\*\*Ports Neg New Cards Wave 1\*\*

\*\*Georgia CP

1nc

**Text: The state of Georgia should engage in a private – public partnership to substantially increase its investment in expedited port deepening projects for the Port of Savannah.**

**Savannah is the key internal link –**

**Their 1ac card,** **USA Today 11** – news agency (Larry Copeland, “A goal to be port of call for all; U.S. sites digging in to accommodate big ships,” USA Today, October 3, 2011, lexis)//CB

It's just before noon on a recent weekday, and the nation's fastest-growing container shipping port is bustling with activity.

Massive, 10-story-high cranes, each shaped like an upside down "U," lift tractor-trailer-size containers onto and off cargo ships at dockside. A station checking for radioactivity in containers leaving the port clicks right along, while a non-stop stream of trucks enters and leaves the 1,200-acre facility.

The freight moving through here touches the lives of people in 15 states, some 44% of the nation's population.

Even more critically, as the USA seeks to double exports in the next five years, this is one of the nation's few major ports with a higher percentage of exports than imports.

Those exports – such as kaolin clay from Sandersville, Ga.; poultry from around the region; grain from the Midwest; automobiles from Southeast plants, and chemicals from around the nation – accounted for nearly one-eighth of the USA's containerized exports in 2010.

Now, this port – like others along the U.S. Atlantic Coast – is at a critical crossroads. Their fate is tied to the first major expansion of the Panama Canal in its nearly 100-year history. When that project is completed in 2014, the canal's larger locks will be able to accommodate cargo ships with three times the current capacity. Those larger vessels, known as "post-Panamax" ships, will be calling at ports here and elsewhere on the East Coast.

The problem: The port in Norfolk, Va., is the only one on the East Coast that has a channel deep enough to accommodate the larger vessels.

As a result, other ports along the Atlantic Ocean are scrambling to dredge deeper channels so they can handle the bigger ships. "Other countries throughout the world are looking at what is necessary in terms of their own (shipping) infrastructure to be competitive in world trade," says Kurt Nagle, president and CEO of the American Association of Port Authorities. "It's something the U.S. really needs to be doing. The general concern is the U.S. is behind the curve and really at the stage of needing to play catch-up."

Officials say the Panama Canal expansion will mean some ships that previously had to deliver their freight to the generally deeper ports of the West Coast, where goods are moved mainly by rail across the nation, will be able to deliver goods more efficiently via all-water routes directly to East Coast ports. Officials such as Page Siplon, executive director of Georgia's Center of Innovation for Logistics, say there could be a 25% to 30% shift in freight shipping.

A long-sought Port of Savannah channel-deepening project would result in 15% to 20% cheaper shipping costs, says Chris Cummiskey, Georgia's commissioner of economic development.

Consumers across the Southeast could see a direct impact from the project.

"Exporters will have lower costs of getting their goods to the world," says Billy Birdwell, a spokesman for the Army Corps of Engineers, which will deepen Savannah's port channel once it's approved. "Therefore, they are saving money, able to hire more people, able to do more work. Goods coming in will cost less to ship in, which will ultimately be passed on to consumers."

Ambitions to expand

In his 2010 State of the Union address, President Obama announced the goal of doubling the nation's exports in the next five years. The nation cannot meet that goal – or compete successfully in an increasingly global economy – without modern ports capable of handling the biggest ships.

"Trade is going to grow significantly, and we need to be able to have the infrastructure to accommodate it," Nagle says. "To be able to do that, we really need an infrastructure to enable us to trade our goods, our coal, our grain."

Officials here say their port is a critical component in those efforts.

Most of the Port of Savannah's business, 84%, is truck-size containers, which are used to ship products and goods around the world. It's the second-busiest container port in the nation for the export of U.S. goods, behind only Los Angeles; it's one of the only major ports in the nation that exports more goods than it imports – 52.2% to 47.8% last year.

Officials here boast that 8.6% of all containerized goods that move in or out of the USA come through here; the port handles 12.4% of all containerized exports.

Savannah's port is a vital cog in Georgia's economy, second only to Atlanta's Hartsfield-Jackson International Airport as an economic driver. It's responsible for 7% of the state's total employment, sustaining nearly 300,000 full- and part-time jobs, directly and indirectly. It also generates $61.7 billion in annual sales, worth $2.6 billion in state and local taxes.

But the port's role in the regional and national economy is even more vital, says executive director Curtis Foltz.

"Well over 95% of the cargo that moves through this port doesn't come from Savannah and isn't destined for Savannah," he says. "Ports are conduits. We're shipping to and from central Florida, Texas, the lower Midwest, the Middle Tennessee Valley, North Carolina. Our port serves almost 45% of the U.S. population. The economic development and prosperity doesn't stop at the state border."

Now, the state is rushing headlong to ensure it holds onto that development and prosperity, trying to complete the harbor deepening as close as possible to 2014.

Marooned at low tide

Savannah's channel is just 42 feet deep, making it one of the shallowest major ports on the East Coast. Officials here say that some vessels already have to wait for high tide before they can traverse the channel – an expensive undertaking.

"We're already seeing exports being left on the docks because there is not sufficient water capacity to get those export containers onto the vessels," says port spokesman Robert Morris. "Close to 80% of the vessels are restrained by tide. Those vessels having to sit in a port or out at sea causes costs to rise."

The channel-deepening is especially important for exports, officials say, because goods exported through Savannah are typically much heavier: forest products, kaolin clay, poultry, grain and automobiles, for instance. Imported goods tend to be lighter items such as socks, clothing, transistor radios and iPods.

The Port of Savannah formally asked the federal government to consider studying a deepening of the harbor in 1996. Congress authorized a federally funded study in 1999, and began multiple rounds of environmental, cost-benefit and engineering studies, coupled with multiple rounds of public comment.

A long process

It typically takes about 10 years from the beginning of the study phase to a decision on such projects – essentially, approval from four federal agencies, the secretaries of Commerce, Interior and the Army, and the administrator of the Environmental Protection Agency, to begin construction. Some frustrated officials here gripe that this is one of the longest-studied federal projects in history.

"It should have already been done," Foltz says. "Failing that, it has to be done as quickly as possible, or commerce in the U.S. is going to suffer. There's no doubt, it's got to get done."

No one seems sure when that might happen, though.

Funding for the $569 million Savannah Harbor Expansion Project is required to be split, about one-third from the state, two-thirds from the federal government. Georgia already has allocated most of its share; the state also has completed upgrades to several roads that link the port and nearby interstate highways.

But officials here were disappointed when President Obama's proposed budget for fiscal year 2012 included just $600,000 for the project, for pre-construction engineering and design but no money for construction.

The Corps of Engineers' Birdwell says the project now faces another delay. "We had anticipated that the decision would be made midyear 2012," he says. "However, we recently undertook additional analysis that may delay the final decision."

A boon to consumers

The Corps of Engineers projects that the Savannah port expansion will generate an annual net benefit of $116 million to $125 million for the state and those who use the port, Birdwell says.

One of the nation's largest importers, Home Depot, imports about 20% of its goods through Savannah, says Mark Holifield, supply chain senior vice president. "The deepening of the ports creates efficiency and lowers the cost of doing business," he says. "We don't just try to save money to raise our margins. We try to save money at the Home Depot so we can pass the savings on to our customers. We typically roll cost savings into prices."

AJC International, a major exporter of beef, pork and poultry, exports 100 container loads of poultry through Savannah each week, says Eric Joiner, vice chairman and co-founder.

He compares the harbor expansion project with a major airport lengthening a runway to handle new, larger passenger jets.

"It becomes an economic issue and a service issue," he says. "The steamship companies are going to go to those ports that can accommodate their ships. This will keep us very competitive."

AT: fed key

The federal government is inefficient – the states are ready to fund the plan

Holeywell 12

[Ryan, “Panama Canal Expansion Has U.S. Ports Rushing”, Governing: The State and Localities, July 2012, http://www.governing.com/panama-canal-expansion-has-ports-rushing.html, javi]

Still, despite the energy and political will behind the rush to expand ports, the process isn’t going smoothly. Port-deepening projects generally are initiated by states, but require federal approval and funding from both entities. That means the fates of ports, which typically are state authorities, are dictated largely by the federal government. And the federal government, according to a growing chorus of governors, state legislators and port directors, isn’t equipped to handle their needs. Federal policies addressing ports are a complicated web, and no single entity determines overarching strategy. The last federal Water Resources Development Act, which governs much of federal ports policy, was enacted by Congress nearly five years ago. A fee paid by shippers into a federal trust fund intended for harbor maintenance and dredging is projected to end the 2013 fiscal year with a balance of $8.1 billion under President Obama’s budget, while just 10 percent of that total will actually be spent on its intended purpose. Jerry Bridges, chairman of the American Association of Port Authorities, says funding for dredging has been on the decline. Even the feds seem to realize they aren’t prepared to deal with the onslaught of projects. “There is a growing consensus that the existing budgeting process and budget levels are not adequate to meet the critical needs of future modernization,” the Army Corps of Engineers’ Institute for Water Resources wrote in an early draft of a report ordered by Congress. Preparing to dredge a harbor is an enormously complicated process. Such projects must be authorized by Congress, but there’s no guarantee that any funds will be appropriated. Before construction can begin, a project must undergo two sets of impact studies. These studies, run by the Army Corps of Engineers, are major undertakings that can cost millions of dollars and take a decade or more to complete. One of the most egregious examples is Savannah, Ga., which is trying to deepen its port from 42 feet to 48 feet. Earlier this year, the corps released its final documentation for that project -- after 15 years of study. “This whole process of dredging is completely broken,” says Eugene Pentimonti, a former senior vice president of Maersk, one of the world’s largest shipping companies. “There’s virtually no way for a port to get their facilities dredged in a commercially acceptable time frame, to be able to compete, to use the opportunities it will provide them.” Maryland Port Administration Executive Director James White is more blunt, calling the lengthy approval process “an embarrassment. We’re not reinventing the wheel,” White says. “We’re moving mud.” The problem, say many in the ports community, is that the federal government has not acted quickly enough to prioritize port expansion. During a congressional hearing last year, Anderson, of the Jacksonville port, bemoaned the “stepchild status” of ports among both federal officials and the general public, speculating that most elected officials seem to have little interest in ports largely because voters don’t think about them. Indeed, some in the transportation community believe the federal government was caught flat-footed by the Panama expansion and as a result doesn’t have a framework for addressing the rapid changes necessary. “They didn’t believe Panama would put the money together to be able to do it,” says Pentimonti, a board member at the Eno Center for Transportation, a think tank. “Nobody thought it would happen as quickly as it did.” In Jacksonville, for example, the port completed a project in 2010 to deepen a channel from 38 feet to 40 feet. The project took nearly 15 years from start to finish. Now, the port is projecting a 50-foot deepening that will be finished in 2018, if all goes according to schedule. “Because our ports take so long compared to the rest of the world, we finished the project, and the world had changed,” says Anderson. Despite the uncertainty regarding the federal government -- or perhaps more likely because of it -- states are ponying up more money themselves. Their logic: If they can’t make the feds speed up the approval process, they can at least ensure that the projects have the money to go forward once they do get the green light. “If ports want to get it done in a timely manner, ports are starting to see they’re going to have to come up with a larger portion of the cost share,” says Susan Monteverde, vice president of government relations at the American Association of Port Authorities. “The reason they’re doing that is to get the jobs more quickly.” Indeed, mayors like Alvin Brown of Jacksonville and Joe Riley of Charleston have become cheerleaders for their projects largely by touting both the economic benefit they’ll have for their community and for the nation as a whole. “A deeper harbor produces more maritime activity,” says Riley. “It means larger ships can come in. It means it’s a more effective place to ship your goods from. It means suppliers and assemblers and manufacturers will be more advantageous in the state. It’s a very important economic generator.” The Port of Baltimore just completed deepening a berth at one of its container terminals to 50 feet. The $105 million project, which includes four new cranes for ships that are two to three times larger than vessels currently calling on the port, was accomplished through a public-private partnership with a company called Ports America Chesapeake. Under the agreement, the company paid for the improvements as part of its 50-year lease to operate the terminal. Maryland officials viewed the project as a critical economic and jobs driver. Without the public-private arrangement, “we wouldn’t have been ready,” says White. Last year, Florida Gov. Rick Scott decided to channel $77 million in state funds to cover part of the Port of Miami’s $180 million deepening. The state had initially wanted the feds to pay that sum, but Florida has decided to move forward with the hope that Washington may eventually reimburse some of the money. In South Carolina, the Legislature is poised to allocate $180 million for a $300 million dredging project that’s still in the feasibility study phase, even though it won’t be completed for years. It may also be willing to borrow up to $120 million to fund the rest of the project if the feds don’t come up with their share of the cost. “The cost of dredging shouldn’t bother anyone,” says Grooms, the state senator. “We’ll be there. We’ll be at a post-50-foot harbor. The question is, how long will it take? And the big unknown is the harbor deepening study.” There may be some good news for Charleston on the horizon: A year into its feasibility study, it appears the Charleston project is being put on a fast track -- certainly a relative term -- which would shorten the feasibility study from up to $20 million over eight years to less than $13 million over four years.

Xt. Georgia key

**P3’s are best – empirically proven by Maryland, solves funding issues – it’s only a matter of jurisdiction**

**Feigenbaum 4/6** - a transportation policy analyst with Reason Foundation. handled transportation issues on Capitol Hill for Representative Lynn Westmoreland. Master’s degree in City and Regional Planning with a concentration in Transportation from the Georgia Institute of Technology. Bacehelor’s Degree in Public Policy from Georgia State University. (Baruch, New Deepening Option Vital for Port of Savannah: Improving Vital Infrastructure Without Burdening Taxpayers, April 6, 2012 <http://reason.org/news/show/new-deepening-option-vital>) // czhang

**The Port of Savannah needs hundreds of millions of dollars to deepen its harbor and take advantage of the Panama Canal expansion. That expansion is expected to double its capacity and accommodate ships carrying three times as much cargo. Bigger cargo ships will help businesses move goods more quickly, especially from China, and could lower the prices that consumers pay. But with the federal debt and deficit soaring, there is little taxpayer money available for harbor deepening at American ports.**

**Deepening the Port of Savannah is expected to cost $650 million. The state is contributing $252 million and hopes the federal government will pay the rest. But Georgia’s leaders need to be realistic about the funding shortfalls.**

The port netted just $600,000 in President Barack Obama’s budget last year, $2.5 million in supplemental 2012 funds, and the president just proposed giving $2.8 million to the port in his 2013 budget. At this rate, it will take decades to finish the deepening project.

**Georgia needs another way to permanently deepen harbors. One solution is public-private partnerships, which deliver needed infrastructure including ports, raise new sources of capital for modernization, shift risks away from taxpayers and onto investors, and encourage innovation.**

**The Port of Savannah could team with a private company, which would pay for and perform the initial deepening and future maintenance of the channel.** To recoup this investment, the company would manage the port and generate revenue from the shipping companies that use it. Three possible rental-lease types include a fixed annual payment to the state, a variable payment or a partial lease.

**Maryland is showing how successful these partnerships can be. In 2010, the state signed a 50-year lease with Ports America to operate the Port of Baltimore. The company,** Ports America, **will invest $500 million in the project and provide another $140 million to fund highway, bridge and tunnel improvement projects near the port. The state received a $105 million payment upfront and gets annual lease payments of $3.2 million. Maryland also can cancel the agreement if certain performance metrics related to the construction and management of the port aren’t met.**

**Could this type of lease work in Savannah? Yes.** Savannah’s deepening involves a river channel, not a port berth, but the potential partners and the process are the same. **Savannah is a bigger, busier port, so the lease likely would be more attractive financially. The process of getting and approving bids for the project should take Georgia about a year. The private sector’s construction efficiency could have the port deepened and ready by mid-2013.**

Leasing the port also would provide other benefits. First, **Georgia would be free to use the $240 million it plans to spend on the port on other construction projects instead.**

Second, the port operator in Maryland provided the state $120 million to pay for infrastructure improvements near the port. Contrast this with Georgia, where taxpayers through gas taxes are funding the $73 million Jimmy Deloach Parkway Connector connecting the port of Savannah and I-95. **With a public-private partnership, the port operator, not Georgia taxpayers, could pay the bill for these needed infrastructure improvements.**

Third, many **public-private partnership agreements have annual lease payments. These** go to the state and **could help pay for construction and maintenance of infrastructure projects that lack funding.**

**The deepening of the Panama Canal is going to bring great economic benefits to ports capable of handling larger ships. Will those benefits go to Miami, Jacksonville or Charleston? Or will the Port of Savannah be able to take advantage of the opportunity and bring the economic rewards to Georgia?**

Instead of sitting and hoping for the deficit-riddled federal government to find hundreds of millions of dollars for the deepening project, **Georgia needs to pursue a public-private partnership deal that can move the project forward right now and benefit everyone in the region.**

**Savannah is key to jobs all over the nation, reduces costs – lynchpin to US global trade**

**Business Facilities, 11** – (The Canal Gets Bigger, and U.S. Ports are Ready, <http://businessfacilities.com/articles/cover-story/the-canal-gets-bigger-and-u-s-ports-are-ready/>, April 11, 2011) // czhang

GEORGIA PORTS BRING THEIR ‘A’ GAME TO CANAL CHALLENGE

Facilitating global trade though strategic East Coast gateways, the Georgia Ports Authority (GPA) currently operates two deepwater seaports and two inland ports in Georgia. Its two Atlantic seaports are the Port of Savannah and the Port of Brunswick; its two inland ports, both linked to the Gulf of Mexico, are Port Bainbridge and Port Columbus. The **Port of Savannah** is based in Garden City **and the Port of Brunswick** is located in Brunswick. Each of these ports **hosts multiple terminals**. The Port of Savannah, by far the largest, is the flagship port.

Georgia’s ports are critical to continued economic growth in the state. Combined, its deepwater ports and inland barge terminals support more than 295,000 jobs throughout the state annually and contribute $15.5 billion in income, $61.7 billion in revenue and $2.6 billion in state and local taxes to Georgia’s economy.

In preparation for the Panama Canal expansion in 2014, **the GPA has embarked on an expansion and modernization plan to more efficiently accommodate newer, larger vessels that already are calling on East and Gulf Coast ports.** These vessels like the CMA CGM Figaro, which called on Savannah in August 2010, offer more capacity and lower cost per container compared to current Panamax vessels.

The GPA is working with federal and state agencies toward the approval of **the Savannah Harbor Expansion Project** (SHEP), which **would deepen the Savannah River from 42 feet to 48 feet.** Although the port is able to serve 8,500 TEU (20-foot equivalent unit, the standard measure of container capacity) vessels, a deepened harbor will enable the port to more efficiently serve larger ships, the frequency of which will grow exponentially once the Panama Canal’s expansion project is completed.

“We’ve worked more than a decade to make deep water a reality here,” said Curtis J. Foltz, executive director of GPA. “This is the last piece of the puzzle. This tells our customers this state, this port is committed to being here for them.”

According to GPA, completion of SHEP is critically important to continued economic growth in the Southeastern U.S. and Georgia. **As the fastest-growing and fourth-largest container port in the nation**, the Port of Savannah was responsible for moving 8.3 percent of the U.S. containerized cargo volume and more than 18 percent of all East Coast container trade in FY 2010 (July 1, 2009—June 30, 2010). The port, which boasts a uniquely balanced export-import ratio, handled 12 percent of all U.S. containerized exports, a total of 1.14 million TEUs. The port also is a gateway to more than 44 percent of the U.S. population and 42 percent of all job-creating companies, officials said.

“**This project—one of the most important and productive civil works projects in the country—will maintain and create jobs and commerce throughout the nation, while significantly reducing transportation costs for U.S. shippers**,” said GPA Chairman Alec L. Poitevint. “**As the Southeast’s gateway to the world, our harbor must be able to accommodate these vessels without tidal restrictions in order to efficiently serve global commercial demands.”**

**The project, recently approved by the U.S. Army Corps of Engineers is moving to construction.** The project cost of $576 million will result in a 4.3-to-1 benefit-to-cost ratio, meaning that for every dollar spent on the project, more than $4.00 in benefits will be realized.

GPA’s Focus 2020 is a strategic development plan to invest more than $1 billion on innovative capital improvements to its terminals. Focus 2020 puts Savannah’s Garden City Terminal, with two on-terminal Intermodal Container Transfer Facilities (ICTFs), at the epicenter of its plans to proactively increase the capacity of the port to handle the anticipated growth in container cargo moving across its docks over the next decade.

The GPA plan includes equipment upgrades such as the ongoing addition of “reefer racks” for containers transporting temperature-sensitive cargoes, installation of nine additional super post-Panamax cranes (to be completed by 2020) and 64 rubber-tired gantry cranes. The project also includes construction of a “Cargo Beltway” to accelerate commercial traffic between the terminal and major near-by interstates.

Georgia’s ports provide a strategic gateway to rail and road distribution networks that offer the most efficient and reliable intermodal access to markets across the Southeast and Midwest. Served by Class I rail service—Norfolk Southern Railroad and CSX Transportation—Savannah offer unrestricted double-stack service and two- to three-day transit times to major hubs throughout the Midwest, Gulf Coast and Southeast, including overnight service to Atlanta, the fastest of any North American port. Immediate interstate access is available via Interstates 95 (North/South) within 5.6 miles and I-16 (East/ West) within 6.3 miles.

Currently, about 20 percent of the cargo the Port of Savannah handles moves by rail; that is expected to increase to as much as 25 percent over the next five to ten years, according to John Wheeler, GPA’s senior director of trade development.

“Shippers wanting to discharge their cargoes as near to inland markets a possible are seeing that Savannah’s rail connections give them a distinct advantage over moving their shipments through a West Coast port,” said Wheeler.

That, Wheeler says, makes Savannah “the head of the logistics funnel that moves cargo in a triangle from Chicago to Dallas and Atlanta and everywhere in between.”

**In February, GPA announced significant volume gains at the Port of Savannah, reflecting the global demand for Georgia-based exports. In January 2011, Savannah posted the second best month ever with 132,257 containers (237,004 TEUs), which yielded a fiscal year-to-date increase of 14.3 percent and 13.3 percent, respectively. Container tonnage posted the third best month ever with 1,887,179 tons. More than 200 vessels called on the port, an increase of 20 percent compared with January 2010.**

Breakbulk tonnage for the ports of Savannah and Brunswick totaled 171,761 tons, which is an increase of 43 percent compared with January 2010. At the Port of Brunswick, auto and machinery units practically doubled compared with January 2010, moving 37,313 units in January 2011.

“Accommodating recent increases in volume without impacts on our world-class speed and efficiency levels is due to the hard-working men and women on our terminal, but also to the strategic infrastructure upgrades,” said Poitevint. “**As larger vessels continue to call on the Port of Savannah, the increased global demand for trade through our ports necessitates the efficiency and additional capacity of a deepened harbor.”**

**Georgia if funding Savannah now – even without federal support**

**AP ’12** (Associated Press. "Deal: Georgia Will Pay for Port Deepening If Feds Don't." *Â | Ajc.com*. N.p., april 24, 2012. Web. 27 July 2012. <http://www.ajc.com/news/deal-georgia-will-pay-1425251.html>.)

Gov. Nathan Deal said Tuesday he would have Georgia taxpayers pay a heftier portion of the $653 million tab to deepen the Savannah harbor rather than delay the project if the federal government hasn't funded its share once it's time to start dredging. Enlarge photo Brant Sanderlin, bsanderlin@ajc.com Gov. Nathan Deal says the state will pay to deepen the Savannah harbor if the federal government won't cover its share of the $653 million project. More Atlanta area news » • DeKalb police captain fired • Ex-cop serves 18 months • WSB Care-A-Thon raises $1.5 million • Boy hides while house robbed Deal was at the Port of Savannah and said he firmly believes Washington should honor its commitment to cover 60 percent of the project. But with federal dollars still tight and time running out before supersized cargo ships can start using an expanded Panama Canal, the governor said he's willing do what's necessary to begin deepening the Savannah River as soon as possible. Asked what would happen if the president and Congress fail to find dredging money for the harbor soon, Deal said, "We'll spend our money." "We hope we don't get to that point," Deal said. "But it may be one of those things that, if that becomes necessary, we begin the project and hopefully get (federal) funding after the fact to reimburse the state." Savannah and other East Coast ports are racing to deepen their harbors in anticipation of mammoth ships arriving via Panama once its canal expansion is finished in 2014. Earlier this month, the Army Corps of Engineers issued its final report calling for dredging 5 feet from the bottom of the Savannah harbor for a depth of 47 feet. The Georgia Ports Authority is hoping to win final approval later this year. Even on that timetable, and ignoring court challenges pending in neighboring South Carolina that could delay or halt the project, the deepening wouldn't be finished until 2016. Georgia port officials say if dredging isn't under way by the time the expanded Panama Canal opens, the state risks losing shipping business to competitors with deeper water. Savannah now has the fourth busiest container port in the U.S. "We're not going to let anything slow us down, because time is of the essence," Deal said. "We need to make it as close to that time frame as possible." Deal stopped in Savannah during a victory lap around the state to tout his successes during the legislative session that ended last month. He was signing a state budget that includes an additional $47 million for the harbor deepening, bringing the total state funding approved for the project to $181 million. Some lawmakers in South Carolina, which is seeking to deepen the harbor of neighboring port competitor Charleston, want to go ahead and authorize additional state borrowing to cover the federal portion of their project should Washington come up short. Before his remarks Tuesday, Deal had said the federal government needed to come up with its share — about $392 million total. President Barack Obama's recent proposed budget included $588,000 for the Savannah harbor, and the Army Corps found another $2.5 million for the project. But that's far from the amount needed to begin dredging. The governor said he's still not ready to ask Georgia taxpayers to foot Washington's portion of the bill. "I'm not willing to let the federal government off the hook yet," said Deal, who served in Congress when the 60-40 cost-sharing agreement for the harbor deepening was struck in the late 1990s. "We are expecting them to live up to that. Obviously, if they do not, then we will accommodate accordingly."

**Georgia can fund dredging for Savannah – that is the key US port**

**Leach ’12** (Peter T. Leach, Senior Editor - The Journal of Commerce Online - News Story. "Georgia Funds Another $46.7 Million for Savannah Deepening." Trade News. N.p., apr 25, 2012. Web. 27 July 2012. <http://www.joc.com/portsterminals/georgia-funds-another-467-million-savannah-deepening>.)

The state of Georgia will chip in another $46.7 million to help pay for deepening the Savannah River to 47 feet from its current 42 feet as part of this year’s state budget. The new money brings total state funding to $181.1 million for the Savannah Harbor Expansion Project. Georgia and the federal government will share the cost of the project, with the state paying about a third of the total cost. The U.S. Army Corps of Engineers reduced the target depth for SHEP to 47 feet from 48 feet earlier this month as the level that would produce the most economic benefit. It estimated the project will cost $652 million and will produce an annual return of $174 million to the nation. “We know that this project is important; not just for the Savannah area, it’s important for the state of Georgia, and it is also important for the United States,” Georgia Gov. Nathan Deal said Tuesday in ceremonies at the Port of Savannah. “We will have our 40 percent, and as soon as we get the sign-off from the federal agencies, we will all be working collectively to get the federal government to make the commitment for their 60 percent, so that this project can become a reality.” SHEP has to pass muster with four Cabinet-level agencies before it gets the final go-ahead. Under the terms of the authorizing legislation in the Water Resources Development Act of 1999 giving the corps conditional authority to proceed with SHEP, the plan must get a nod from departments of the Army, the Interior and Commerce and the Environmental Protection Agency. Once those agencies approve, work would begin on environmental mitigation for SHEP, which will be funded out of the share of the project that is paid for by the state of Georgia.

At: new Orleans

**New Orleans is ready for the Panama Canal – expanding ports now**

**Business Facilities, 11** – (The Canal Gets Bigger, and U.S. Ports are Ready, <http://businessfacilities.com/articles/cover-story/the-canal-gets-bigger-and-u-s-ports-are-ready/>, April 11, 2011) // czhang

PORT OF NEW ORLEANS IS READY

New Orleans has been a center for international trade since 1718, when it was founded by the French. Today, the port is one of America’s leading general cargo ports, holding the nation’s top market share for imported steel, natural rubber, plywood and coffee.

The Port of New Orleans has six trunk line railroads, more than any other seaport in the U.S., which are connected to the docks by a short line railroad, the New Orleans Public Belt Railroad. The Mississippi River and its tributaries provide 14,500 miles of navigable waterways. Barge traffic reaches major markets in the American heartland including Chicago, St. Louis, Tulsa, Memphis, Pittsburgh and many other locations.

The Port’s cargo profile is primarily breakbulk, heavy-lift and containerized cargo. It is the largest importer of natural rubber in the U.S. and the second largest importer of green coffee. Other important commodities include steel, non-ferrous metals (New Orleans is a certified London Metal Exchange Port), forest products, frozen poultry and chemicals.

The port’s facilities include 22 million square feet of cargo-handling area and more than 6 million square feet of covered storage area that accommodate an average of 2,000 vessel calls each year. The port ranked sixth in total trade by cargo volume in 2008 and moved 229,067 TEUs in 2010, according to statistics from the American Association of Port Authorities.

In anticipation of capturing a big chunk of the transpacific Asian trade previously destined for West Coast ports, the port is ramping up expansion projects to assure the availability of adequate terminal capacity and address transportation infrastructure needs and marketing for all-water Asian liner service. The port hopes to have finances secured and expansion projects completed by 2014.

“The Port of New Orleans and all of the ports on the Gulf Coast are preparing for the expansion of the Panama Canal,” said Gary P. LaGrange, president and CEO, Port of New Orleans. “We are in the process of adding incremental capacity to our container terminal through the addition of two gantry cranes and by adding marshalling area. In 2011, we increased our container volumes by 31 percent. We have an expansion footprint that allows us to continue to increase capacity as the need arises and as funding becomes available.”

Over the past 10 years, the port has invested more than $400 million in new state-of-the-art facilities. Improved breakbulk and container terminals feature new multipurpose cranes, expanded marshalling yards and a new roadway to handle truck traffic.

Currently, two gantry cranes are under construction in Korea for a total price of about $25 million and are expected to arrive in New Orleans by the end of 2011. The 100-foot gauge cranes will have the outreach needed to handle the super post-Panamax container ships.

The Crescent Corridor project, currently underway, will link the Port of New York and New Jersey to the Port of New Orleans. The Crescent Corridor is a railroad corridor expansion program that will be operated by the Norfolk Southern Railway (NS). The line, proposed by NS in 2007, will run along Interstate 81 and will be a major intermodal corridor running between Louisiana and New Jersey.

The port currently is looking to raise $150 million in financing for a $237 million expansion of its Napoleon Avenue Container Terminal Complex, the second of a three-phase, $500 million development. The Napoleon Avenue Container Terminal, completed in 2003, increased the depth available for container vessels at New Orleans from 33 feet to 45 feet. Subsequent investments have improved efficiency by adding space for the storage of empties and chassis, and building a near-dock rail yard that allows containers to be transferred quickly from ship to rail and vice versa. Right now, the port is in the process of adding four acres of marshalling area to the terminal.

As part of a Katrina recovery project, the port is building a new refrigerated terminal at Henry Clay Avenue Wharf on the Mississippi River. The facility includes a 140,000 square-foot warehouse able to store 35 million pounds of product between 15 and 40 degrees F and to blast-freeze 1.2 million pounds of product in 20 hours or less. This capacity will be available at the dock, adjacent to where refrigerated ships will call.

In January, the port started a project to renovate the Julia Street Cruise Terminal. The estimated $13.7 million project will renovate two smaller terminals at Julia Street into one large, modern terminal. The project includes the installation of a new climate-controlled articulated gangway, currently under construction in Sweden. The terminal will be home to Royal Caribbean’s Voyager of the Seas, which will home-port in New Orleans beginning this fall. The 1,020-foot cruise ship carries 3,838 passengers and will be the largest cruise ship ever to call on the Port of New Orleans. The project is expected to be completed in October.

At: Virginia

**Virginia is ready for the Panama Canal expansion – they’ve already expanded 30 tunnels**

**Business Facilities, 11** – (The Canal Gets Bigger, and U.S. Ports are Ready, <http://businessfacilities.com/articles/cover-story/the-canal-gets-bigger-and-u-s-ports-are-ready/>, April 11, 2011) // czhang

PORT OF VIRGINIA’S CAPACITY GROWS BY LEAPS AND BOUNDS

**For the past six years, the** Virginia Port Authority (**VPA)**, which owns and operates the Port of Virginia, **has been working on various projects to prepare for the Panama Canal expansion. VPA’s lease of the massive APTM intermodal terminal at Portsmouth and its capacity expansion at the Norfolk International Terminal both help Virginia to be positioned favorably, as do the move of the local railroad line, and the planning for even more capacity at Craney Island.**

The port is one of two ports on the East Coast which can already handle the channel depth of 50–55 feet and height clearance (approximately 50 feet) which are needed for the larger ships that would begin coming through the widened canal (the other is Baltimore). Its Suez-class cranes can handle ships loaded 26 containers across, giving them the ability to handle vessels larger than any currently built.

“With our 50-foot-deep channels, no overhead (bridge) obstructions, double-stack rail to Chicago and modern container terminals, Virginia is well-positioned for the future,” said Jerry A. Bridges, the executive director of the VPA. “There is no other port on the U.S. East Coast that has a comparable list of assets. So we are ready for an expanded Panama Canal—we’ve been ready for almost six years.”

**In January, the port began the first phase of its $2.2-billion, multi-phase terminal project to build the Craney Island Marine Terminal, which will be the fourth state-owned, deepwater marine cargo terminal.** The first phase involves construction of the foundations for a network of dikes that eventually will support a 600-acre marine terminal. The foundation work will be done in phases as finances permit.

“Another key asset of the Port of Virginia is our ability to expand,” said Bridges. “Right now, **construction on Craney Island is underway; that long-term project could feasibly double the capacity at our port.** All the permitting and paperwork is complete and we received $27 million in [President Obama’s] proposed budget for fiscal 2012.”

Last September, the VPA awarded two contracts worth a combined $30.9 million for this phase of work. The total cost to complete the 600-acre site is $700 million and that will be done through a 50-50 cost-share agreement with the federal government.

Projected benefits of the Craney Island Eastward Expansion Project:

The construction phase will generate 1,176 jobs and $37 million in wages. When it is complete, the cargo moving over Craney Island will generate 54,000 jobs, $1.7 billion in wages, and $155 million in state and local tax revenue.

Its cumulative economic impact on the Commonwealth will be $5 billion annually

It will generate $6 billion in national economic development benefits—money that will not have to be invested by the federal government in large transportation infrastructure projects needed to move goods to consumers

In July 2010, **the VPA signed a 20-year lease agreement that gives the agency control over all operations at APM Terminals North America in Portsmouth,** VA (APTM). The 576-acre terminal is heralded as the most technologically advanced marine cargo facility in the Americas. The lease agreement unifies all the marine cargo container terminals in the Hampton Roads harbor under the VPA flag for the next two decades.

“This asset presents a host of opportunities for The Port of Virginia,” said Bridges. “It gives us ample container capacity now and in to the future; we will be able to market the technology and efficiency of this facility to our customers; and it gives us on-dock rail capabilities that we previously didn’t have.”

In February 2011, following its 41-day voyage from China to Virginia, the Zhen Hua 24 eased its way into the Chesapeake Bay carrying two fully-erected Post-Panamax container cranes that were bound for service at APMT. Once the units are put into service, APMT will have eight post-Panamax cranes. In total, the VPA will have 22 container cranes in the Hampton Roads Harbor, Panamax-class and larger.

**In April 2010, the port began work on phase II of its Central Rail Yard at Norfolk International Terminals (NIT). The $10.1-million project will add six new tracks to the existing Central Rail Yard configuration. The 648-acre facility, the port’s largest terminal, has 4,000 linear feet of berth and 3.3 miles of on-site rail with links to NS and CSX that boasts a current capacity of 1.4 million TEUs annually**, with room for further expansion. It is home to 14 of the biggest, most efficient cranes in the world. These ZPMC cranes are the only cranes capable of handling the “ships of tomorrow.” Completion of the project is expected sometime in the spring of 2011.

The port’s rail business has always been one of its strongest areas of growth and with the completion of the Heartland Corridor, a three-year, public-private partnership project, the port now has fast, direct, double-stacked access to Chicago. This project is critical to East Coast ports since they move freight from the ports to inland locations quicker, cheaper and greener.

Called one of the largest railroad engineering projects of the past century, **Norfolk Southern raised the height of 28 tunnels in the Appalachian Mountains to open the Heartland Corridor. The benefits to the port began immediately—nearly 250 miles will be sliced from current routes saving up to two days in transit time for shippers. In September, the VPA sent its first-ever double-stack train, which was more than 4,300 feet long, on its way through the corridor to Chicago.**

“**This project provides us with a solid, competitive advantage that has been drawing a significant amount of interest from our customers**,” said Bridges. “Couple this capability with our 50-foot-deep channels and an expanded Panama Canal, Virginia is well-positioned for the future.”

At: texas

**Texas is ready for the Panama Canal expansion – deepening the Brownsville port which is the vital lynchpin**

**Business Facilities, 11** – (The Canal Gets Bigger, and U.S. Ports are Ready, <http://businessfacilities.com/articles/cover-story/the-canal-gets-bigger-and-u-s-ports-are-ready/>, April 11, 2011) // czhang

PORT OF BROWNSVILLE: WORLD-CLASS AND CONFIDENT

The Port of Brownsville, which opened more than 70 years ago, is a world-class deepwater seaport located at the southernmost tip of Texas at the western-most terminus of a 17-mile channel that flows into the Gulf of Mexico at the Brazos Santiago Pass, which was the landing place of Spanish conquistador Pineda in 1519, and others.

The port, which is the only deepwater port directly on the U.S.-Mexico border, plays a significant role in the movement of goods between Mexico and the U.S., as well as globally. In April 2010, Breakbulk Magazine ranked the port as third among top 10 U.S. ports for steel imports, eighth for steel exports and third for steel imports and exports.

With over $90 million currently invested in infrastructure projects, the port is positioning itself to remain very competitive and to provide multi-modal transportation options in anticipation of the increased shipping activity in the Gulf of Mexico as a result of the Panama Canal expansion.

“As cargo increases in the Gulf as a result of the canal expansion all ports in the Gulf region will benefit,” said Eduardo A. Campirano, Port Director and CEO. “Businesses make a logistical decision based on proximity to their facilities and the cargo’s final destination. We are a versatile port that can handle most of the cargo that comes through the Gulf region and feel very comfortable with our opportunity to compete.”

Finding new ways to give the port a new dynamic as a center of intermodal freight movement, the port is implementing an aggressive rebuilding and renovation infrastructure plan. Focusing mainly on capital improvement transportation projects, some of the latest developments at the port include the SH 550 Project, which will facilitate the movement of cargo to and from the port, the new Port Entry Road that will tie into the SH 550 Project, improvements to the Overweight Corridor and road and utility improvements inside the port.

“Our Overweight Corridor helps manufacturing plants keep costs low,” said Manuel Ortiz, public information officer for the Port of Brownsville. “Plants are able to load trucks at Mexican weight standards that are 1.5 times higher than U.S. standards—this cuts down on the number of trips and therefore overall expenses.”

In order to accommodate new ocean-going ships, the port is working to deepen and widen the Brownsville ship channel, which will help it to offer a cost savings through economies of trade and expand its growing transloading capabilities. Other projects include improving its short-sea shipping capabilities; pursuing expansion of its deep draft heavy lift general cargo dock to expand its break bulk capabilities; and constructing an additional oil dock to keep up with a growing petroleum and liquid cargo business.

The port recently received the U.S. Department of Transportation “Marine Highway Designation” due to its work on a Marine Highway Project with its partner Port Manatee, FL. The Marine Highway links not only two regions of the country, but also two countries, which is highly beneficial for the community and the environment because it improves job creation and federal funding potential and reduces the number of trucks on the already congested U.S. highway system, thereby lowering greenhouse gas emissions.

“In essence the Marine Highway is a virtual highway linking Port Manatee, Florida and the Port of Brownsville,” said Ortiz. “The designation is important because of the positive impact it will have from both a commerce and environmental standpoint. The designation will allow us to more effectively compete for future funding, which will in turn allow us to continue to develop this service.” To date the port has received over $3 million out of an initial $7 million dollars available for the funding of federal projects.

The port’s infrastructure already in place allows the region to maximize its potential and provides a way for the Rio Grande Valley region to transport goods globally. It is connected with the Mexican Port of Lazaro Cardenas and inland ports in Monterrey, San Luis Potosi and Saltillo by a rail line.

Since it was established in 1983, the Brownsville and Rio Grande International Railroad (BRG) line has grown to be a very successful operation. The BRG is a subsidiary of the Brownsville Navigation District and provides efficient and reliable railroad service. Operations are 24/7 with an average monthly load of 2,700 plus cars.

From 1994 to 2009, BRG saw an increase of 114 percent in car counts per year. In 2010, BRG was not only able to post a successful year financially—it also posted a record month in October. On average, BRG moves approximately 2,700 car loads per month; however, in October it moved 3,784 carloads.

According to Norma Torres, president and CEO of BRG, this is due to increased demand for scrap metal by refineries located in Monterrey Mexico. “We expect demand to increase over the next year,” said Torres.

With this demand, BRG is hoping to not only purchase additional equipment but also to build a new rail yard. “The development of the north rail yard is going to be a crucial component to our future,” said Torres.

In addition to having one of the largest Foreign Trade Zones (FTZ No. 62) in the U.S., the port offers over 40,000 acres of land, along with 12 cargo docks, four oil docks, one liquid cargo dock, 650,000 square feet of covered storage and 2.3 million square feet of open storage.

“We have sufficient draft, with intermodal capabilities, and we have the services in place to compete with every Port within the Gulf region,” said Campirano. “In addition, we have ample land to continue to grow as demand increases in the future.”

At: Louisiana

**Louisiana is ready for the Panama Canal expansion – committed to expanding specifically to receive post-Panamax ships**

**Business Facilities, 11** – (The Canal Gets Bigger, and U.S. Ports are Ready, <http://businessfacilities.com/articles/cover-story/the-canal-gets-bigger-and-u-s-ports-are-ready/>, April 11, 2011) // czhang

PORT OF SOUTH LOUISIANA: HEAVYWEIGHT TONNAGE KING

The Port of South Louisiana, a 54-mile port district on the Mississippi River between New Orleans and Baton Rouge, is the largest tonnage port in the Western Hemisphere. Over 4,000 oceangoing vessels and 55,000 barges call at the port each year. In 2010, the facilities within St. Charles, St. John the Baptist and St. James parishes handled more than 246 million short tons of cargo brought to its terminals via vessels and barges. With exports of over 48 million short tons of cargo in 2010, the port also is the highest- ranked exporter in North America.

The port offers users a strategic location at the intersection of the Mississippi River and the Gulf of Mexico and an intermodal transportation network of waterways, roadways, rail and air featuring access to four interstate highways, four Class I railroads, Louis Armstrong International airport and St. John Parish Airport, and deepwater via the Mississippi River. The inland barge system, comprised of 19,262 miles of waterway, moves more than 124 million short tons of cargo upriver to major U.S. markets in the Midwest and Northeast.

In the heart of the port lies the Globalplex Intermodal Terminal, a 335-acre maritime industrial park for both vessels and barges that provides handling and storage for bulk, breakbulk and containerized cargos. Its deep-draft bulk terminal has one of the largest cement facilities in North America. Cargo is quickly moved to and from landside storage via an extensive covered conveyor system.

The proposed expansion of the Panama Canal is a key factor influencing Louisiana ports. The expansion will allow the Panama Canal to approximately double its logistics capacity, which will significantly increase cargo volume.

“We believe that Louisiana can win a significant share of new logistics business and that Chinese investment funds are a potential source of Louisiana foreign direct investment,” said Don Pierson, assistant secretary of Louisiana Economic Development. “Moreover, the Panama Canal has traditionally been a gateway for dry goods, such as grains, minerals, fertilizers, coal and liquid goods, such as chemical products, crude oil and oil derivates. These are all strong suits for Louisiana.”

In April 2010, port and economic development agency executives traveled to Asia to share some of the advantages and benefits Asian companies—which typically ship via ports located on the west coast of North America—would have in the Port of South Louisiana. Since then, the port has been even more committed in expanding its operations and in securing new capital investment within the region, such as the planned terminal on the Mississippi River at the Bonnet Carré Spillway.

In June 2010, the port officially opened Transit Shed #4 at Globalplex Intermodal Terminal. The $6- million warehouse, which was designed to withstand 130-mph winds, was funded in part by $4.8 million from LA DOTD’s Port Construction and Development Priority Program. Erected adjacent to the general cargo dock access bridge, the building layout and location will permit future expansion of the structure to triple its current size in addition to the installation of conveyors connecting the warehouse to the general cargo dock and to nearby railroads.

In the summer of 2010, the port began an $18.9-million project to construct a 65-foot-wide x 700-foot-long finger pier adjacent and downriver from the existing general cargo dock that will allow the berth of a Panamax-size vessel and direct vessel-to-barge transloading. The project is expected to be completed in the fall of 2011.

The Port of South Louisiana offers access to 66 percent of the North American market and access to Mexico and Latin America in 2-7 days. It provides 60 percent of the nation’s grain exports and 7 grain transfer facilities, 50 million short tons of crude oil imports on average per year and four major oil-processing plants, which refine more than 1 million barrels daily, and 11 petrochemical manufacturing facilities. In short, within the 108 miles of deepwater frontage on both banks of the Mississippi are more than 50 piers and docks. Its impressive group of resident tenants includes Chevron Phillips, ArcelorMittal, Cargill, Dow, ADM, DuPont, Motiva Enterprises, Marathon, Shell and Nucor Steel.

At: florida

**Florida is ready for the Panama Canal expansion – Army Corps submitted the dredging project**

**Business Facilities, 11** – (The Canal Gets Bigger, and U.S. Ports are Ready, <http://businessfacilities.com/articles/cover-story/the-canal-gets-bigger-and-u-s-ports-are-ready/>, April 11, 2011) // czhang

PORT EVERGLADES IS MOVING TO DEEPEN HARBOR AND CHANNELS

As one of South Florida’s leading economic powerhouses, Port Everglades is the gateway for international trade and cruise vacations. Already one of the busiest cruise ports worldwide, Port Everglades is also one of the nation’s leading container ports and South Florida’s main seaport for receiving petroleum products, including gasoline, jet fuel and alternative fuels.

Located in Broward County, Port Everglades reached another milestone toward expanding its cargo-handling capabilities when Board of County Commissioners recently reaffirmed the need to increase berth space at the port’s Southport Turning Notch as well as to continue toward the completion of the U.S. Army Corps of Engineers Deepening and Widening Study, which called for a deepening of the port’s channels to 50 feet from the current depth of 42 feet.

“This is a two-pronged plan to expand berth capacity and increase operating depths that points to the comprehensive strategy to meet future service demands,” said Port Everglades Director Phil Allen. “We are pleased with the Army Corps’ recent findings because they justify the need for a deeper harbor at Port Everglades to handle the increase of ship traffic that we expect to see as a result of the Panama Canal expansion and the anticipated growth of the market in South Florida.”

AT: south Carolina

**South Carolina is funding Charleston now – solves even without federal support**

**Leach ’12** (Peter T. Leach, Senior Editor - The Journal of Commerce Online - News Story. "South Carolina Legislature Allocates $300 Million to Deepen Charleston Harbor." Trade News. N.p., jun 28, 2012. Web. 27 July 2012. <http://www.joc.com/portsterminals/south-carolina-legislature-allocates-300-million-deepen-charleston-harbor?page=2>.)

Funding would cover federal contribution if federal funding is unavailable The South Carolina Legislature allocated $300 million to fund the deepening Charleston’s harbor in the amended state budget announced Thursday. The allocation would cover the entire estimated cost to deepen the harbor to 50 feet, once the project receives authorization from Congress. The budget was announced by a conference committee comprising leaders from both legislative houses, which increased the cash contribution in the Harbor Deepening Reserve Fund to $300 million from $180 million previously approved by both the House of Representatives and Senate. Following the completion of the project’s feasibility study and authorization by Congress, the Harbor Deepening Reserve Fund would be used to pay for the actual construction of the deepening project, which is estimated at $300 million. The cost-sharing structure for dredging the harbor deeper than the present 45 feet at mean low water is 60 percent funded by the state, or $180 million. The additional $120 million in the fund would cover the federal share of the project’s construction if federal funding is not available. The funds also could be used to keep the project moving forward, thereby losing no time due to funding constraints. Expenditures from the fund would require approval by the Joint Bond Review Committee, composed of both House and Senate members. “This level of commitment instills a great deal of confidence in our customers and shows that the Port of Charleston is ready and able to meet their long-term growth needs,” said Jim Newsome, president and CEO of the SCPA. “We have a good partner in the Corps of Engineers, and we will continue our productive collaboration to deliver a true post-Panamax harbor in the South Atlantic as quickly as possible.” Newsome hopes to speed up the drawn-out process of getting approval for the project. The Army Corps, which is beginning the feasibility study, said in December that the approval process couldn’t be completed before 2024. “We think 2024 is too late for Charleston,” Newsome said. “We obviously need them to move faster.” Funding would cover federal contribution if federal funding is unavailable Charleston’s Harbor Deepening Project has built considerable momentum since the project’s feasibility study began last summer. Earlier this year, $3.5 million toward the project’s feasibility study was included in President Obama’s budget for fiscal year 2013. That allocation, along with the funds already included in the Corps’ Work Plan, means that the federal share of the feasibility study is more than halfway funded. The project would open the port, already the deepest harbor in the region, to the biggest vessels 24 hours a day, under any tidal conditions. The Corps stated in its Reconnaissance Study in 2010 that Charleston is likely “the cheapest South Atlantic harbor to deepen to 50 feet.”

**The Army Corps of Engineers is finalizing Charleston now**

**SCPA ’12** (The South Carolina Ports Authority. "Charleston Harbor Deepening To Be Completed Sooner, Cost Less | Mount Pleasant, South Carolina | The Moultrie News." Charleston Harbor Deepening To Be Completed Sooner, Cost Less | Mount Pleasant, South Carolina | The Moultrie News. N.p., july 11, 2012. Web. 27 July 2012. <http://www.moultrienews.com/news/Charleston-Harbor-Deepening-To-Be-Completed-Sooner--Cost-Less>.)

Charleston's Post 45 Harbor Deepening Project is expected to be completed sooner and cost less, the U.S. Army Corps of Engineers' Charleston District shared today during an update to stakeholders. According to the Corps, the deepening project's feasibility study, initially expected to be completed in five to eight years, is now expected to be finalized in fewer than four years from now. This means that a 50-foot deepening project for Charleston Harbor can be realized within this decade, four years earlier than initial projections. "The deepening of Charleston Harbor is the number one strategic priority for this port community," said Jim Newsome, president and CEO of the South Carolina Ports Authority (SCPA). "We are encouraged by today's news that Charleston's deepening project will be considered a national example for completing studies more expeditiously." The Corps also announced a cost-savings of about $5 million for the feasibility study of the project. The study is now expected to cost about $15 million rather than $20 million as previously estimated. Both the time and cost savings are the result of a new initiative launched at the headquarters level of the Corps of Engineers to streamline the civil works planning process. "In just over one year, this project has made tremendous leaps and bounds, which is a credit to the many leaders who have advocated on our behalf," said Newsome. "The Corps is an excellent partner and we will continue to work collaboratively to realize our deepening project, which is essential to serving the changing needs of trade, as quickly as possible." The deepening of Charleston Harbor to 50 feet is predicted to provide significant economic benefit to the Southeast region and the entire nation, with $106 million in net benefit to the nation estimated on an annual basis. In February, the Administration included $3.5 million toward the project's feasibility study in the President's Budget for fiscal year 2013. That allocation, along with the funds already included in the Corps' Work Plan, means that the federal share of the feasibility study is more than halfway funded. The SCPA's funding toward the feasibility study can be accelerated as needed to keep progress moving forward. The Corps and the SCPA signed a feasibility cost-sharing agreement in June of 2011 to officially kick off work on the study. Last month, the South Carolina Legislature committed $300 million in the state budget to fund the construction of a post-45-foot harbor project for the Port of Charleston. This allocation could cover the entire estimated cost to deepen the harbor to 50 feet, once the project receives authorization from Congress. With 45 feet of water at mean low tide, Charleston Harbor is currently the deepest port in the region, serving ships drawing up to 48 feet of water on the tides. Deepening Charleston Harbor would open the port to the biggest vessels 24 hours a day, under any tidal condition. The Corps stated in its Reconnaissance Study in 2010 that Charleston is likely "the cheapest South Atlantic harbor to deepen to 50 feet." About the South Carolina Ports Authority: The South Carolina Ports Authority, established by the state's General Assembly in 1942, owns and operates public seaport facilities in Charleston and Georgetown, handling international commerce valued at more than $58 billion annually while receiving no direct taxpayer subsidy. An economic development engine for the state, port operations facilitate 260,800 jobs across South Carolina and nearly $45 billion in economic activity each year. For more information, visit scspa.com.

P3s key

**Public private partnerships are the most ideal method for Georgia to carry it out**

**Allgrove and Kheiashy 12** – Allgrove is from the Roberts and Schaefer Company, and licensed Professional Engineer with project management and design experience in Ports, Marine, Offshore and Bridge structures in the Domestic U.S. market and internationally; has a Masters in Engineering from McGill University, Montreal, Canada specialiazing in structures and geotechnical engineering. Kheiashy was a Member of COPRI Waterways National Technical Committee at American Society of Civil Engineers, a Technical Manager at Bechtel Corporation (Maurice and Karim, Financial Risk Analysis and Cost Reductions Alternatives for Dredging Projects <http://dredging12.pianc.us/agd_detailss.cfml?ssid=49>) // czhang

Financial Risk Analysis and Cost Reductions Alternatives for Dredging Projects Karim El Kheiashy PhD MBA PMP PE Technical Manager; Bechtel Oil, Gas & Chemicals.\* Maurice "Zickie" Allgrove, C.Eng. Director of Ports; Roberts & Schaefer Company / Soros Associates Ltd. A KBR Company Developing a comprehensive cost breakdown and risk analysis for dredging projects is always a challenging task given the uncertainties that normally exists when planning for a dredging project work breakdown structure (WBS). Federal dredging projects categorize dredging costs into Bare Costs; Direct Costs and Contract Costs according to generally accepted cost principles for breakdown of project markups (productivity, overtime, taxes, workmen’s compensation insurance), Prime Contractor Markup (Job Office Overhead, Bond, Profit, Home Office Overhead) and Owner’s Markup (Engineering, design, supervision, inspection). On the other hand Risk Analysis normally includes analysis of risk factors such as the size of the job; portion of the work to be done by subcontractors; the nature of work; where the work is to be performed and period of performance; relative difficulty of work, the reasonableness of negotiated costs; the amount of labor included in the costs; and whether the negotiation occurs before or after the period of performance of work. Another major component of analyzing dredging project costs is assigning a contingency value to account for project risks and unknowns. Contingency in estimates is not additional profit or fee; it represents an actual construction cost. Contingencies, as defined in the Cost Narrative of the USACE Cost Engineering Report, provide “allowances to cover unknowns, uncertainties and/or unanticipated conditions that are not possible to adequately evaluate from the data on hand at the time the cost estimate is prepared but must be represented by a sufficient cost to cover the identified risks [1] Adequate planning and management of dredging work is crucial so as not to allow extensive indirect cost breakdown and escalated contingency estimation to add unnecessary levels of costs to the project that in some instances will result in projects not meeting specified benefits to costs ratios. For large and long term dredging projects, it is better to devise a programmatic management approach to help control costs and reduce some of the indirect costs to projects. A program management approach that would seek to reduce overall indirect costs would employ large engineering/design-procurement-construction (EPC) contracts for the project. These large contracts that are program oriented would replace the numerous separate design and construction contracts. A program management approach can generally address the following methods to achieve targeted cost reductions: • Reduction of scheduled construction calendar time that requires the presence of construction companies with their management structures and other overhead costs that are charged directly to the construction project. • Fewer mobilizations and work location changes that reduce the total distances that materials, equipment, and people must travel. • Reduced prices of labor, materials, and transportation. • Reduced indirect project costs and general direct project costs. In the event of the need to identify additional source of funding to dredging projects; a Public-Private Partnership (PPP) approach could be utilized. PPP is a contractual agreement between a public agency (federal, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service or facility. Public Private Partnerships for dredging projects are as old as the Erie Canal. Congress approved a bill to provide funding for the Canal but President James Monroe found the idea unconstitutional and vetoed it. Consequently, the New York State legislature took the matter into its own hands and approved state funding for the canal in 1816, with tolls to pay back the state treasury upon completion. The key to the process is a guaranteed revenue stream. While the private partner may provide the initial funding for capital improvements, there must be a means of repayment of this investment over the long term of the partnership. The income stream can be generated by a variety and combination of sources (fees, tolls, shadow tolls, tax increment financing, or a wide range of additional options), but must be assured for the length of the partnership. This presentation will provide more details on better management of different costs and risk components of dredging projects and elaborate on applying PPPs for dredging projects, including benefits of PPPs vs. other contractual methods, discussions of project financing options and costs analysis; divisions of roles and incurred risks for each party and a series of applications in the US and overseas. \* Former Americas Technical Coordinator with KBR. [1] The Walla Walla District of the USACE discusses the development of contingency through a detailed Cost and Schedule Risk Analysis (http://www.nww.usace.army.mil/html/OFFICES/Ed/C/csra.asp).

At: commerce clause

**1. Miami, Savannah, and Charleston have already violated interstate commerce by paying for dredging themselves**

**2. Your evidence is not good enough to say that the states can’t do it or that the federal government would intervene**

**3. There is no impact to violation, the courts won’t overrule the CP, there’s no evidence that proves it**

\*\*New Inherency

New Cards

Key ports have been expedited and will be dredged

The Associated Press 7-20

[“Savannah reality part of boost for Charleston port”, The Associated Press, July 20, 2012, javi]

Deepening of the Savannah River at the Port of Savannah and deepening at the Port of Charleston have received major boosts from the Obama administration. For the president to expedite the work by executive order under the “We Can’t Wait” program illustrates the importance of the projects to U.S. commerce as the expansion of the Panama Canal proceeds toward projected completion in 2014, opening the door to larger vessels that need deeper waters to call Southeastern ports. The Obama administration also included port expansions at Jacksonville, Fla., and Miami, and New York and New Jersey, in an announcement on Wednesday. The president said additional projects to be expedited will be announced in the coming months. In an election year, pushing the projects might be termed highly political, particularly with work at the Florida ports. But the administration has no particular reason to act politically with regard to Savannah and Charleston. Neither Georgia nor South Carolina will be in the Obama camp come Election Day. The politics at play here are of another sort. First, opposition to earmarks from South Carolina U.S. Sen. Jim DeMint and other Republicans led to the administration derailing money for studies necessary to the Charleston project until efforts by South Carolina’s senior Republican senator, Lindsey Graham, and others made the funding happen. Graham previously cited Georgia lawmakers as his allies on the Charleston project and made clear that his and South Carolina’s support for the Savannah port expansion was vital in the world of Washington politics.