



# Cape Fear Firebird

*The Light of Save the Cape*

January 15, 2011

*Today's supply chains have too much flexibility built into them that a "build it and they will come" mentality spells disaster.*

–Statewide Logistics Plan for North Carolina

## ***The Port Report***

Following the publication of the Statewide Logistics Plan in 2008, the Governor established a Logistics Task Force to explore further the needs of the State for improvements in logistics facilities—highways, railroads, airports, and seaports. As we reported in the *Cape Fear Firebird* for January 1, North Carolina businesses rely on out-of state ports about four times as much as in-state ports. So those out-of-state ports are very relevant to North Carolina's logistics needs.

Early this month we presented our own study and report of an inventory of container ports available for North Carolina's international trade—both in-state and out-of-state—to the Secretary of Commerce and to the university team advising the Logistics Task Force. Here are some of the conclusions:

- Almost all of North Carolina is within economical trucking distance of three large container terminals in Virginia, South Carolina, and Georgia. In most parts of the State, such out-of state terminals are closer than the container terminal at Wilmington. The out-of-state terminals foster a competitive environment that attracts four-fifths of North Carolina's international commerce and almost all exports from Raleigh and points west.
- The container terminals in the region have substantial excess capacity and, with expansion projects underway or in advanced states of planning, will have sufficient capacity for reasonable traffic growth well beyond 2030. Larger vessels expected to transit the Panama Canal after 2014 can be accommodated by out-of-state ports at no cost to North Carolina.
- The revenues received by state ports from container handling charges exceed operating costs, but are not adequate to offset capital costs, particularly the cost of channel dredging. All ports serving North Carolina, in-state and out, are heavily subsidized by the respective states and the Federal government for capital improvements.
- A project for a deepwater port in North Carolina to compete with the ports in neighboring states would offer no competitive advantages and would be unlikely to wrest any business away from existing ports. Even if such a project were successful in creating a State presence in the market, the cost, taking into account the dredging cost, cannot be recovered from income. Estimates place the cost of such a project at \$3 billion.

You could look it up: <http://www.savethecape.org/STC/images/stories/PDFs/Otherports4.pdf>