

FHWA Talking Freight

The State of Logistics Report and Implications for Public Planners

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How Will What We Heard - Impact Planning?

Freight seeks path of least resistance

- Cost
- Congestion
- Reliability

Collaboration is essential

- Dynamic Partnerships
- Visibility across modes
- Performance management

How will changes in freight patterns impact current public sector planning?

- Driver shortage
- Land use
- Energy distribution
- Corridors
- Modes are working together. Are public agencies? (DOTs EDCs and MPO's)

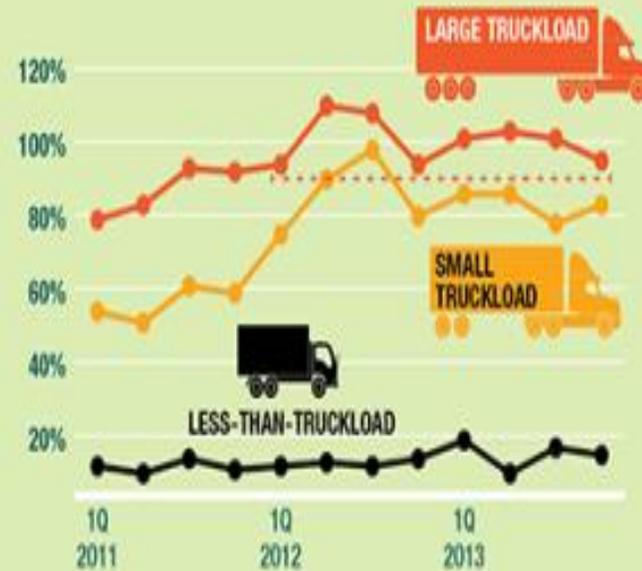
Truck Driver Shortage

TRUCK DRIVERS BY THE NUMBERS



WANTED: MORE TRUCK DRIVERS

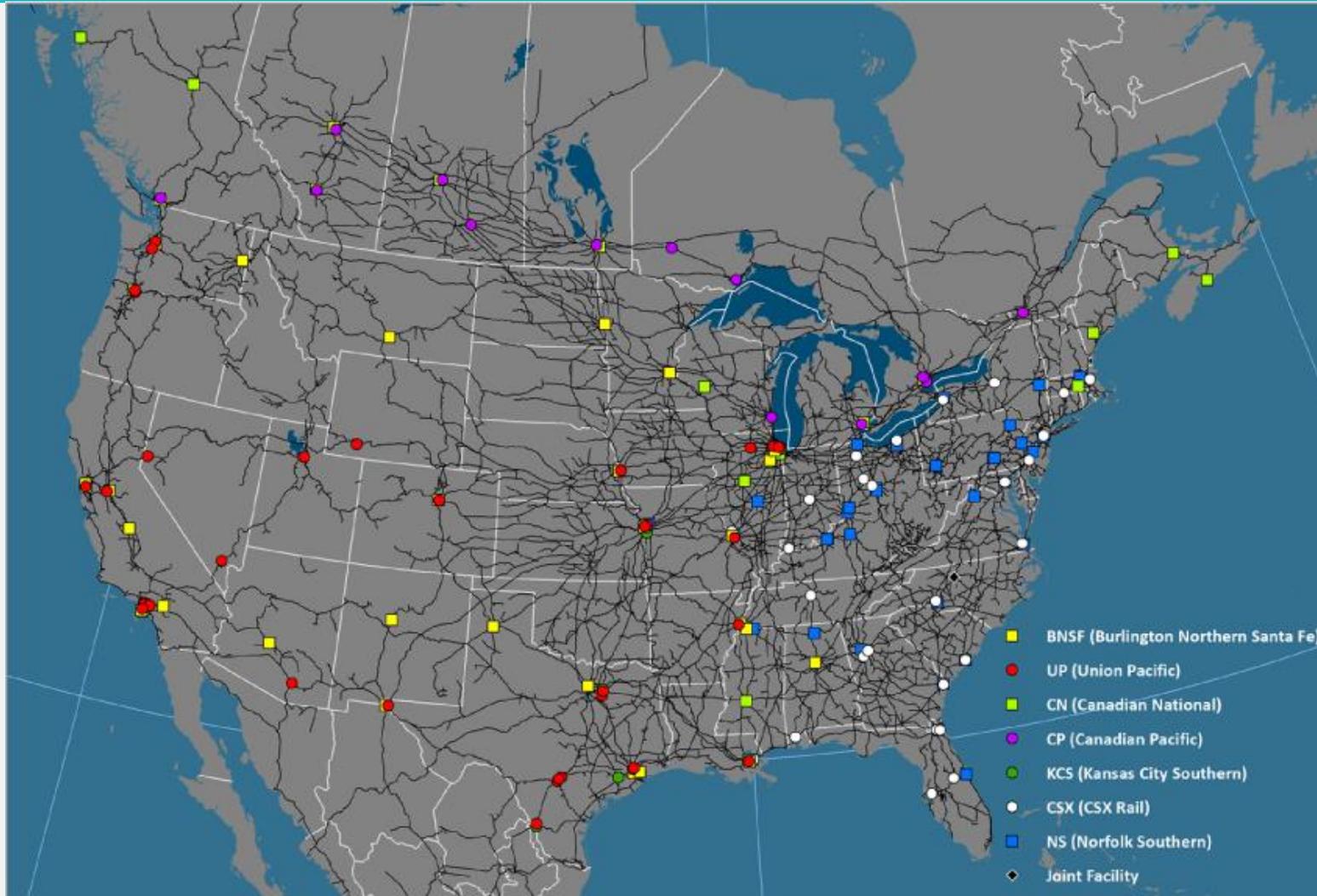
The number of heavy truck or tractor-trailer drivers increased 1.9 percent in 2013, after rising 3.2 percent in 2012 and 2.9 percent in 2011. The number of drivers is still 6.4 percent below its 2007 peak.



TRUCK DRIVER TURNOVER

At large truckload carriers, the annualized driver turnover rate has been above **90 percent** for eight straight quarters. That means a carrier with 200 drivers would hire 180 drivers over the course of the year, sometimes filling the same driver seat multiple times, at a high cost.

Intermodal Growth



Source: Hofstra University

Take Away #1

LOGISTICS CHANGE IS DYNAMIC - BE PREPARED FOR MODE SHIFTS AND NEW DISTRIBUTION PATTERNS AS A RESULT OF REGULATIONS, NEW BUSINESS GROWTH AND CHANGES IN FUEL COST.

- Freight transportation decisions and mode choices are made by the private sector. While Government may influence decisions based on investments and tax policy, collaboration is essential. Freight projects take time!
- Don't fossilize your plans. Keep Private Sector Engaged!
- Increasing your logistics IQ will help you make better transportation decisions. And focus on the right questions to ask.
- The SOL (State of Logistics) report highlights changes especially related to trucking and warehousing.

Take Away #2

MORE IMPORTANT NOW THAN EVER - ENGAGE YOUR FREIGHT ADVISORY COMMITTEES

- Understand that what seems intuitive to you may not be understood by the logistics community.
- Engage the Economic Development Community, workforce development agencies, Chamber of Commerce and the Private Sector. Understand what is coming your way?
- Freight issues extend beyond political boundaries.
- Think Global/ Act Local when it comes to emerging trends: Imports, Exports, Near Shoring, Manufacturing Renaissance.
- Avoid the risk of being out-of-step with the private sector.

Take Away #3

MAP 21 WILL DRIVE FREIGHT PERFORMANCE MEASURES

- The SOL report can help you tell the story about how logistics demand may impact road conditions, bottlenecks, reliability, congestion, safety, warehouse activities and new trends.
- Supply chain risk managers are concerned about performance on a daily basis and also in times of weather and other disruptions. Performance measures are used in network planning.
- Ensure performance measures are directly linked to State or MPO Strategies, Goals and Objectives.
- States/MPOs will want to measure performance that matters to their customers: shippers, receivers, carriers, warehouses.

Take Away #4

PUBLIC PRIVATE PARTNERSHIP INVESTORS WILL SEEK PROJECTS TO CAPITALIZE ON THESE TRENDS

- Are you prepared? All freight modes will continue to innovate.
- Are PPP's projects a last resort for Funding or are they a way to improve efficiency?
- Know your tools and regulatory environment.
- Tiger Grants? WIFIA? TIFIA?
- Good freight connections and logistics can be an economic development driver, not just a congestion problem to be "managed".

Take Away #5

PLAN FOR FREIGHT AS A “WHOLE” - AVOID SILO APPROACHES

Collaboration –at all levels is essential especially between between States and MPOs – Think “Corridors”!

Recognize the multi-modal aspect of freight. Supply chains require all modes to perform effectively.

Information from SOL can help DOTs/MPOs meet the federal guidance for State Freight Plans especially in the area of the economic context of state freight systems.

Private sector decisions are based on “total landed cost” from producer to consumer and all manufacturing and distribution in between. First Mile to Last Mile.

Questions?

More information can be found at cscmp.org
Check out your local CSCMP Roundtable.

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