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As I mentioned in my opening remarks, it is a pleasure to be with you this morning and to join Ingeniero Aleman in a dialogue about the Panama Canal.

It's amazing how sometimes we take for granted some of the most incredible engineering feats the world has ever seen.

Alberto was kind enough to host Secretary LaHood and myself on a tour of the Miraflores Locks at the Canal last year.

I know that Secretary LaHood was impressed with what he saw.

He even blogged about it in his own blog—which is called “the Fast Lane.”

Now that's really impressive—a facility that handles 1.5 ships an hour being associated with something called “the Fast Lane.”

But in our industry, it might as well be the Daytona 500.

Well it is clear is that Alberto has kept a good pace on the canal expansion project.

But as the year 2014 rapidly approaches, we must have a better understanding of the project's impact on America's transportation system.

This project has the potential to be the biggest game-changer in transportation since the intermodal container or the hybrid car.

Ships that can carry two and a half times more cargo—some as many as 6,500 containers on a single voyage—might present nightmares for some of you port directors.

Where do you put 6,500 containers once you offload the vessel? Where do you hire 6,500 truck drivers in a pinch if one of these things comes calling? And can you even make a train 6,500 cars long?

Seriously, we expect the Canal project to spur the innovation of American logisticians.

They will look to take advantage of new all-water routes to the East and Gulf Coasts on Post-Panamax-class ships.

And initial indications are that it could open export markets from the Mississippi River region to as far west as Denver, Colorado, on these ships.

Our international trading partners will also see new market opportunities in these regions that were previously too costly to access. So it is something we must understand better.

But, where exactly will the freight go? How will trade patterns change? And will our transportation infrastructure support the changes?

Not only in the ports, the terminals, and the harbor channels, but also the rail lines and roads that will move the freight to and from inland points of origin and destination?

And what are the policy and investment options that our country should consider to ensure the system is poised to perform – wherever the shifts occur?

These are the questions that some analysts spend their days trying to answer. So we hired them. We commissioned a four-phase study last year. Here's an update on where we stand.

Right now we are midway through the first phase.

This is where we scope the markets and issues that will be impacted as a result of the Canal's expansion and the general trend toward the larger Post-Panamax vessels.

This phase will focus on three areas:

First, the short-term trends likely to occur due to the trade shifts. These are likely to be the more immediate and subtle changes.

Second, we will look at traffic projections and the areas expected to experience larger shifts over time. This includes the balance of cargo destined for the U.S. Midwest that travels on the "land bridge" from West Coast ports versus a new Panama Canal option through U.S. Gulf and East Coast ports.

And third, this initial phase of the study will attempt to identify U.S. coastal areas most likely to see the greatest increase in ocean shipping.

We are hopeful to begin sharing the results of this phase by the second quarter of 2011.

Each phase of this study builds upon the one before it.

The second phase of the study will take a closer look at the infrastructure itself.

This includes both physical and market attributes of gateway ports—the channels, the terminals, planned investments and the land corridors that serve them, among other factors.

Of particular focus will be the state of intermodal connections, such as railheads and access to the U.S. Interstate system.

We are targeting third quarter of 2011 to share with you the results of this phase of the study.

The third phase will examine the opportunities our country may have to leverage these shifting trade patterns to realize public benefits.

Like finding opportunities to: add jobs, reduce greenhouse gas emissions, improve the quality of life in port communities by managing freight traffic differently, and potentially optimize federal investments.

The fourth phase of the study will develop policy recommendations.

These will help decision makers make informed infrastructure investment decisions.

Each phase of the study will conclude with a summary report and findings.

Late last week we received an early draft report on Phase One.

We're just beginning to look it over. But at a glance we believe it will offer some new perspectives for transportation planners and providers.

For example, the Atlanta region is a major market with a large portion of its trade coming through west coast ports, even though it is within just 250 miles of the East Coast.

So this market could see a shift toward more Panama Canal routes.

Western Pennsylvania and upstate New York markets are also likely to see changes in this direction.

Conversely, some other markets could see less of a shift than many anticipate—like those in Tennessee, Kentucky and Michigan.

These findings are very preliminary.

But we will share the report with you when it is complete and all the data has been scrubbed.

Now economic predictions are by their nature—predictions.

We don't always have the data and historical experience in an ideal world to help inform our assessment.

We need your assistance. We need all of you—port authorities, along with shippers, carriers, academia and people who are familiar with entire regional markets—to provide input at key points in the study.

And we also need assistance reviewing the products at key points along the way.

The Panama Canal Authority has graciously offered to assist as well. Thank you, Alberto.

We see this as a critical study with national and international implications – so we need to know it has considered all factors.

We will be hosting a small number of outreach sessions.

We also plan to establish a web-based tool to both comment and collaborate.

These will help us be sure we have all relevant input before the critical points in the study.

The first and most relevant one for those of you in this room is the assessment of port and corridor attributes.

I hope you will all participate in that.

Later, as we near completion of the study, we will again reach out to as many stakeholders as we can to get a review of the entire study.

As President Obama said in last week's State of the Union Address: "One important step toward winning the future is rebuilding America.

To attract new businesses to our shores, we need the fastest, most reliable ways to move people, goods, and information."

The expansion of the Panama Canal and our resulting actions promise to do just that.

I look forward to working with all of you on this important project as our country adapts to shifting international trade routes.

Thank you very much.