Today’s Focus

- NITL - Who we are and Where we’ve been
- Who - What is a shipper?
- Current environment and thinking
- What are shippers doing?
- Major issues
- Addressing the issues
- Conclusion
Phase I -- 1907 -1985
- ICC
- Regulatory
- Technical Expertise
- Domestic
- Confrontational

Phase II -- 1986 -2002
- De-Regulation
- Legislative
- Technical Education
- Training
- International
- Cooperative

Phase III -- 2003 -
- Vision 2020
- Value Added
- Educational
- Business Integration
- Legislative
- Collaborative
Today Who is a Shipper?

• Traditional Definition
  – An entity that manufactured products for delivery to customers or secondary manufacturing.

• Five elements have changed this definition
  – Deregulation of all modes of transportation
  – The growth of intermodalism
  – The growth of information technology
  – Globalization
  – Outsourcing
Today’s Definition

• A shipper can be any entity that is engaged in the movement of freight, whether manufacturer, distributor, third party logistics provider or a ‘carrier’ using another mode as a means to provide service to their customer.
Some Thoughts

“Future trust-fund projections are not encouraging and we must confront this issue sooner, rather than later.”

“Currently, the trust fund is financed primarily by the federal [fuel] tax. With the rise of alternative fuels and greater fuel efficiency, this is not cutting it anymore.

We are relying on a 20th century mechanism in a 21st century world”

Rep Thomas Petri
House T&I Committee
“A modern, efficient, seamless transportation network that interweaves the country and connects it to the world cannot be built on a parochial basis.

Big, nationally important projects, with costs and benefits that often span several states and regions, will bring advantages to far-flung areas and cannot be completed with only local dollars.

The federal transportation system is supposed to provide greater benefits to all by spreading costs equitably and broadly - an approach that requires vision and leadership.”

Mort Downey
Former Deputy Secretary of Transportation
Some more thoughts

In the past, we have looked at investment by mode, but that’s not a logical approach going forward.”  Doug Duncan President & CEO, FedEx Freight

“Transportation is a business. If we treat it as a business, maybe it can be a source of growth in America, rather than a source of irritation.”  Secretary of Transportation Mary Peters
A Shipper’s Perspective

• A goal of a shipper is quite simple
  – Turn product or service into cash!

• To achieve this goal there are three common requirements
  – Capacity
  – Performance
  – Cost

• Shippers with different needs will prioritize these differently – you can’t put them all in one bucket.
A Shipper Perspective

- Economic growth in a consumer economy means increased goods movement – an opportunity for all transportation providers.
- Shippers will always look to meet the demands of their customers.
  - Many demands are seasonal, i.e. holidays.
- Shippers will utilize the transportation mode and provider that allows them to meet their customer’s needs.
Major Issues

• Security
• Capacity
  – Infrastructure
  – Human Resources
• Environmental Policy
• Energy policy
• Labor/Management Issues
• Regulatory Policy
What are Shipper’s doing?

- Increasing inventory
- Locating additional distribution centers
- Utilizing different ports
  - All water to the east
  - PNW
  - Supporting new ports – Canada, Mexico
- Getting involved
The Reality

- “Freight is the circulatory system of our economy.”
- Demands of consumers will continue to grow
- Current capacity will not meet even the most conservative growth estimates
Elements of the Solution

- Technology
  - Positive Train Control
  - Intelligent Vehicle Systems
- Process/Operations
  - Improved dialogue between shippers/carriers
  - Improved public/private sector efforts
- Productivity
  - Increase size and weight
  - Improved port productivity
- Funding
  - Fuel Tax
  - Tolling – Usage charges
  - Public/Private Partnerships
If I Was King

- Leadership – National & Local
- Creation of a sense of urgency
  - With policy makers
  - With the public
  - Presidential Candidates
- Incentives for modal optimization and usage
  - Technology
  - Productivity
  - Environmental
- Expedited processes for project development,
- Growing Transportation workforce
Summary

• Meeting our growing transportation needs will demand collaboration between all parties
  – Transportation Users (Shippers)
  – Governments
    • Domestic at all levels
    • International
  – Transportation Providers (Carriers) – all modes
  – Labor
  – Third parties
Get involved because –

You are either at the table or on the menu!