITL 103rd Annual Meeting & TransComp Exhibition
 Fort Lauderdale, Florida
<http://www.nitl.org/annual.htm>

November 16, 2010

TRB Commodity Flow Survey Workshop
 Washington, D.C.
http://www.trb.org/Calendar/Blurbs/Commodity_Flow_Survey_Workshop_162826.aspx

November 18-19, 2010

Atlantic Intracoastal Waterway 2010 Annual Conference
 Portsmouth, VA
<http://www.atlintracoastal.org/>

There is a call for Posters at the CFS conference.

The following should be included in the proposed abstracts:

1. Proposed title;
2. Background of the research or project;
3. Methodology or approach.

Abstracts must be submitted electronically at <http://www.zoomerang.com/Survey/WEB22B3UMRPLYK>

ITTS Conference

February 9-11, 2011

The ITTS Conference "Freight in the Southeast" will be held in Charlotte, North Carolina, February 9-11, 2011.

The tentative agenda (subject to change):



Website link: http://www.ittsresearch.org/itts_conferences.html#2011

February 9	
morning	Optional Tour of Transportation Activities in the Charlotte Area
afternoon	Opening Session-Thoughts on State Freight Planning Activities
afternoon	Experiences with Creating State Freight or Logistic Advisory Councils
	Reception at the Nascar Hall of Fame
February 10	
morning	Future of Multimodal Freight Corridors
morning	Managing Truck Movements in Multi-State corridors
afternoon	Managing Multimodal Projects within a Corridor
afternoon	Trends in Urban Freight Development and Delivery
	State DOT dinner (by invitation only)
February 11	
morning	Military Logistics
morning	Wrap-up and Closing Remarks

▶ TRADE PROFILE ... China

Chinese trade with the U.S. has grown dramatically over the past twenty years, as China has emerged as the leading importer into the U.S. The U.S.-Chinese trading relationship remains fairly complicated, given the concerns over the loss of American jobs to Chinese manufacturing and assembly, and the chronic negative trade balance the U.S. experiences with China. While tensions remained strained over concerns about Renminbi and the U.S. dollar exchange rate, trade between two remains strong.

China remains the largest importer into the United States, accounting for roughly 19% of the nation's imports. In 2009, the U.S. imported \$296 billion of goods from China, a 14% decline from the high of \$338 billion reported in 2008. (Canada, the next largest importer into the U.S., sold \$221 billion into the U.S. in 2010.) As expected, the top Chinese imports into the U.S. are cell phones, TV and stereo equipment, computers, toys, footwear, furniture and apparel.

China ranks as the third largest export market for the U.S., receiving almost \$70 billion in U.S. exports in 2009.

(Total exports only declined by 2 percent from the 2008.) The top exports to China include electronic processors and circuits, grains, computer parts and aviation equipment (planes and parts).

Regionally, the Southeastern U.S. has a mixed set of trade with China. Businesses located in the Southeast shipped over \$16 billion to China in 2009, which only accounted for 23% of the total U.S. exports to China. (China, Texas and Washington State are the largest export origins by State.) The top five commodities are soybeans, poultry, aircraft, metal scrap and wood pulp. The leading Southeastern exporter states to China are Louisiana, North Carolina and Georgia, but only 55% of the region's exports actually leave through a southeast gateway. The remaining trade mostly moves through a West Coast port.

From a gateway perspective (port or airport), \$27 billion in two way trade passed through a Southeastern U.S. gateway in 2009, and actual increase of 2.57% from 2008 levels. Norfolk was the

Continued on page 3