



THE
NATIONAL
INDUSTRIAL
TRANSPORTATION
LEAGUE

SCORT 2006
NITL - AASHTO

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<http://www.nitl.org>

NITL - Background



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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



August 29, 2005

<http://www.nitl.org>

Overview



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- A shipper's perspective
- AASHTO/NITL relationship
 - Secretary Flannigan/Director Proctor participated in our recent Highway and Rail Committee Meetings
- League position on current rail issues
 - Current legislation
 - Neutrality – sub committee work
 - 25% Rail Tax Credit
- Public/Private Sector – conflicting goals



What are Shipper's needs?

- 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.

The Shipper Perspective

- 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
- Economic growth in a consumer economy means increased goods movement – an opportunity for all transportation providers
- Will capacity keep up with demand?
- What will it take to meet this demand?

Overview



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- Personal mobility vs Freight mobility
 - Local Regional/National/International
- Modal cooperation and collaboration
 - Trucks are not the enemy, rather partners
 - Size and weight
- Create a Shipper Advisory Board – SAB
 - Interaction with carriers is important, but it is shippers who actually put the freight in commerce.

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

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
- This is a global challenge
- These are not short term problems and do not have short term fixes!

If I Was King



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- Leadership – National & Local
- Creation of a sense of urgency of the importance of freight movement to their lives
 - With policy makers
 - With the public
- Incentives for modal optimization and usage
 - Technology
 - Productivity
 - Environmental
- Expedited processes for project development, approval and implementation
- Growing Transportation workforce

Summary



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- Meeting our growing transportation needs **demands** collaboration between all parties
 - Transportation Users (Shippers)
 - Government – federal/state/local
 - Transportation Providers (Carriers) – all modes
 - Labor
 - Third parties

Real Shippers



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Gary Burns – CEMEX

Phil Marlino – ConocoPhillips



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
Vice-Chair House T&I Committee

The Need



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- A Freight Transportation Policy at the Global, National, State and Local level that:
 - Recognizes the inherent value of each mode of transportation
 - Provides incentives to all modes to improve efficiencies and productivity
 - Encourages not only competition between and within modes, but cooperation to take advantage of inherent advantages of each mode.
 - Is inclusive of all stake holders, public sector, labor, etc.