

# **NC State Ports Authority**

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# Market Drivers - Port Transportation Needs

- International trade projected to double by 2020.
- Global manufacturing shift to Asia, especially China at 68.5% of North America imports from Asia.
- US container traffic will double to 50M TEU by 2020.
- 1M additional TEU containers entering supply chain annually to balance supply and demand.
- Intermodal rail traffic increasing faster than railroads can build track, add equipment.
- Major East Coast ports' volumes will triple. NY/NJ will quadruple.
- Major West Coast ports' volumes will quadruple.

\*Source US Department of Commerce

# Transportation Industry Issues

- In 3 to 5 years, 25% US gateway ports will experience 25% shortfall in containerized cargo capacity.
- By 2010, 12 of the 16 major gateway ports must add extensive new terminal capacity. IF permitted land available, projects take from 3 to 6 years
- Intermodal freight demand forecasted to grow 4.5% per year over long term, or 25% in just five years.
- Key corridors between West Coast, Chicago/US Southeast recently experienced growth rates of 8+% per year, with sustained growth rates projected at 6.5% annually.

# Opportunities for North Carolina Ports

- Competing South Atlantic ports have limited expansion capability.
- West Coast ports lack facilities/highway/rail infrastructure to handle market growth.
- Intermodal cargo being diverted to East Coast all water service.
- Larger vessels/berthing delays/loss of productivity, coupled with high density yard operations creating service degradation in customer service at West Coast and East Coast ports.
- Ports of Wilmington and Morehead City have window of opportunity to expand operations, increase business and profitability and to create significant economic benefits to State.

# NORTH CAROLINA PORTS

**FY 04 consolidated growth – up 24.5%**

**FY 05 consolidated growth y-t-d up 25%**

## Port of Morehead City

- FY 05 y-t-d total volume up 14% over FY 04
- Rubber up 45%
- Scrap steel up 32%
- Warehouse utilization at 100%

## Port of Wilmington

- FY 05 y-t-d up bulk/breakbulk volume up 43%
- Lumber up 68%
- Containers up 24% (existing lines)
  - FY 06 projected 50% increase with AUX container line
- Warehouse utilization at 100%

# North Carolina Ports Expansion Plans

## Port of Wilmington Container Yard 10-Year Expansion:

➤ \$167 million

- Years 1 – 5 = \$85M
- Years 5 – 10 = \$80M
- 4 container cranes, 7 rubber tire gantry cranes, site preparation and paving, electrification

## Port of Morehead City/Radio Island 10-Year Expansion:

➤ Years 1 – 5 = \$85M

- Port of Morehead City = \$20M;
- 250,000 sq ft warehouse and laydown area
- Develop Radio Island - \$65M

# Challenges for North Carolina Ports

- Move greater freight volumes in and out of Ports
  - Correlate waterside improvements, e.g. 42' channel at Wilmington with expansion plans and enhancements to hinterland connections: bridges, highways and rail
  
- Truck traffic at Wilmington and Morehead City
  - Wilmington Port-generated truck traffic
    - FY 2003 = 334,000 one-way trips
    - FY 2005 = projected 40% increase (445,000 trips)
    - FY 2011 = projected to double (650,000 trips)
  - Morehead City Port-generated truck traffic
    - FY 2003 = 50,000 truck trips
    - FY 2005 = projected 15% increase (57,500 trips)
    - FY 2011 = projected 30% increase (65,000 trips)

# Ports' Connectors Needed NOW

- Gallants Channel bridge and US-70 northern bypass at Morehead City
- Cape Fear Skyway and I-140 bypass at Wilmington
- I-74 & I-20 connection with I-140 bypass
- Direct rail access to both ports
- Reestablishment of railroad track between Castle Hayne and Wallace
- Replacement of Radio Island bascule bridge over Newport River

# North Carolina Ports Economic Impact



Advantage West  
5,813 Jobs  
\$3.5 million Tax Revenues

Piedmont Triad  
6,341 Jobs  
\$3.9 million Tax Revenues

Research Triangle  
5,891 Jobs  
\$3.6 million Tax Revenues

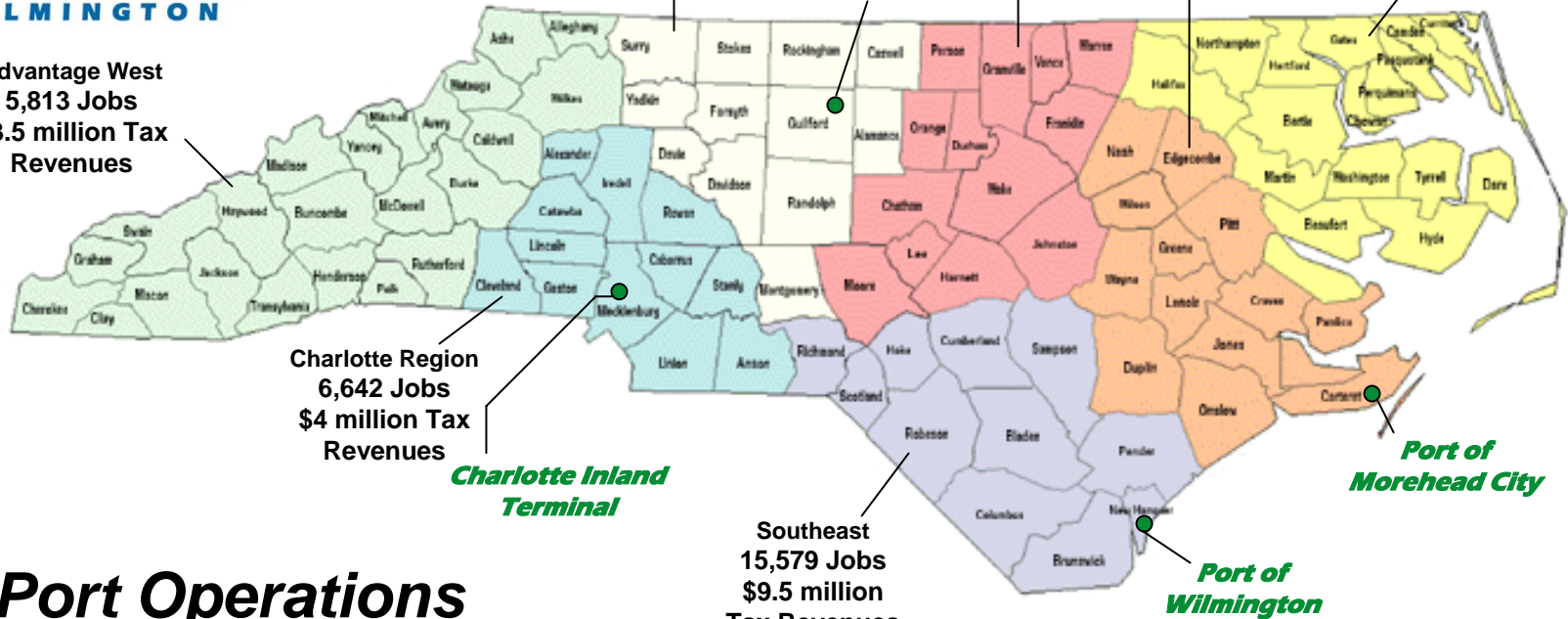
Eastern Region/  
Northeast Region  
8,015 Jobs  
\$4.9 million Tax Revenues

Charlotte Region  
6,642 Jobs  
\$4 million Tax Revenues

Southeast  
15,579 Jobs  
\$9.5 million Tax Revenues

**Port Operations  
help provide:**

- 48,300 jobs
- \$29 million in tax revenues statewide



# Foundation for Future Success

- North Carolina's Ports are critical gateways for trade driving the State's economy.
- We must actively pursue all avenues to ensure this trade flows smoothly in all directions.
- Integrated planning approach must incorporate all stakeholders.