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# TRANSPORTATION SYSTEMS In COMBINATION



# INCREASING VOLUMES AND CONGESTION AT MARINE AND RAIL TERMINALS



# No Single Option is Best: RAIL

1. Switching between lines is time consuming and expensive.
2. Rail traffic increasing-delays
3. Railheads are located in populated areas, congestion issues arise when increasing traffic.
4. Truck dray to and from railheads adds to local traffic congestion.



# Growing Rail Usage



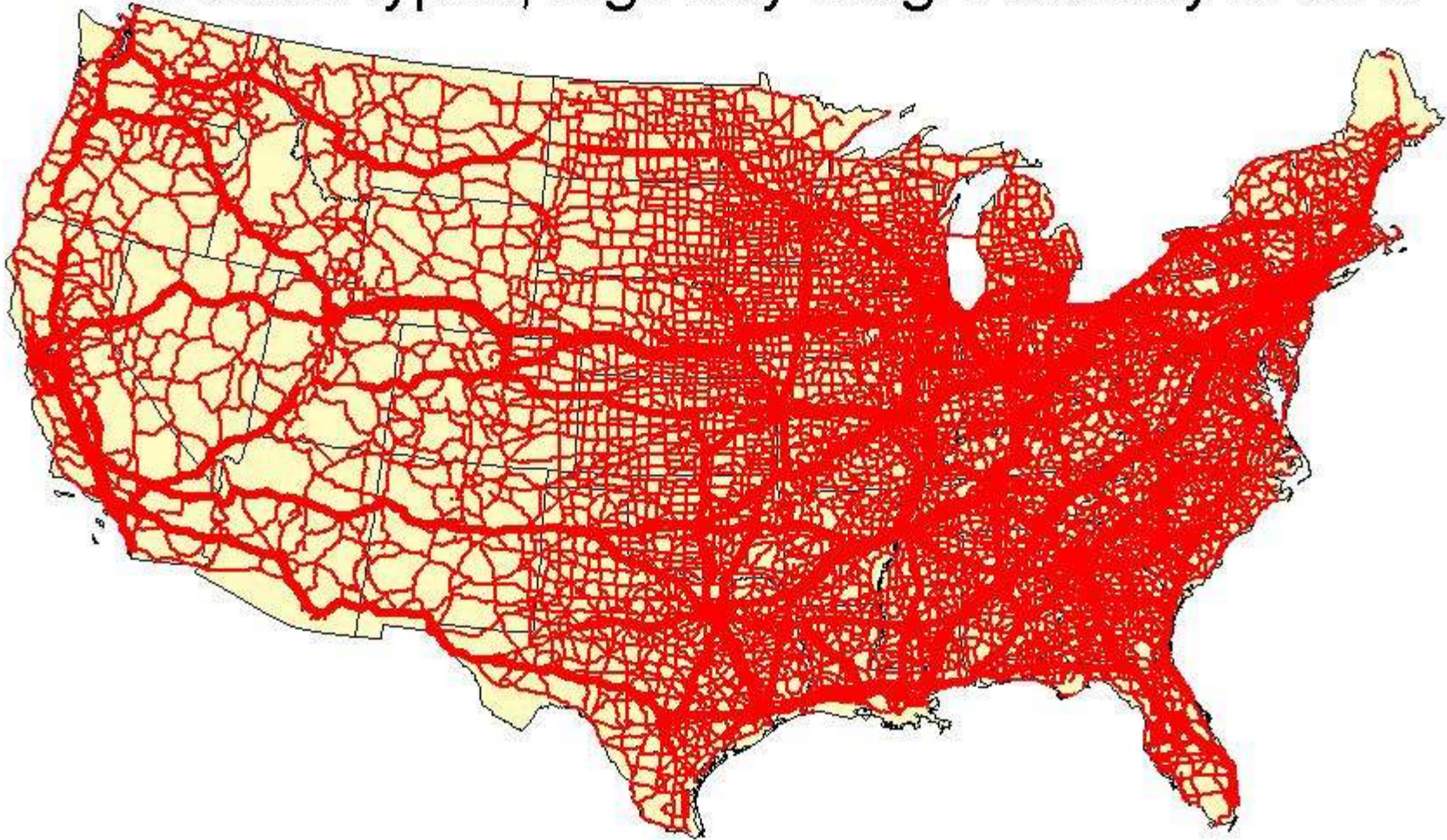
# No Single Option is Best: ROAD

1. Congestion increasing
2. Funding for new/improved roads scarce.
3. Shortage of Trucks/Drivers
4. Weight restrictions on cargos
5. Trucks create wear on roads



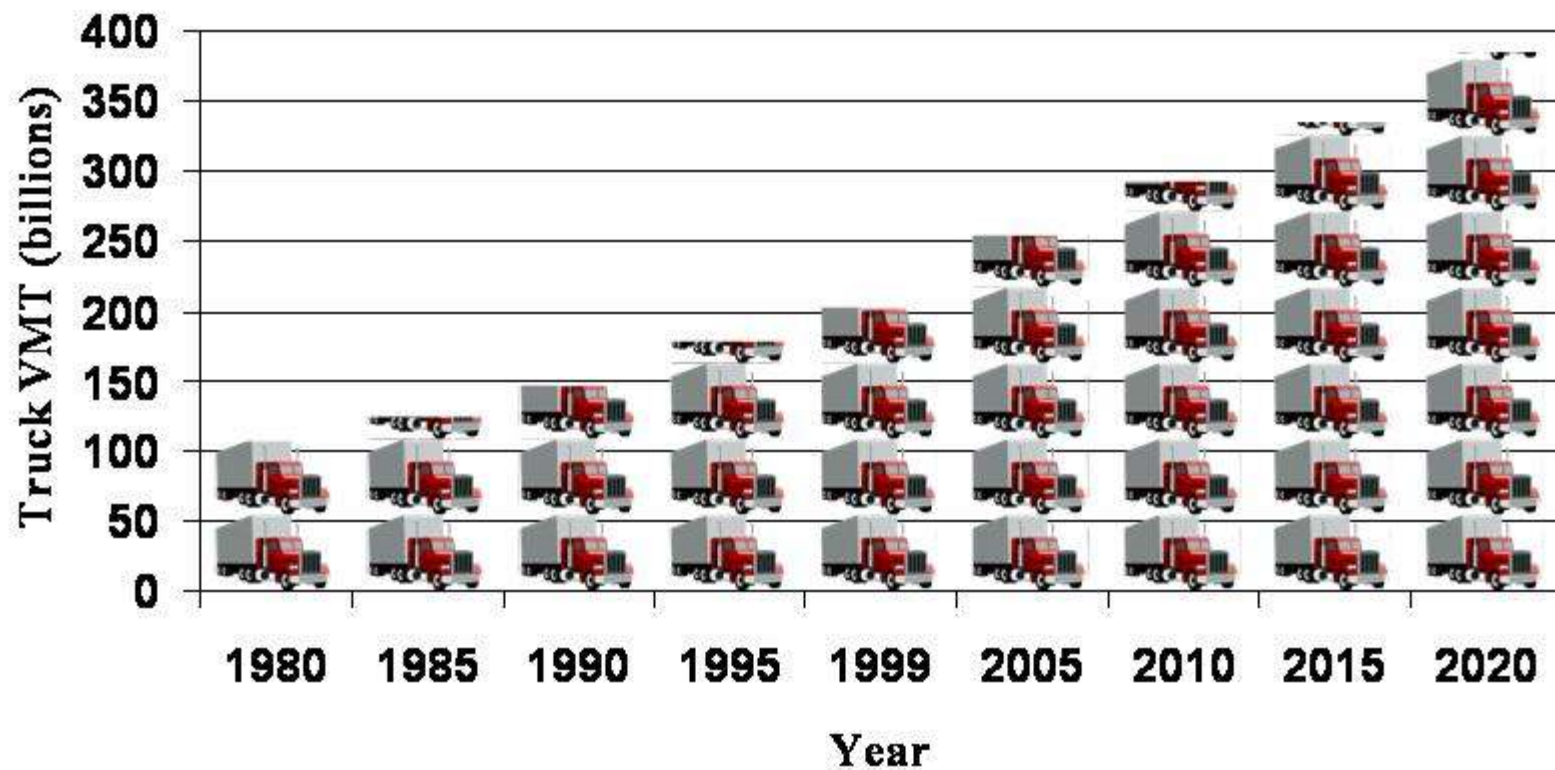
# Truck Freight Flows, All Commodities

All truck types; highway freight density in tons



Source: Federal Highway Administration, Office of Freight Management and Operations

# Truck‡ Vehicle Miles Traveled (VMT) - 1980 to 2020



‡Trucks includes both single-unit vehicles with 2-axles and 6 or more tires and combination vehicles.

\*Forecast generated for FHWA, Office of Policy, by WEFA, Inc



# No Single Option is Best: WATER

1. Current port facilities surrounded by urban areas.
2. Using current port facilities adds to local road and rail congestion.
3. Limited on-carriage options at most ports
4. Ports are distant from Gulf.
  - Houston 52 miles from the Gulf
  - New Orleans 120 miles
  - Gulfport 20 miles
  - Mobile 29 miles

**Ship Time is Money-\$75,500/day**



# SHIP CARGO ILLUSTRATED

**A Container Ship Unloading 2500 Containers and Loading 2500  
Requires a Combination of the Following:**

**5000 “18 Wheelers” Creating 220 Miles of Traffic (150’ Between Trucks)**



**OR**

**18 Miles of Double Stack Rail Cars**



**OR**

**6 Tows of 18 Barges Creating ¼ Mile of River Traffic**





# Costs

## West vs East vs Louisiana

Chicago, Dallas, Memphis, Atlanta

Contract Rail Rates to \_\_\_\_\_ from \_\_\_\_\_:

(40 ft loaded container-Sep 06)

| To/From | CA.  | Chasn/Sav/Norva | LA  | COB |
|---------|------|-----------------|-----|-----|
| Chicago | 1343 | 1140            | 638 | 384 |
| Dallas  | 1045 | No quote        | 537 | N/A |
| Memphis | 1328 | 580             | 391 | 170 |
| Atlanta | 1361 | 400             | 600 | N/A |

# Asian Imports to Mid-America

- From LA/LB-Over 6000 containers per month per major carrier
- East Coast, approximately 2000
- Louisiana/Texas/Mississippi/Alabama-Virtually none

# Exports to Asia “Better than Empty”

60% of containers go back empty

Exports must be “Better than Empty”

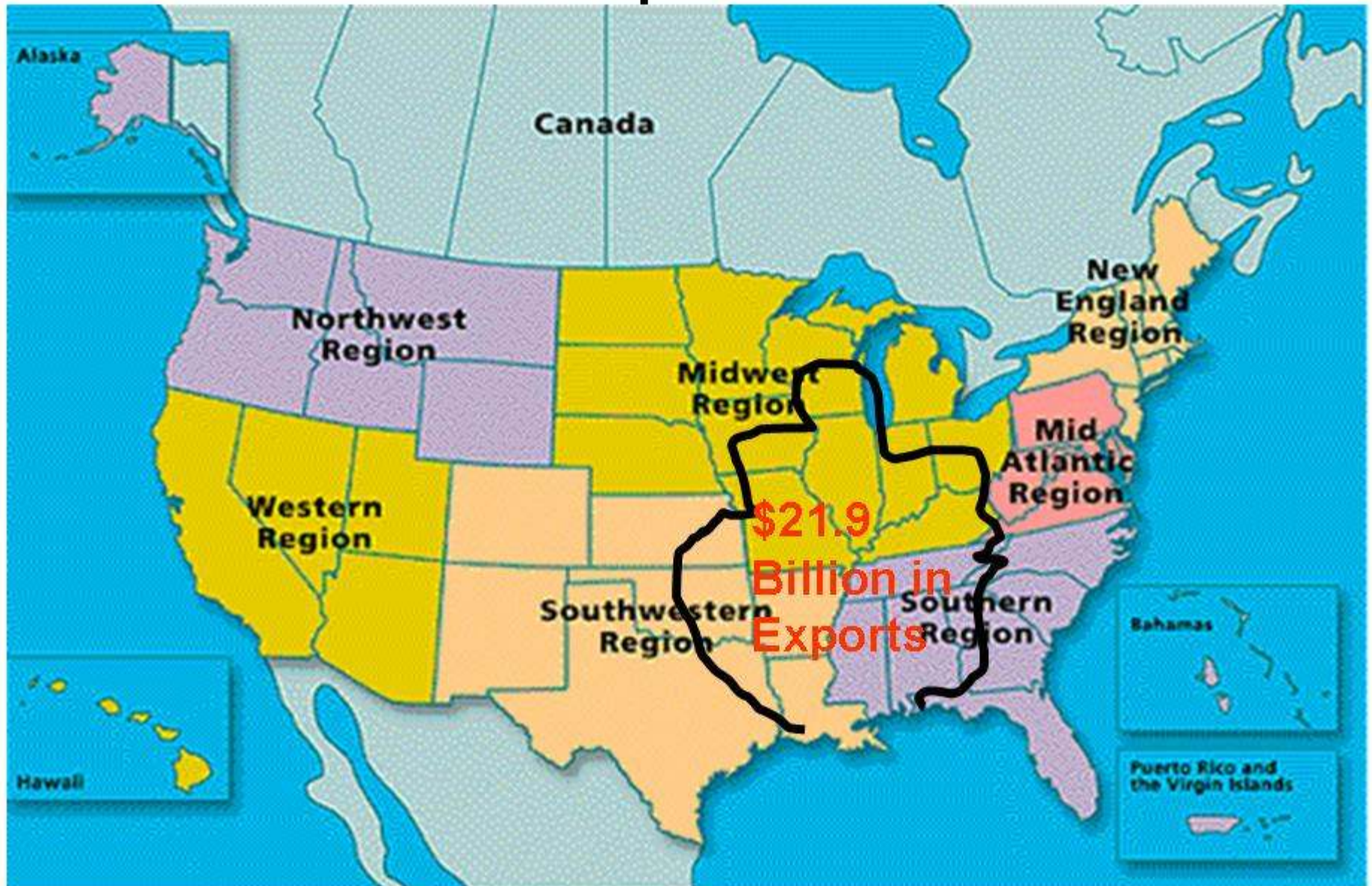
Quick Loading in US, easy discharge in  
Asia required

Mid America’s 2004 containerized exports to  
Asia over \$21 billion

Will increase with lower transportation costs:  
Cotton and Rice



# Mid-America Export Market to Asia



# Readily Available Exports

- **COTTON:**

2005-Tennessee exports 389,000 bales to China (7,780 TEU's)

Mississippi 716,000-none to Asia

Arkansas 750,000- little to Asia

Louisiana 395,000- little to Asia

Alabama 296,000- little to Asia

Formerly, The US was the #1 supplier to S. Africa

- **RICE:**

Arkansas is the US's leading producer. Specializes in Long Grain, but second leading (and cheapest) producer of medium and short grain preferred by Asians.

2003-Brazil imported 14 millions tons of US Rice. South Africa – 750,000 tons



# \$ 1 BILLION TENNESSEE EXPORTS TO ASIA,

## CHINA

| Chem. | Food | Waste | Paper | Mach | Wood | Fabric | Min. | Misc. | TOT.   |
|-------|------|-------|-------|------|------|--------|------|-------|--------|
| 109   | 5    | 20    | 1     | 68   | 8    | 4      | 3    | 11    | \$229M |

## HONG KONG

| Chem. | Food | Waste | Paper | Mach | Wood | Fabric | Min. | Misc. | TOT.  |
|-------|------|-------|-------|------|------|--------|------|-------|-------|
| 63    | 4    | 8     | 1     | 17   | 3    | 24     | 1    | 22    | \$143 |

## JAPAN

| Chem. | Food | Waste | Paper | Mach | Wood | Fabric | Min. | Misc. | TOT.  |
|-------|------|-------|-------|------|------|--------|------|-------|-------|
| 102   | 18   | 2     | 25    | 128  | 3    | 16     | 16   | 86    | \$396 |

## SOUTH KOREA

| Chem. | Food | Waste | Paper | Mach | Wood | Fabric | Min. | Misc. | TOT.  |
|-------|------|-------|-------|------|------|--------|------|-------|-------|
| 93    | 11   | 3     | 3     | 45   | 1    | 2      | 1    | 10    | \$169 |

## TAIWAN

| Chem. | Food | Waste | Paper | Mach | Wood | Fabric | Min. | Misc. | TOT.  |
|-------|------|-------|-------|------|------|--------|------|-------|-------|
| 48    | 5    | 1     | 1     | 48   | 1    | 2      | 1    | 2     | \$109 |



# Action

- 1. Inland Ports must know their import/export markets.**
- 2. US companies willing to develop and use optimum combinations of transportation.**
- 3. Container Transfer Facility at mouth of Mississippi River that can sort containers for optimum use of river, rail and truck. Sea Point.**
- 4. Asian Carriers willing to explore opportunities.**
- 5. Develop faster container on barge systems.**