

Ports and Waterways: Lifeline for U.S. Agriculture

Ag Transportation Summit

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US Army Corps of Engineers
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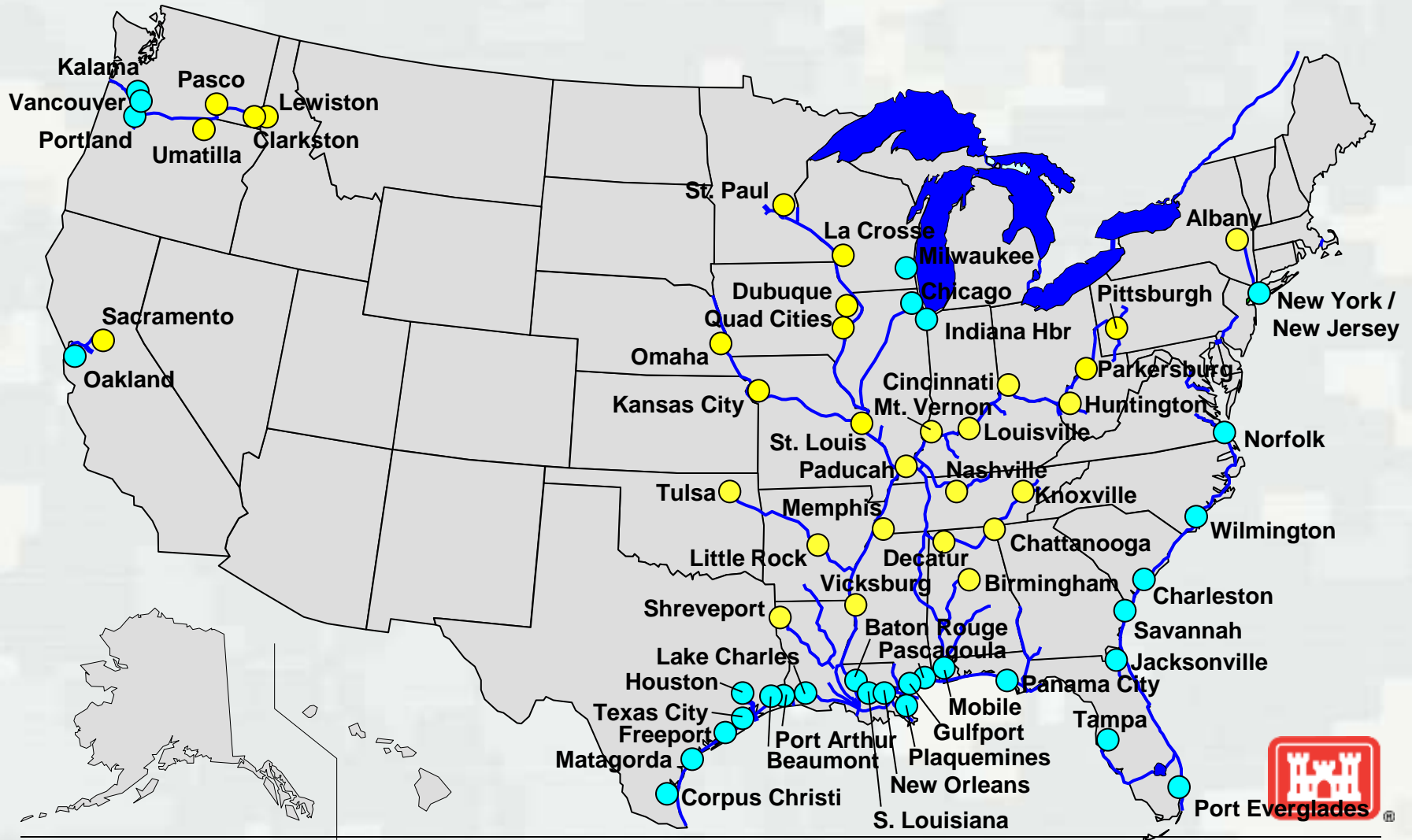


America's Future

- Global marketplace - Exports
- Transportation cost has a significant role in our exports being competitive
- US freight transportation systems managed by 2 agencies:
 - Corps of Engineers: Coastal and Inland channels and navigation locks
 - Dept of Transportation: Roads and Railroads
- Port facilities are not Federal



The Inland Waterway Connection: Linking the Heartland to the Coasts

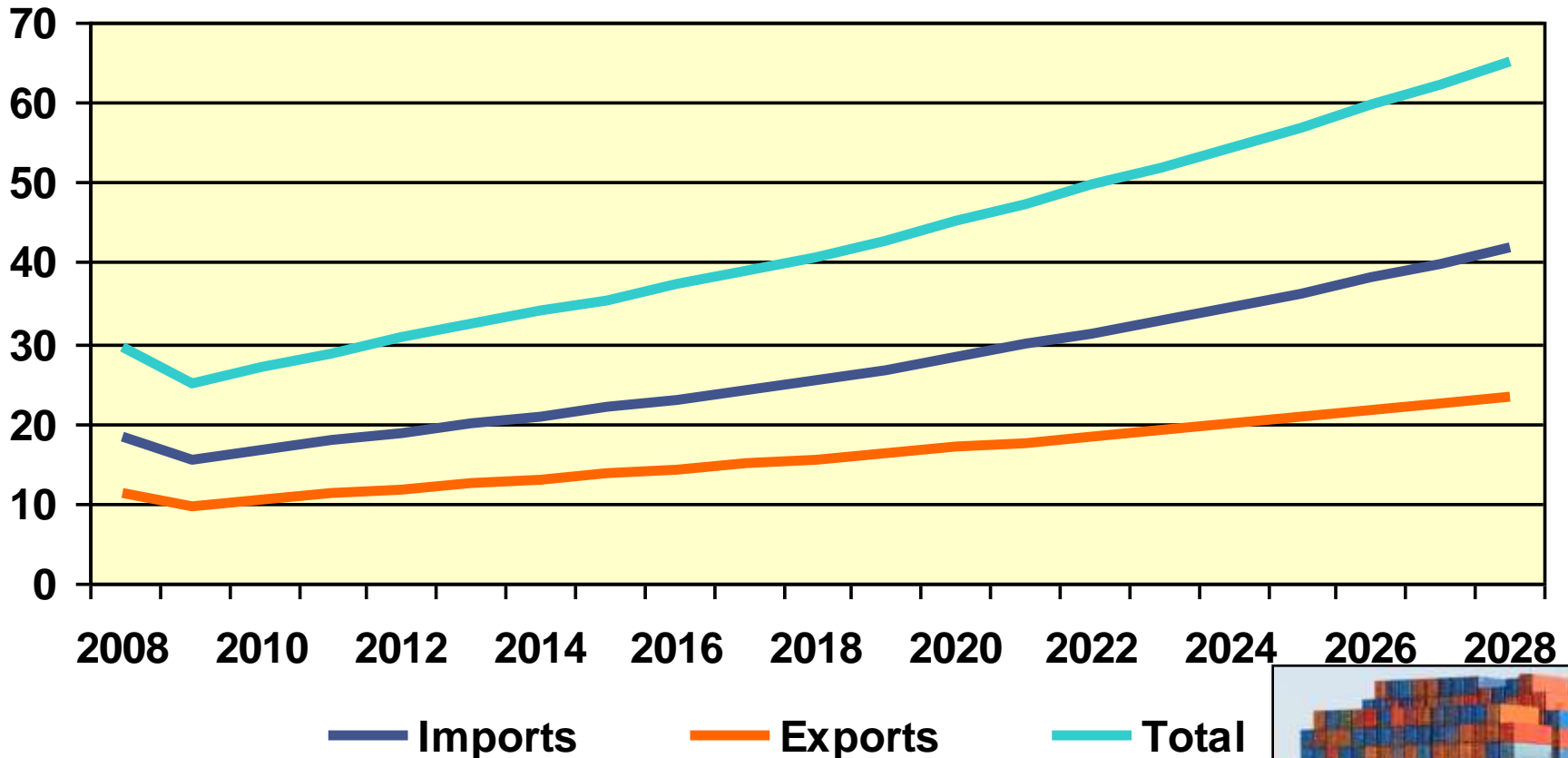


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U.S. Trade to More than Double

2008 - 2028

Millions of TEUs



Source: I H S G I World Trade Service



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Role of Inland Waterways in U.S. Export Trade

- Inland waterways have great impact on grains, oilseeds and coal.
- Portland, via rail-land bridge, acts as competitor to New Orleans
- Northeast Asia is largest trading partner for exports from these ports
- Portland can accommodate all but the largest ocean going vessels and is the most direct route to northeast Asia
- New Orleans is dominant port for the export of grains in U.S.
- New Orleans has a significant trade in U.S. export coal, though Norfolk is the largest export port in trading metallurgical coal in particular



Current Infrastructure Situation

- Much of our economic and physical security and quality of life depends on infrastructure that is wearing out faster than it is being replaced or rehabilitated.
- Decreasing reliability of locks and other navigation infrastructure experience can impede the transportation of goods and services.
- A direct relationship exists between increasing age and increasing needs for maintenance, rehabilitation, replacement and repurposing.
- 21st Century needs are different or greater than those of the last century.



What's Happening to Our Infrastructure Value?

- Much of USACE's water infrastructure was built between 1930 and 1982.
- Many structures have reached or exceeded their design life.
- The estimated peak value of USACE infrastructure was about \$237 billion (in 2011 dollars) in 1982 and has fallen, due to natural degradation, to about \$164 billion in 2011, a decline of almost 31 percent (USACE 2012).
- Meanwhile, operating demands on USACE's infrastructure have grown and changed dramatically over the last 30 years.



Ready for the Panama Canal?

U.S. Harbors 45' or Greater



WEST COAST

Seattle/Tacoma (>50')
Oakland (50')
LA/LB (>50')
San Diego (47')

EAST COAST

NY/NJ (50' underway)
Baltimore (50')
Hampton Roads (50')
Charleston
Morehead City

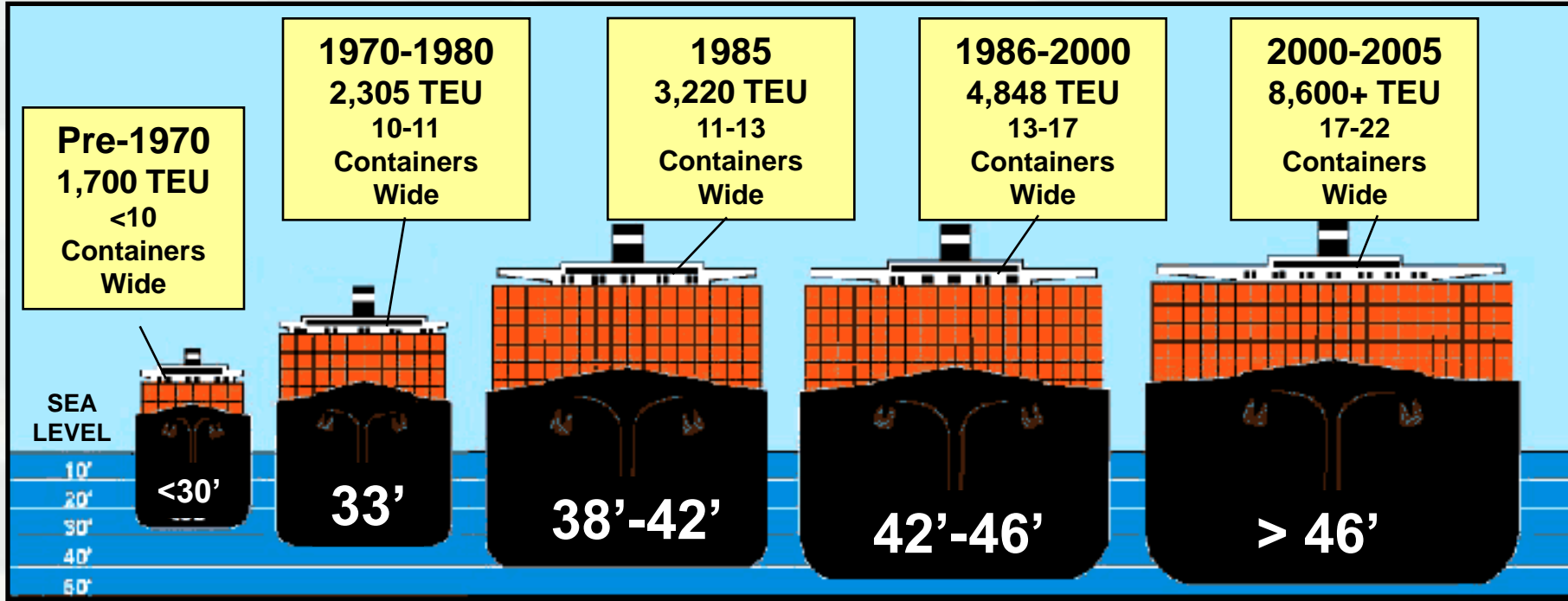
GULF COAST

Mobile
New Orleans
Houston/Galveston/Texas City
Corpus Christi
Freeport



Ever Larger Containerships

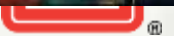
Driving Need for Ever Larger Channels



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U.S. Harbor Deepening Challenges

- ***Study Process:*** Difficult and lengthy from study to authorization
- ***Funding:*** Federal appropriation process uncertainties
- ***Dredging:*** Escalating costs, placement, environmental mitigation
- ***Handling Facilities and Space:*** Need expanded cargo handling facilities and improved intermodal connections



U.S. Port and Inland Waterways Modernization Strategy

- **National Export Initiative** seeks to increase exports through trade missions, export credit and financing, effort to remove trade barriers, enforcing trade rules and promoting international policies that lead to balanced world growth.
- The Corps' Modernization Strategy needs to be in context with ongoing efforts and reflex a multimodal transportation system.



U.S. Ports and Inland Waterways Modernization Strategy

- Focus: How Congress should address critical need for additional port and inland waterway modernization to accommodate post-Panamax vessels.
- Factors to address:
 - Costs associated with deepening and widening channels;
 - Ability of waterways and ports to enhance export initiatives benefitting the agricultural and manufacturing sectors;
 - Current and projected population trends that distinguish regional ports and ports that are immediately adjacent to population centers;
 - Inland intermodal access;
 - Environmental impacts resulting from modernization of inland waterways and deep-draft ports.

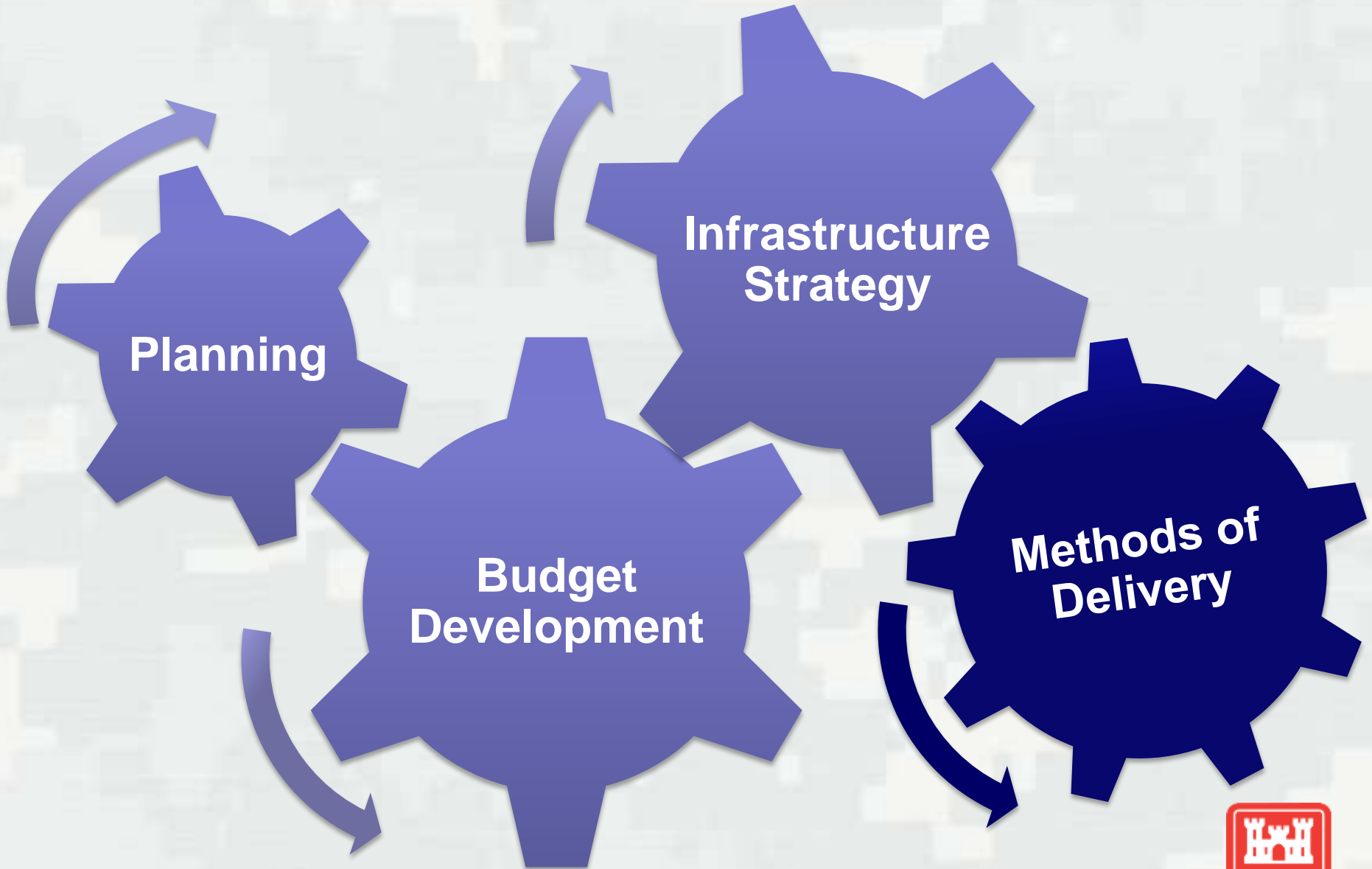


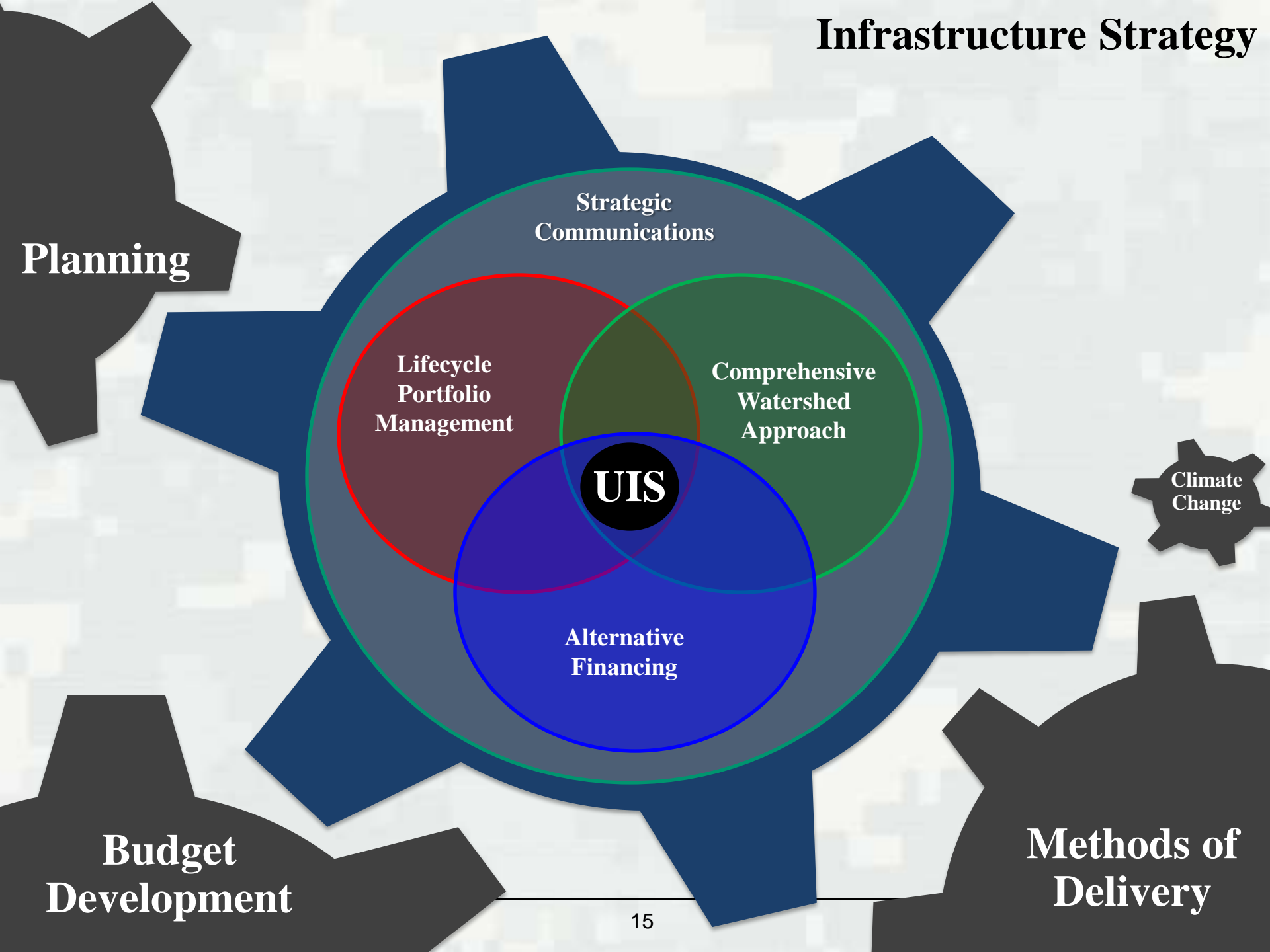
Outlook

- How should Congress address the critical need for additional port and inland waterway modernization?
 - Asking the question indicates a willingness to consider alternative approaches to the project by project historical method.
- White House Navigation Task Force and National Exports Initiative
- Possible National Freight Policy?
 - Coastal and Inland navigation
 - Intermodal considerations
 - Urgency of resolving the Inland Waterway Trust Fund funding issue



Transforming Civil Works





Questions/ Comments

