

Louisiana.

PIERS data has to really be manipulated before it can be used because it is raw and rough.

A big gap in the data is the true origin-destination (O-D) flow. We collect it from waterside to waterside but we don't go internally. We don't have anything on trucks and there is very little information on O-D flow. When commodities become containerized they lose their identity.

Many other items had to do with information rather than problems. One point was that shippers really dictate our communications protocols. Another issue is that we have to know who the customers are before we can make a decision on what we are doing with information. They are very diverse. The last addendum had to do with port capacity. A lot of discussion focused on the need to get information on port capacity and performance but our port contingent says that the ports aren't going to share a lot of this.

#### **FORGING STRATEGIC LOGISTICAL ALLIANCES: FINDING WAYS TO EFFICIENTLY TRANSPORT GOODS**

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Our study group looked at the issues we are facing from several ways—what the objectives are, what the drivers are, who the players are, and what sort of alliances there are. There are eight things that have to be done to improve the efficiency of the system and given more time, the group felt that they could have identified twice as many issues.

Some alliances would have to be formed to facilitate these improvements. Sometimes government is a facilitator and in some cases an active participant.

**1. The Ability to Share Infrastructure.** Fixed facilities, highways, rail lines, port facilities. The port infrastructure alliances could be ports and labor, ports and government. Highways between carriers, customers, and government. On the rail side between rail carriers and ports, carriers, and government. All the way through, there is a wide range of alliances that could be drawn up depending on what the specific objective was.

**2. Improvements in Information Sharing.** The alliance of shippers and carriers has shown that they are the ones whose communications needs determine how the information is going to flow. Very few movements

now don't include a number of modal carriers. And improved/integrated data networks could enhance transport efficiency.

**3. Improved Asset Utilization is Needed.** The carrier-carrier alliance to share assets is a necessary alliance. Timing and location of investments. There must be long-term alliances between specialized customers and carriers. That could be a combination of marine, rail, and so forth. There are alliances between customers and ports. Government-to-port and government-to-carrier alliances in terms of return on investment for mutual goals could pay off.

**4. Risk Reduction is One of the Keys.** Shipper-carrier alliances eliminate some of the commercial risk—less risk in investing to satisfy that particular customer's needs. Carrier-carrier alliances provide financial benefits in terms of investing in shared assets or exchange of assets. In port-carrier alliances, the ports want to have long-term relationships with carriers to invest in facilities.

**5. Optimization of Regulation.** Regulate where there is going to be a benefit and remove the regulations in places where it is negative. The big area here is government-government. A lot of coordination needs to be done among different government agencies. There are a lot of different levels of government and branches at each level that have different interests with much room for coordination and alliances. A lot of regulation is there to protect customers. If the customers and carriers form an alliance, is user confidentiality/government regulation still valid?

**6. Technology Development and Transfer.** Government is useful as a facilitator of industry-industry, port-carrier, labor-carrier, and carrier-carrier alliances. Governments can mitigate the risk. Alliances can negate or spread some of the risk of looking at new technology.

**7. Improved Planning.** Coordinating customer requirements with your capabilities. Planning further ahead than we do—more than an hour. Don't treat all the links in the chain as a set of black holes. Two areas of planning: investment and long-term/short-term operations.

**8. Alliance Exploration and Promotion.** Start to discuss the structure of alliances and how they may affect and work into the process of improving the system.

In general, there is a need to focus on what the strategic objectives of the system are and what factors are driving the system. Enhancing trade in a general sense, and improving the financial health of the industry are among the issues of national interest that are mutual objectives of the system. A number of drivers, including

geopolitical factors and increased global economic interdependence, suggest that there are new players on modified playing fields. Therefore, the need for alliances requires complete reexamination.

Our task force also saw a role for future TRB activities. TRB, a part of the National Academy of Sciences, is basically devoted to facilitating research on transportation issues. It started as the Highway Research Board and coordinated a lot of work that was being done at the state level and municipal level. It facilitated technology transfer. Over time, there have been other modes added to the portfolio. The name was changed from Highway Research Board to Transportation Research Board. Added were a number of committees related to rail, to trucking, and air. About 4 or 5 years ago, there was a committee related to international trade; 2 years ago we put together a task force to look at how maritime interests should be included in the TRB portfolio. Now there appears to be a critical role evolving for MARAD and the maritime industry whereby they can assume more focused activity in the TRB organization.

What we are doing in the freight transport section (where I chair the section) is trying to facilitate research. TRB has participation from the private sector, from the public sector at different levels, and a large participation from the academics. The objective is to try and get some of the same benefits that the construction and maintenance of highways and mass transit have gotten by sharing some of the research and by coordinating research that benefits a number of cities and states. This presents a challenge in the freight section, as we are

primarily a private transportation sector. There are shared interests but there is also a lot of competition between providers. There are a number of areas in which TRB is making a major contribution, bringing together these diverse players at a neutral setting, and conferences, trying to facilitate a governmental perspective on issues. TRB doesn't try to set policy, it plays a role in coordinating the development and in bringing people together in order to develop better policy. The highway-container weight issues are key issues a group like TRB brings together. Trying to reconcile some of the different government issues like those we are talking about today is useful from the TRB perspective. On the committees, TRB integrates public sector, private sector, and academic sector perspectives. There are a substantial number of European and Asian participants as well.

It is the role of the freight committees to examine marine issues among the many other issues that are facing domestic and international freight transportation and putting them into focus to facilitate public policy decisions. The Intermodal Terminal Design Committee was very useful from 1982 to 1988 when the big growth in North America was going on. Hundreds of millions of dollars were being invested in terminals. In the beginning, people did not have a handle on the best kind of terminal, how to operate it, what kind of crane should be used. Our committee was key for the industry participants on an informal basis.

Our task group believes that we have just a few areas that could be further explored through the workshop forum.