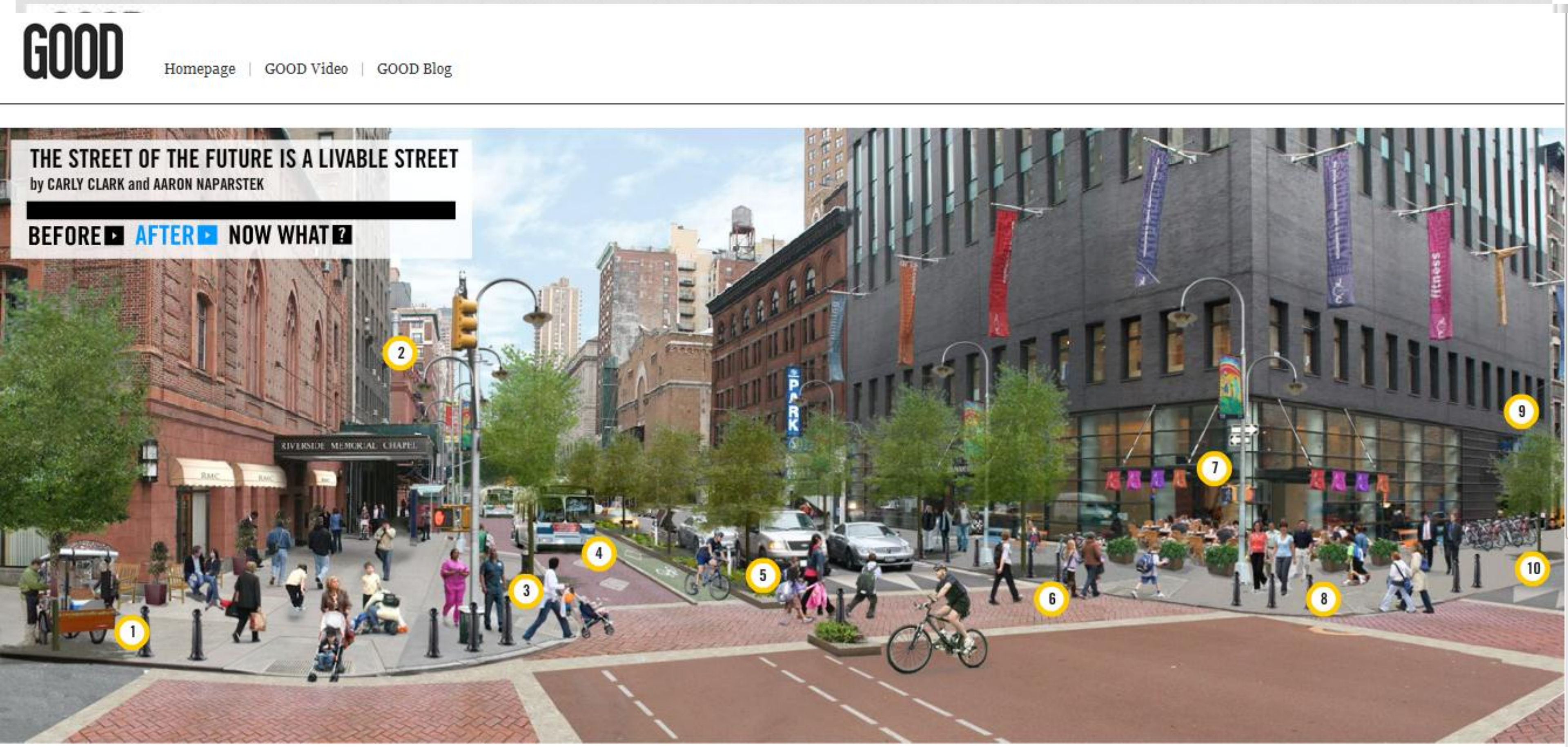
FREIGHT ISSUES IN WEST VIRGINIA

BRUCE LAMBERT

CAN FREIGHT COMPETE AGAINST COMPLETE STREETS?



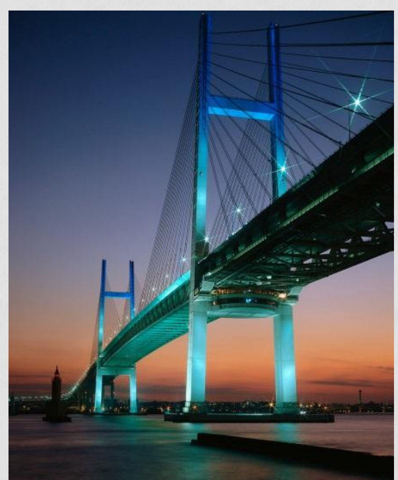
See any trucks, railcars, barges or planes?

WHAT IS FREIGHT ANYWAY?

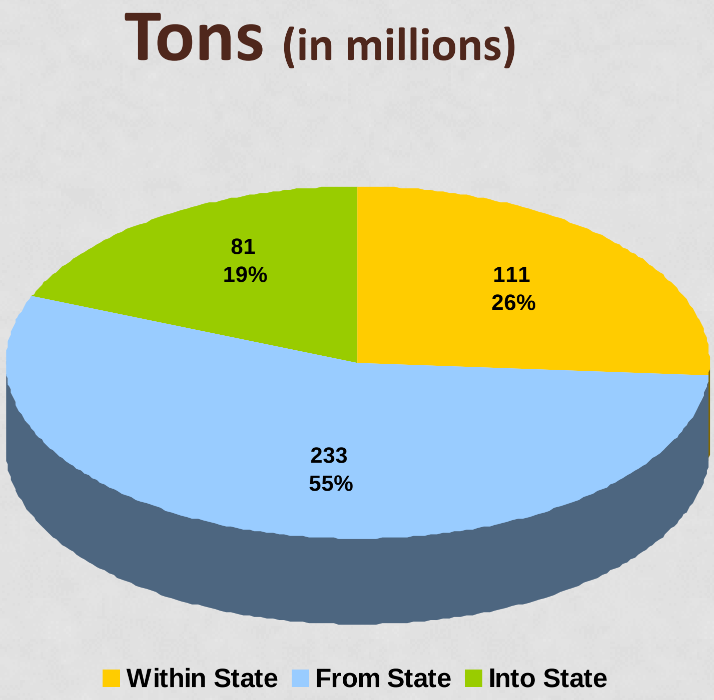
DOMESTIC, INTERNATIONAL, INDUSTRIAL SUPPORT

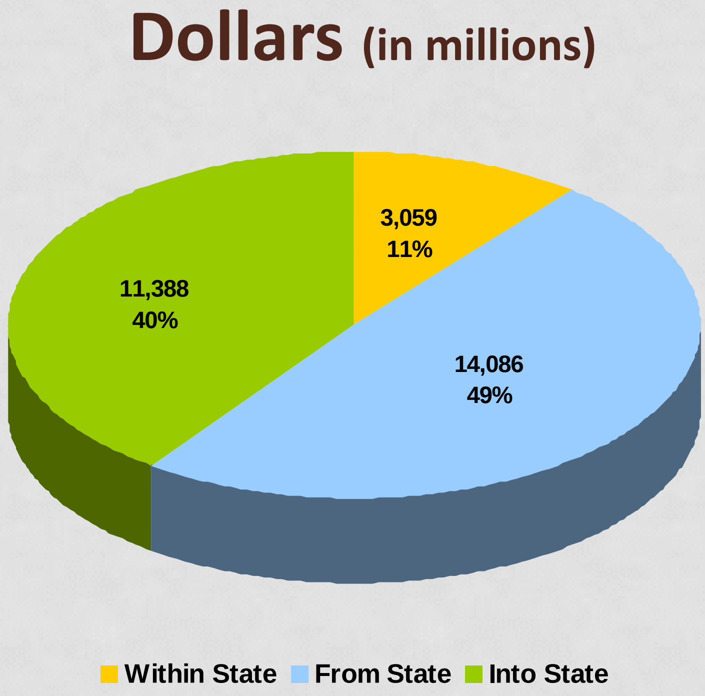
HOW DOES ONE LOOK AT FREIGHT ACTIVITY?

- Inventory Functions
- Engineering
- Operational Reliability
- Financial
- Safety and Security
- Markets
- Economical
- Jobs



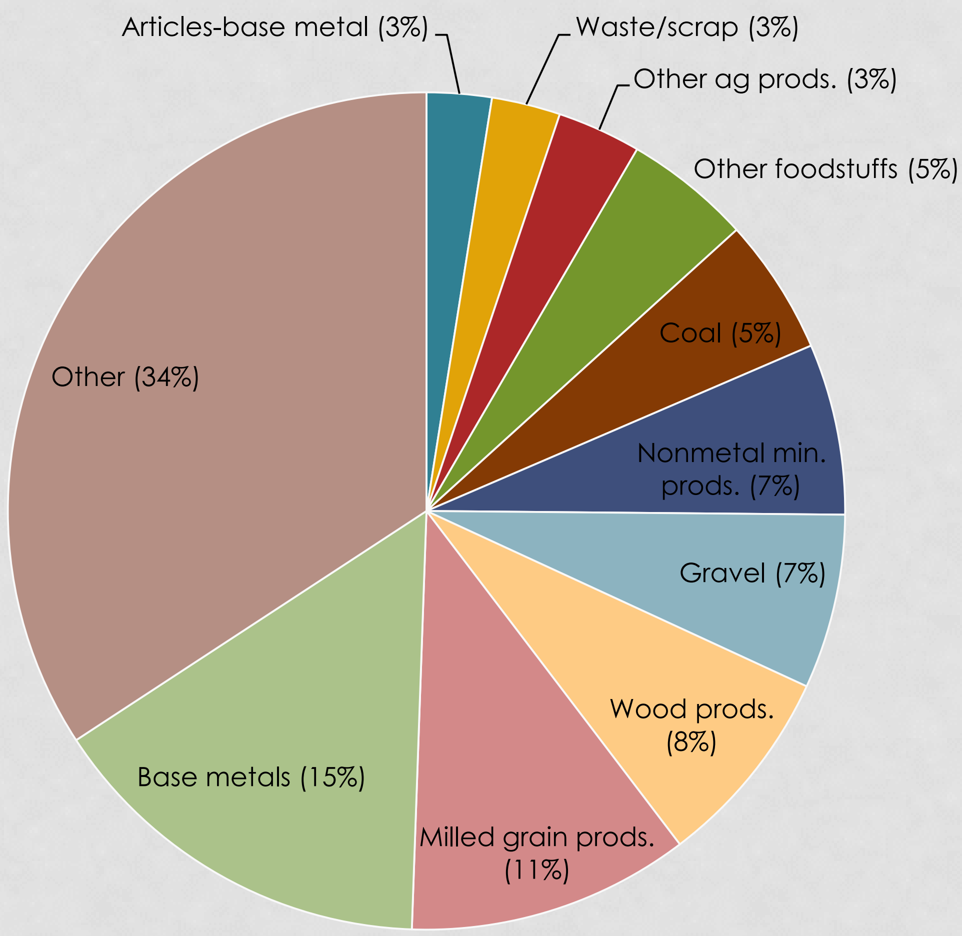
TOTAL FREIGHT TRANSPORTATION IN WEST VIRGINIA - 2008



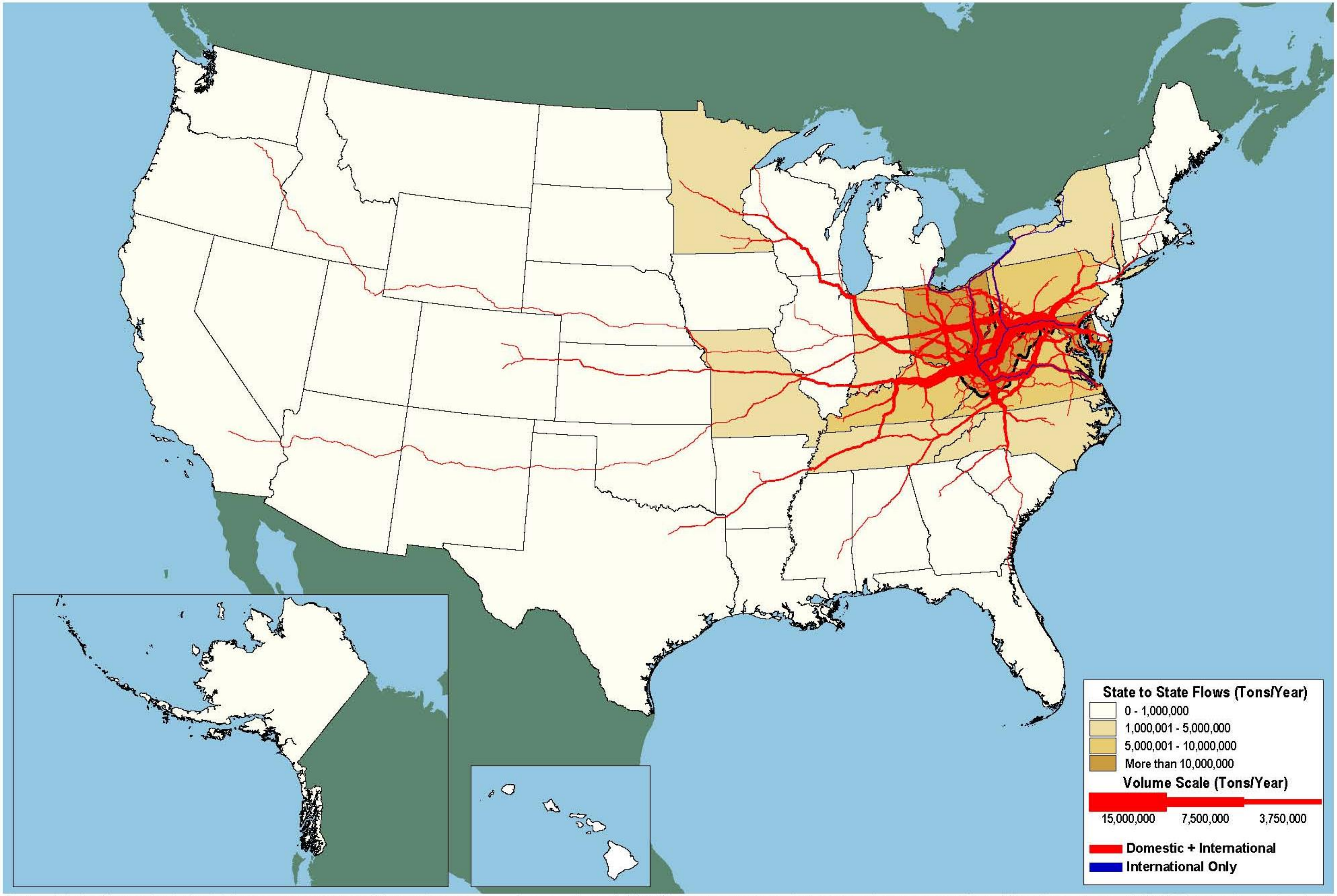


Source: Freight Analysis Framework, FWHA

SHARE OF ESTIMATED LOADED TRUCK TRIPS (TREDIS)



Major Tonnage Flows by Truck To, From, and Within West Virginia: 2002

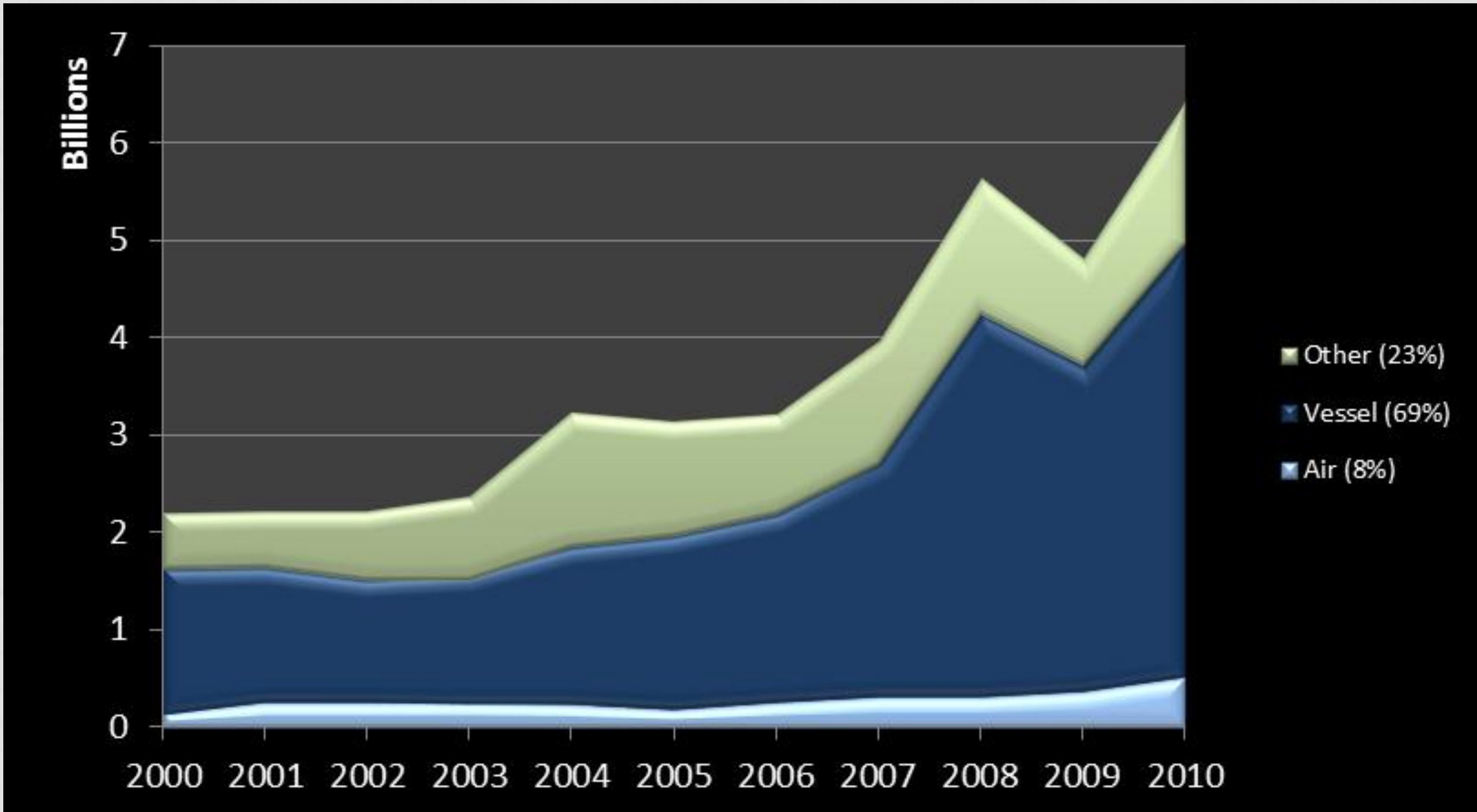


Note: Major flows include highway segments with truck tonnage of more than 140,000 tons per year, between places more than 50 miles apart. 140,000 tons is equivalent to approximately twenty four trucks per day.
Source: U.S. Department of Transportation, Federal Highway Administration, Office of Freight Management and Operations, Freight Analysis Framework, version 2.3, 2009.

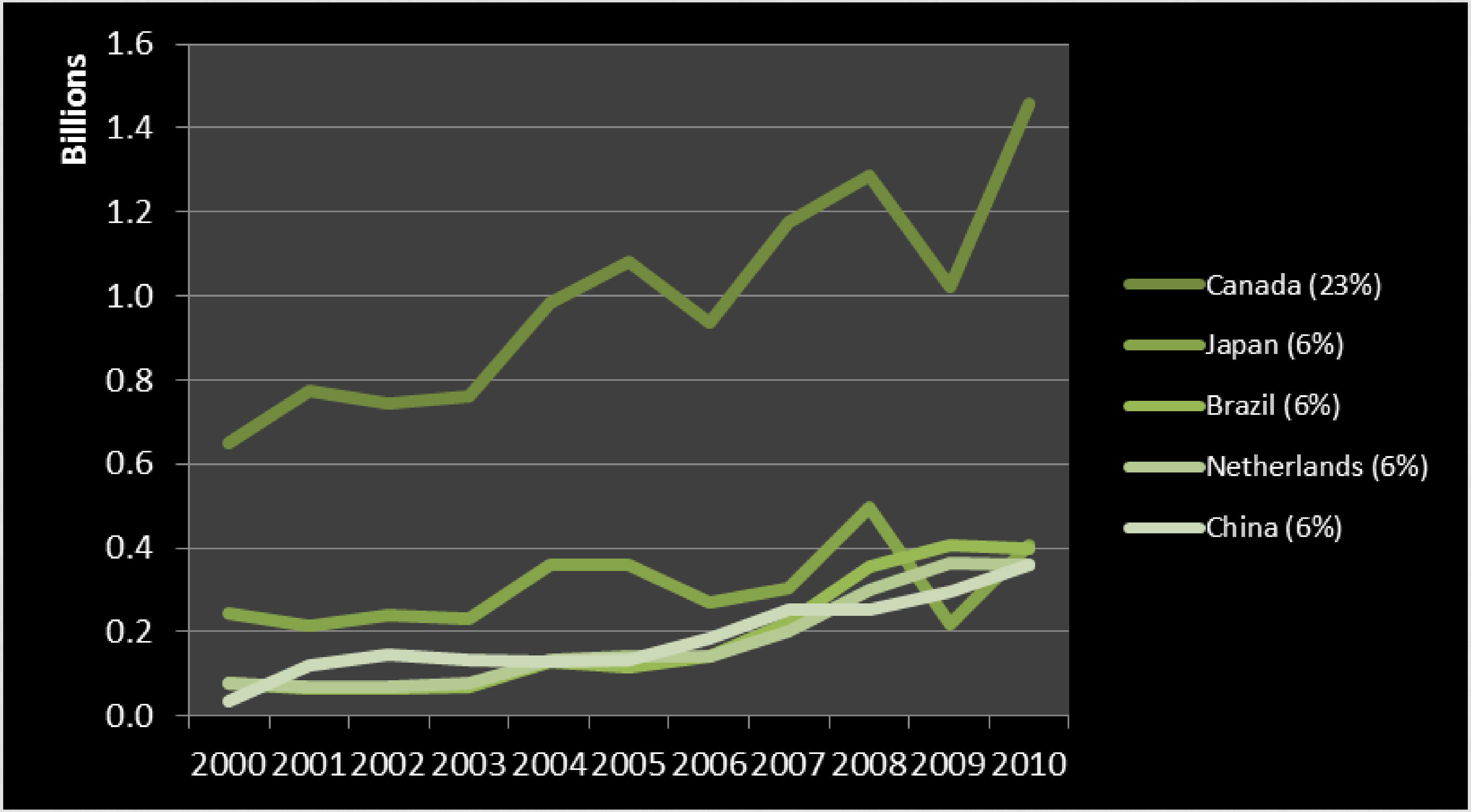
EXPORTING FROM WEST VIRGINIA

IT MORE THAN COAL!

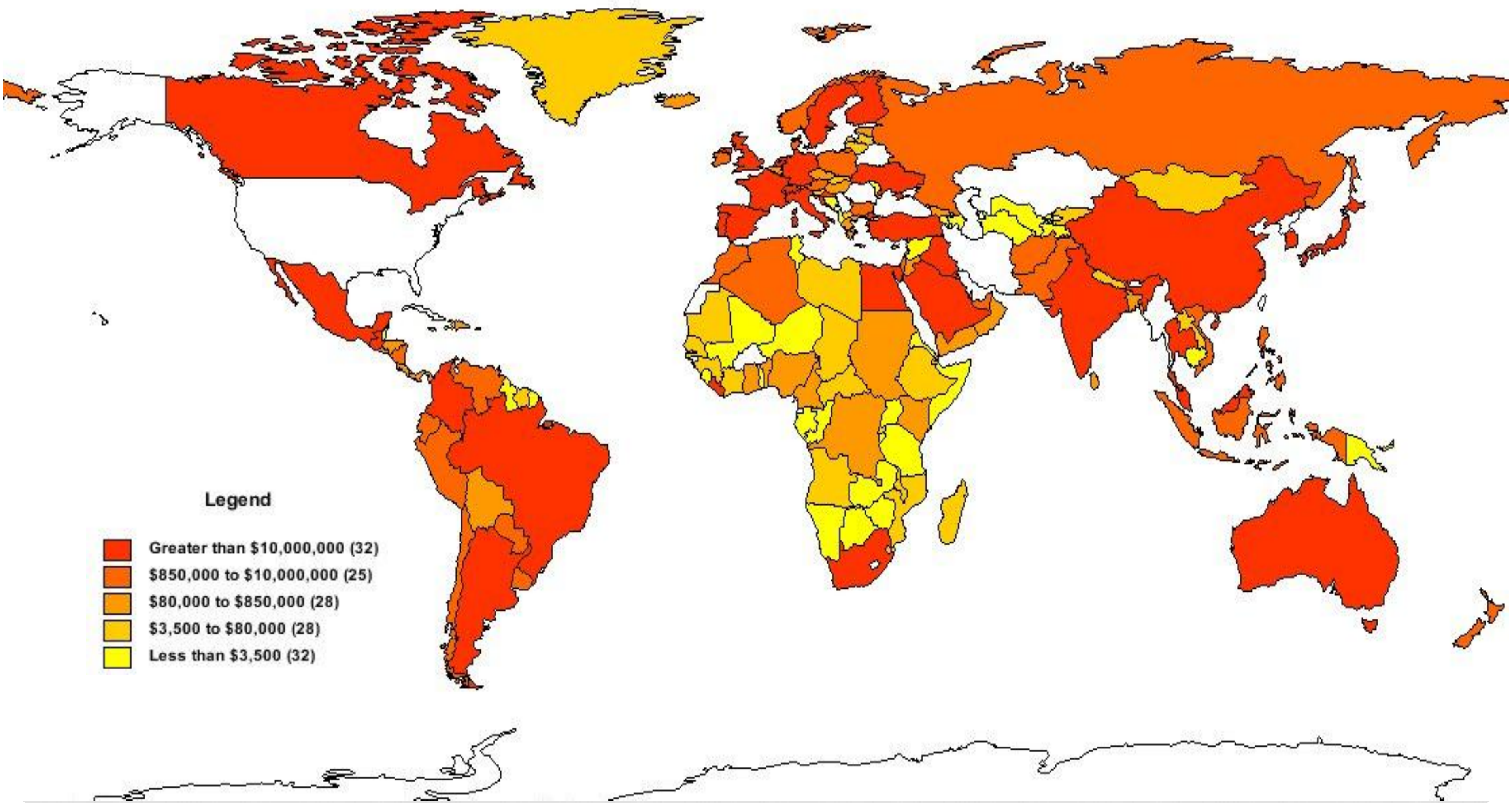
WEST VIRGINIA SHIPMENTS BY ORIGIN, TRADE BY MODE, BY VALUE 2000-2010



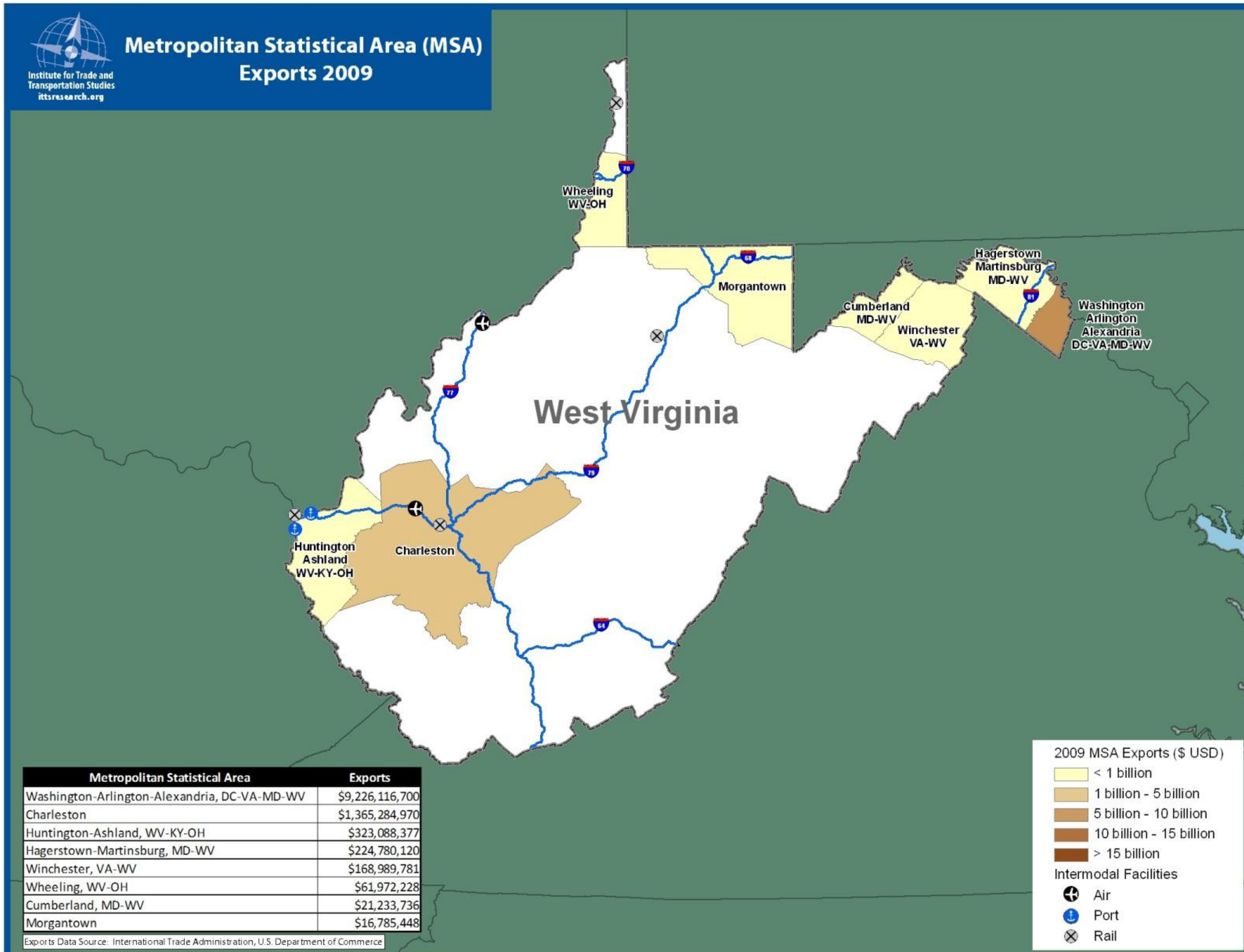
WEST VIRGINIA SHIPMENTS OF ORIGIN, TOP FIVE DESTINATIONS, 2000-2010 (ALL MODES - $6.4 BILLION)



WEST VIRGINIA STATE EXPORTER DESTINATIONS, (VALUE) 2008

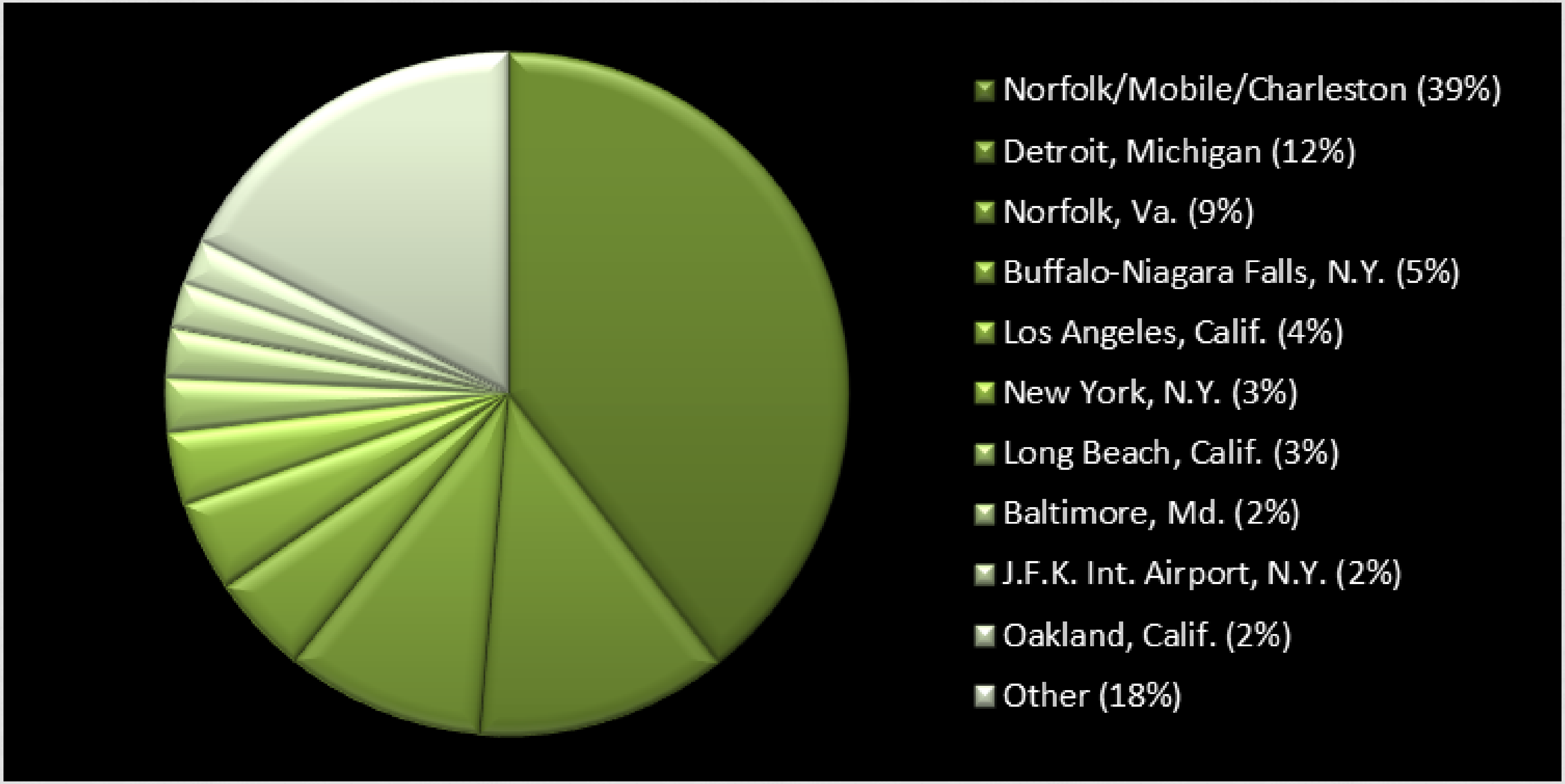


WHERE ARE THE EXPORTERS LOCATED (MSA'S)

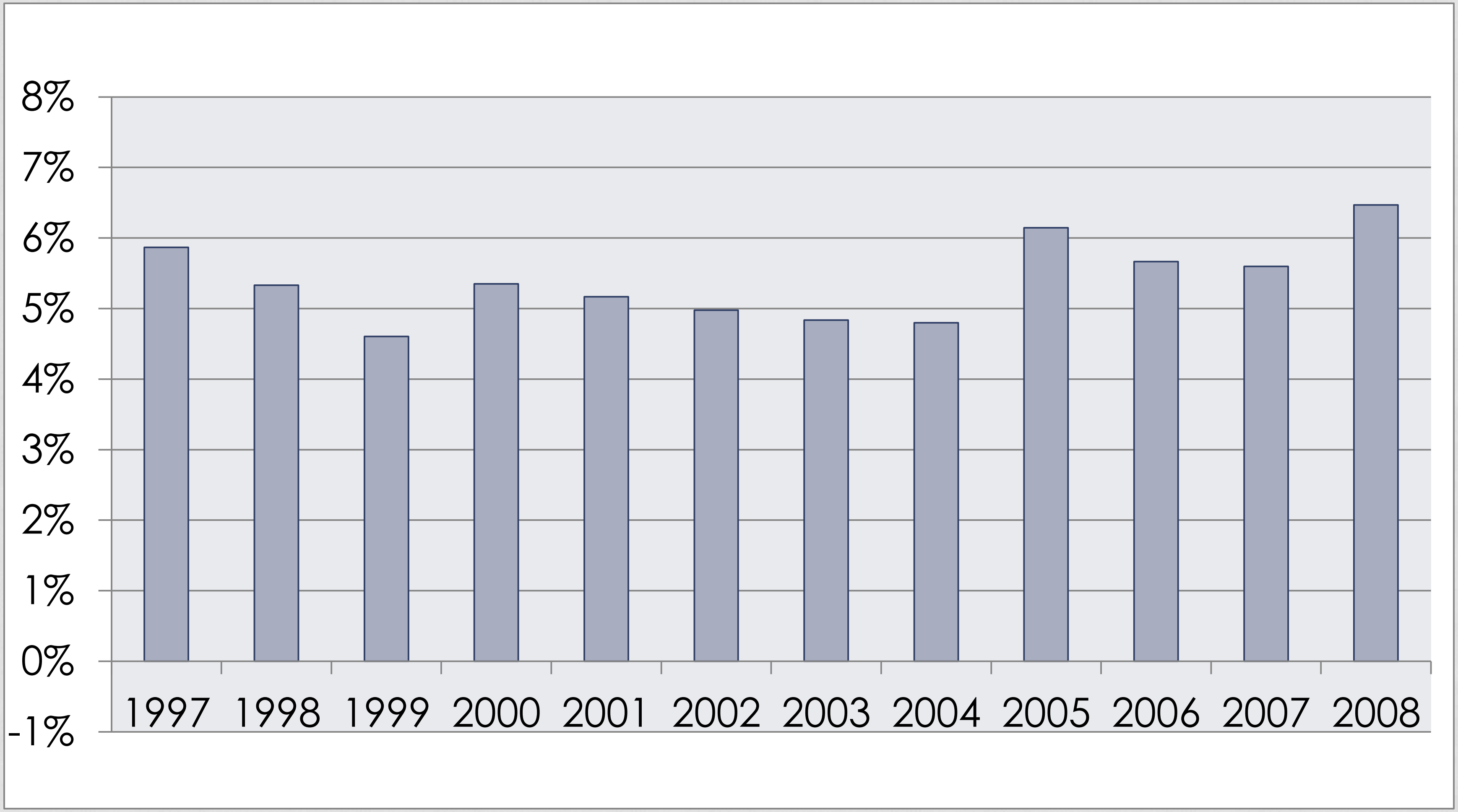


Metropolitan Statistical Area	Exports
Washington-Arlington-Alexandria, DC-VA-MD-WV	$9,226,116,700
Charleston	$1,365,284,970
Huntington-Ashland, WV-KY-OH	$323,088,377
Hagerstown-Martinsburg, MD-WV	$224,780,120
Winchester, VA-WV	$168,989,781
Wheeling, WV-OH	$61,972,228
Cumberland, MD-WV	$21,233,736
Morgantown	$16,785,448

WEST VIRGINIA SHIPMENTS OF ORIGIN, TOP GATEWAYS, 2010 (ALL MODES - $6.4 BILLION)



WEST VIRGINIA EXPORTS AS SHARE OF TOTAL STATE GDP 1997 -2008

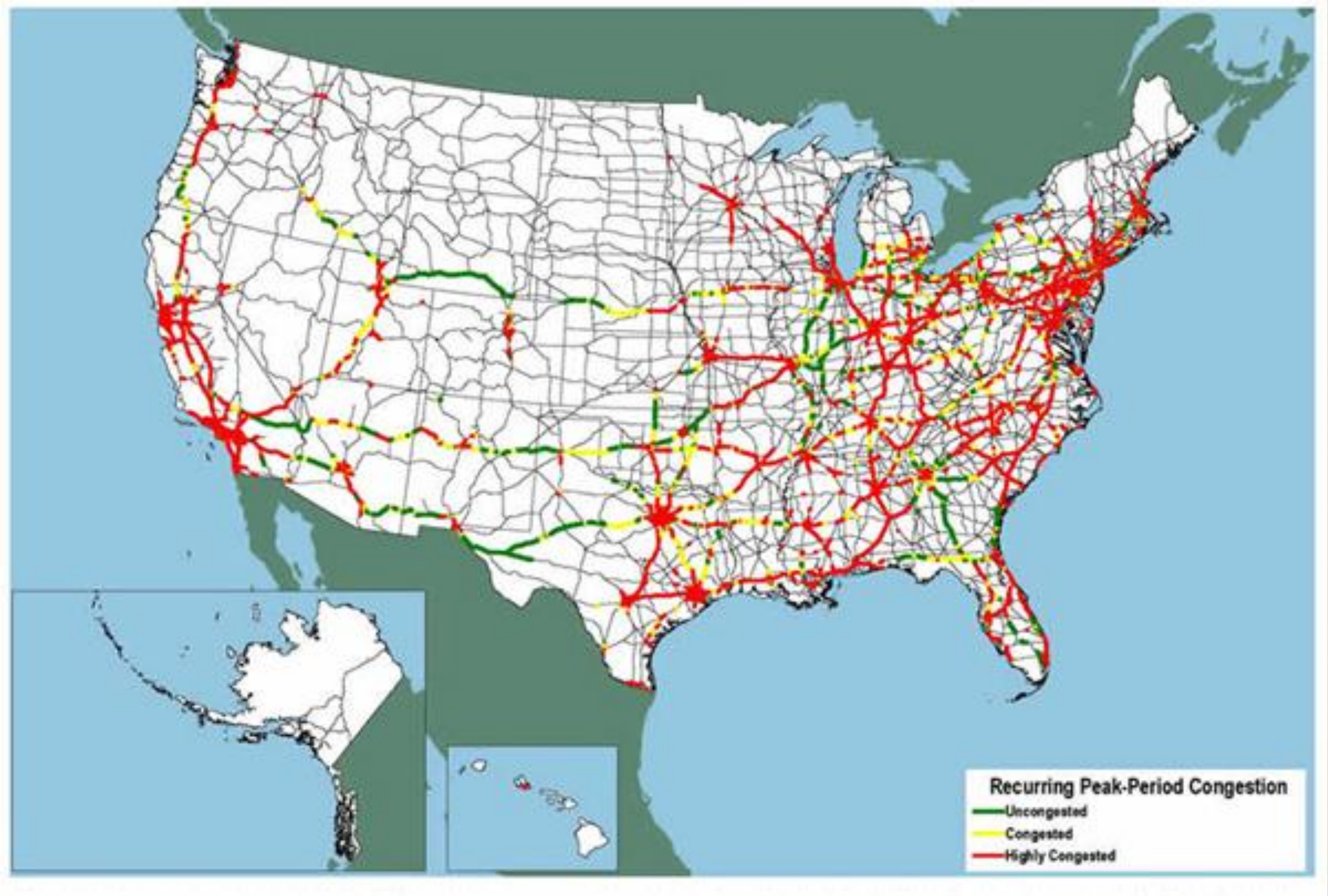


Source: Bureau of Economic Analysis, U.S. Dept. of Commerce & WISERTrade State Exports

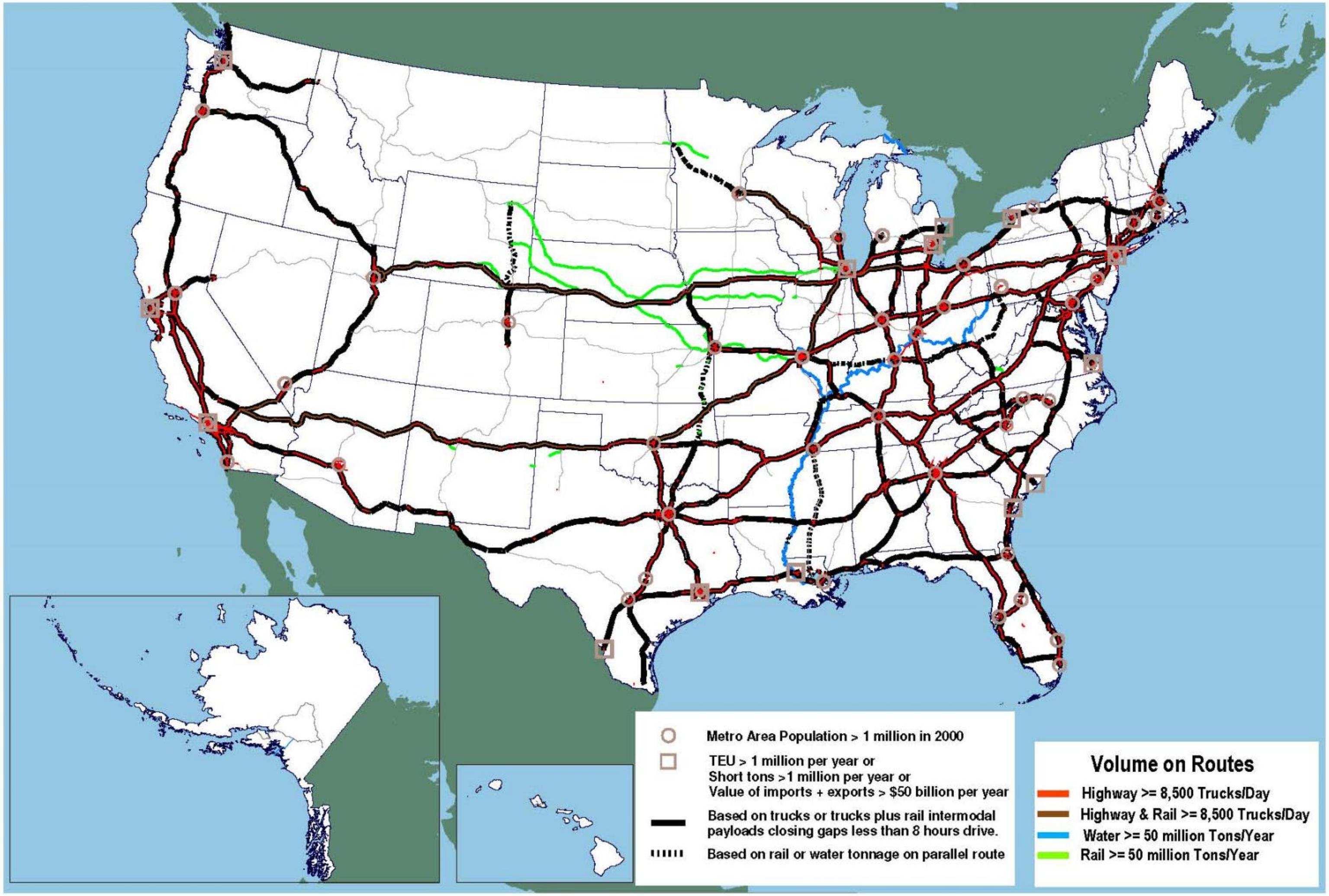
WHAT IS THE FUTURE OF FREIGHT IN THE US

GLOBAL PRESSURES AND CORRIDORS

COMPARISON OF PEAK PERIOD CONGESTION – 2002 - 2035



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.

AASHTO - TRANSPORTATION INVESTS IN OUR FUTURE

OTHER “FREIGHT” ISSUES?

Domestic

- Federal Role in transportation
- Truck chassis, operations, drayage
- Hours of Service
- “Greening” of supply chains
- Container availability
- Truck Productivity
- Energy Policy
- Locks and Dams

External

- Price of fuel – Energy
- China – “Insourcing”
- Future of U.S. Dollar
- Near Sourcing to Latin America
- Panama Canal Expansion
- Free Trade negotiations

STRATEGIES RECOMMENDED BY LATTS

Infrastructure:

- Utilization of Existing Infrastructure
- Add Physical Infrastructure
- Corridor Approach for Investing

Operations:

- Increase Operating Throughput
- Develop Agile Freight Operations
- Improve Clearance at Gateways
- Attention to Connectors

Institutional:

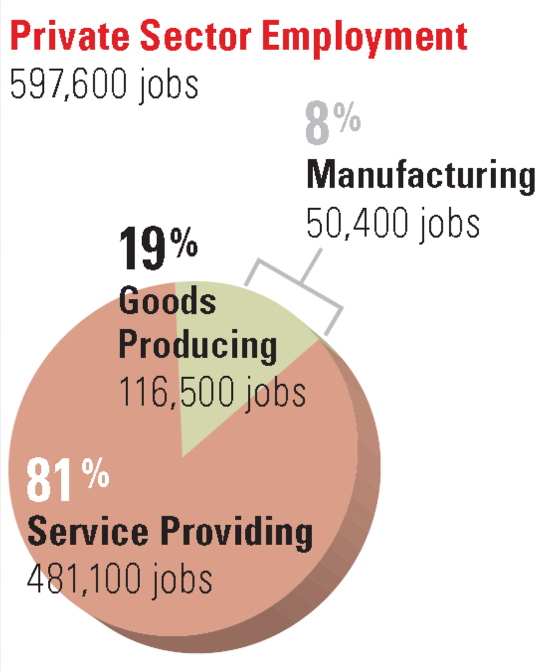
- Increase Public Awareness
- Improve Institutional Relationships
- Improve Freight Profile
- Partnerships

Technology:

- Encourage Technology
- Integration of Information
- ITS Applications

BACK TO JOBS

Industry	Relative Industry Concentration (LQ)	Total Regional Jobs per $mil. Output	Total Jobs Supported by Net Exports
Total			154,101
Mining & Support Activities	9.41	6.88	42,826
Chemical Manufacturing	2.82	4.64	19,718
Government & non NAICs	1.21	19.27	15,627
Health Care & Social Services	1.30	17.80	15,239
Primary Metal Manufacturing	3.66	6.75	14,554
Wood Products	3.45	13.31	9,987
Retail Trade	1.12	21.60	9,389
Animal Production	1.23	28.59	7,551
Accommodations, Eating & Drinking	1.10	24.36	6,303
Transportation	1.38	10.92	5,965
Construction	1.09	14.74	5,714



HEARTLAND INTERMODAL CORRIDOR SCAN, SEPT 2010

SO WHAT…WHAT DOES THIS MEAN TO ME?

JOBS, PARTNERSHIPS, PRIORITIZING

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

TRENDS IN ECONOMIC DEVELOPMENT

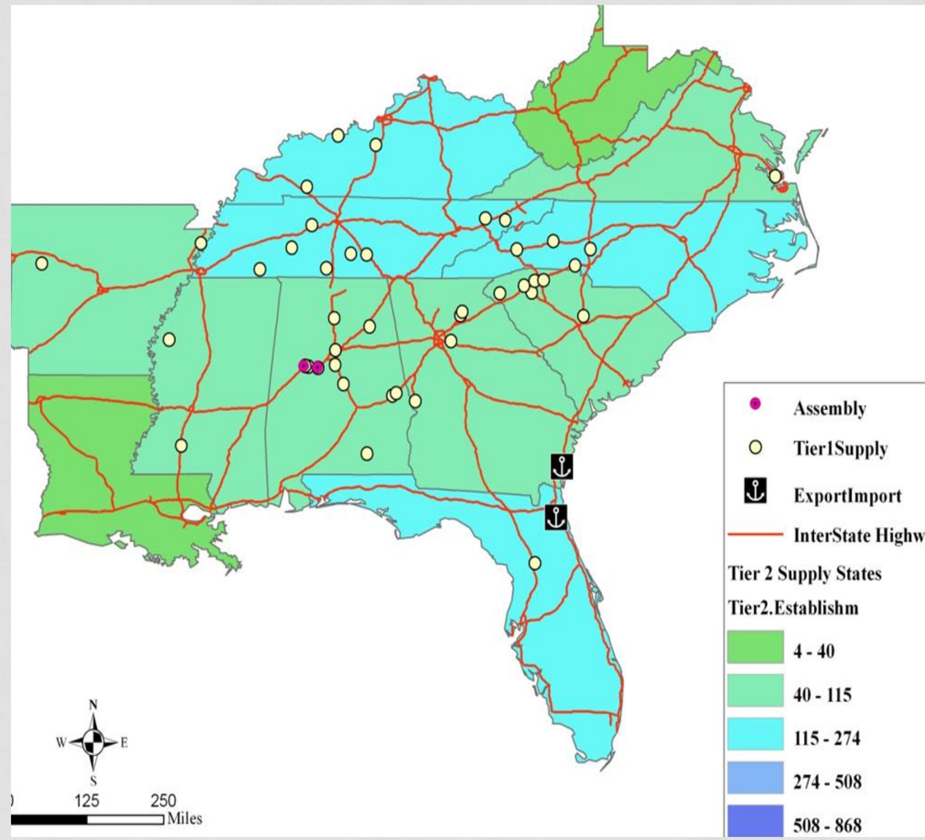
- Greenfield-Brownfield development
- Clusters versus Growth Poles
- Operational considerations
- Integrated Logistic Supply Chain Centers

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**

HOW AM I IMPORTANT TO THE WORLD?



WHO ARE THE PLAYERS?

Private

Shippers – International

Shippers – Domestic

Carriers – Intermodal

Carriers – Drayage, Regional

Local citizens

Public

State

Local

Federal

SOME CONSIDERATIONS

What do "WE" want

- Relinking Transportation to industrial development
- Economic development = jobs

What must "WE" balance

- Private vs. Public $$$
- "Others Have It" syndrome
- Scale and Densities
- Aging Infrastructure vs. Capacity
- Managing Expectations


FREIGHT
ACCESS AND MOBILITY
REPRESENT TRANSFORMATIVE
OPPORTUNITIES

WHO CONTROLS YOUR DESTINY?

THANK YOU

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Executive Director

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FREIGHT IN THE SOUTHEAST

Moving Our Region's Business

Norfolk, Virginia

March 14-16, 2012

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