



**Ports**

**ASSOCIATION OF LOUISIANA**

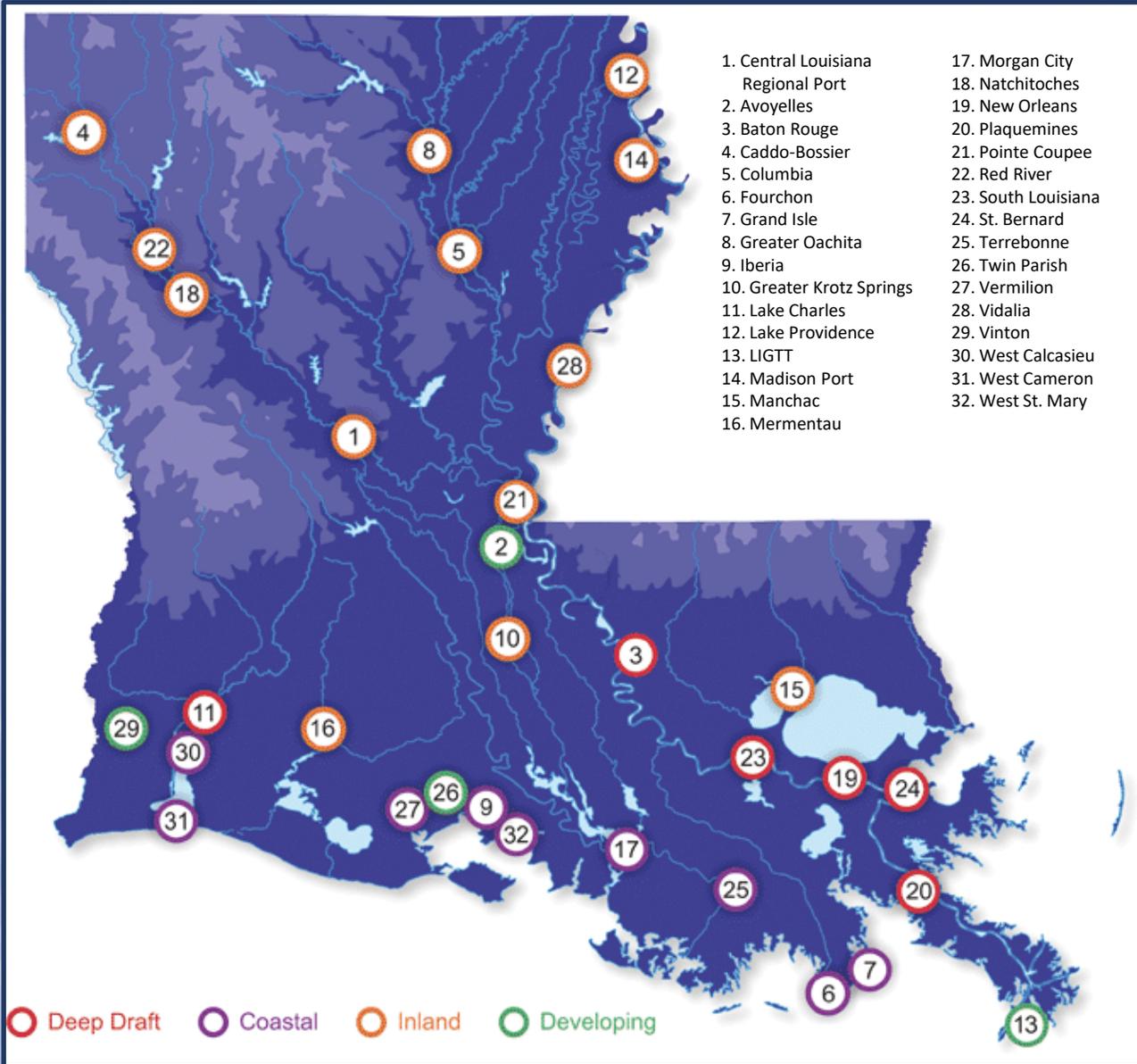
**Louisiana Ports: The Industry that Drives all Others**

ERANT

VO10/EPT

**Presented By: Joseph Accardo, Jr.; Executive Director**

# Ports Impact Every Region of LA



Ports Enable Key Industries to Flourish in LA

# Mississippi River is the Backbone of the Nation's Water Commerce



**Five Mississippi River Ports Comprise the Largest Port Complex in the World**

**LA Ports Carry 25% of U.S. Waterborne Commerce**

**60% of the Nation's Grain**

**20% of the Nation's Coal**

**14,500 Mile Inland Waterway System Including Rivers & Intracoastal Waterway**

# Ports Connect & Enhance Markets for Major Industries

Transportation & Warehousing



Manufacturing

Mining – Includes Oil & Gas



Agriculture

**These Industries Anchor the Louisiana Economy**

**These Industries Could Exist w/o Ports but with Much Higher Costs**

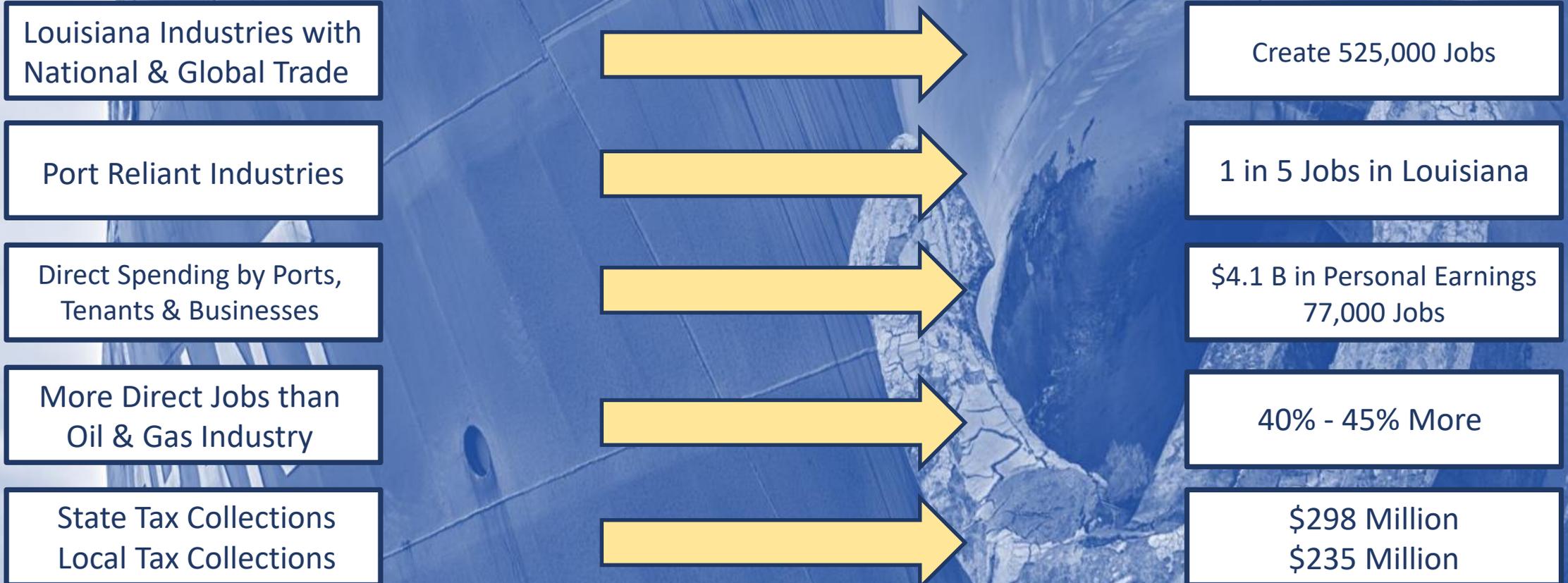
**These Industries Are High Volume Exporters & Importers**

# Global Trade

## Economic Impact of LA Industries with Global & National Trade

Industries	Direct Spending	Economic Output	Personal Earnings	State Taxes	Local Taxes	Jobs Created
Agriculture, Oil & Gas, Petrochemical, Food Manufacturing, Wood & Paper Products, Coal, Fabricated Metals & Related Products	\$ 96.1 Billion	\$ 182.1 Billion	\$ 32.9 Billion	\$ 2.4 Billion	\$ 1.8 Billion	525,000

# Economic Impact of Ports on LA





**DEEP WATER PORTS – Support Global Trade**



**COASTAL PORTS – Enable Energy Industry**



**INLAND PORTS – Drive Local Economics**

# Importance of Deep Draft Ports

<b>Port of South Louisiana</b>	<b>Ranks #1 in U.S. for Most Tons of Cargo Transported through its Public/Private Docks; Imports/Exports Nearly 300 Million Tons Annually</b>
<b>Port of Lake Charles</b>	<b>Center for LNG Operations; \$70 Billion Natural Gas Related Industrial Development</b>
<b>St. Bernard Port</b>	<b>Ships 36% of the Nation's Ferro Alloys; Handles Bulk &amp; Breakbulk; Home to One of the Nation's Only ISO Tank Cleaning Facilities</b>
<b>Plaquemines Port</b>	<b>Slated to Construct 20 Million Metric Ton LNG Export Facility; Over 55 Million Tons of Grain, Petrochemicals, Crude Oil &amp; Coal Transit the Port Annually</b>
<b>Port of Greater Baton Rouge</b>	<b>Home to Largest Grain Elevator on Mississippi – Moves 11% of LA's Grain Center for Existing &amp; Expanding Petrochemical Industrial Facilities <b>Container-on-Barge Services</b> A partnership between the Port of Baton Rouge and Port of New Orleans provides advantages for moving cargo by water utilizing "America's Marine Highway"</b>
<b>Port of New Orleans</b>	<b>Named Fastest Growing Import/Export Container Port in 2015 – Has 800,000 TEU Capacity; Only Port Served by All Six Class 1 Railroads 2 Cruise Ship Terminals – 6<sup>th</sup> Largest U.S. Cruise Port</b>

# Importance of Coastal Ports

<b>Port of Terrebonne, Port of Morgan City, Port of Vermilion, Port of West St. Mary &amp; Port of Iberia</b>	<b>Oil &amp; Gas Industry Fabrication and Supply Base</b>
<b>Port of West Calcasieu</b>	<b>Anchors GIWW - Enables Shallow Water Maritime Transportation from Texas to Florida Without Exposure to the Open Waters of the Gulf of Mexico</b>
<b>Port Fourchon</b>	<b>Services 90% of All Deep Water Rigs in Gulf of Mexico Services 50% of All Shallow Water Rigs in Gulf of Mexico (18% of U.S. Oil Supply)</b>

**LA is the 2<sup>nd</sup> Largest Producer of Crude Oil & 2<sup>nd</sup> Largest Producer of Natural Gas in the US**



# Importance of Inland Ports

**Inland Ports Link Farmers to Global & National Markets**

**Provide Warehousing & Value-Added Services**

**Attract Manufacturing, Distribution & Other Industries –  
Creating Jobs in Their Communities**

**Lake Providence**

**Largest Tonnage of Inland Ports for Agricultural Products; Fastest Growing Inland Port in the U.S.**

**Central Louisiana Regional Port**

**Transports Military Equipment; has 13,600 Ton Bulk Fertilizer Warehouse & 3,400 and 5,000 Ton Fertilizer Domes; Abundance of Natural Gas**

**Port of Caddo-Bossier**

**Over 1,000 Employees with more than 20 Companies; Drives Industrial Growth in North Louisiana**

**Port of Krotz Springs**

**Over 300 Employees With Refinery**

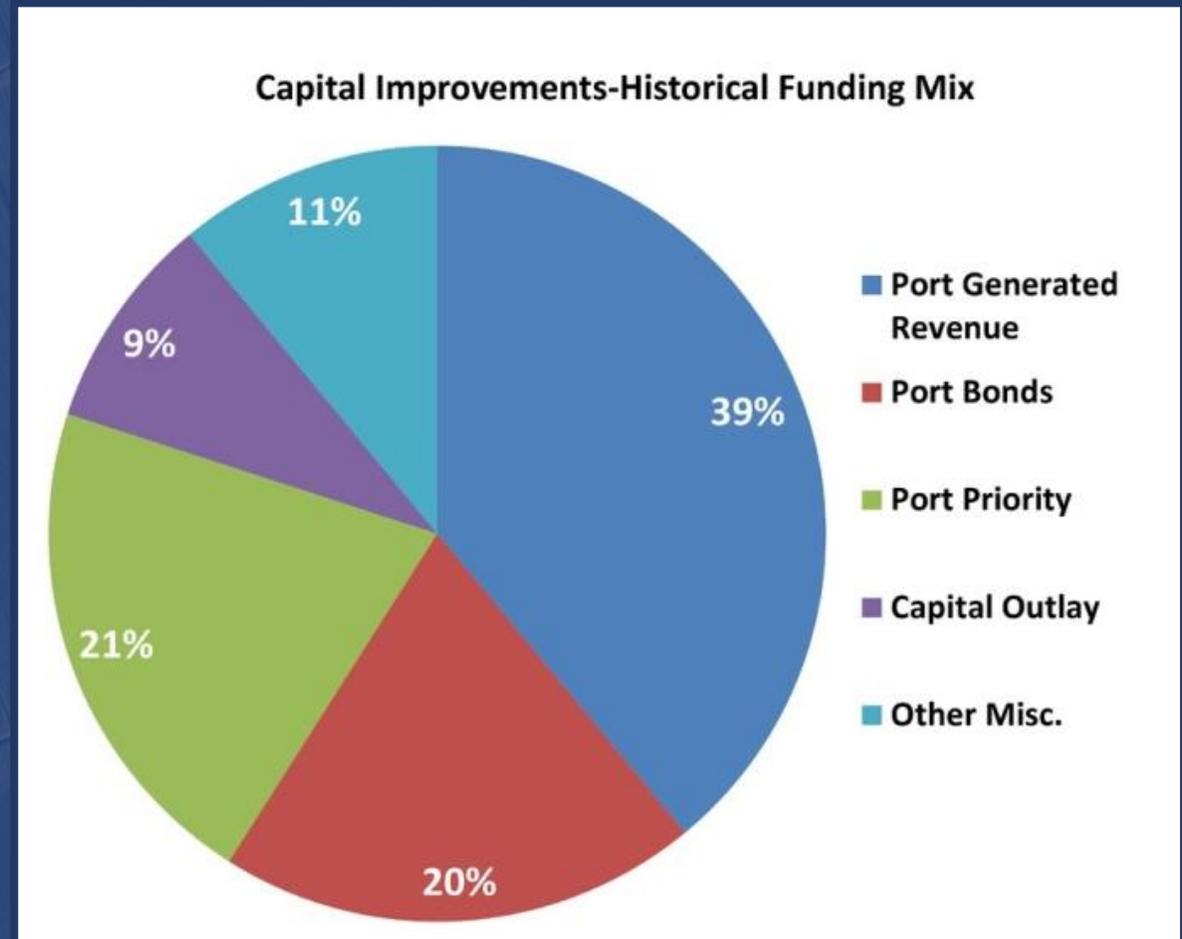
# LA PORTS NEED ADDITIONAL PORT INFRASTRUCTURE & DEEPER CHANNELS FOR FUTURE OPPORTUNITIES

- Deep Water Ports on Mississippi & Calcasieu to Serve Panama Canal Expansion of Trade and \$70 Billion Natural Gas Related Industrial Development
- Coastal Ports to Serve Deep Water Drilling Vessels & Compete for Building Production Structures
- River Ports to Serve Increased Barge Traffic



# PORTS FIVE YEAR CAPITAL IMPROVEMENT PLAN

- 92 Projects at 21 Ports
- Total Estimated Cost \$1.8 Billion
- Represents Annual Need of \$360 Million Over 5 Years
- Louisiana 2015 Transportation Plan Recommends \$7.6 Billion for Ports & Channels By 2040
- DOTD Transportation Plan Recommends \$40 Million Per Year for Port Priority Program



**NOTE: Ports do not receive any operational funding from the state.**

**LA ports collect tenant rents and vessel dockage & cargo wharf fees, which are used to build infrastructure and channels, and cover operational salaries and cost.**

# Port Priority Fund

**Applications Scored & Ranked  
by DOTD**

**Recent Historical Average:  
\$20 Million Per Year**

**Governor/Legislature  
Appropriated \$39.4 Million  
In 2016 – 2017 Capital Outlay Bill**

**2016 - 2017 Port Priority Program  
Total Cost: \$450 Million  
State Share: \$130 Million**

## **2017 – 2018 Port Priority Program Projects**

**16 Continuing Projects, Total Cost = \$411 Million  
\$150 Million State Share, \$114 Million Current Balance**

**Will Create \$1.2 Billion in Economic Benefits & Create Over 2,200 Jobs**

**State Receives \$8 in Taxes, Jobs & Benefits for \$1 Investment**

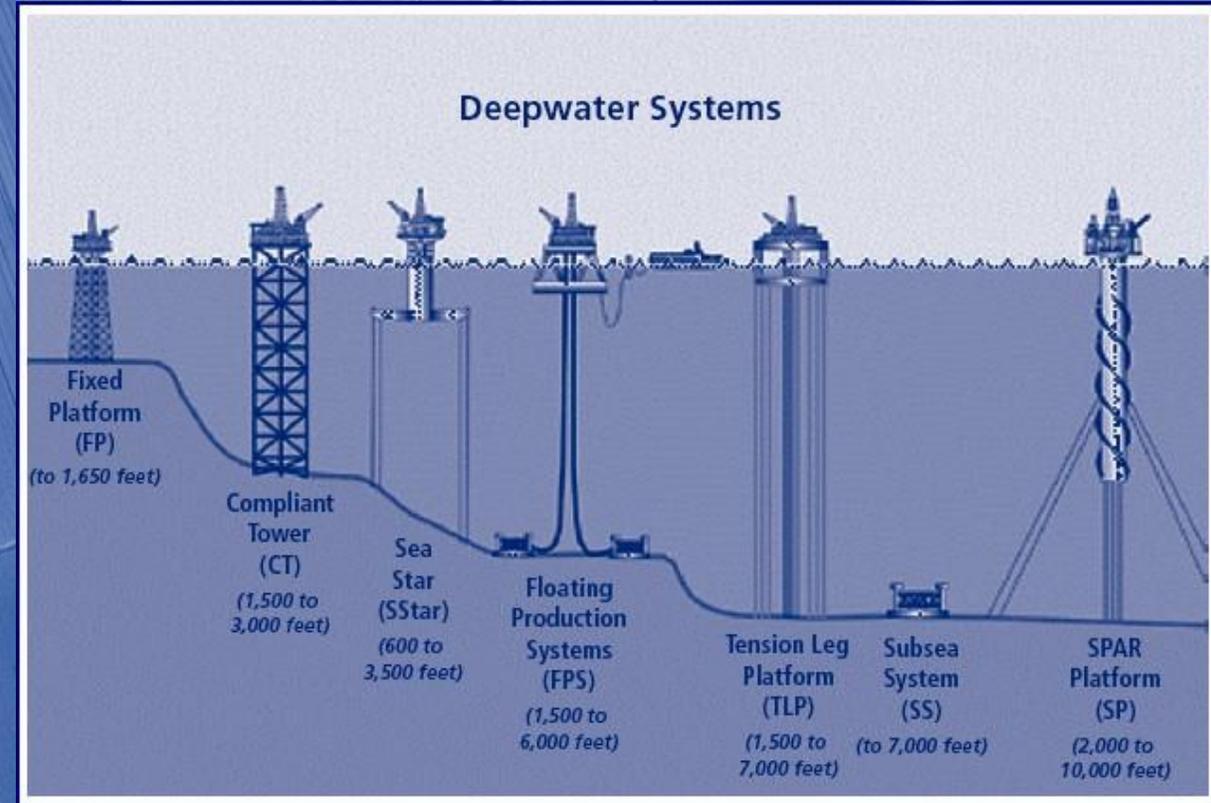
# Depth Constraints

As Oil & Gas Exploration Continues to Reach Greater Depths, Fabrication Facilities Need to be Capable of Handling Larger and Heavier Components

LA and the Nation Lose Ground to Other Petroleum Producing Nations Thereby Sacrificing its Geographic Advantage in Central GOM and its Deep Water Oil & Gas Reserves

Most Tankers Offloading at the Louisiana Offshore Oil Port (LOOP) are too Large for U.S. Ports

Without Deeper Channels LA Ports Will Not Have the Opportunity to Compete for New Contracts Necessary for the U.S. / Louisiana to Remain a Global Leader



# Importance of Mississippi River Deepening

## Benefits of Mississippi River at 50ft

\$11.49 Billion Increase in U.S. Production

17,000 New Jobs

\$849 Million Increased Income

\$89.4 to \$1 Benefit/Cost Ratio

Increase Competitiveness of U.S. Exporters

## Legislation/Cost

2014 Water Resources Reform & Development Act (WRRDA) Authorized Deepening of Mississippi River From the Port of Baton Rouge to the Mouth of the River from 45ft. to 50ft.

Estimated Cost: \$300 Million

**LA's Share: \$150 Million**



Source: Dr. Tim Ryan PhD, *The Economic Impact of Deepening the Miss. River to 50 Feet*, 2013

# Panama Canal Expansion

**Newest Expansion Opened June 2016**

**Deepens Canal from 39.5 feet to 50 feet**

**Can Accommodate Post-Panamax Vessels With Up To  
14,000 TEUs**

**Panama Canal Volume Will Grow From 12.3 Million TEUs to 25.4  
Million TEUs Handled Annually By 2028**

**Gulf Coast: Volume Will Increase From 1.5 Million TEUs to  
3 Million TEUS**

**East Coast: Volume Will Increase From 7 Million TEUs to  
14 Million TEUs**

**Four Container Ports Will Compete for That Business in the Gulf:  
Houston, New Orleans, Mobile and Tampa.**

**Lower Mississippi River Ports Will Benefit**

**Dry & Liquid Bulk Cargo Such as Grains & Petrochemicals Will Be  
Imported/Exported More Efficiently**





# Thank You



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