



THE
NATIONAL
INDUSTRIAL
TRANSPORTATION
LEAGUE

Maryland Freight Summit

Maryland DOT
Annapolis, MD

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<http://www.nitl.org>

Today's Focus



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- 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

NITL



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Phase I -- 1907 -1985

- ICC
- Regulatory
- Technical Expertise
- Domestic
- Confrontational



9/13/2007

Phase II -- 1986 -2002

- De-Regulation
- Legislative
- Technical Education
- Training
- International
- Cooperative



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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



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- 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



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“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

Some Thoughts



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“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



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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



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- Security
- Capacity
 - Infrastructure
 - Human Resources
- Environmental Policy
- Energy policy
- Labor/Management Issues
- Regulatory Policy

What are Shipper's doing?



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

The Reality



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- “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



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- 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



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- 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



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- 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



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Get involved because –

**You are either at the table
or on the menu!**