



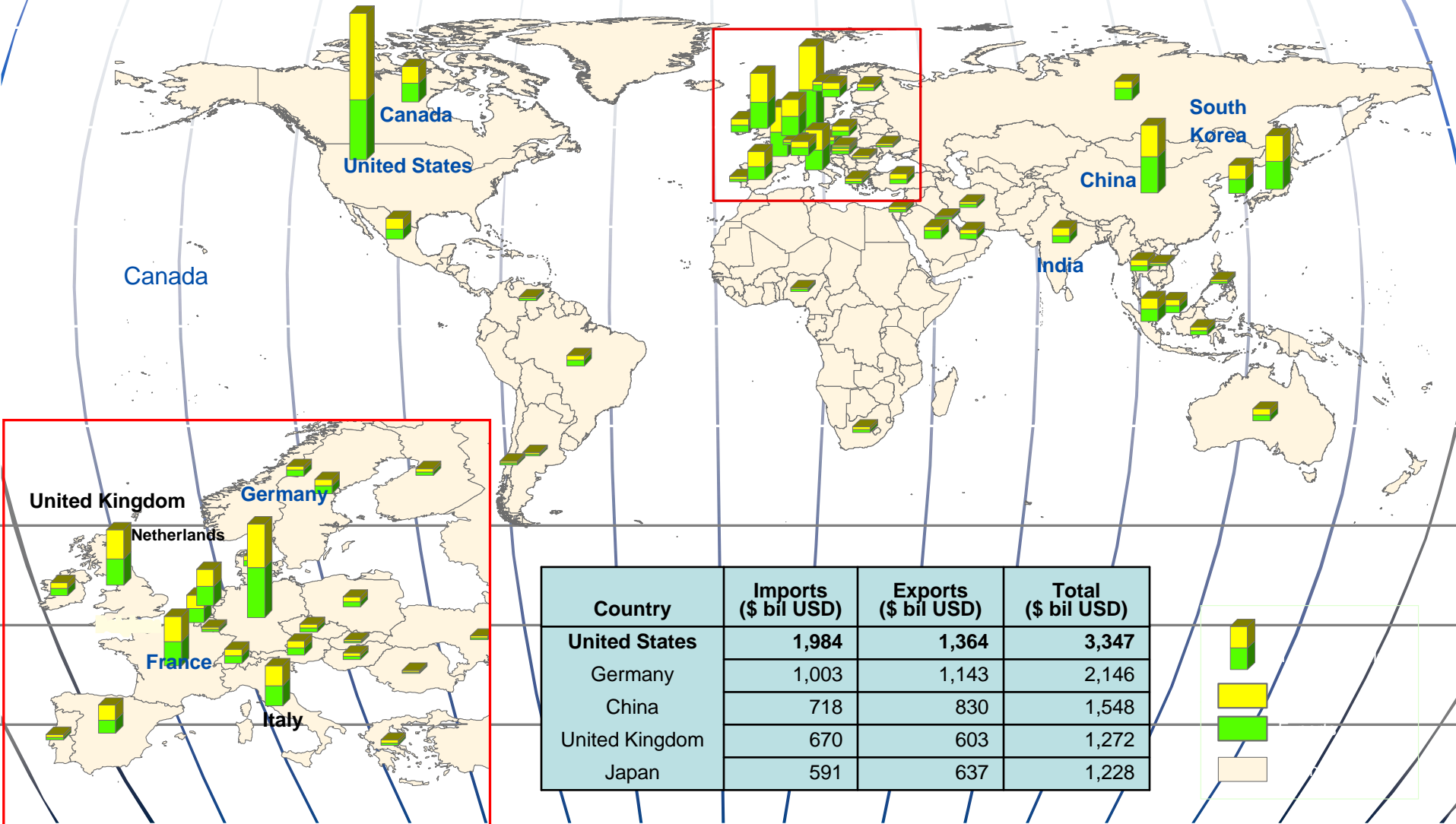
Finding DVR's Transportation Links for Trade and Economic Development

Dr. Thomas H. Wakeman
Stevens Institute of Technology

14 April 2010

U.S. - Leading Importer and Exporter in 2005

Value of International Trade in Goods and Services, All Modes, Top 50 Countries, 2005 (World Bank)



2009 Tonnage Falls 2.8%

(Percent Change in Tonnage of World Sea Trade)



Drivers of International Trade

Structural Drivers Continue

- Offshoring of Manufacturing and Jobs
- Global Trade Agreements
- Containerization

Cyclical Drivers Remain

- Trade has grown faster than GDP.
- Macro shocks have not impacted trends in global trade growth.

Approximately 13% NJ Jobs at Risk to Outsourcing

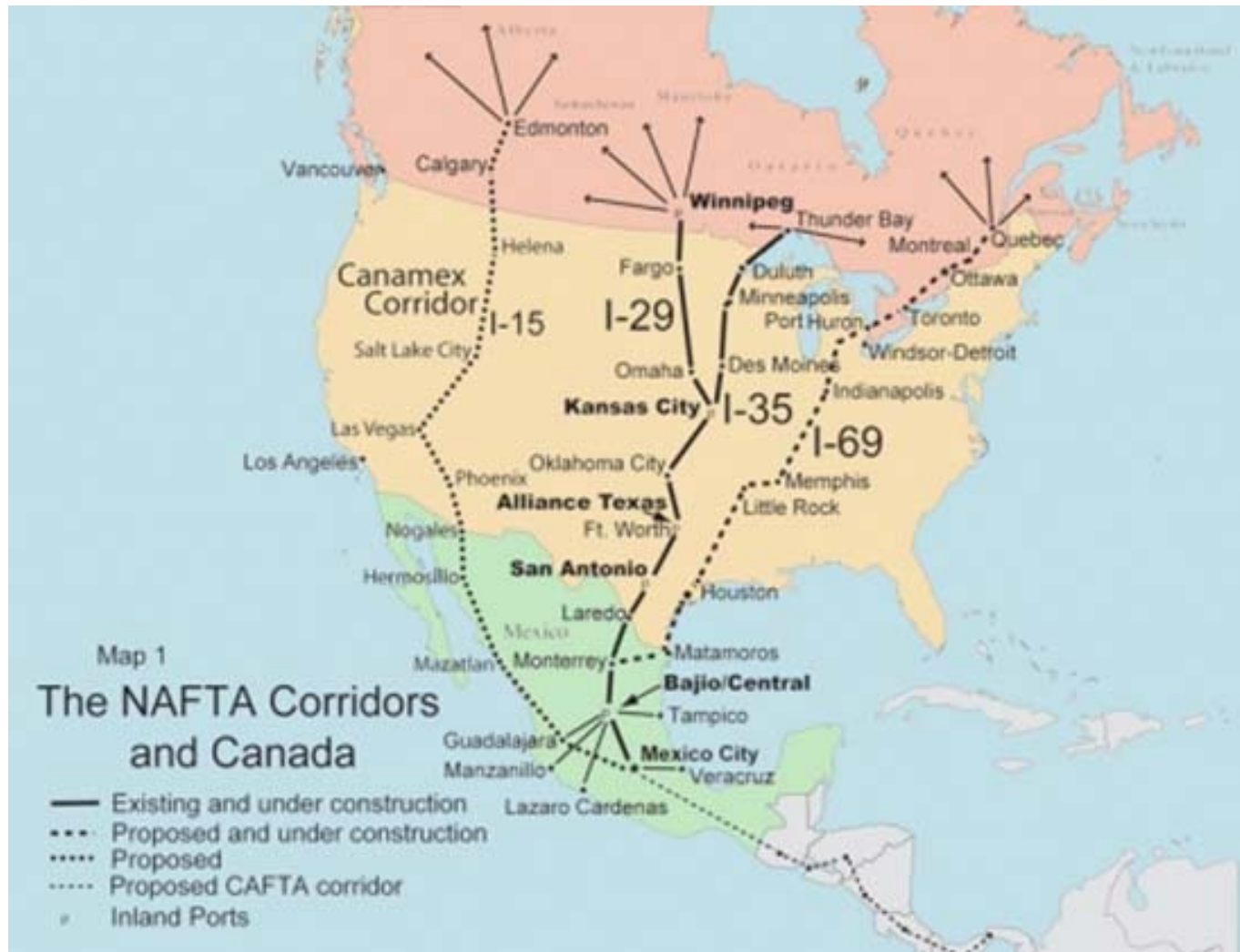
NJ Sector	Total Employed	Total at Risk	% of Sector
Management	188,600	0	0
Business and Financial Operations	172,430	80,640	46.8
Computer and Mathematical	115,990	115,990	100
Architecture and Engineering	57,800	0	0
Life, Physical, and Social Science	39,300	0	0
Community and Social Services	51,560	0	0
Legal	28,260	5,060	17.9
Education, Training, and Library	241,220	0	0
Arts, Design, Entertainment, Sports, Media	40,510	0	0
Healthcare Practitioners and Technical	176,770	5,320	3.0
Healthcare Support	95,820	2,560	2.7
Protective Service	109,090	0	0
Food Preparation and Serving Related	239,490	0	0
Building and Grounds Cleaning and Maintenance	136,820	0	0
Personal Care and Service	108,780	0	0
Sales and Related	426,310	0	0
Office and Administrative Support	782,940	282,840	36.1
Farming, Fishing, and Forestry	4,870	0	0
Construction and Extraction	144,140	0	0
Installation, Maintenance, and Repair	139,200	0	0
Production	230,950	0	0
Transportation and Material Moving	325,780	0	0
All Sectors in New Jersey	3,856,640	492,410	12.77

Source: http://www.stats.bls.gov/oes/2002/oes_nj.htm

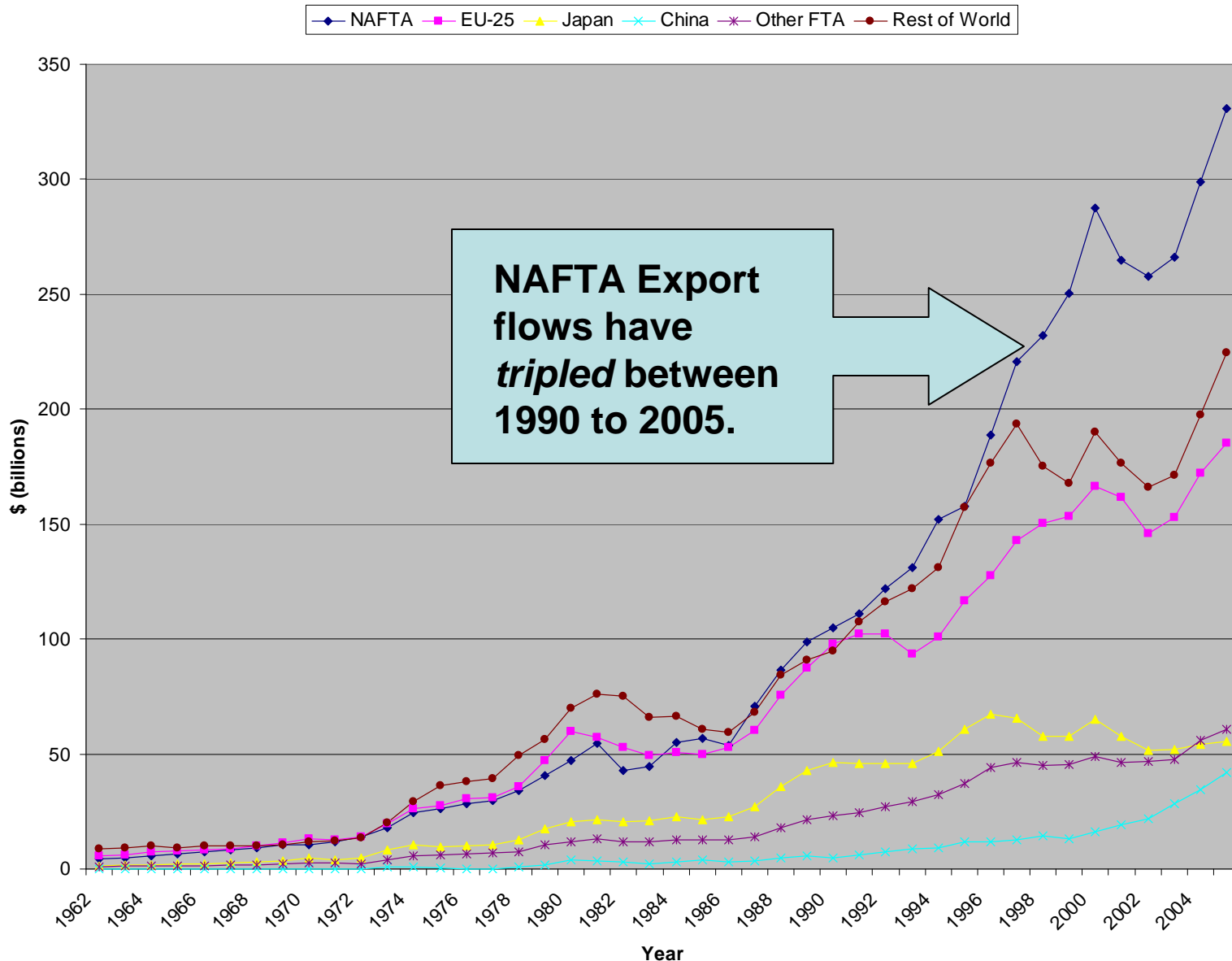
Impact of Trade Agreements

- Free trade means more trade for the United States... *a key conclusion drawn from an analysis by the US Department of Commerce, International Trade Administration.*
- U.S. exports to China grew by more than 25 percent from 2004 to 2007.
- Exports to India are growing at a similarly rapid pace, rising approximately 23.5 percent over the same period.

North American Free Trade Agreement Main Corridors

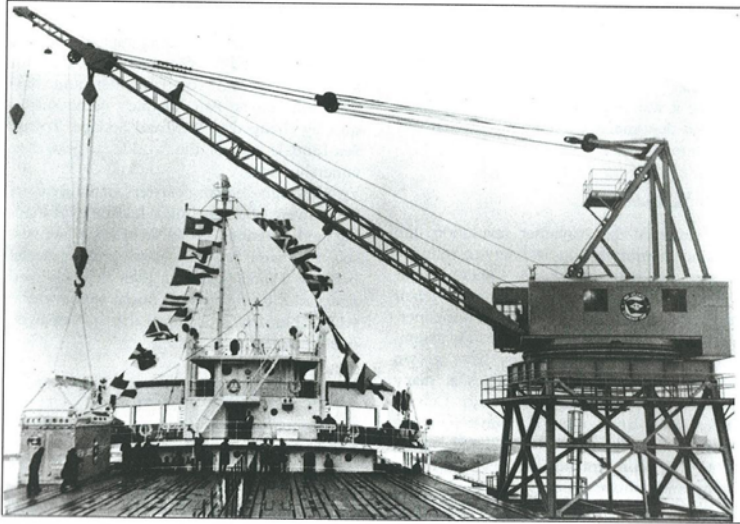


US Exports from 1962 to 2005



Source: UN Merchandise Trade Data, Int'l Trade Administration, U.S. Department of Commerce.

Containerization of Freight

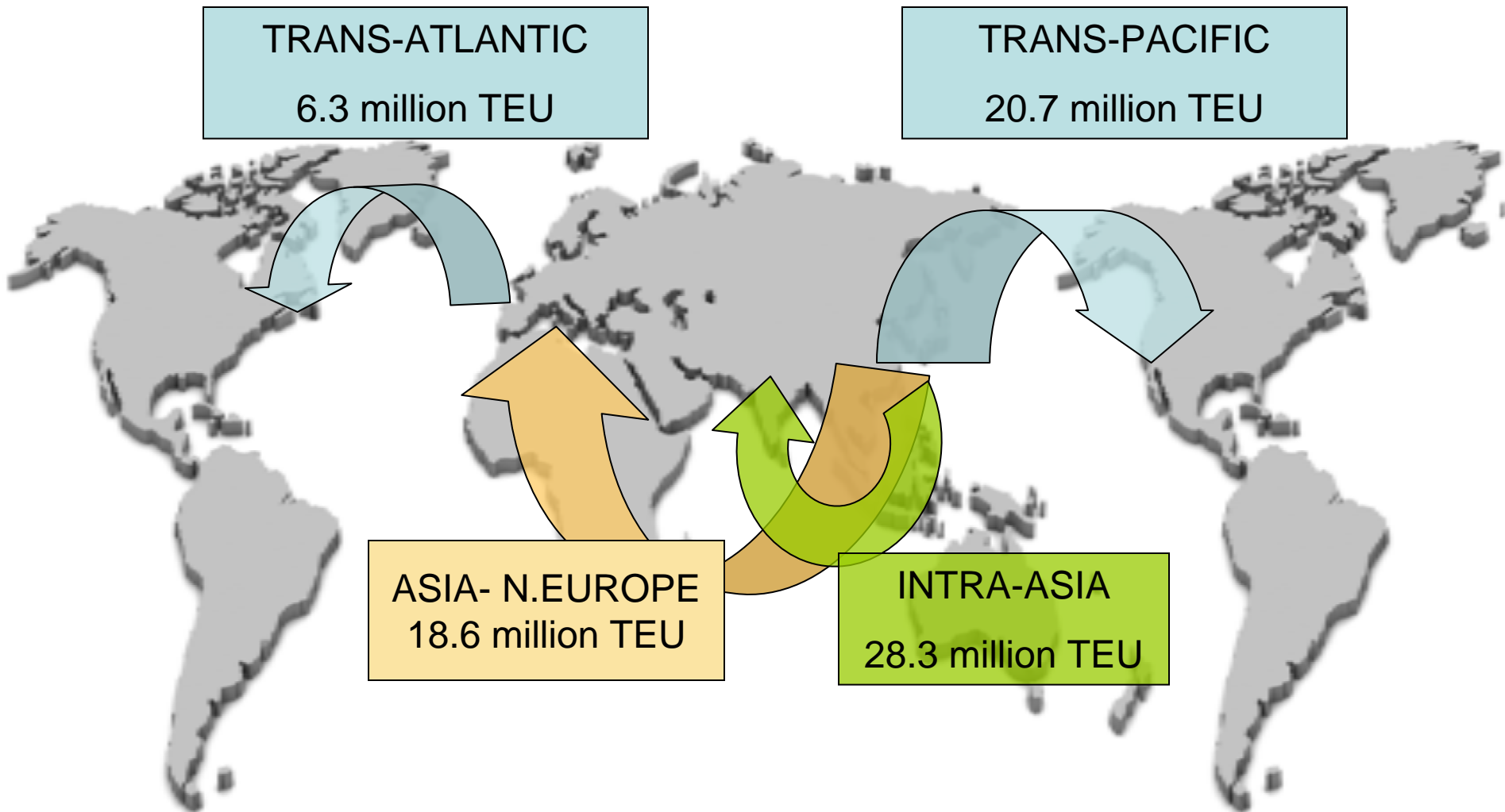


Original *Ideal X* - 1956



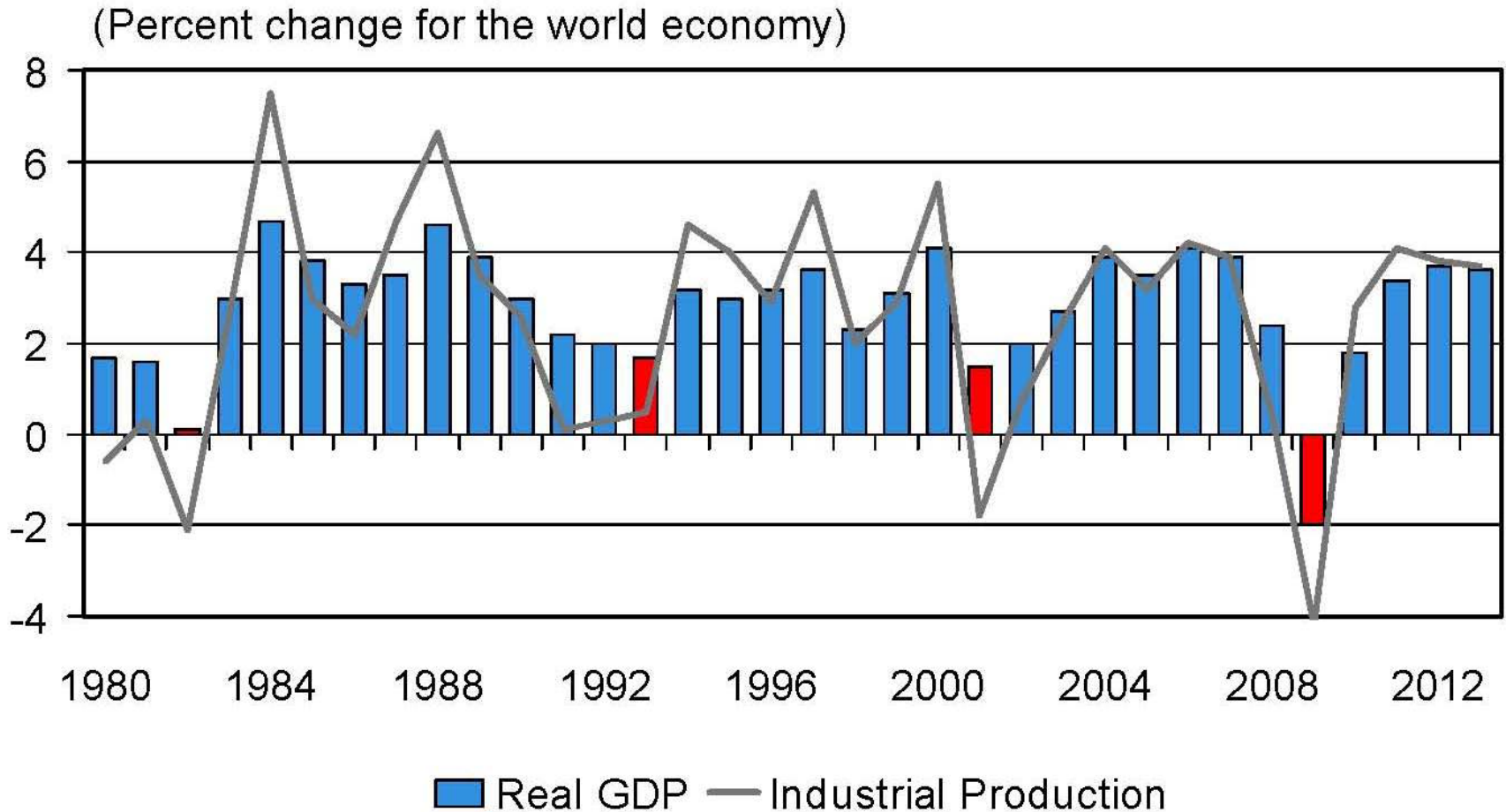
- Containerization started in Newark, NJ in 1956.
- In 2007, the world total containerized cargo was more than **74 million** containers.

Global Container Flows – 2007



Source: Drewry Shipping Consultants

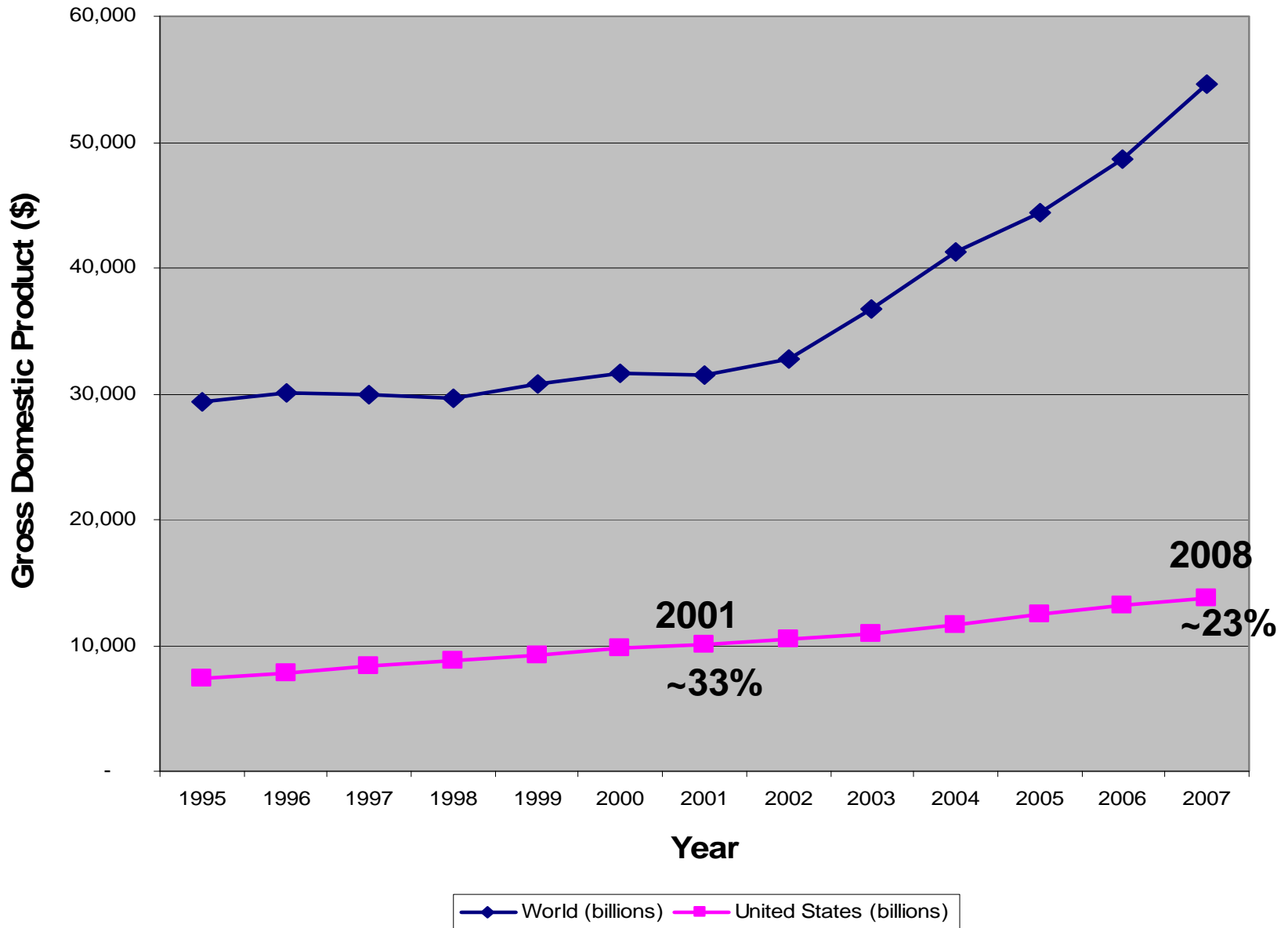
World Economic Recovery Beginning in 2010



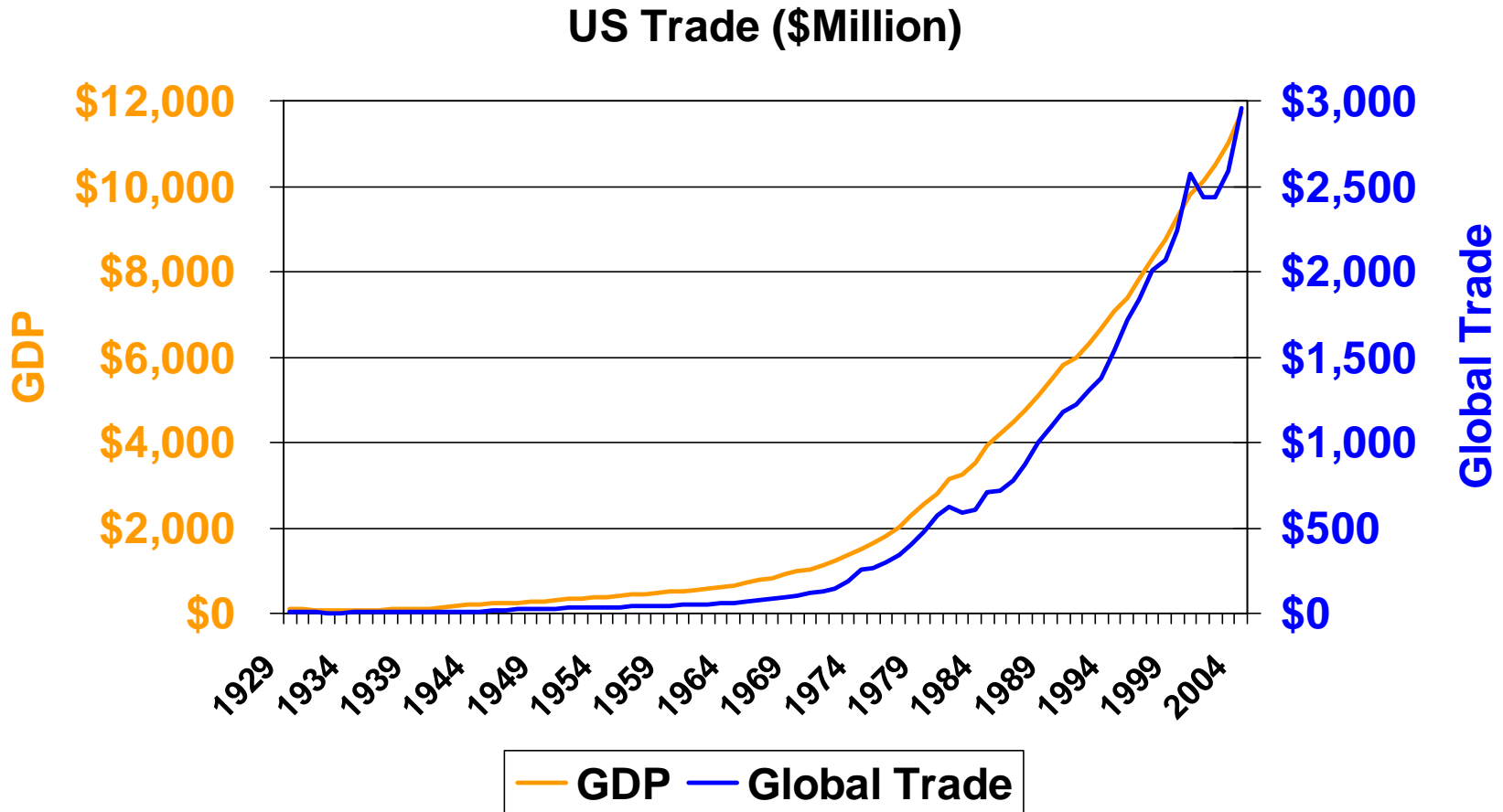
International Trade Flows

- Trade activity and container flows have shifted from the North Atlantic region to the Far East and intra-Asia flows.
- While GDP growth is ~2-3% in U.S., in China it is expanding at about 10%, intra-Asia about 9%, and India near 8%.

World and US GDP: 1995 to 2007



U.S. GDP Correlated to Trade

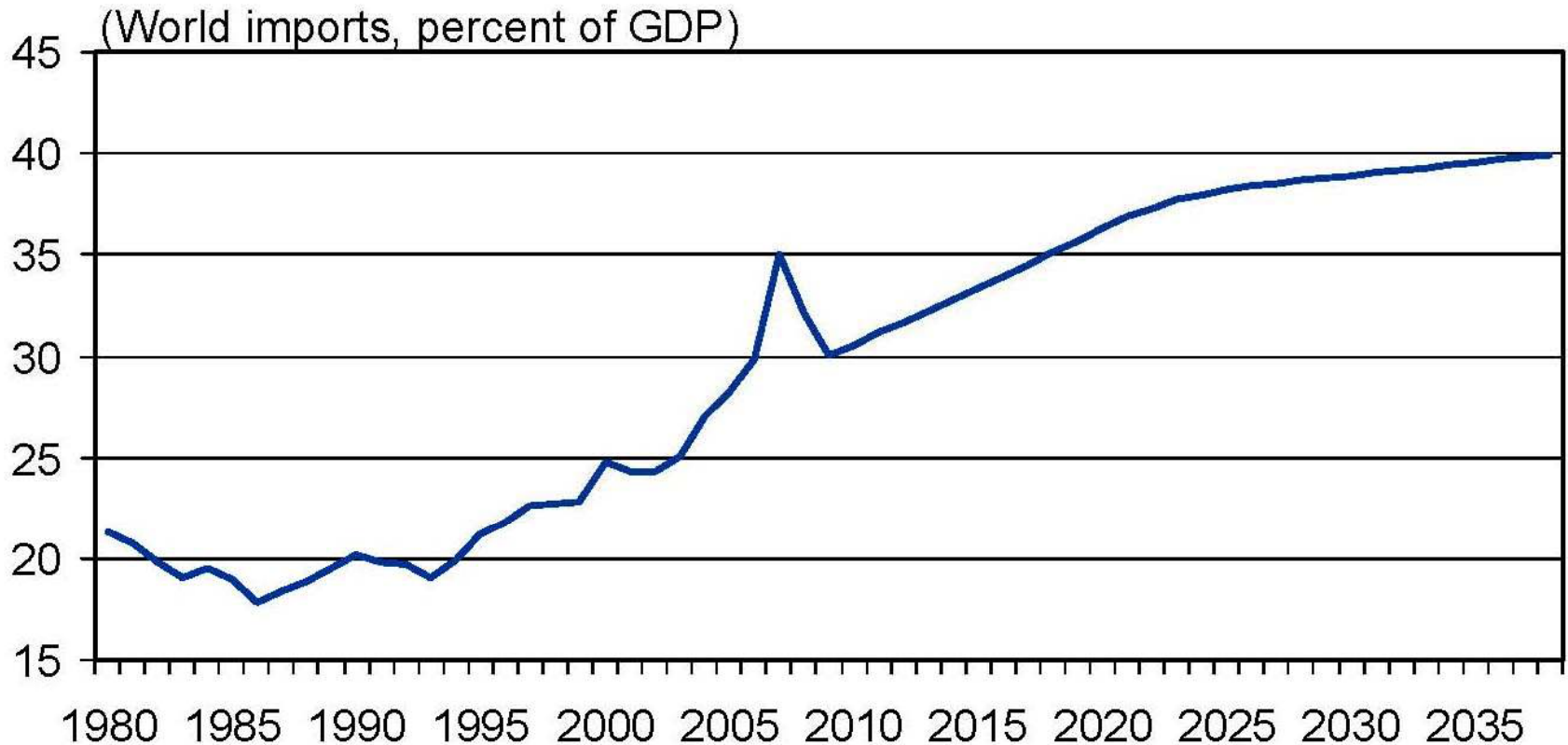


Source: Global Insight

What Has Changed?

- The international economic contraction has transformed the global logistics chain as consumption of durable goods dropped.
- Cost of energy has fluctuated but will increase as competition for oil grows.
- Climate change is a international concern.
- BUT, global population growth will remain the primary driver of increasing demand for energy, resources, and consumer goods, *particularly in emerging markets.*

World Trade Will Grow

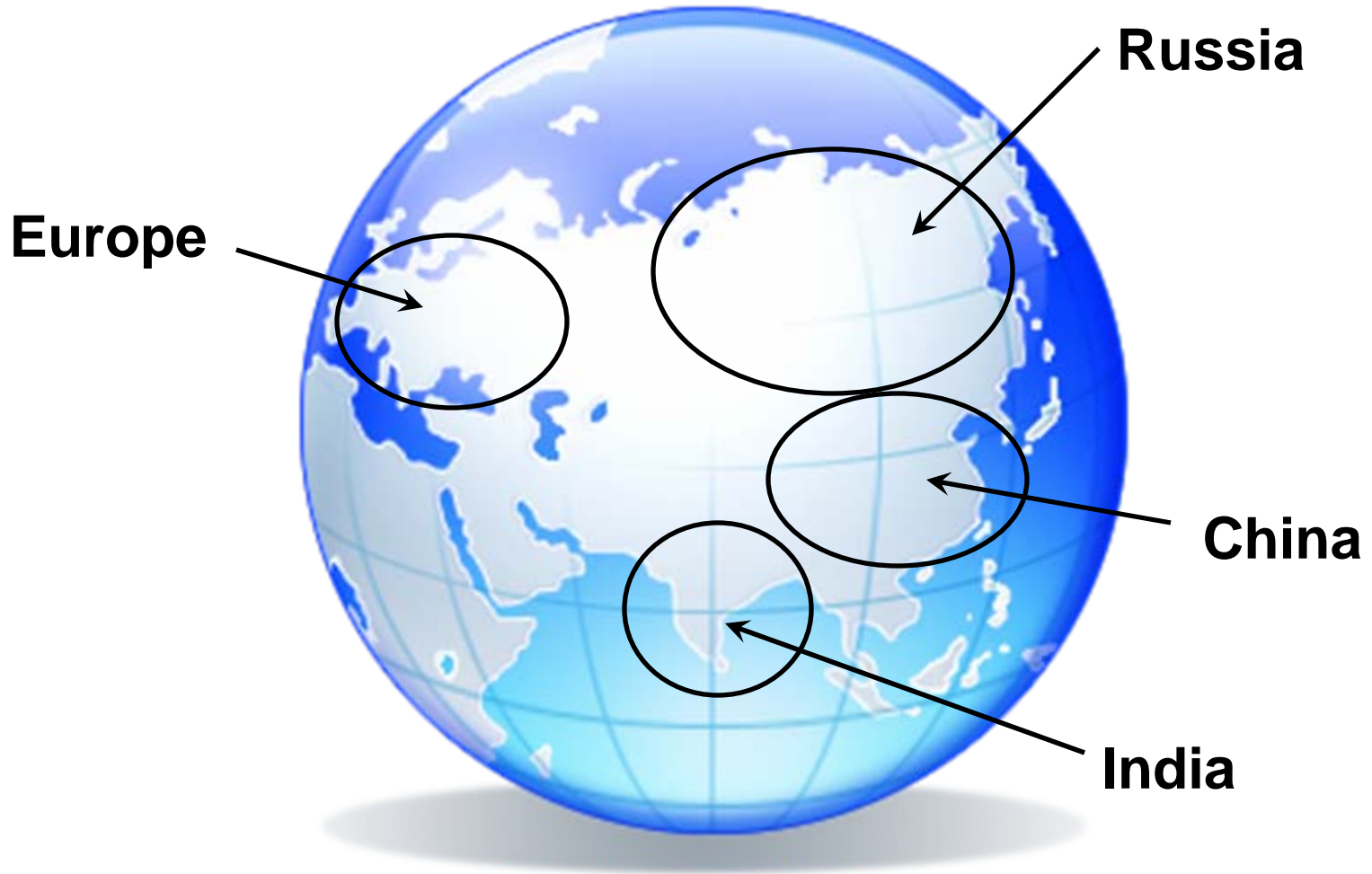


Long-term trend towards increased trade will return with recovery next year

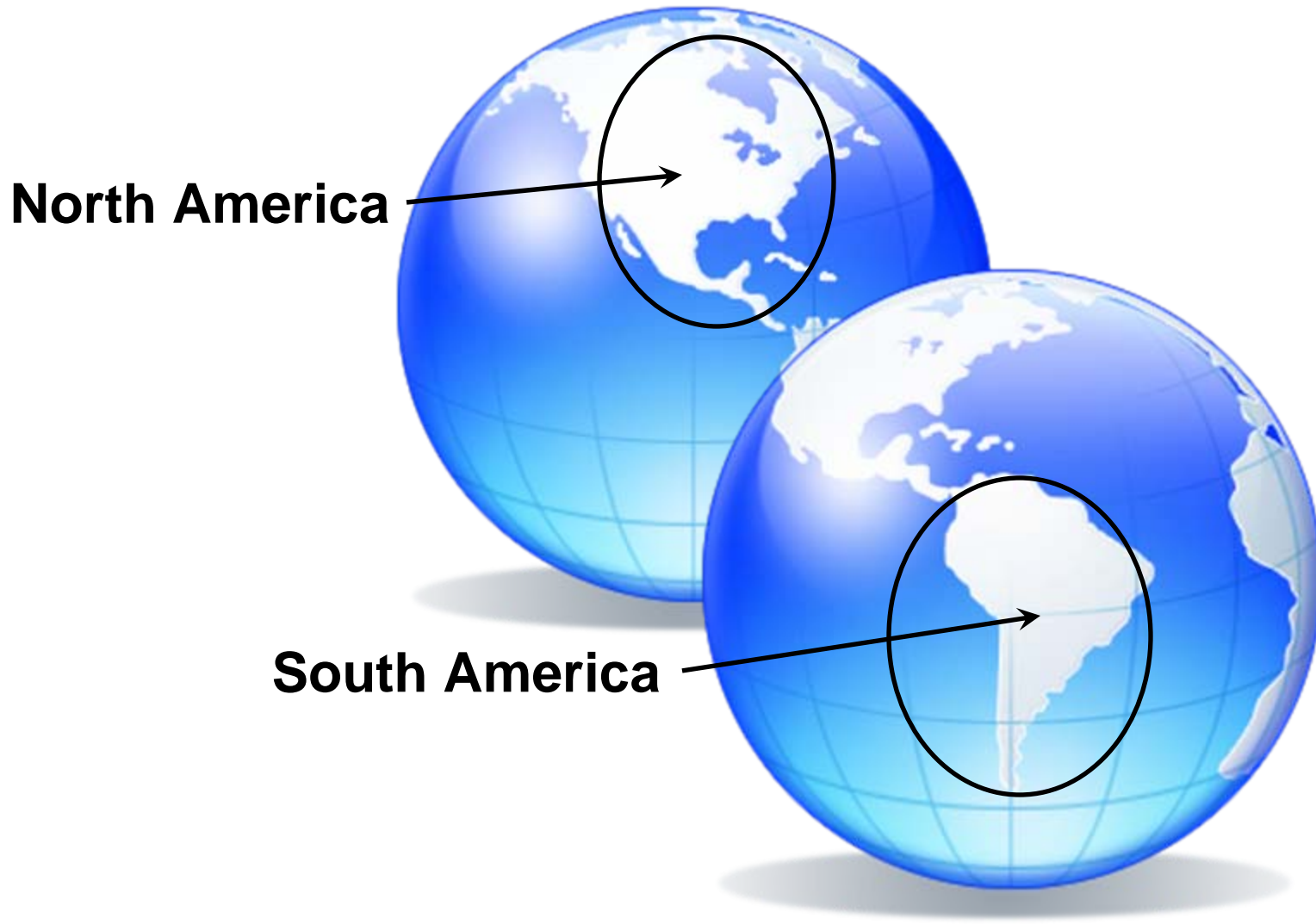
Global Logistics & Shipping



Four Mega-Trading Blocks



Two Mega-Trading Blocks



North American Exports are Key to U.S. Recovery



National Export Initiative



- In February, President Obama launched the National Export Initiative (NEI), which aims to *double exports over the next five years.*
- This initiative is envisioned to significantly *increase the volume of American products entering the global marketplace.*
- Beyond the export of service sector products, these exports include agricultural goods, manufactured products, and natural resources.
- The President declared that *exports are important to boost the U.S. GDP, reduce the trade deficit, and help stimulate job creation.*

Logistics Chains

Global

Multi-National (e.g., NAFTA)

National/Federal (EU)

***Megaregions*, Multi-state,
Market-oriented,
Trade Corridors**

State

Metropolitan

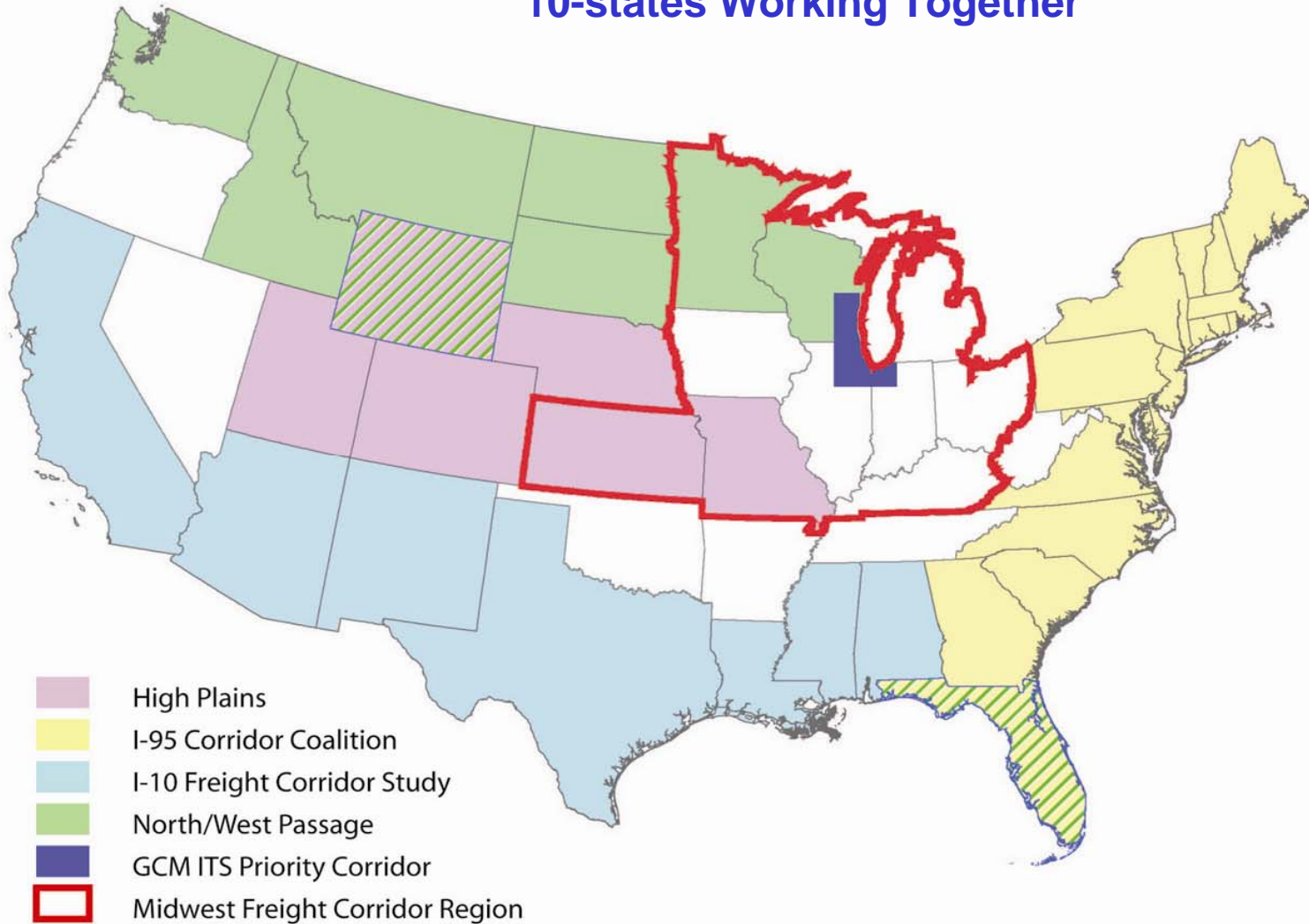
Local/Site

What can we learn from others?

- The Mississippi Valley Freight Coalition (MVFC) is a regional organization that cooperates in the planning, operation, preservation, and improvement of transportation infrastructure in the Mississippi Valley region.
- A *Memorandum of Understanding* was placed before state DOT executives in the Mississippi Valley region, received wide approval, and *was signed* following some revisions. One major change that occurred was the broadening of the Upper Midwest region to incorporate all Mississippi Valley states.
- The **ten states** of the Mississippi Valley region now share their key interstate corridors, inland waterways, and the Great Lakes as a regional responsibility.

Upper Midwest Freight Corridor

10-states Working Together



Philadelphia-Camden is well-situated to be the International Gateway for the Northeast

...and a key national corridor for domestic freight movement.



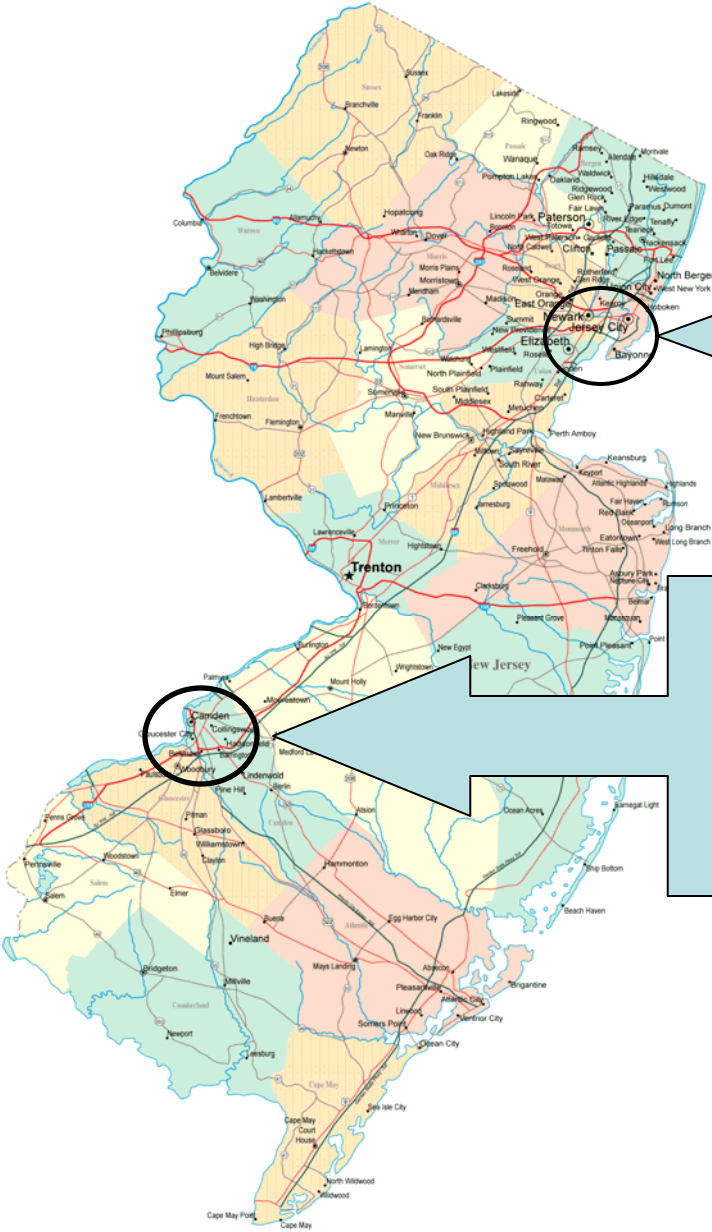
Formation of a “Port Pole”

- A “Port Pole” is a freight logistics platform of collaborating ports that attract cargo because of their combined capacity, enhanced resiliency to shocks, and ability to contribute value through economies of scope and scale.
- Examples of existing port poles include the LA(16)-LB(17) port complex, ports of Rotterdam(9)-Antwerp(13), and ports of Hamburg(11)-Bermerhaven(19).

Two Gateways – One Port

- Collaborations of the Port of New York and New Jersey(20) with the Port of **Philadelphia-Camden** could form a new port pole that serves the Northeast, Midwest and the Nation.
- North Port (PANYNJ) is the import gateway... moving containerized goods quickly into the region and the hinterlands... and connects to:
- South Port (P-C) is the bulk cargo and container export gateway... making use of available local land and labor resources in South Jersey and the Philadelphia region to increase efficiency.

Maritime Freight Platforms



Port of NY & NJ
‘NORTH PORT’

Philadelphia-Camden
Port Complex
‘SOUTH PORT’

Available Resources

- DVRPC's Freight Planning Program
- Port Authority of New York and New Jersey's capital program
- NYSA's Economic Impact of the New York-New Jersey Port Industry
- NJ DOT's Freight plan
- NJ DOT's South Jersey Freight Transportation and Economic Development Assessment

The Economic Impact of the New York-New Jersey Port Industry 2008



Prepared by:

A. Strauss-Wieder, Inc.

analyses for informed decision-making

In Association with:

JACOBS

September 2009



‘NORTH PORT’ Anchor Role

The NYSA economic study showed that operations at the Port of New York/New Jersey provide:

- A total of 269,990 full-time jobs in the region;
- More than 164,900 direct jobs;
- Nearly \$36.1 billion in business income; and
- Over \$5 billion in tax revenues.

It is a significant economic engine that operates to meet the international cargo demands of the largest consuming region in the nation.

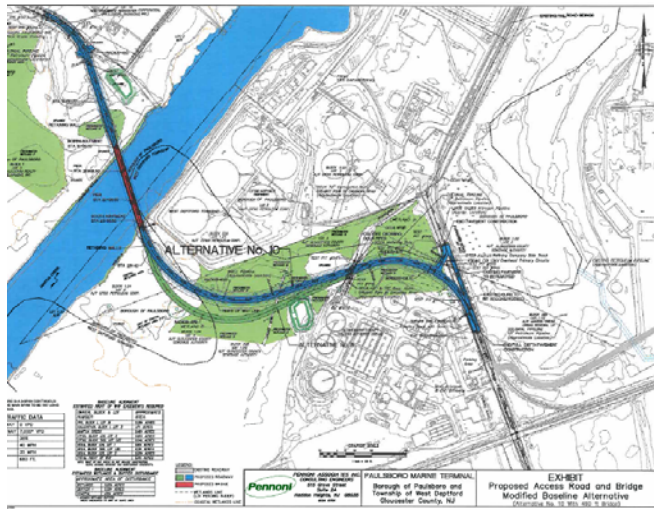
South Jersey Freight Transportation and Economic Development Assessment



Delaware Valley Goods Movement Task Force



'SOUTH PORT'



Building a Vision to Focus on Key Freight Issues and Opportunities in Philadelphia-Camden Region



A recommendation to DVRPC, NJTPA, DOTs, etc.

*“Create an import-export
freight platform for the
Northeast”*



**Port of New York, New
Jersey and Pennsylvania**

or

**Port of Pennsylvania, New
Jersey and New York**

Using Trade and Transportation to Generate Economic Development and Jobs for the Region and Nation

A topographic map of the North Port-South Port Corridor in Florida, showing terrain in shades of green, yellow, and orange. Two large, light blue arrows with black outlines point horizontally across the map. The upper arrow points from the right (east) towards the left (west) and is labeled 'IMPORTS'. The lower arrow points from the left (west) towards the right (east) and is labeled 'EXPORTS'. On the right side of the map, near the coast, the text 'North Port - South Port Corridor' is written in bold blue font. A smaller, light blue arrow points from the coast towards the interior of the land.

IMPORTS

**North Port -
South Port
Corridor**

EXPORTS

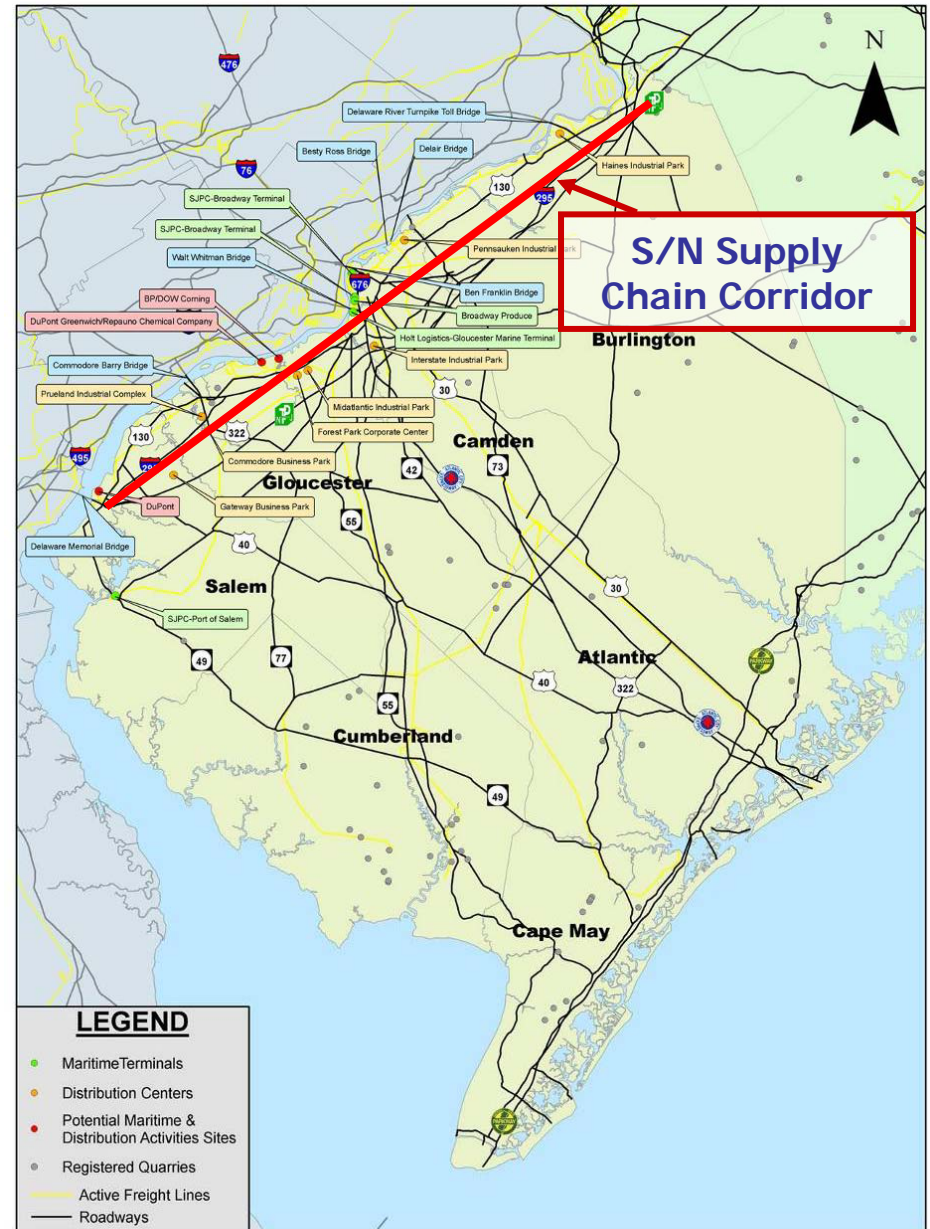
Two Gateways – One Port

- North Port is the import gateway... Moving containerized goods quickly into the region and the hinterlands... and connects to:
- South Port is the bulk cargo and container export gateway... Making use of available local land and labor resources in DVR.
- They work together as a 'port pole' to provide the Northeast and the Nation with import and export transportation services.

Connectivity is a key ingredient!

Envisioning a east-west and north-south supply chain corridor for both Pennsylvania and New Jersey ...

...and the Northeast.



Delaware River Dredging Project

An opportunity for...

- Job creation
- Economic development
- Improved resiliency
- Greater sustainability and
- Increasing U.S. exports' competitiveness in the global marketplace.





UNITED STATES
DEPARTMENT OF TRANSPORTATION

Program to Expand Use of America's Marine Highways

Wednesday, April 7, 2010

U.S. Transportation Secretary Ray LaHood today unveiled a new initiative to move more cargo on the water rather than on crowded U.S. highways. Under the “America’s Marine Highway” program, the Department’s Maritime Administration (MARAD) will help identify rivers and coastal routes that could carry cargo efficiently, bypassing congested roads around busy ports and reducing greenhouse gases.

Conclusions

- World trade will continue to grow, and the U.S. must be aggressive to achieve its objectives.
- The United States has a 5-year export initiative that will demand transportation services and competitive international gateways.
- Today's gateways operate at levels that utilize economies of scope and scale and multimodalism.
- There is an opportunity to form a new "port pole" or freight platform in the Northeast if there is collaboration among stakeholders in 3 states.