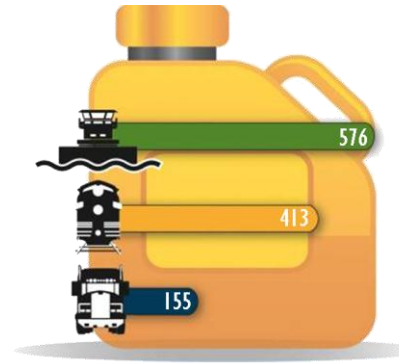
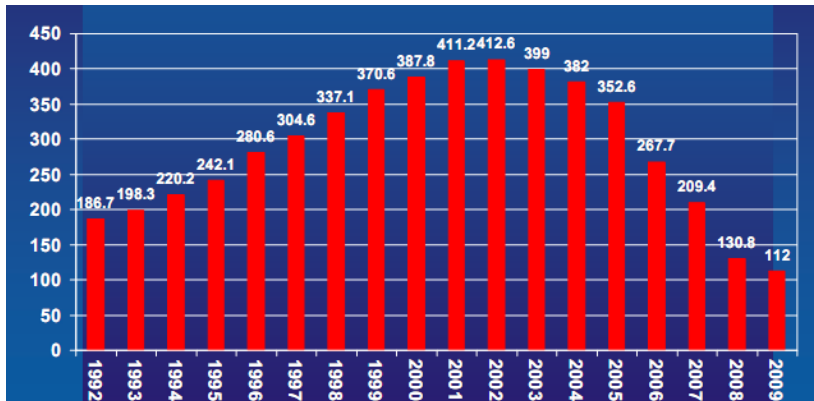
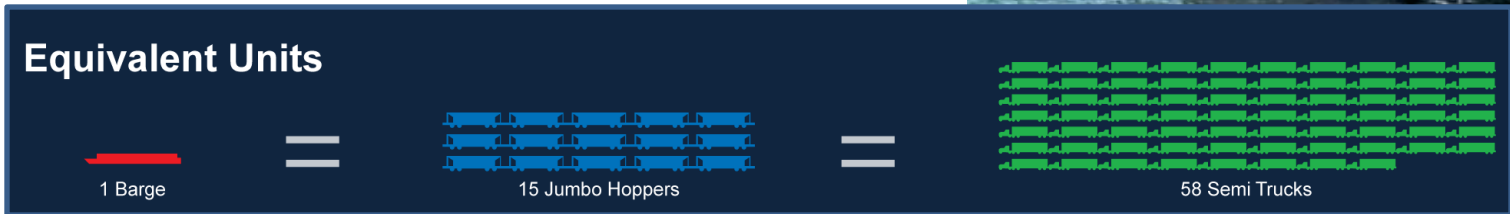


The Marine Highway and The Mississippi River



The Perfect Waterway Needs Slide

- We are here
- It's falling apart
- We need Federal money



Ton-miles Traveled per Gallon of Fuel



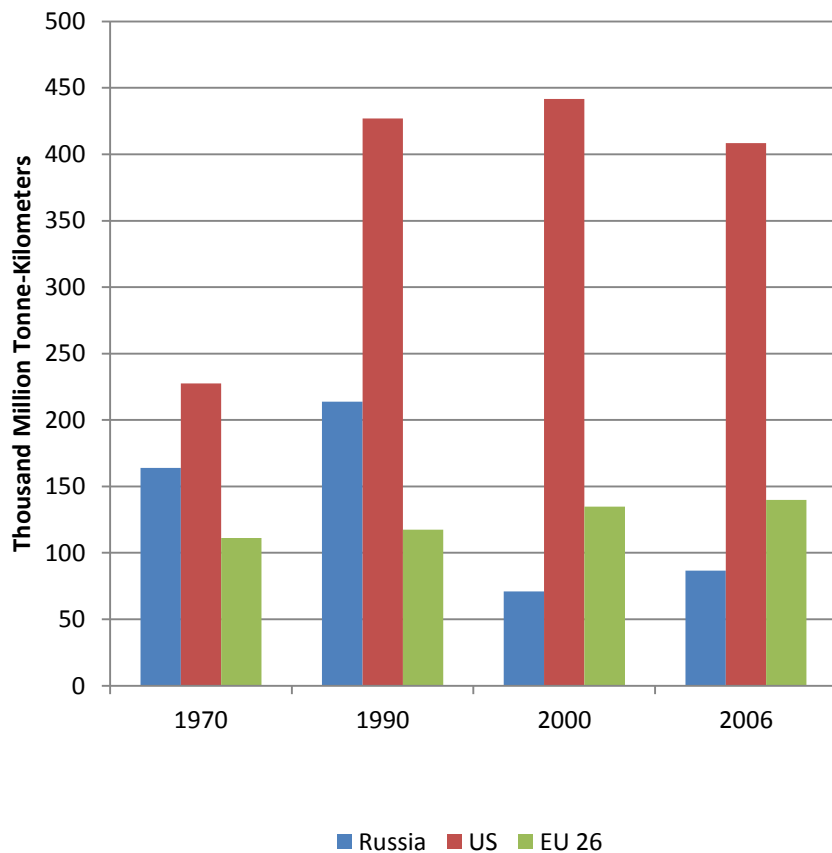
Outline

- The Marine Highway Question
- Linking logistics to waterways
- Can We Go Forward-
 - Technology
 - Public Debate



THE MARINE HIGHWAY QUESTION

Waterway Usage- Russia, Europe and U.S., 1970-2006

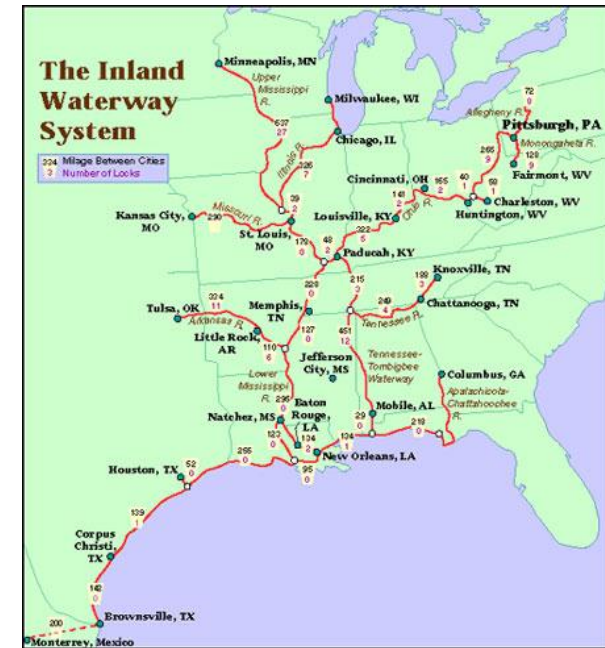


	Kilometers	Share
China	110,000	18%
Russia	102,000	16%
Brazil	50,000	8%
United States	41,009	7%
Indonesia	21,579	3%
Colombia	18,000	3%
Vietnam	17,702	3%
European Average	52,332	8%



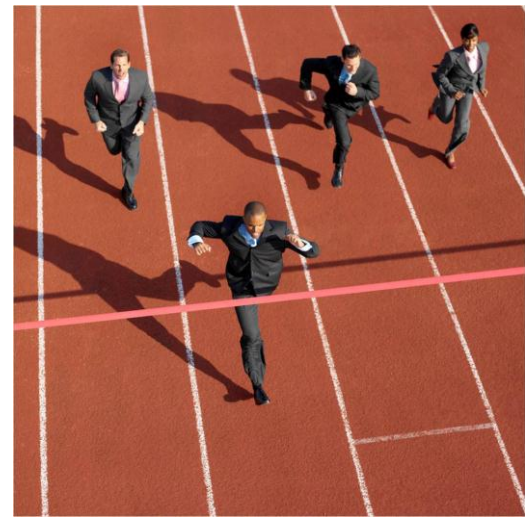
The Real Question about Marine Highways

- What is it? Name or outcome?
- Are we using our river resources
 - Improve system efficiency
 - Encourage freight mobility
 - Support economic growth
 - Connect to other modes
 - Support future cargo or vessels

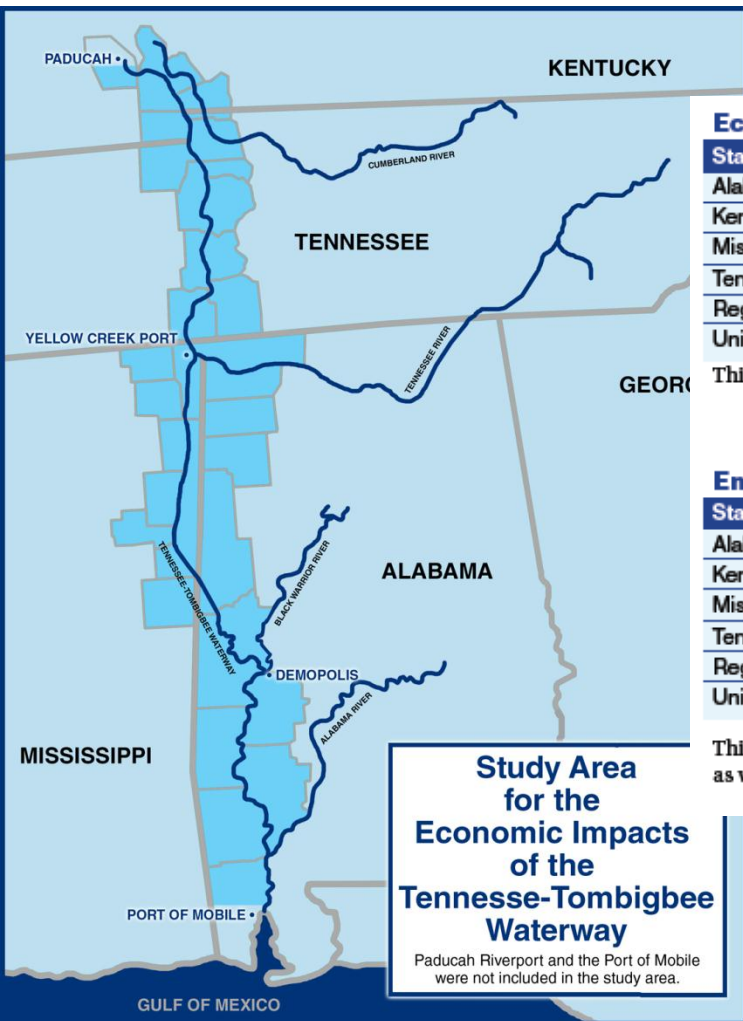


The Benefits of discussing Marine Highways

- Connecting ports and hinterlands
- Connecting exports to trade markets
- Discussion of regional transportation needs



Tenn-Tom Waterways Economic Benefit



Economic Impact 1996-2008 (in Millions)

State	Direct	Indirect	Induced	Total
Alabama	\$15,217.1	\$550.3	\$718.8	\$16,486.2
Kentucky	\$887.2	\$163.1	\$559.1	\$1,609.4
Mississippi	\$6,854.7	\$1,333.0	\$1,276.6	\$9,464.3
Tennessee	\$2,361.6	\$38.1	\$47.1	\$2,446.8
Regional	\$25,320.5	\$2,093.3	\$2,641.1	\$30,054.9
United States	\$25,320.5	\$5,822.6	\$11,380.6	\$42,523.7

This table shows the impact from private investment and ports operating in the Tenn-Tom Waterway region.

Employment Impact 1996-2008

State	Direct	Indirect	Induced	Total
Alabama	8,384	3,879	7,567	19,830
Kentucky	8,046	1,201	5,850	15,097
Mississippi	12,145	7,858	13,440	33,443
Tennessee	507	271	493	1,271
Regional	29,191	13,292	27,806	70,289
United States	29,191	29,001	79,471	137,663

This table indicates the number of jobs that were directly and indirectly created based on industry-to-industry transactions, as well as the number of jobs that were created based on employee spending in the local economy.



LINKING LOGISTICS TO WATERWAYS

Key Points Driving Corridors

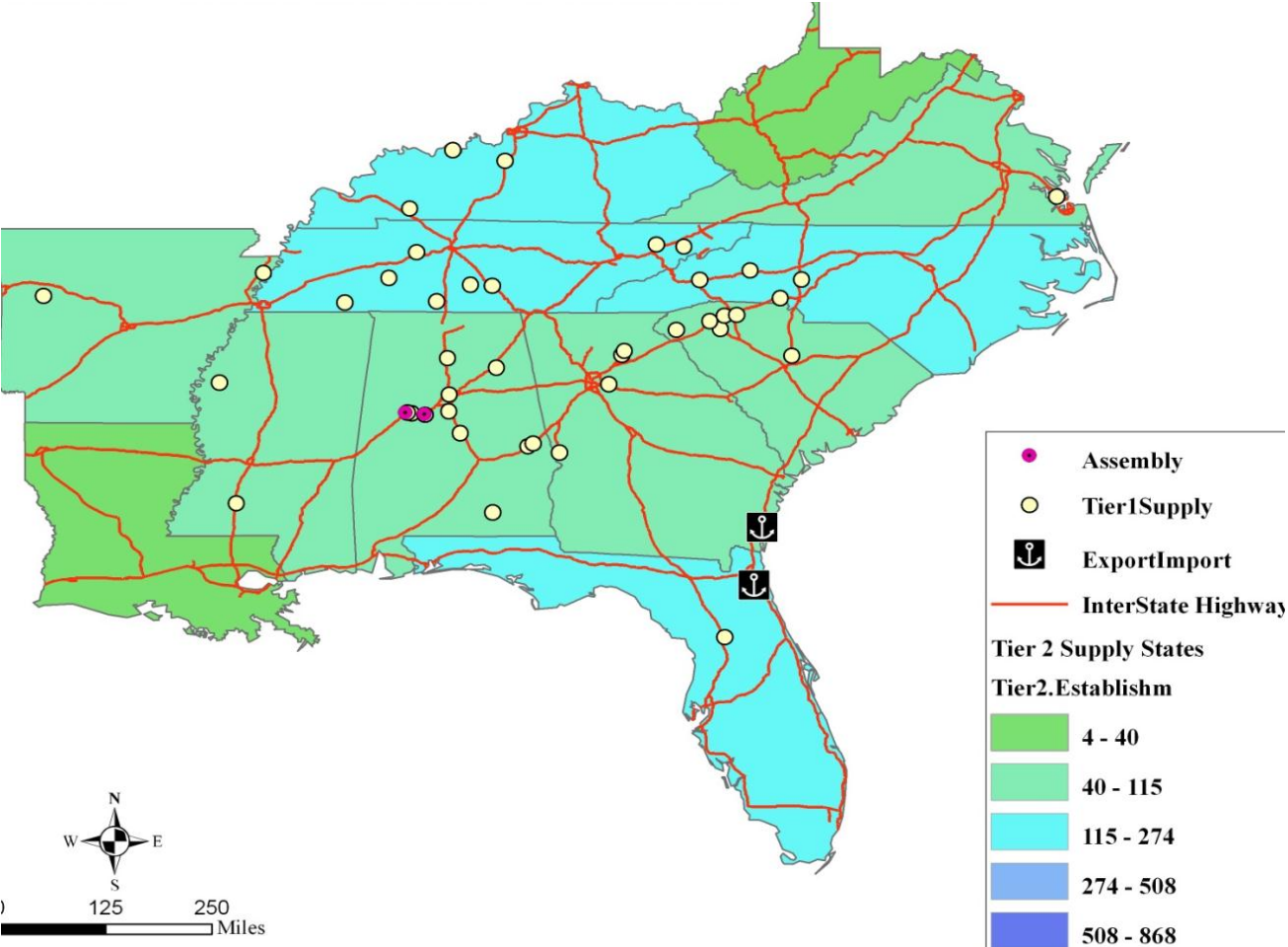
- Logistics and economic development
- Connecting ports and hinterlands
- Local and regional business
- The “Champion” – In or Out?

Transport, Talent and Taxation Top Factor List

Site Selection's October survey of corporate real estate executives reveals which factors on average are most important to them when they are involved in location decision making.

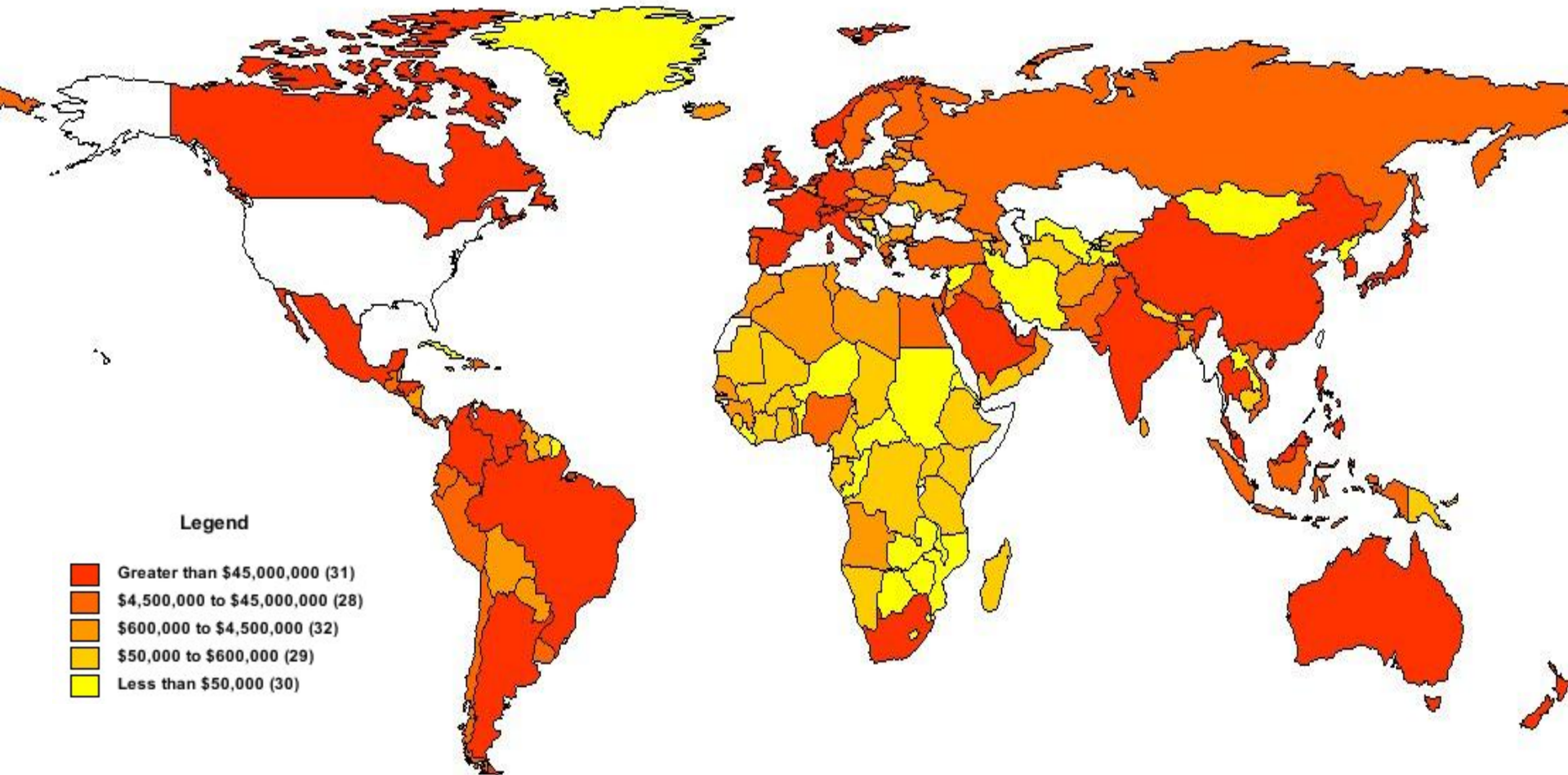
1. **Transportation infrastructure**
2. **Existing work force skills**
3. **State and local tax scheme**
4. **Utility infrastructure**
5. **Land/building prices and supply**
6. **Ease of permitting and regulatory procedures**
7. **Flexibility of incentives programs**
8. **Access to higher education resources**
9. **Availability of incentives**
10. **State economic development strategy**

Mercedes Benz Supply Chains for Alabama



Kentucky State Export Destinations

2008 (Value)



What will you build/operate?

- What is your market? Expand or Cannibalize
- What type of facility/services are needed?
- Develop densities and services
 - Service Requirements (cargo or regulatory)
 - Drayage and equipment issues
 - Domestic and international
 - Shippers bear costs?
 - Vessel and fleet structures



What is needed

Non-Corps Industry

- Fleet
- Ports
- Cranes
- Development facilities

Other Market Conceptions

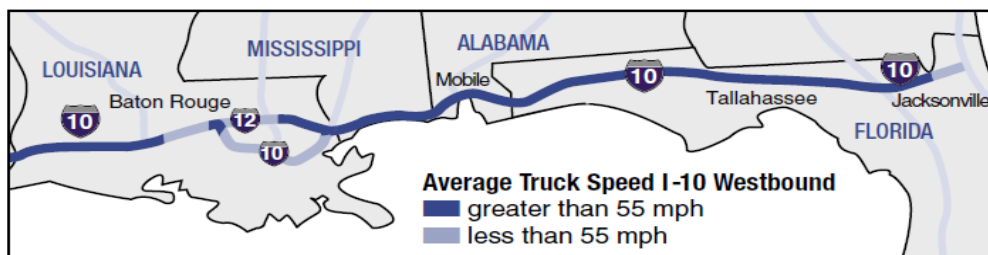
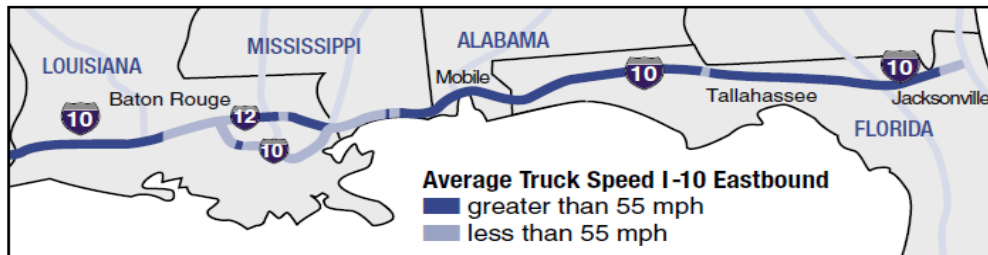
- Density versus Elasticity
- Chassis and container availability
- Drayage management
- Reliability



**CAN WE GO FORWARD WITH
TECHNOLOGY**

Technology Can Help Promote the Waterway Industry

- Demonstrate Economic Importance
- Demonstrate Waterways Reliability
- Improve Safety and Emergency Response
- Manage and Gauge System effects of closures



Closures Cost Money!

NETS (IWR-USACE)

- Greenup 2003 Closure (52 days)- \$42 Million
- Hannibal Locks 2005 Closure (5 days)-\$5 Million
- Lock 27 Closures
 - (August 2007)-\$3.9 Million
 - (Oct 2005-Feb 2006)- \$2.7 Million
- McAlpine (August 2004)-\$6.3 million

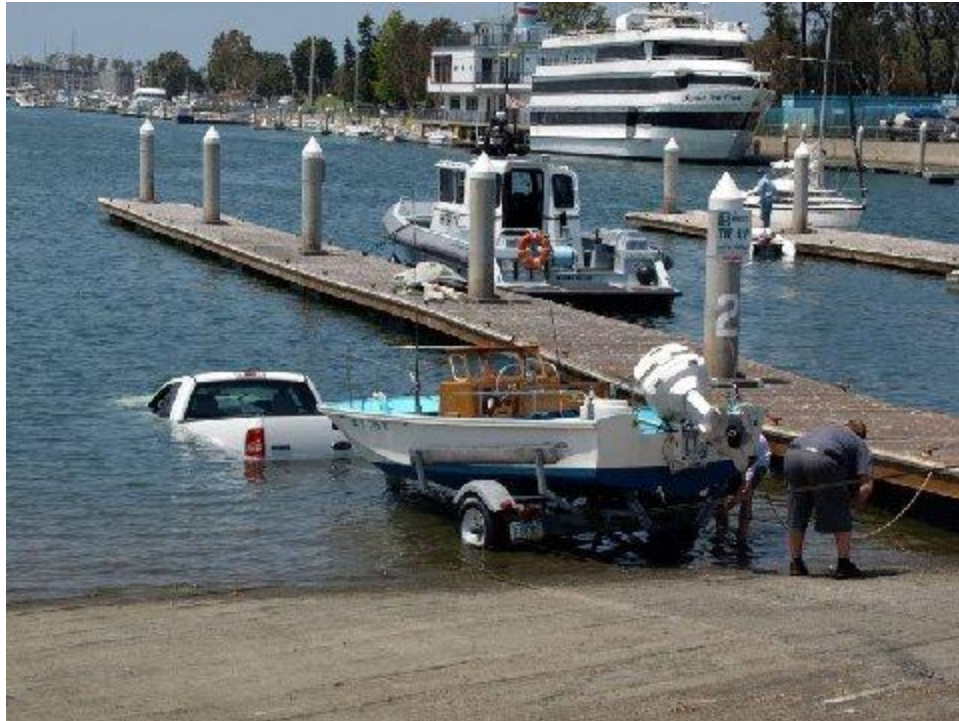
GLOBAL Insight – Upper Miss 90 Day Closure

- \$118.6 million for Waterway freight
- \$482.8 million by rail
- \$1.50 billion by truck

PIANC Report – 111-2010

Performance Indicators for Inland Waterways Transport

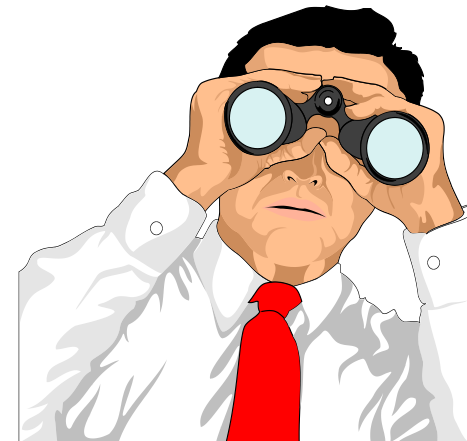
1. Infrastructure
2. Ports
3. Environment
4. Fleet and Vehicles
5. Cargo and Passengers
6. Information and Communication
7. Economic Development
8. Safety
9. Security



**CAN WE GO FORWARD WITH
PUBLIC DEBATE**

Corridors will be more important in the future

- Panama Canal Expansion
- Emerging corridors/hubs
- Densities critical in determining new sites
- More intermodal locations may develop
- Will we choke on congestion first?
- Legacy concerns



Can Marine Highways be a part of a Freight Strategy?

- Balance with international/ coastal flows
- Recognize multimodal corridor tradeoffs exist
- Work with states/cities for truck congestion
- Multiagency planning, data, analysis
- Efficiency versus equity
- “3I’s” - Infrastructure, Information, Institutions

Who Are the Players?

Private

- Shippers
- Carriers
- Developers

Public

- State, local, national
- Civic Groups



Public Sector Role in Marine Highways

Agency

- Most operate as landlords
- Not planning agency
- Economic Development
“Catalysts”
- Transparency and merit based
- Performance metrics

Political

- Civic Pride and Competition
- Election cycle versus life cycle
- Accountability
- Conflicts over local objectives
- Willing for Public Private Partnerships



Some State Responses

- Louisiana
- Mississippi
- Arkansas
- Tennessee
- Kentucky
- West Virginia

The new standard waterway presentation

- We are doing business now
- We represent a modern, innovative partner
- We support modern logistics
- We can grow with linkages to other markets and modes

Thank you

Contact Information

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Transportation Studies

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<http://www.ittsresearch.org>

Related events



Smartrivers

Sept 13-16, 2011

New Orleans, LA

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