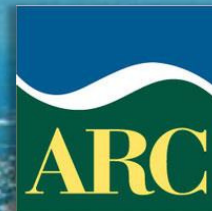


Presentation to

# APPLACHIAN REGIONAL COMMISSION



# MOBILE TRADE AND TRANSPORTATION CORRIDOR

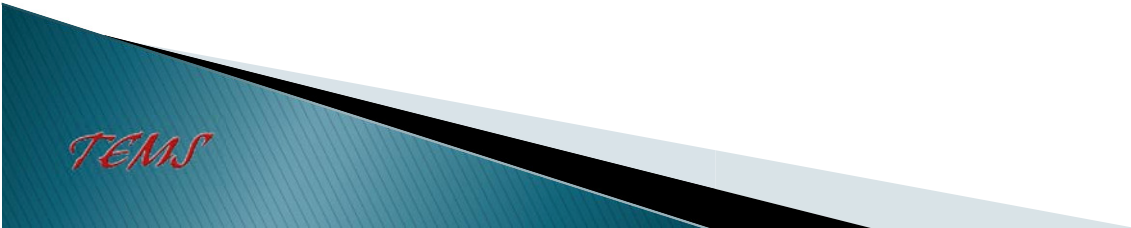
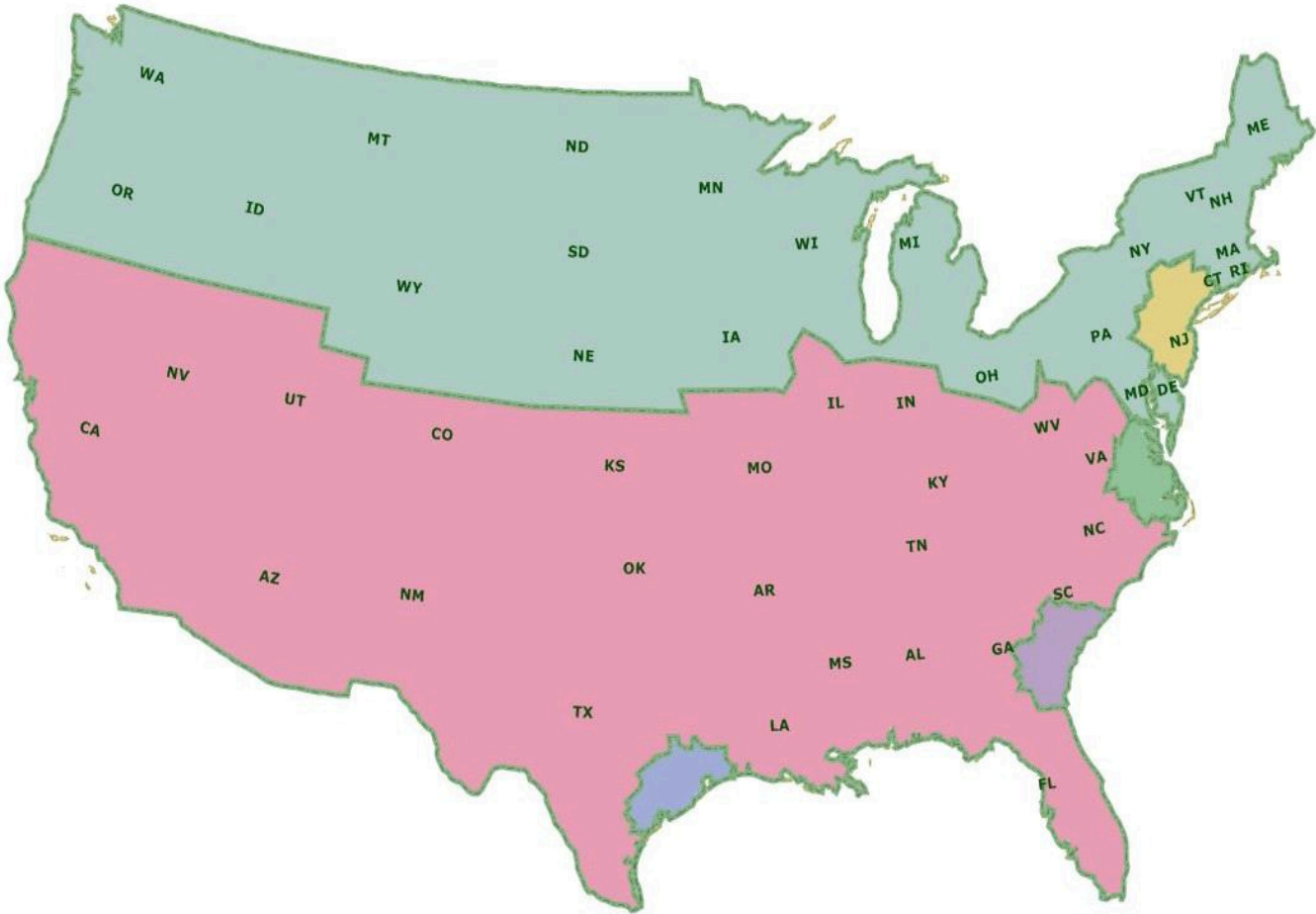
February 1, 2016

Prepared by

*TEMS*

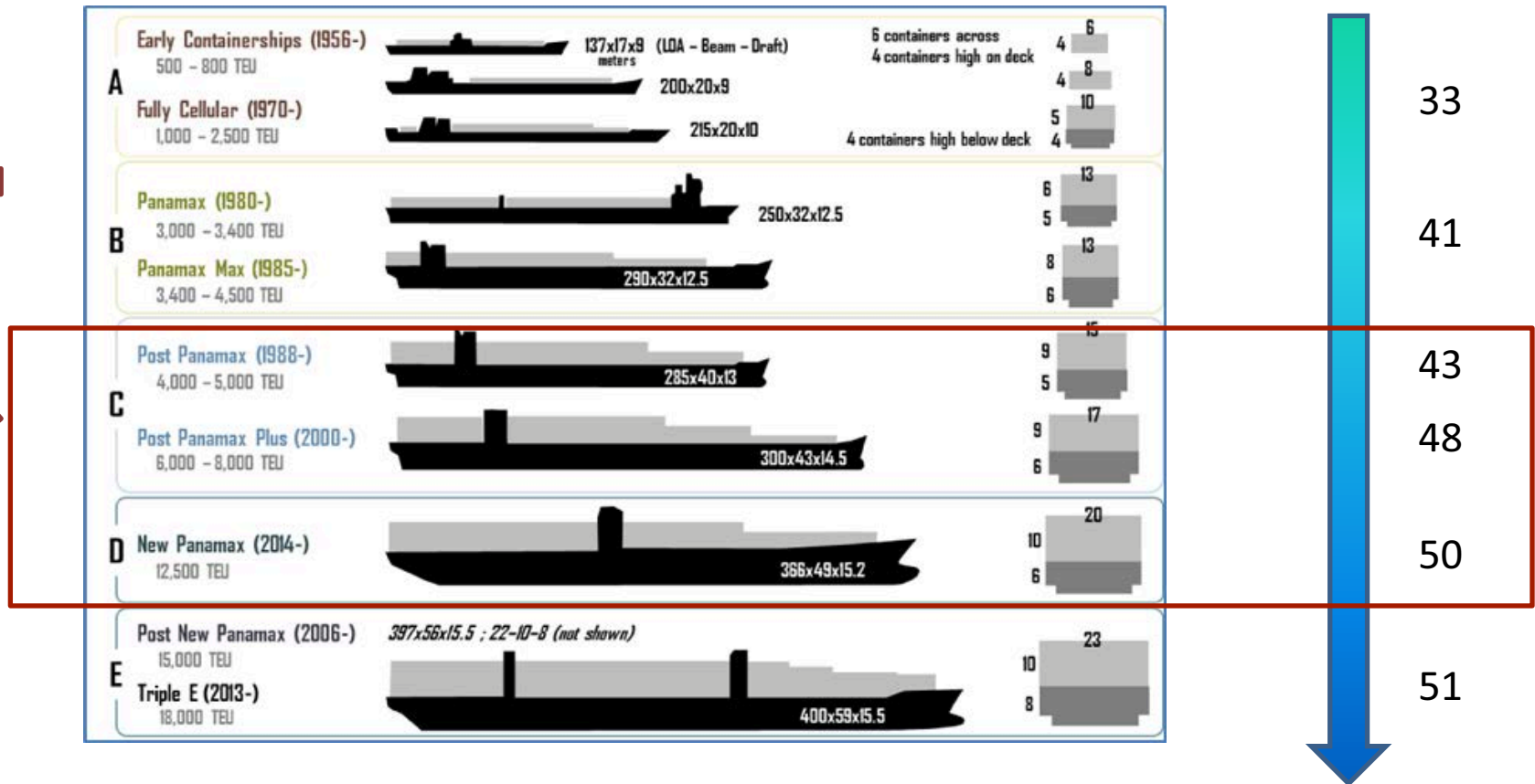
Transportation Economics & Management Systems, Inc.

# WEST COAST PORTS DOMINATE US MARKET BECAUSE WEST COAST RECEIVES LARGE SHIPS



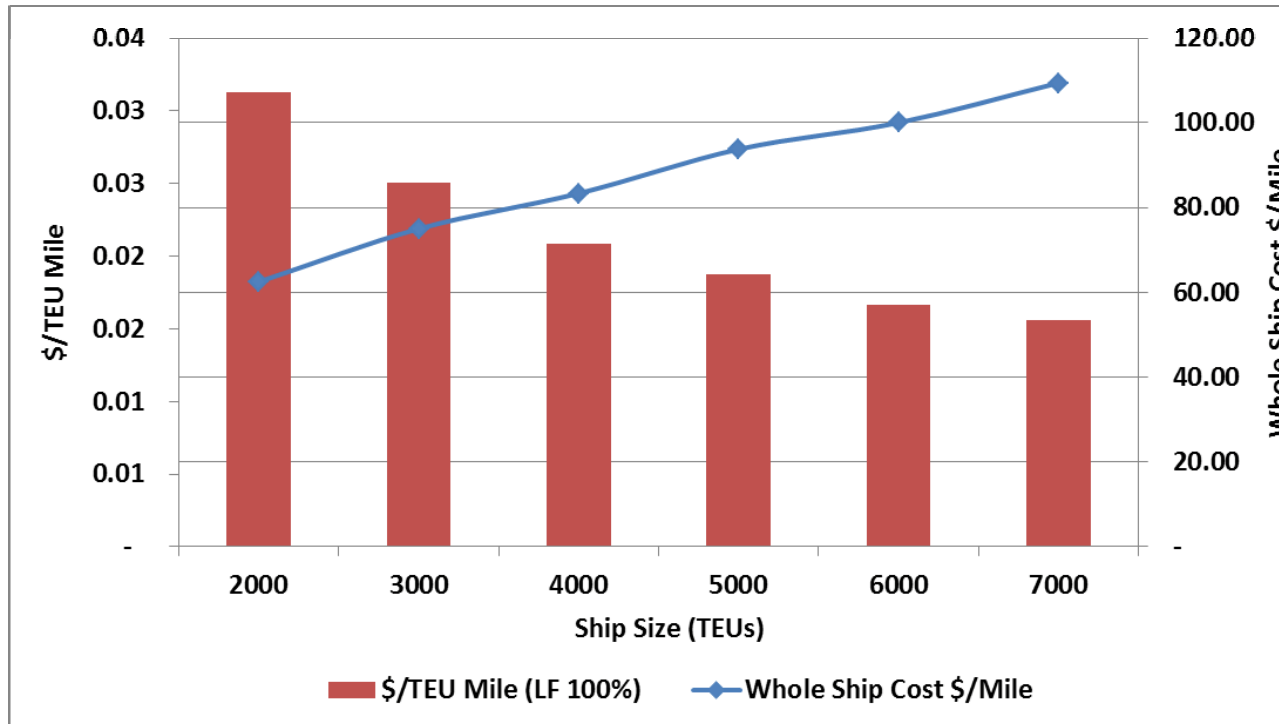
# PANAMA CANAL WILL CHANGE THE SITUATION

Water Depth(ft)



*Capacity of New Panamax ship will increase 2-3 times, but requires 48-51 feet draft. Only a few Gulf and East Coast ports can support this, but in the long term Freeport will be able to accommodate these larger ships.*

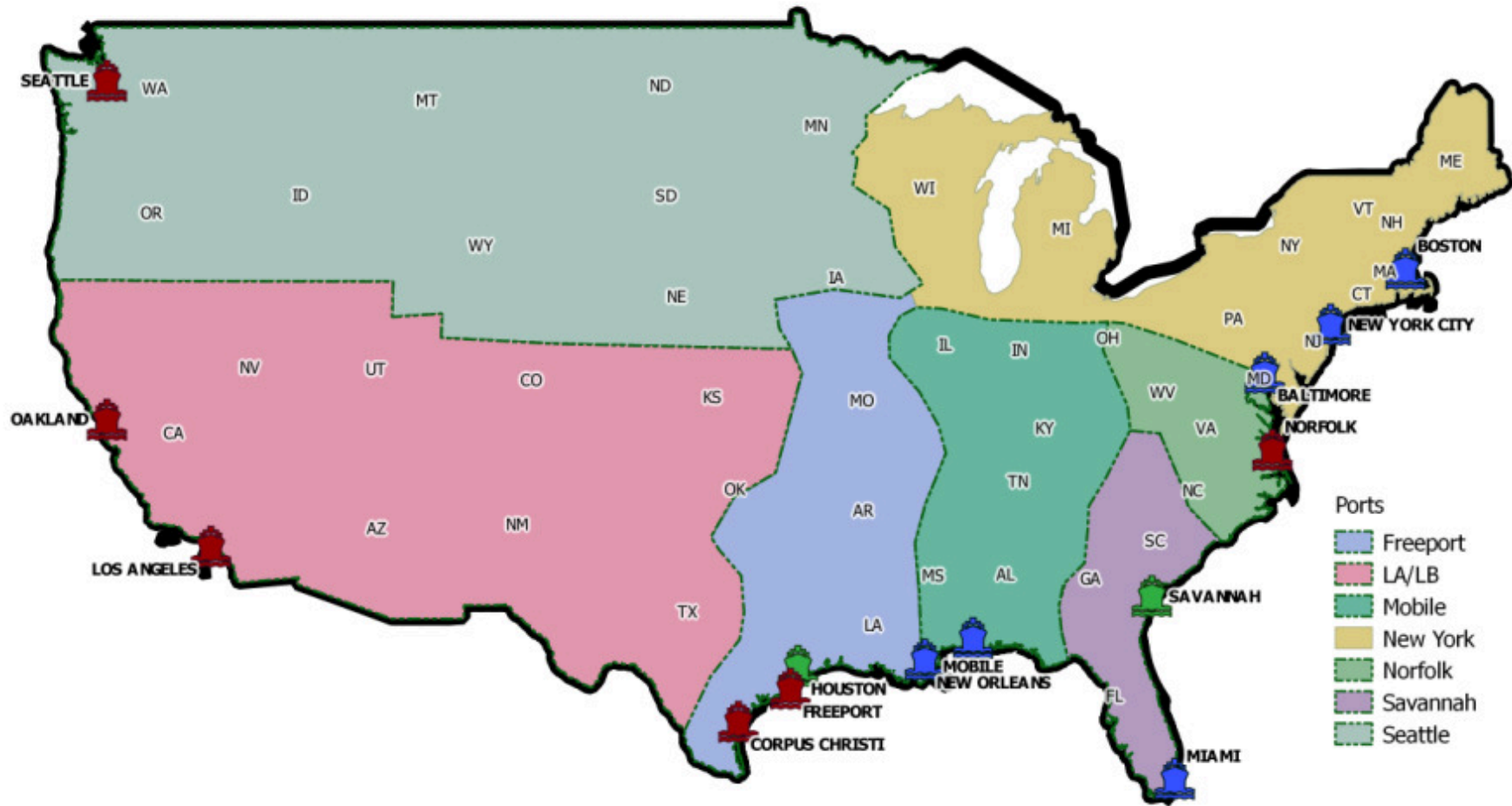
# ECONOMIES OF SCALE FOR BIGGER SHIPS



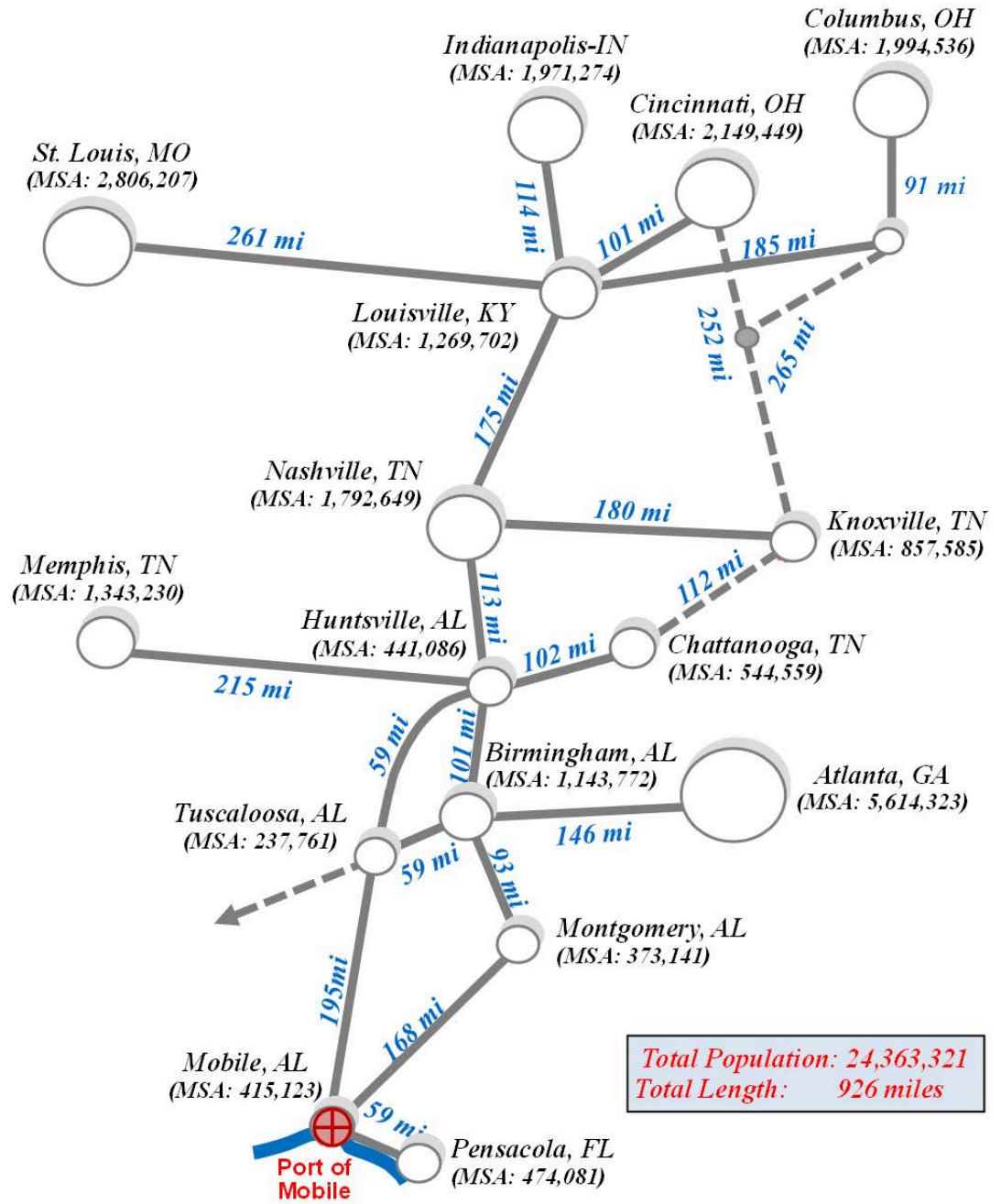
Source: Reproduced based on Figure 4.3 Impacts of Containership Size, Service Routes, and Demand On Texas Gulf Ports , TXDOT, 2001

- 2015 Shipping cost will decrease from \$0.04/TEU·Mile to \$0.02/TEU·Mile (70% loading factor and inflation since 2001).
- **This cuts shipping line-haul costs in half.**
- East Coast Ports are expanding their capabilities, so Big Ships will be used in both Pacific and Atlantic (e.g. Suez) trade lanes.

# POTENTIAL BIG SHIP MARKET AREAS WITH ENLARGED PANAMA CANAL



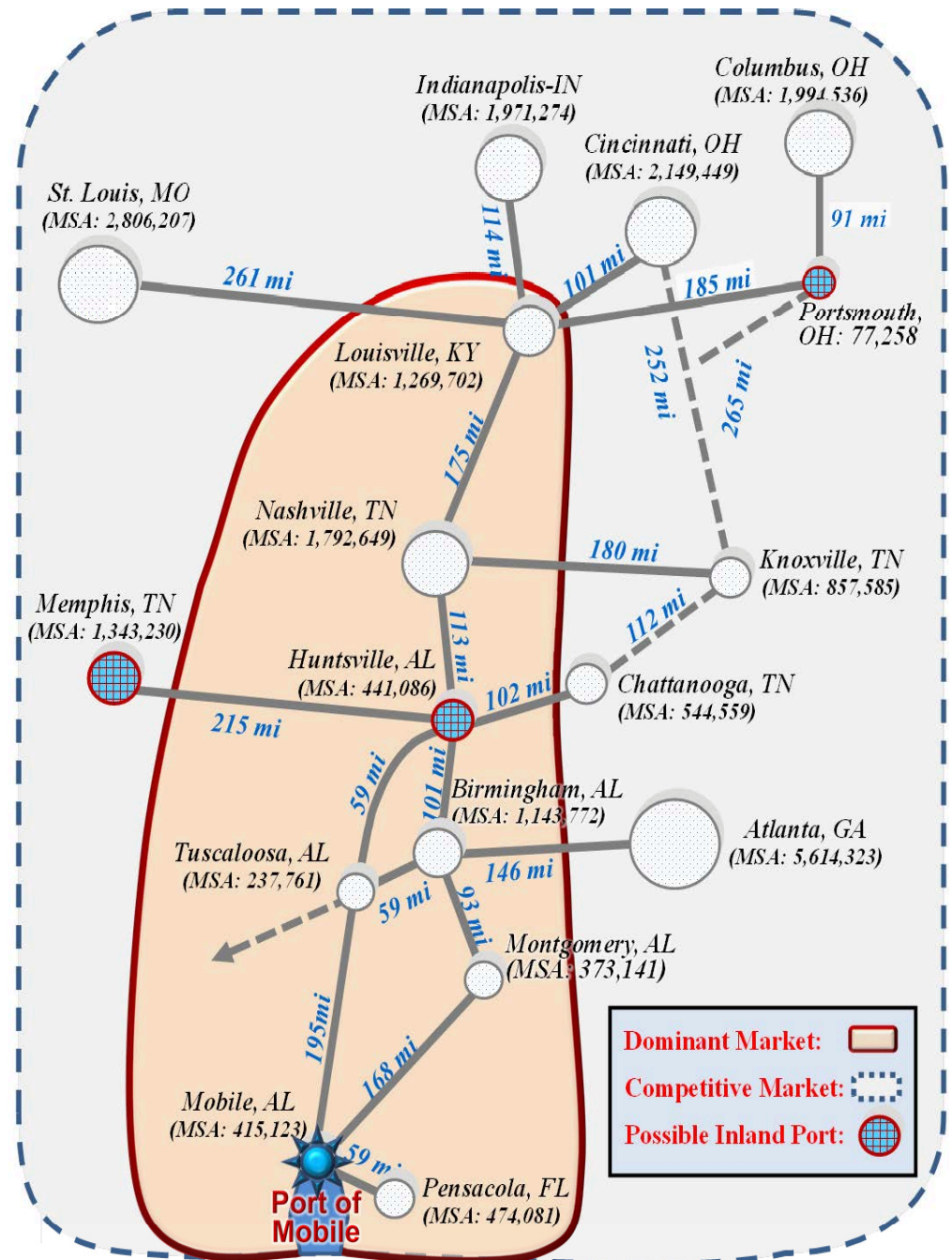
# MOBILE TRADE AREA



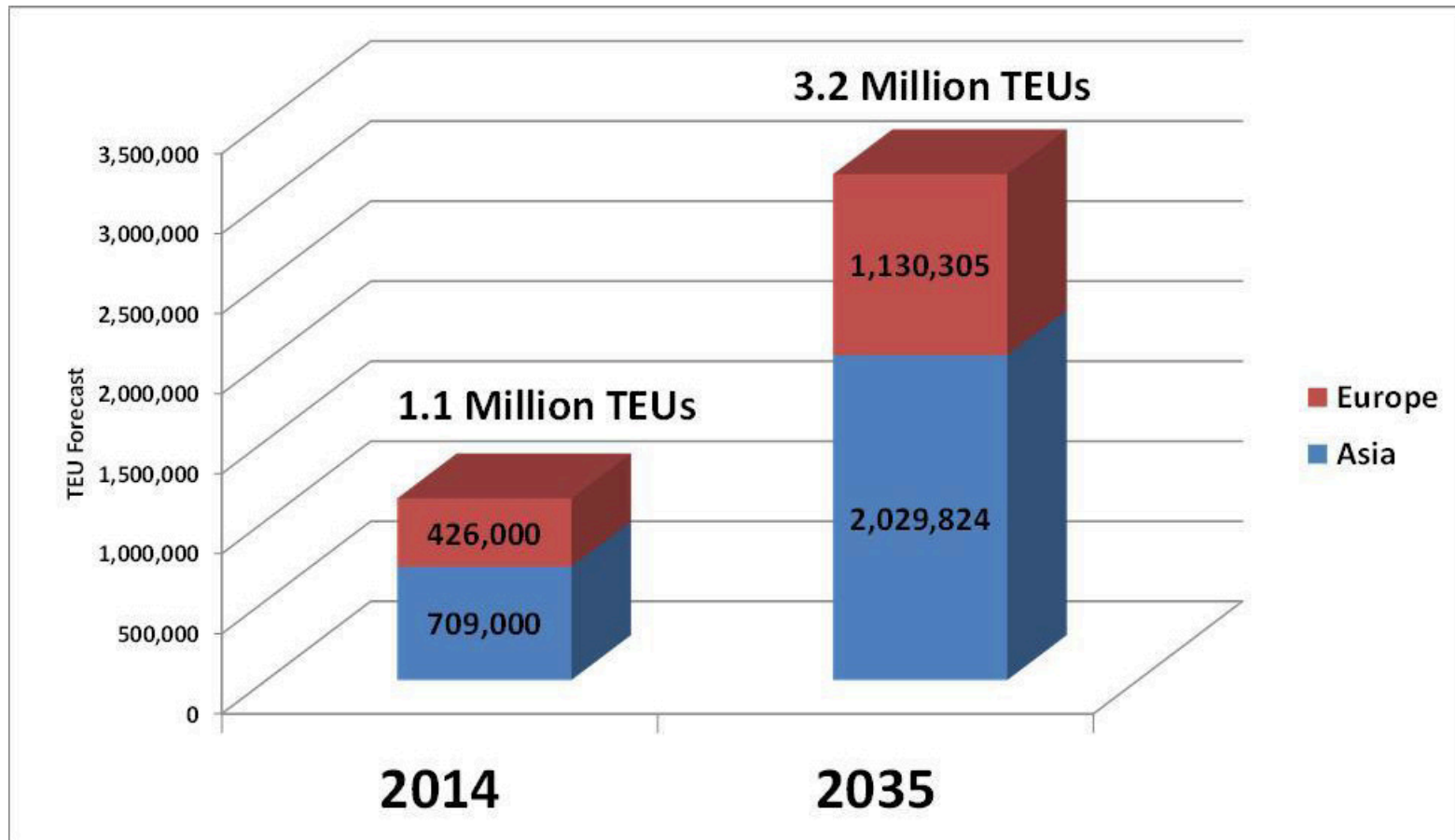
TEMS

# MOBILE TRADE AREA COMPETITIVENESS

- ▶ Port of Mobile – 50 ft depth
- ▶ On Dock Rail Facility
- ▶ Inland Rail Network
- ▶ Inland Port System



# POTENTIAL MOBILE CONTAINER MARKET





# ECONOMIC IMPACT



# EXAMPLE: CSX WINTER HAVEN FACILITY



- **318 Acres rail facility, surrounded by 930 acres reserved for development of up to 7.9 million square feet of warehouse distribution centers**
- **Projected at full build-out, the Winter Haven ILC will create 8,500 annual jobs with a total annual payroll of \$282.2 million.**

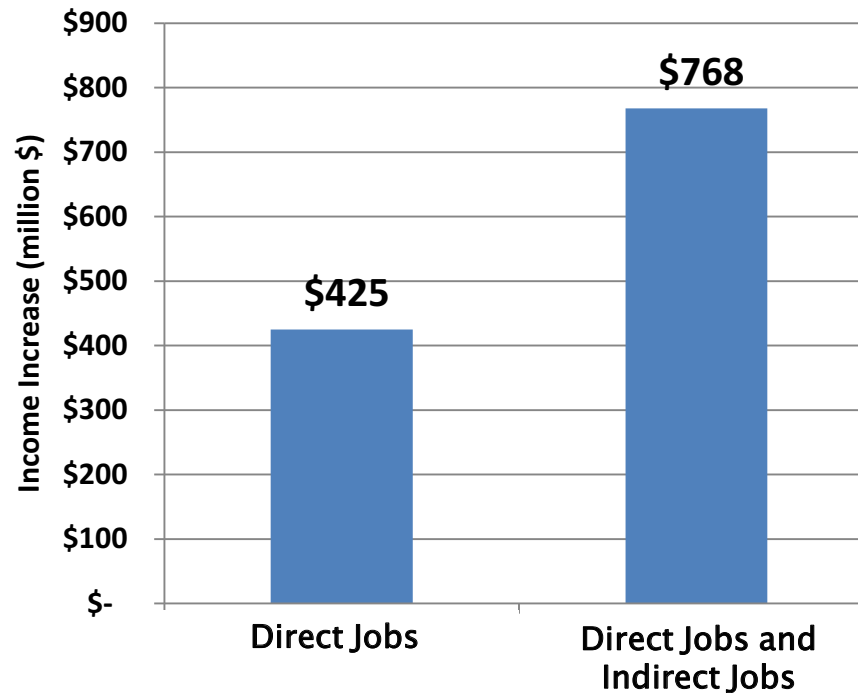


## References:

- [http://railtec.illinois.edu/RREC/presentations/A/04/19\\_Brinker.pdf](http://railtec.illinois.edu/RREC/presentations/A/04/19_Brinker.pdf)
- <http://www.bizjournals.com/tampabay/news/2014/07/29/csx-intermodal-facility-in-winter-haven-getting.html>
- <http://www.myfoxtampabay.com/story/26807665/2014/10/16/csx-hub-in-winter-haven-expected-to-boost-local-economy>
- <http://www.flgov.com/2012/11/08/governor-scott-breaks-ground-on-winter-haven-intermodal-rail-terminal/>
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# ECONOMIC IMPACT INCREASED INCOME

Total Income Increase  
(million \$ per Year )





THANK YOU

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