Marketing Your Port: It’s Access, Not Geography
Port Marketing – Changing Perceptions?
Traditional Port Planning

• What markets do I serve?
• What services do I have at my port?
Inland Port Hinterlands?

• Varies by many different factors:
  – International or domestic cargos
  – System reliability
  – Scale and intermodal connectivity
  – Industrial versus non-industrial use
  – Single user or multiuse facilities

• Range – 0 to 10,000 miles!
How Far Do Things Move?
Average Distance Shipped by Mode, 2007 CFS
Is it Me or Them?

- Who routes cargo?
- Who chooses the mode?
- What are their concerns?
- How will you benefit them?
- Do we have the right equipment?
- They want to manage costs and risks.
Firms See Transportation as Critical

Site Selection Magazine

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

KPMG

• 90% stated - transportation directly influences their business.
• 77% stated - infrastructure:
  – Becomes more important over the next five years
  – But system will remain inadequate without new investment
The boom in shipping trade

World Imports

"[The shipping industry] now carries more than 90% of the world's trade by volume, and has tripled its tonnage since 1970."

Access Means – Bigger Geography

Different Partners

• Memphis and Prince Rupert
• Huntsville
• Heartland Corridor
• Marine Highway Program
What Happens After A Project Is Developed?

• Improved Operations
• Change in Routings
• Change in the Capacity and Economies of Scale
• Induced Service or Calls
• Decline in use
System Reliability Must be Improved

NETS (IWR-USACE)
- Greenup 2003 Closure (52 days)- $42 Million
- Hannibal Locks 2005 Closure (5 days)-$5 Million
- Lock 27 Closures
  - (August 2007)-$3.9 Million
  - (Oct 2005-Feb 2006)- $2.7 Million
- McAlpine (August 2004)-$6.3 million
- 2008 Flooding in Upper Miss?

GLOBAL Insight – Upper Miss 90 Day Closure
- $118.6 million for Waterway freight
- $482.8 million by rail
- $1.50 billion by truck
Technology Can Help Promote the Waterway Industry

• Demonstrate Economic Importance
• Demonstrate Waterways Reliability
• Improve Safety and Emergency Response
• Equipment management
• Use Better Information to Manage and Gauge System effects of closures

• “Smartrivers” - 2011
Ports are more than something on 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 development = people development
- Regulation needs and Intermodal Connectivity
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
Advantages of Inland Waterways Transport:

**Safeguarding Our Health and the Environment**

Inland waterways transport generates fewer emissions than rail or truck per ton-mile.

Barge transportation generates the lowest emissions as measured in grams per ton-miles in four standards tracked by the EPA:

- Particulate matter (PM)
- Hydrocarbons (HC)
- Carbon monoxide (CO)
- Nitrogen oxides (NOx)
More than 40 major ports are located in PM$_{2.5}$ or ozone nonattainment areas. About 88 million people live in 39 areas that do not meet the PM$_{2.5}$ NAAQS or that contribute to violations in other counties. Accountability - Economic, Social, Environmental - Smartways.
Why Access?

• Transportation has collapsed geography
• Do you provide multiple travel options to various markets?
• What modal choices do I have?
• What of these are actually controlled by public ports, cities, counties or states?
  – Roads, rails, etc.
What Are Some Steps to Make This A Reality?

• Data and models
• Funding and/or institutional flexibility
• Prioritize Needs and scale
• Willing to Share (brotherly love)
• Communicate wants to internalize debate
• Transform this from “Your Dad’s Aging Infrastructure” to “Your Grandchild’s Future”
Total State Expenditures versus Transportation Expenditures for Alabama (1992 - 2008)
The Value of Ports?
Thank you

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