

The background of the slide features a light blue, semi-transparent graphic. It consists of a globe with latitude and longitude lines, overlaid with a compass rose. The compass rose has four main points and is centered on the globe. The overall aesthetic is clean and professional, with a focus on global and navigational themes.

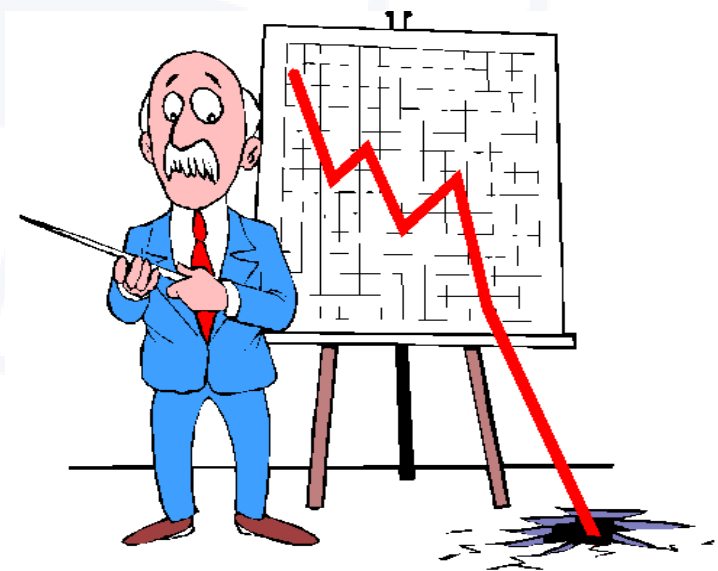
# Thoughts on Transportation in the Southeast

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# The World is Changing...

- Economic Downturn – New Long Term
- Operational concerns (traffic, congestion, maintenance)
- “Green” Pressures
- Reducing Risks (disasters, terrorism)
- Funding options
- Global Competition – Trade



# My goal...

- Suggest that corridors are key to the region's success
- Globalization remains a regional driver
- We are unprepared...

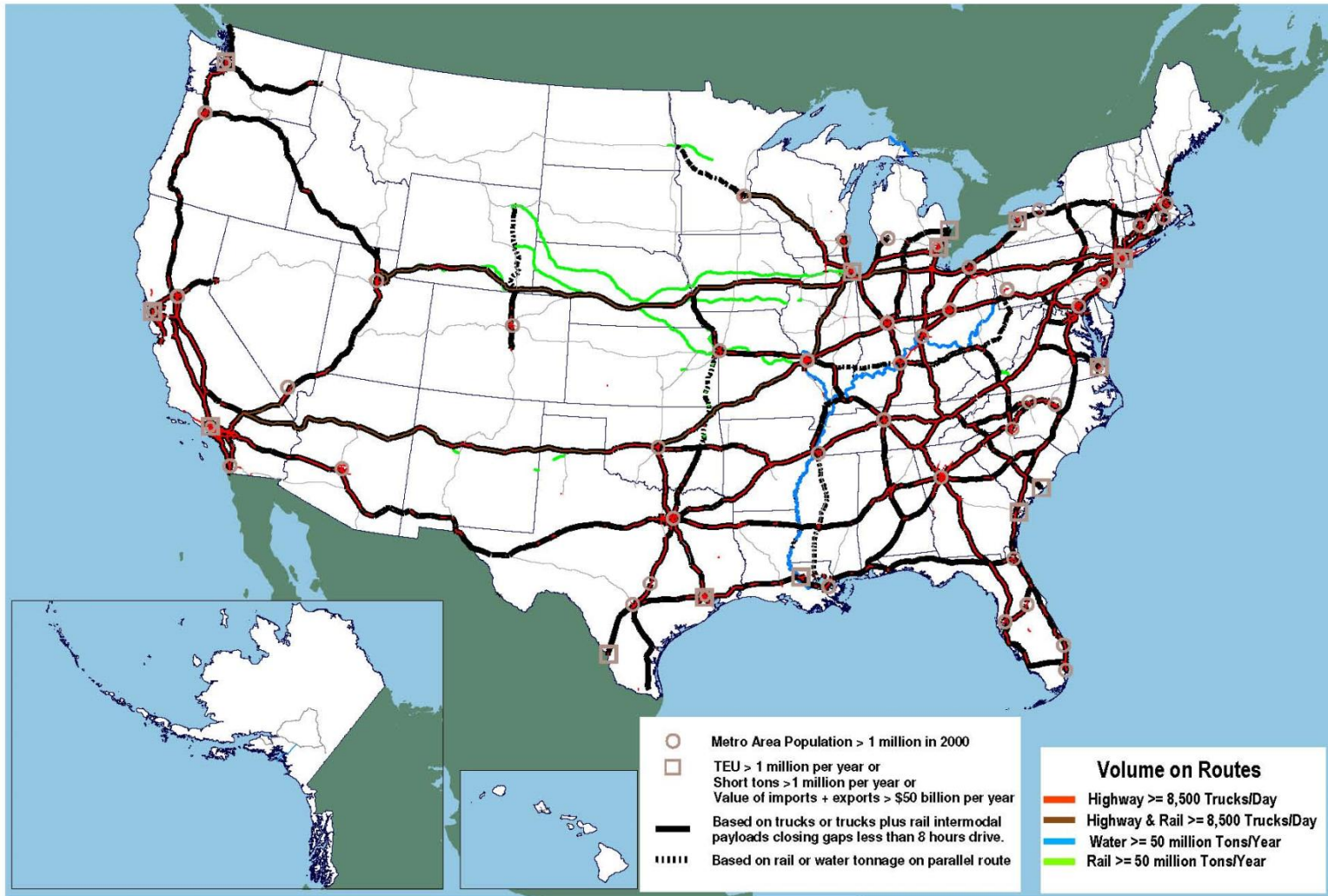
# U.S. has many corridors

- Highways
- Railroads
- Waterways
- Airports (passenger and freight)
- Pipelines

## Common Characteristic –

- Serve Regional, National, International markets
- Robust, but fragile system

## Major Freight Corridors



Note: Highway & Rail is additional highway mileage with daily truck payload equivalents based on annual average daily truck traffic plus average daily intermodal service on parallel railroads. Average daily intermodal service is the annual tonnage moved by container-on-flatcar and trailer-on-flatcar service divided by 365 days per year and 16 tons per average truck payload.

Source: U.S. Department of Transportation, Federal Highway Administration, Office of Freight Management and Operations, 2008.

# Who benefits from transportation improvements?

- Carriers
- Ports
- Governments and other local industries
- Shippers
- Economic Development Agencies
- Who does not benefit?



# Corridors



- At a crossroads on national transportation policy
- Can not expect different results with same tools
- Hierarchical systems will be critical
- Transparency and accountability are critical
- Equity Challenges
- Multimodal corridors systems approach

# Globalization

- Foreign Direct Investment
- Exports from Region
- Forecasted Trade Activity from Non Texas Gulf Coast ports



# Foreign Direct Investment (2006) (Commerce, BEA)

## Alabama

- 73,600 Alabama workers.
- 13.8 percent of total manufacturing employment
- 4.4 percent of the state's total private-industry employment

## Kentucky

- 91,000 total jobs.
- 18.4 percent of total manufacturing employment.
- 5.8 percent of the state's total private-industry employment

## Mississippi

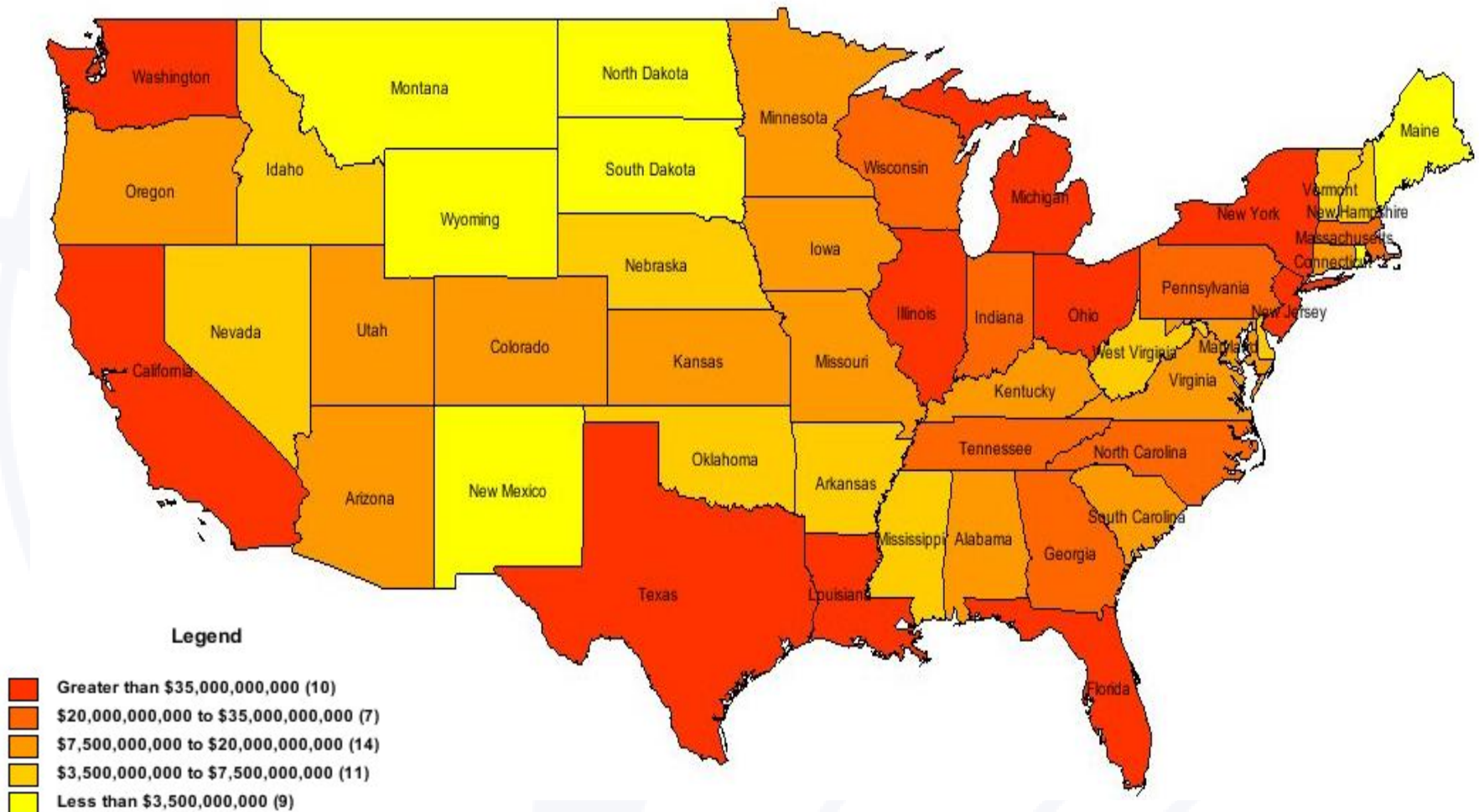
- 25,700 workers
- 6.6 percent of total manufacturing employment
- 2.7 percent of the state's total private-industry employment

## Tennessee

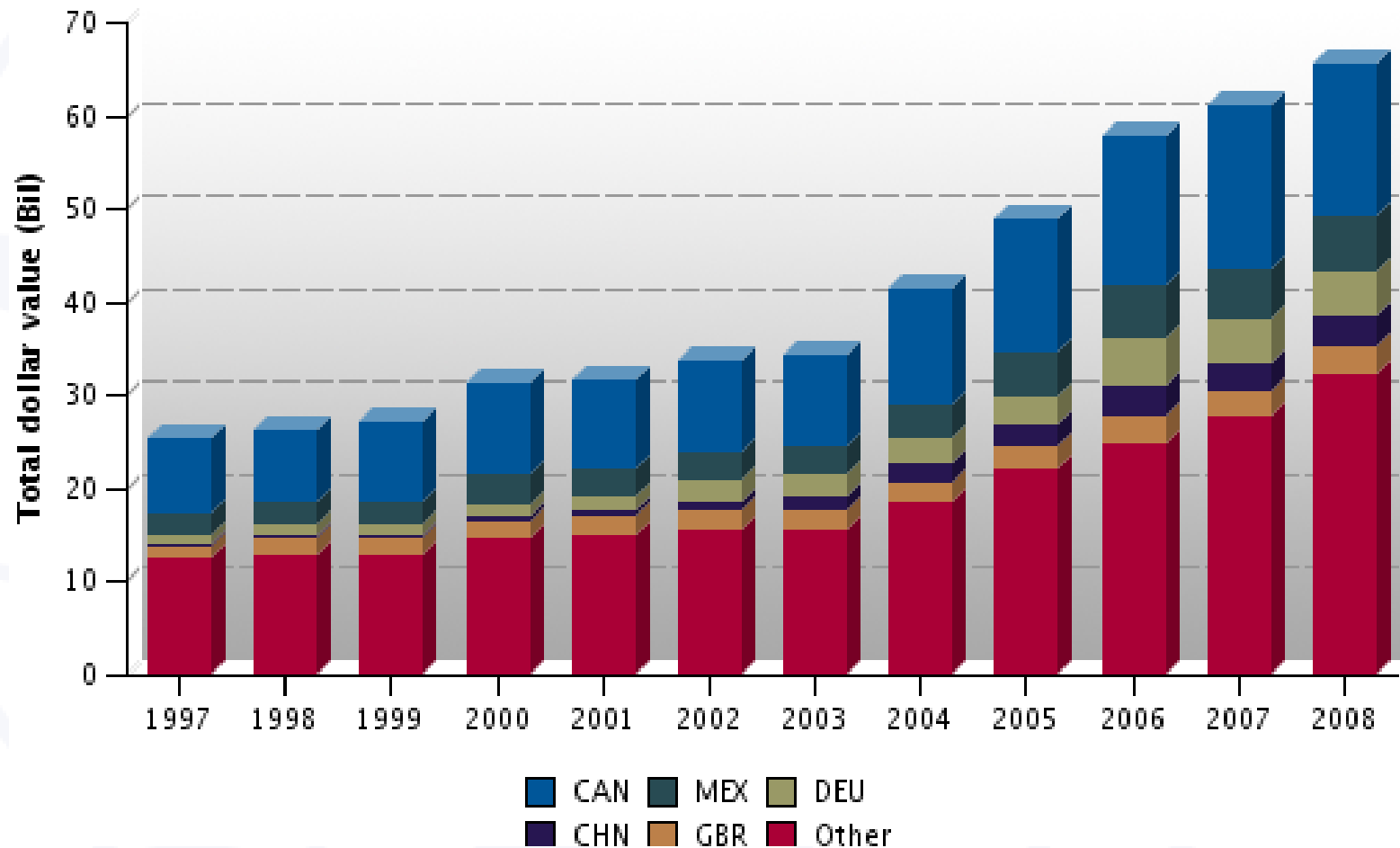
- 140,300 total jobs
- 17.8 percent of total manufacturing
- 5.7 percent of the state's total private-industry employment

# U.S. Exporters by State, 2008

(WISERTRADE)



# Tenn-Tom State Origin of Export Shipments (WISERTRADE)

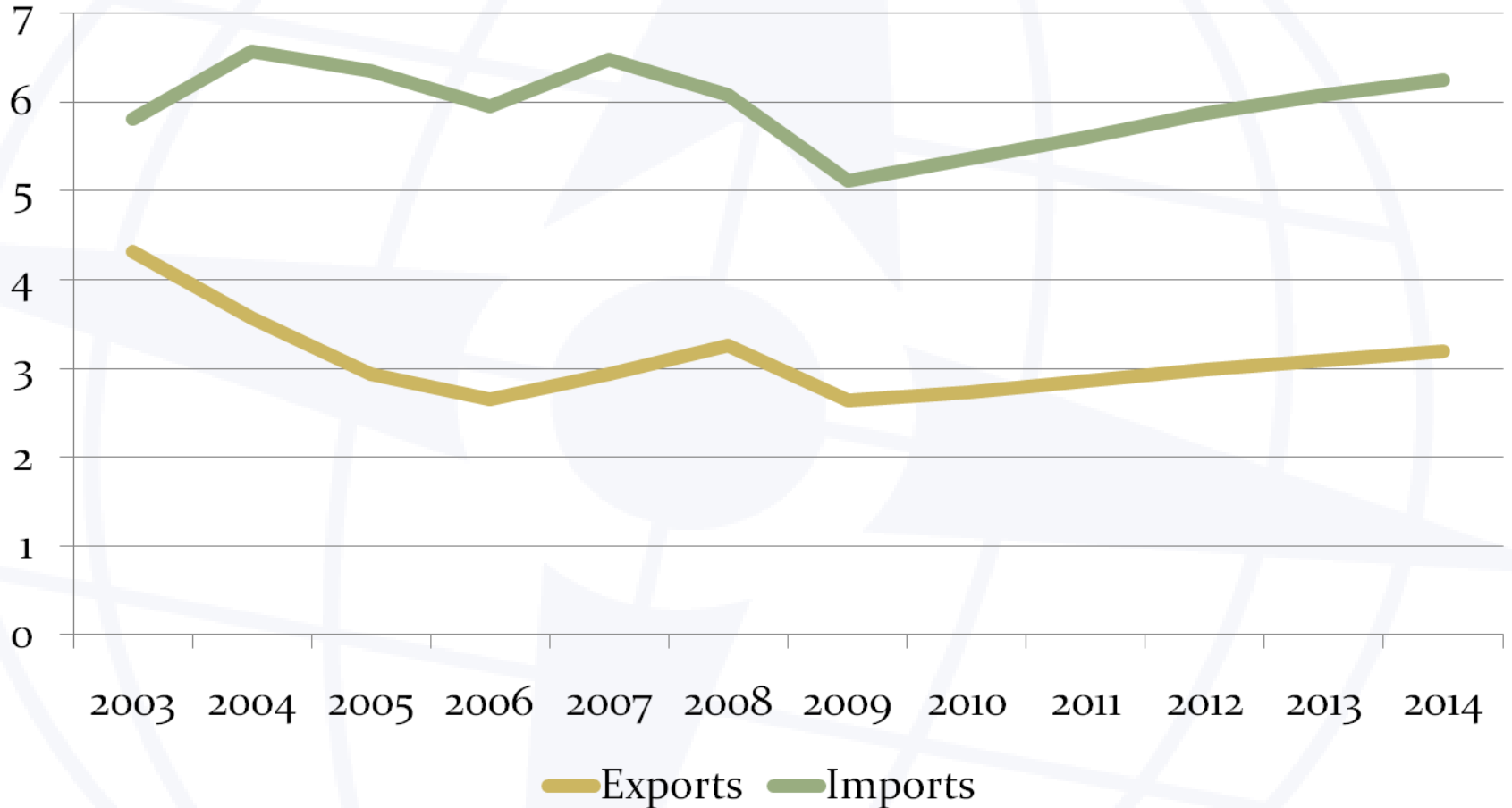


# Forecasts of Southeastern US Gateways (Non Texas) (IHS Global Insight)



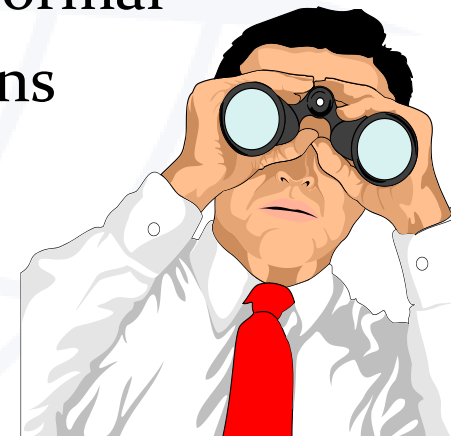
# Forecasts of Gulf Coast (Non Texas) Containerized Tonnage ( Million Mtons)

(IHS Global Insight)



# Additional Trends in the Global Economy

- Timing of Economic recovery uneven
- Future of Globalization is being questioned:
  - Return to “near sourcing” based on fuel prices
  - Free Trade Discussions
  - The Panama Canal Expansion and Global Supply Chains
- Operations and the New Normal
  - Equipment issues when market returns to “normal”
  - Dredging and regional infrastructure concerns
  - Intermodalism from the West Coast

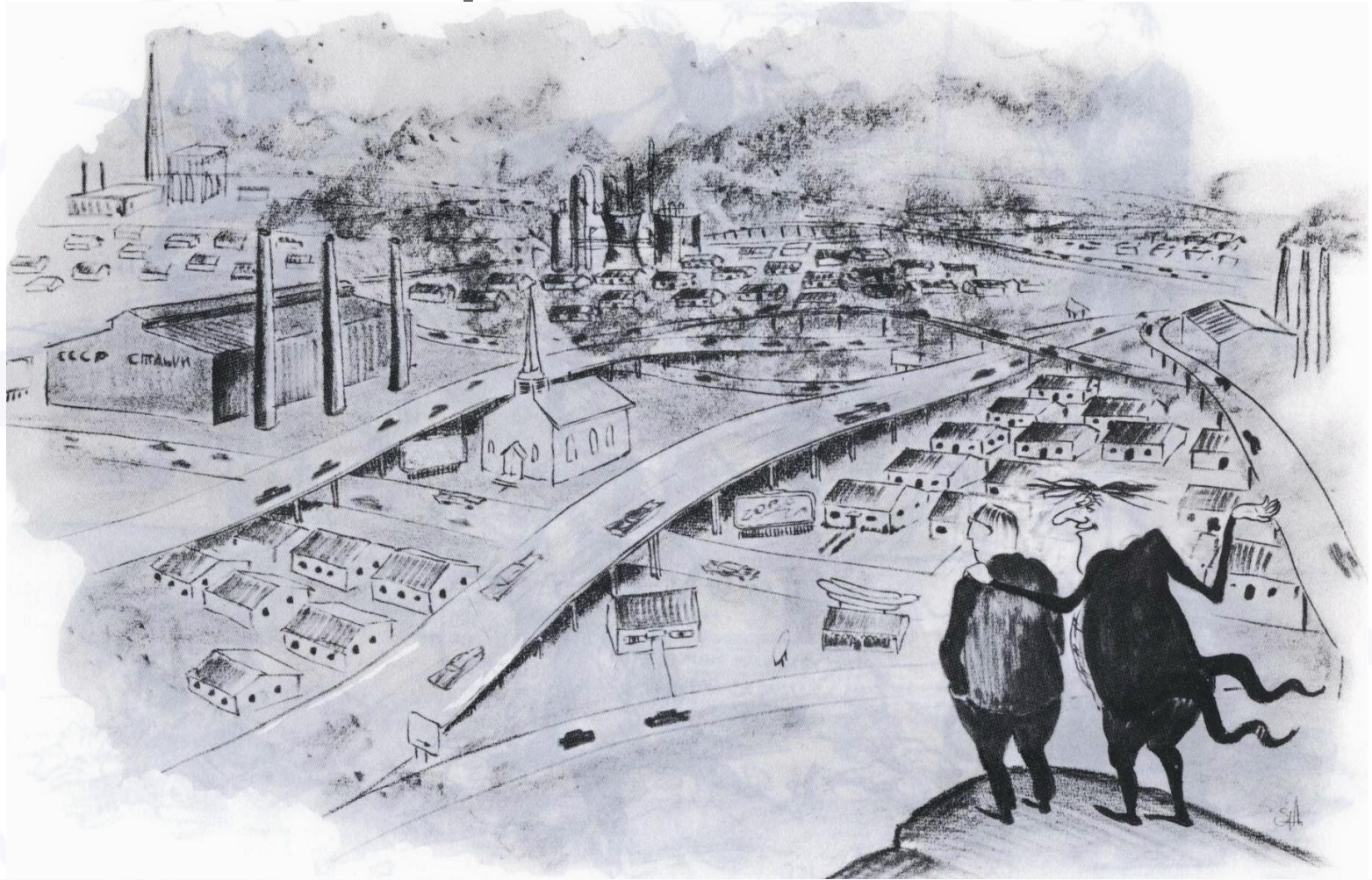


# The Southern Advantage (2003)

Joe Hollingsworth, Jr.

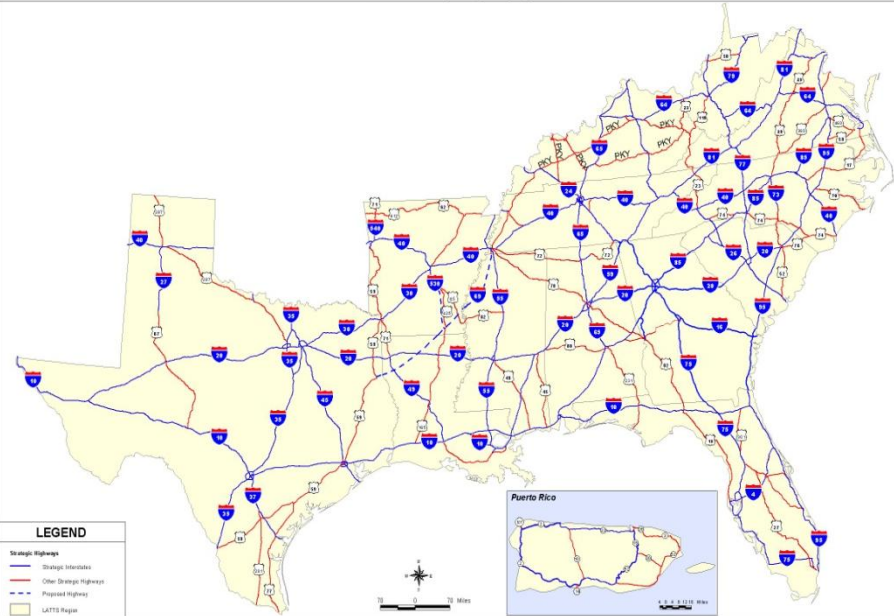
1. The South becomes even more competitive in the world economy
2. South shifts from manufacturing to service sector which improves manufacturing
3. Migration continues as the South becomes “land of opportunity”
4. South develops knowledge based economy
5. South leads way in education reform
6. Contiguous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

# Are We Prepared?

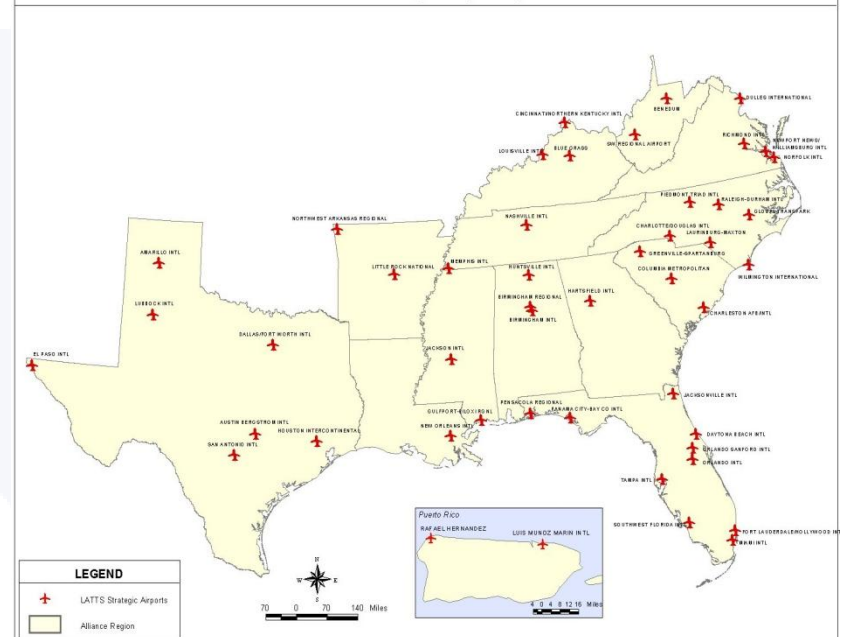


*Without Planning This Would Have Been a Mess*

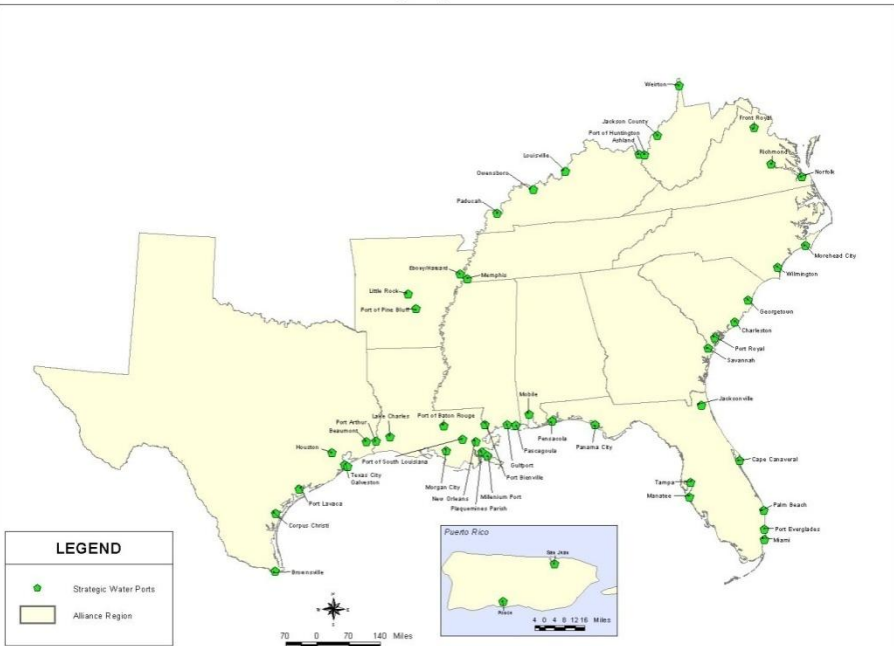
LATTS Strategic Highway System



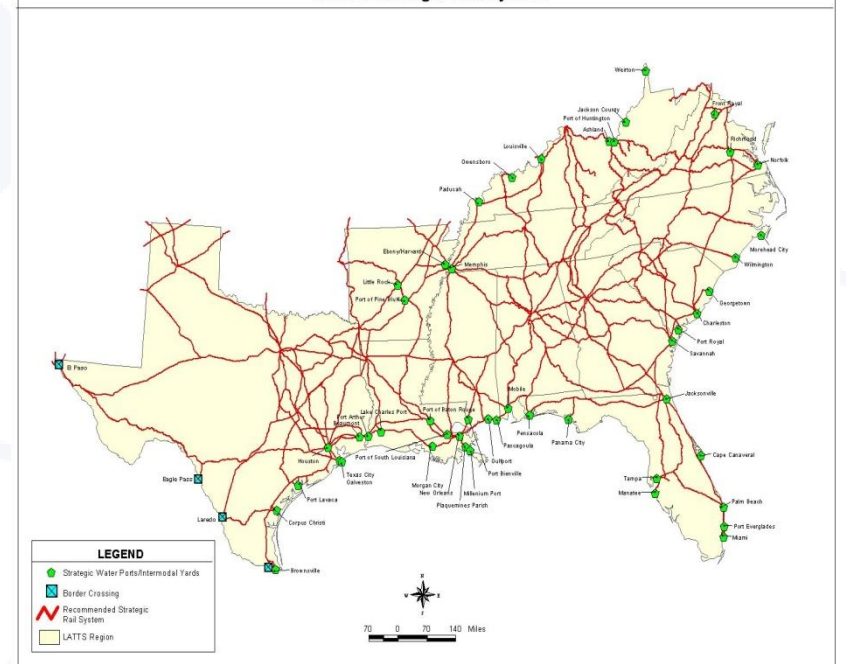
LATTS Strategic Airport System



LATTS Strategic System: Water Ports

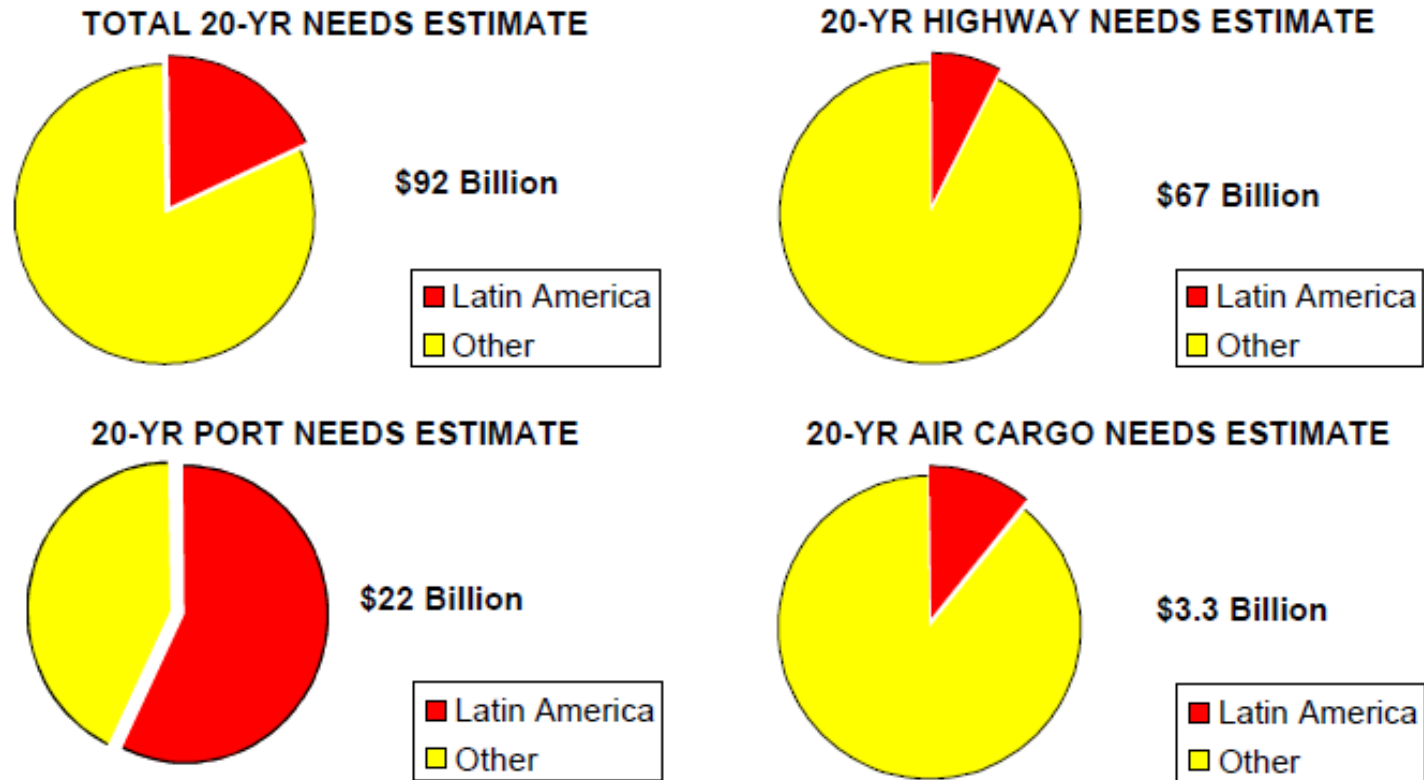


LATTS Strategic Rail System



# Identified Needs Related to Changing Demand

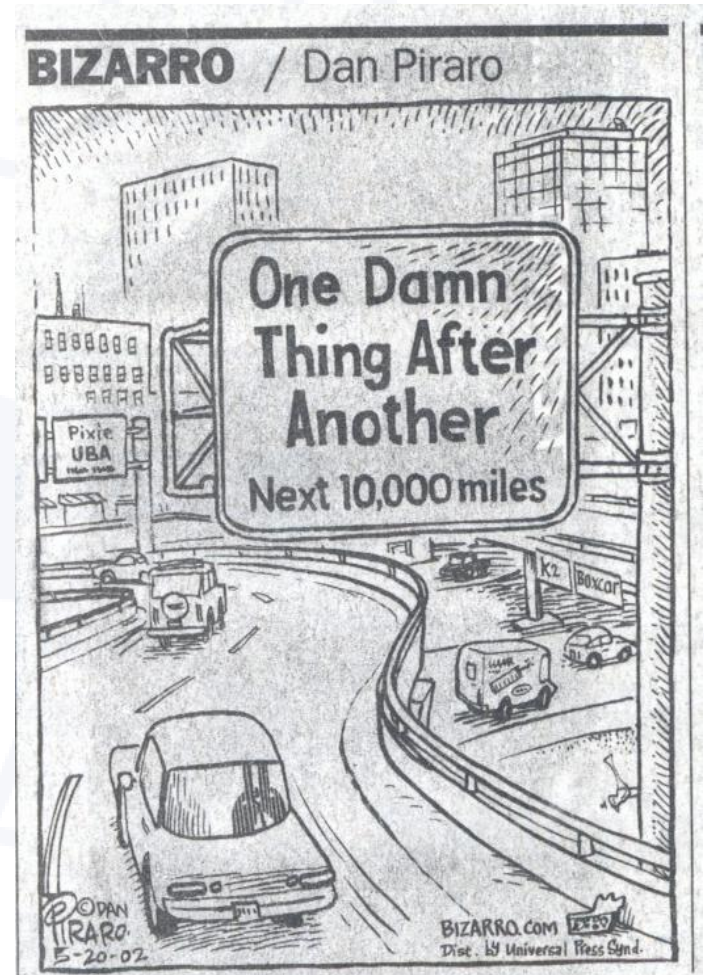
Exhibit A-6  
20 YEAR NEEDS ESTIMATES



# What kind of transportation system do we want? Now? Or In 30 years?

Public Sector – Safe, Secure,  
Environmental Responsible,  
Efficient/Reliable

Private Sector - Customers want  
the same, but need to  
understand how investments  
will be spent



# What Are Some Steps to Make This A Reality?

- Data and models
- Funding and/or institutional flexibility
- Prioritize Needs and scale
- Willing to Share (brotherly love)
- Communicate wants to internalize debate
- Transform this from “Your Dad’s Aging Infrastructure” to “Your Grandchild’s Future”

# Some concerns

- Relinking Transportation to industrial development
- Transportation impacts - externalities
- Ports and hinterland relationships
- Perception of value of capital stock returns
- “Others Have It” syndrome
- The Broken Triangle
- Understanding Scale
- Energy flows and equipment availability

# Partnerships are more critical...

- Must have interest
- Must have right tools (data, funding, volunteers)
- Can communicate expected outcomes
- Must be willing to commit for the entire project
- Should be non-traditional



# In Sum...

- Are Corridors Important?
- Is the South in the Global Marketplace?
- Does it need to look at Regional Solutions?
- Is the time to act now?