



MARYLAND FREIGHT SUMMIT 2007

“Short and Long Term Freight Concerns in MD”

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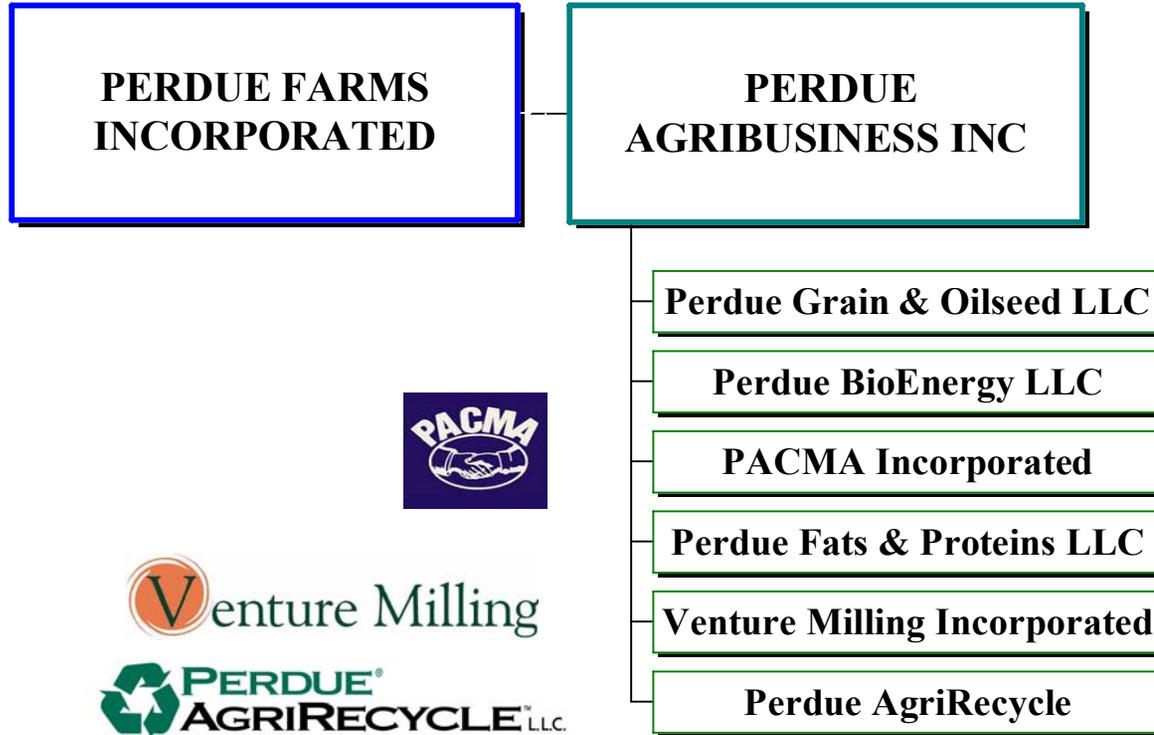


Arthur W. Perdue (far left)
as Railway Express Agent, 1917

Perdue Incorporated

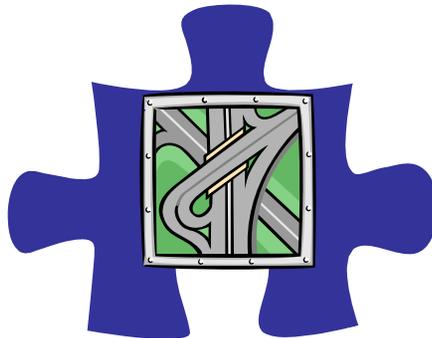
**PERDUE FARMS
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Perdue Incorporated



“The Transportation Puzzle”

- Mid-Atlantic Transportation Issues
- The Consequences of Doing Nothing...
- “Solving” the Transportation Puzzle



Mid-Atlantic Transportation Issues



Congestion



Capacity



Infrastructure

Capacity



- The Bureau of Transportation Statistics estimates domestic freight shipping will increase 70% by 2020.
- Freight tonnage shipped by truck will double by 2035, with trucking's share of total freight tonnage estimated to grow from 74% to 80%.
- By 2010, some of our ports will be handling 50% more cargo than they did in 2005.

U.S. Infrastructure

- Over 156,000 bridges (26%) have been found either structurally deficient or functionally obsolete.
- 97% of roads, bridges and tunnels, and 88% of transit systems will require at least moderate improvements in the coming years.
- Infrastructure improvement is second only to energy issues of business-focused government policy priorities for 2007 according to the National Association of Manufacturers.

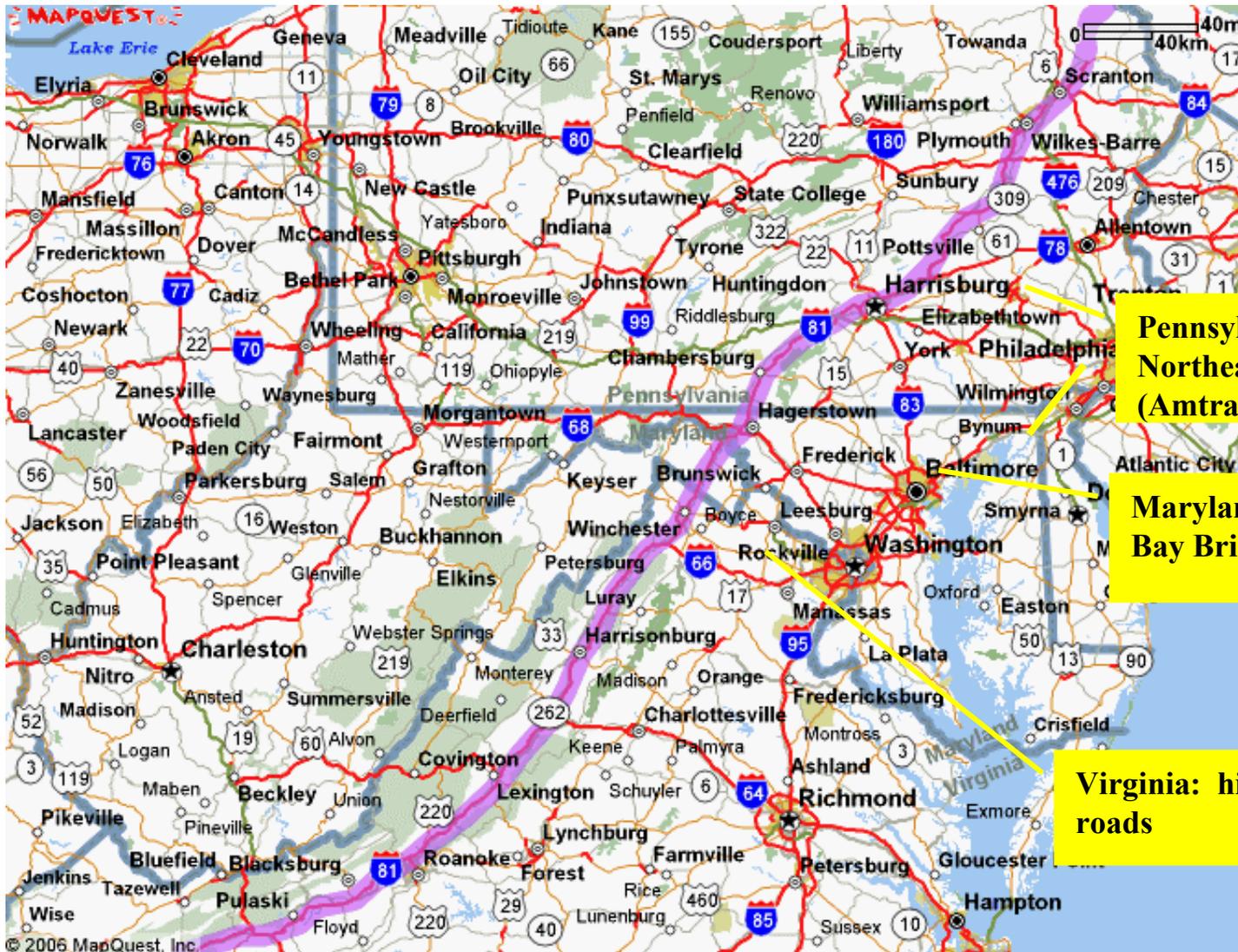


Congestion



- Cost of highway congestion \$63 billion a year in wasted time and fuel costs.
- The FHA estimates truck traffic growth will be double that of passenger traffic growth.
- An average interstate highway mile will carry 22,700 trucks by 2035. That means for a motorist, a truck will pass them every 3.5 seconds.

Mid Atlantic Supply Chain Bottlenecks

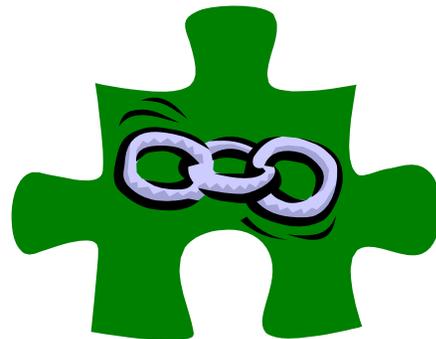


Shipper Supply Chain Concerns

Increased Population = Increased Congestion

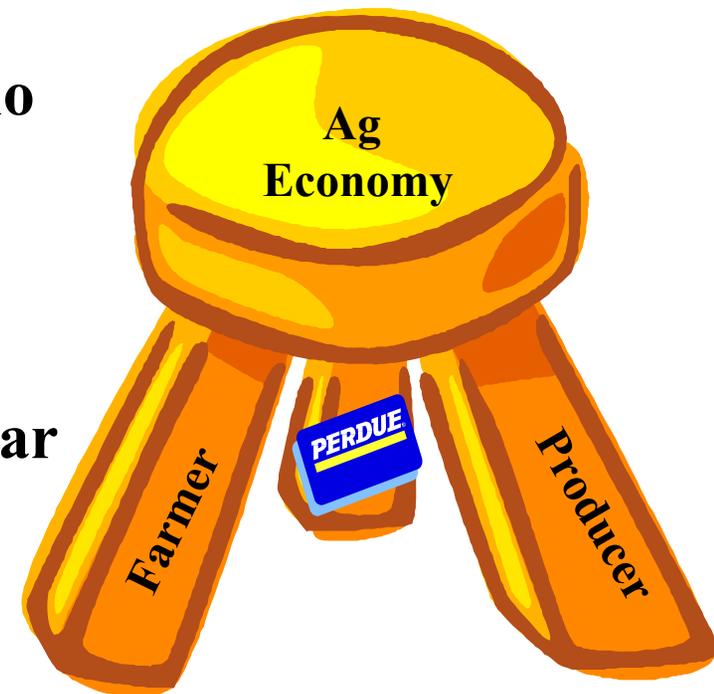
Increased Congestion = Declining Infrastructure

No Change in Capacity = Increased Costs



Our Commitment to Mid-Atlantic Agriculture

- **7,866 Perdue Associates based in the Mid-Atlantic**
- **900 Mid-Atlantic Poultry Producers who grow for Perdue**
- **7,418 Mid-Atlantic Grain Farmers who sell to Perdue**
- **Perdue's Mid-Atlantic Community Impact: over \$2 billion/year**

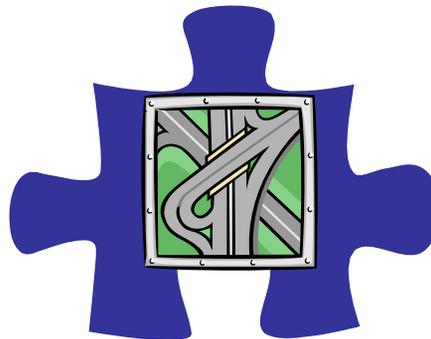


The Consequences of Doing Nothing...

- U.S. transportation infrastructure will be less competitive than other countries
- Increased private funding of the modal network
- Shippers will have to design and fund efficient supply chains

“Solving” the Transportation Puzzle

- Encourage growth of water transport
- Target Funding for capacity improvements
- Develop a National Freight Policy



Encourage growth of water transport

- Additional all-water route capacity linking Asia, U.S. East Coast
- Short Sea Shipping
- Jones Act application to agricultural shipments



Target Funding for Capacity Improvements

- Highway Financing Options

Toll Roads

Higher Fuel Taxes

Congestion Pricing

Sell/Lease Highways

Bond Issues

- Rail Intermodal Corridors

Crescent Corridor

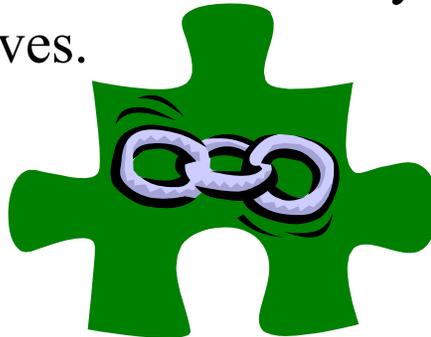
Heartland Corridor

I-95 Corridor

Develop a National Freight Policy

U.S. DOT “Draft Framework for a National Freight Policy”

- The need for a national, not a federal, freight policy due to the number of public and private sector organizations involved in freight;
- The importance of investment, leveraging public and private investment to finance construction and operation of freight infrastructure;
- Public-private collaboration; and
- Living document, framework must be as dynamic as the freight sector and economy it serves.



The Transportation Puzzle

