Mississippi Transportation

Moving the economy forward

Economics of Waterways

Bruce Lambert
ITTS
Inland Waterways
2010 Modal Flows Within Mississippi

- Truck: 81%
- Pipeline: 10%
- Other: 6%
- Air (include truck-air): 0%
- Rail: 1%

133,849 Thousand of Tons

- Truck: 76%
- Pipeline: 10%
- Other and unknown: 2%
- No domestic mode: 10%
- Other and mail: 0%
- Air (include truck-air): 0%

59,504 Current Millions$
Coastal Ports
Mississippi Gateway Exports, Top Five Commodities, 2003-2011
(Vessel Shipments totaled $5.6 Billion)

- Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax (67%)
- Paper & Paperboard & Articles (Inc Papr Pulp Artl) (7%)
- Organic Chemicals (5%)
- Cotton, Including Yarn And Woven Fabric Thereof (4%)
- Fertilizers (3%)
Mississippi Gateway Imports, Top Five Commodities, 2003-2011
(Vessel Shipments totaled $13.7 Billion)

- Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax (86%)
- Apparel Articles And Accessories, Knit Or Crochet (6%)
- Apparel Articles And Accessories, Not Knit Etc. (2%)
- Edible Fruit & Nuts; Citrus Fruit Or Melon Peel (2%)
- Inorg Chem; Prec & Rare-Earth Met & Radioact Compd (2%)
What Does It Mean to Me?
Comparison of Freight Dependency: US, Southeast, Mississippi (2011)
Industry Share of the Mississippi Economy, 2011

- Agriculture, forestry, fishing, and hunting: 3%
- N mining: 2%
- Utilities: 3%
- Construction: 5%
- Wholesale trade: 4%
- Retail trade: 8%
- Transportation and warehousing: 3%
- Government: 18%
- Manufacturing: 15%
- Services: 39%
State Economic Output Based on Water Transportation Jobs, 1997-2010
Mississippi Exports as Share of Total State GDP 1997-2011
Share of Mississippi GDP Exported through a Port, 2011

*Includes all ports, not just Mississippi Ports
Where are the Main Destination Markets for Mississippi Maritime Trade (2010)

- Foreign, 30%
- Louisiana, 22%
- Florida, 22%
- Texas, 7%
- Alabama, 3%
- Kentucky, 3%
- Other Markets, 7%
What Do We All Want...
The Maritime Sector’s Role in Freight Movement

**Domestic Systems**
- Latent capacity
- Environmental benefits for cargo
- Reliability issues on channels, locks/dams
- Scale = small, fragmented

**Coastal Systems**
- Pass through function
- Development challenges
- Environmental pressures (domestic/international)
- Scale = large, concentrated
Ports are more than something on a coast or a river...

- Facilities on water provide other opportunities not just moving on waterways
- Ports should engage in getting people on water first then select port
- “Link” transportation to Economic Growth
**Economic Impact 1996-2008 (in Millions)**

<table>
<thead>
<tr>
<th>State</th>
<th>Direct</th>
<th>Indirect</th>
<th>Induced</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>$15,217.1</td>
<td>$550.3</td>
<td>$718.8</td>
<td>$16,486.2</td>
</tr>
<tr>
<td>Kentucky</td>
<td>$887.2</td>
<td>$163.1</td>
<td>$559.1</td>
<td>$1,609.4</td>
</tr>
<tr>
<td>Mississippi</td>
<td>$6,854.7</td>
<td>$1,333.0</td>
<td>$1,276.6</td>
<td>$9,464.3</td>
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<tr>
<td>Tennessee</td>
<td>$2,361.6</td>
<td>$38.1</td>
<td>$47.1</td>
<td>$2,446.8</td>
</tr>
<tr>
<td>Regional</td>
<td>$25,320.5</td>
<td>$2,093.3</td>
<td>$2,641.1</td>
<td>$30,054.9</td>
</tr>
<tr>
<td>United States</td>
<td>$25,320.5</td>
<td>$5,822.6</td>
<td>$11,380.6</td>
<td>$42,523.7</td>
</tr>
</tbody>
</table>

This table shows the impact from private investment and ports operating in the Tenn-Tom Waterway region.

**Employment Impact 1996-2008**

<table>
<thead>
<tr>
<th>State</th>
<th>Direct</th>
<th>Indirect</th>
<th>Induced</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>8,384</td>
<td>3,879</td>
<td>7,567</td>
<td>19,830</td>
</tr>
<tr>
<td>Kentucky</td>
<td>8,046</td>
<td>1,201</td>
<td>5,850</td>
<td>15,097</td>
</tr>
<tr>
<td>Mississippi</td>
<td>12,145</td>
<td>7,858</td>
<td>13,440</td>
<td>33,443</td>
</tr>
<tr>
<td>Tennessee</td>
<td>507</td>
<td>271</td>
<td>493</td>
<td>1,271</td>
</tr>
<tr>
<td>Regional</td>
<td>29,191</td>
<td>13,292</td>
<td>27,806</td>
<td>70,289</td>
</tr>
<tr>
<td>United States</td>
<td>29,191</td>
<td>29,001</td>
<td>79,471</td>
<td>137,663</td>
</tr>
</tbody>
</table>

This table indicates the number of jobs that were directly and indirectly created based on industry-to-industry transactions, as well as the number of jobs that were created based on employee spending in the local economy.
Who is Responsible for What?

Private Sector
- Terminal Operations
  - Cargo Density
  - Transportation services

Public Sector
- Transportation
- Utilities
- Workforce Development
- Business Climate
- Incentives

Business Clusters
Intermediaries
Logistics Parks and Economic Development

What type of facility?
- Trackage and Terminals
- Develop densities
  - Drayage and equipment issues
  - Domestic and international
  - Shippers bear costs?

Transport, Talent and Taxation Top Factor List

Site Selection’s October survey of corporate real estate executives reveals which factors on average are most important to them when they are involved in location decision making.

1. Transportation infrastructure
2. Existing work force skills
3. State and local tax scheme
4. Utility infrastructure
5. Land/building prices and supply
6. Ease of permitting and regulatory procedures
7. Flexibility of incentives programs
8. Access to higher education resources
9. Availability of incentives
10. State economic development strategy
Where do we go from here...
Can/Will Inland Navigation Remain Relevant?

- Alleviate congestion in other modes
- “Endless Capacity”?
- Integration with other modes, including deep-sea ports
- Environmental advantages
- Multiuse planning and development strategies for inland ports
What may change existing flows or create new markets?

**In 2020?**
- Panama Canal Expansion
- Nearshoring Trends
- Exporting Natural Gas
- European Collapse?
- Domestic Intermodal Grows
- Growth in Latin America Economics
- Dollar Continues to Slide promoting Exports
- Manufacturing Changes
- Price of Fuel
- Distribution Networks
- Exports

**In 2030?**
- Economic Growth – Regional
- Consumer Markets
- Resource Competition
- Demographic Patterns
- Energy Needs
- Housing Stock
- Distribution Networks
- Integration
Potential Marine Highway Services

LEGEND

- MH Corridor
- MH Connector
- MH Crossing
- U.S. Interstate
Maritime Trade critical component of economic growth in past and hopefully into the future

Need to rethink role of transportation in a system perspective
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