

# Economic Analysis of Freight Movements in the Hampton Roads Region

*presented to*

**Freight Technical Advisory Committee**

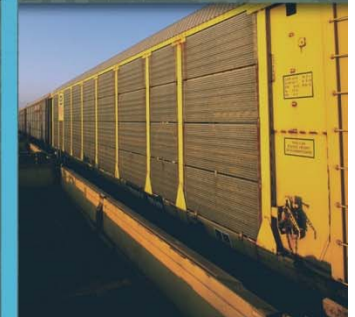
*presented by*

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Transportation leadership you can trust.



# Key Project Tasks

- **Data collection and analysis**
  - » **Commodity flow**
  - » **Freight rates**
  - » **Economic base**
- **Interviews**
  - » **Carriers- Givens, Audax, (Century Express), California Cartage Express, GTL Transport**
  - » **Shippers- Canon Virginia, Target, Hooker Furniture, Lumber Liquidators, Massimo Zanetti Beverage USA, MeadWestvaco**
  - » **Organizations – VMA, VPA, HRTPO**

# Stakeholder Input

- Carriers
- Shippers
- Service providers
- Industry groups
- Public sector planning staff
- Economic development officials and Chambers of Commerce

# Preliminary Interview Findings

- Toll concern overshadowed by current on-port congestion
- Rates holding relatively steady for shippers
- Rates on rise from carriers
- Tolls are being passed onto shippers
  - » Some carriers report general surcharge to shippers passed on directly to drivers
  - » Some carriers charged based on carrier owned transponders

# Preliminary Interview Findings

- Driver shortage having significant impact on freight velocity
- Key infrastructure includes:
  - » I-64
  - » US 58
  - » US 460
  - » I-264 and 464
- Need for Patriot Crossing
- Every driver and firm will do benefit cost assessment with regards to tolls

# Analyzing Freight Costs

- Interviews and proprietary rate data
- Tradeoffs by trip type- dray, LTL, TL
- Cost of congestion – model with and without the proposed toll financed improvements

# Freight Cost – Interview Input

- Dray margins low – 2-3%
- Base rate holding steady but total rates increasing significantly
  - » Fuel surcharge
  - » Detention charges
  - » Toll charges
- Dray turns down significantly – on average from 4 turns to 1 or 2 - on port congestion
- Rates for “local” \$200 to \$350 line haul plus surcharges
- Rates for regional (200 to 250 miles) - \$750 line haul

# Understanding Tradeoffs



## Costs

No build	Build
Transportation/ congestion impacts	Funding/toll impacts



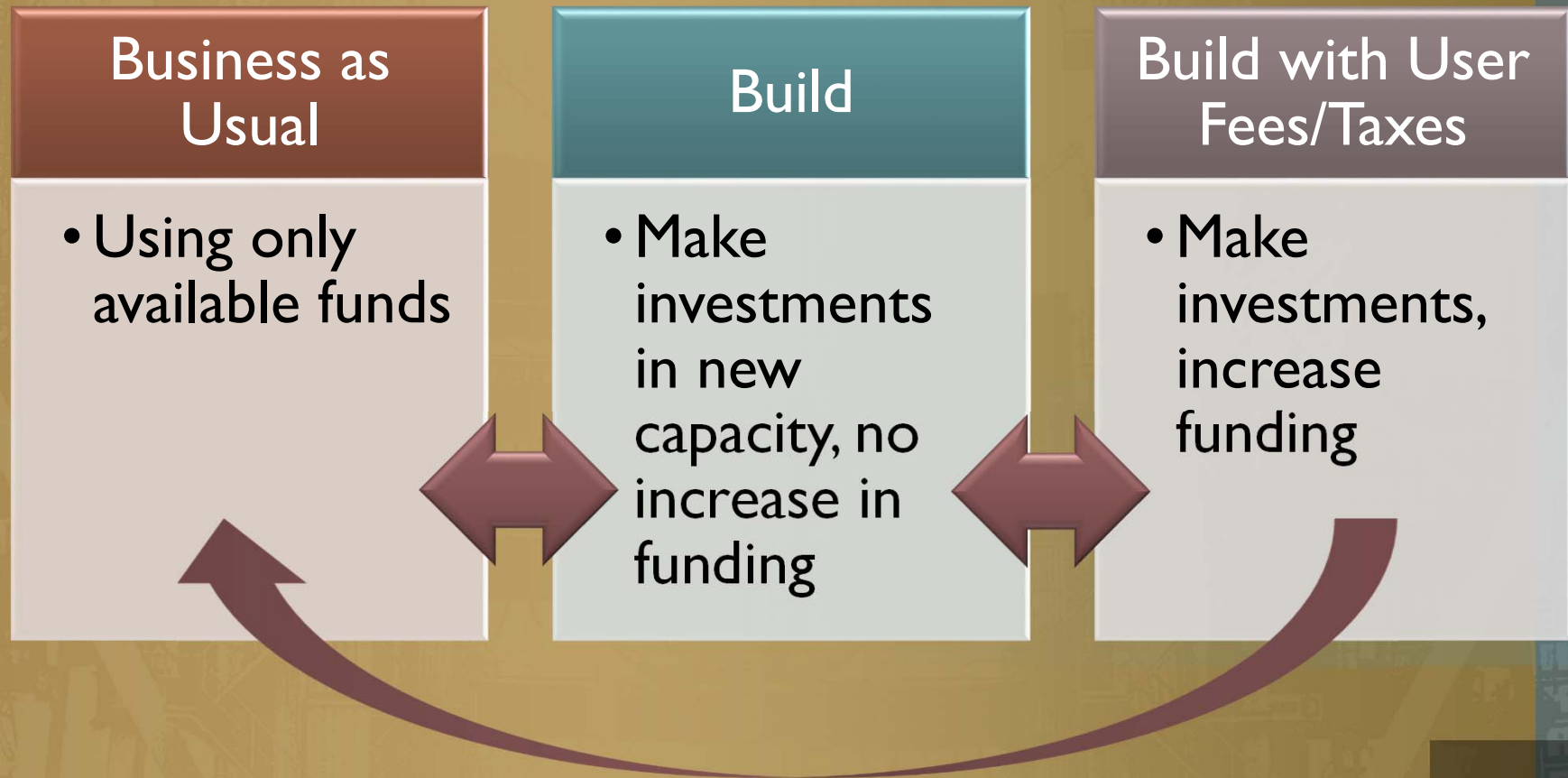
## Benefits

Build
Additional capacity & access





# Requires Comparing Freight Costs Under Alternative Scenarios



# Next Steps

- **Wrap up interviews - October**
- **Complete rate analysis - October**
- **Conduct travel demand modeling analysis (cost of congestion) - October**
- **Initiate benchmark analysis – November**
- **Draft report – November/early December**

**QUESTIONS?**