

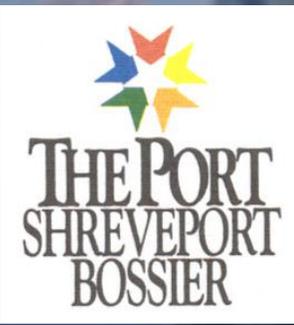


# Ports

Association of Louisiana

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# Louisiana

## Ports Deliver...

Presented by:  
Ports Association of Louisiana

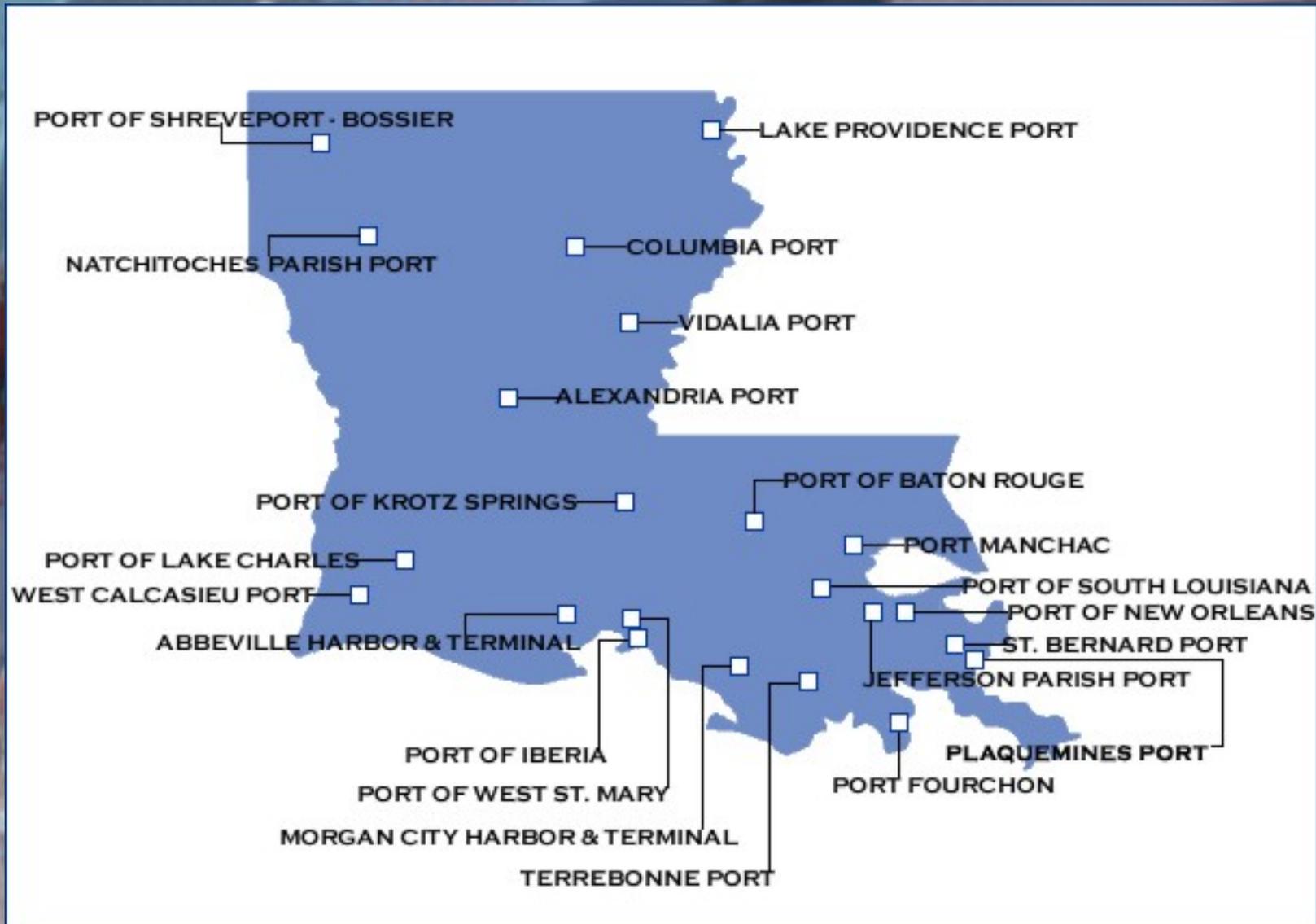


# Louisiana Ports Deliver...

## *The Issue*

**Will Louisiana's Ports Be  
Able To Deliver Economic  
Value, Jobs and Tax Revenue  
In The Future?**

# Louisiana Ports



# Louisiana Port Industry

**Port Services – Navigation, Loading, Fuel, Supplies, Financial**

**Port Users – Manufacturing, Warehousing, Importers, Exporters**

**Governmental Services – Customs, Agriculture, Corps of Engineers**

**Transportation Services – Inland Trucking, Rail, Barge**

**Repair Services – Emergency and Planned**



# Louisiana Ports Deliver...

## The Issue

### Future Economic and Job Growth Challenges

- **Competing effectively on price and facilities**
- **Adding infrastructure for increased volume and specialized cargoes**
- **Efficiently connecting to transportation systems**
- **Enhancing systems which protect national security**

# Louisiana Ports Deliver... To National and Global Markets

LA is the crossroad for MS River and Intracoastal Waterway carrying 97% of US tonnage

Exports from Canada and 28 states move down the Mississippi

Imports of steel, coffee, rubber, timber & containerized cargo come from Latin America, Europe, Asia and Africa

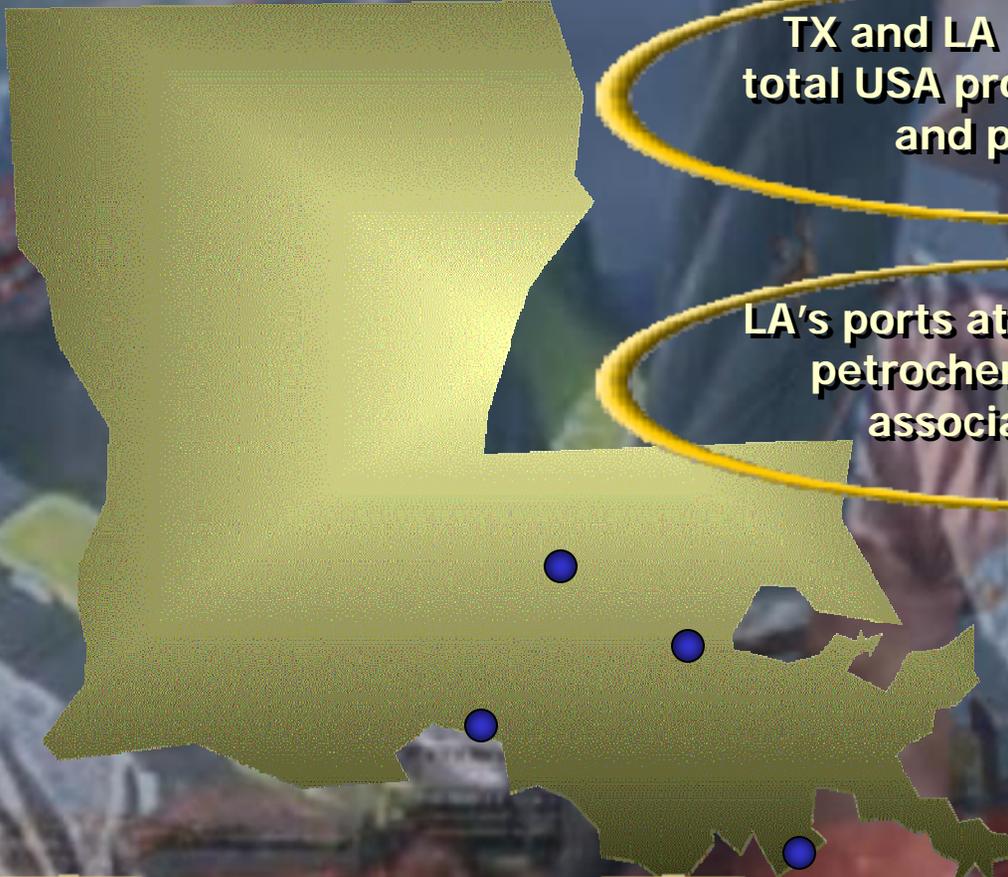
56% of US grain exports travel through LA ports

Each year 1.2 M trucks call on LA ports

Shallow draft ports function as industrial parks attracting business and jobs to local areas

# Louisiana Ports...

## Heart of the Petrochemical Industry



TX and LA account for 80% of total USA production of chemicals and petrochemicals

LA's ports attract and support the petrochemical industry and associated businesses

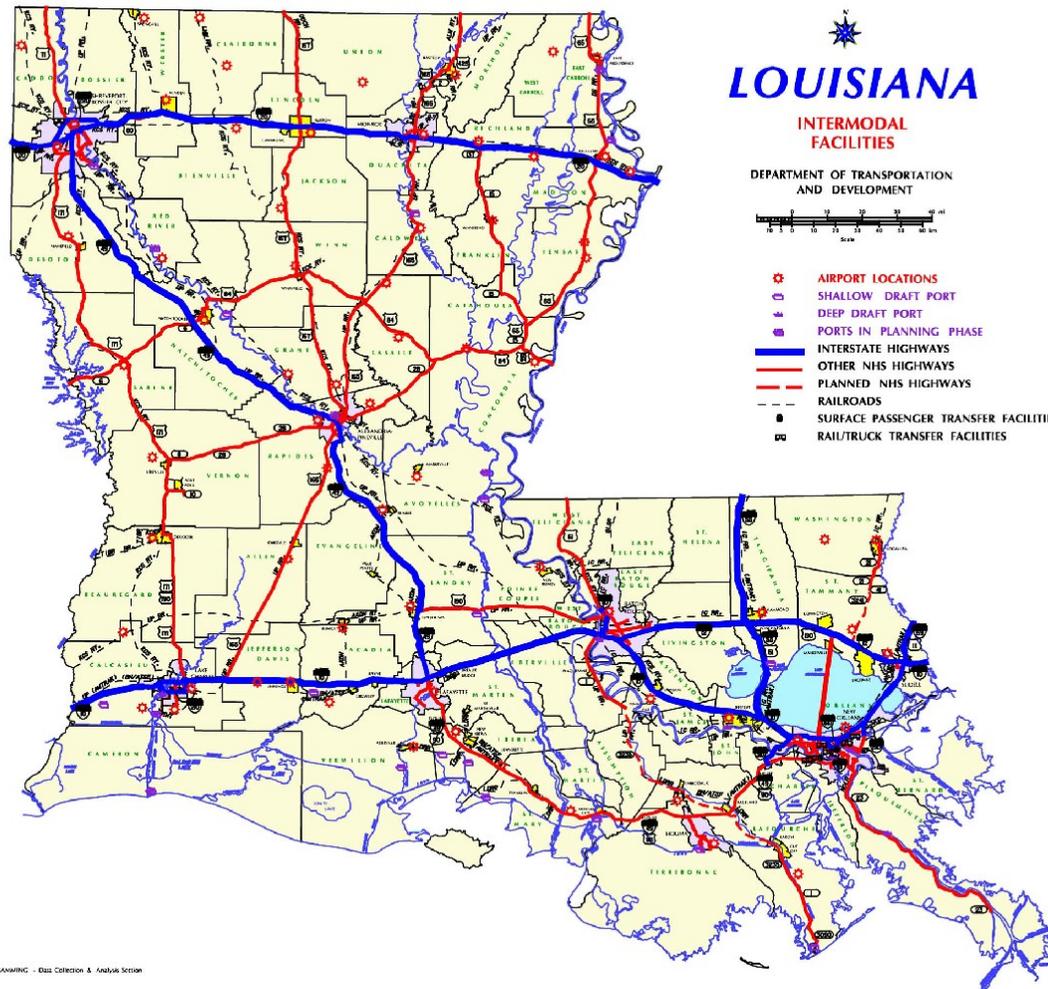
Fourchon-largest supply base for offshore oil and gas industry

Iberia and Morgan City specialize in fabrication and supply industry

South LA and Baton Rouge support 9 major chemical manufacturing plants

# Louisiana Ports... Developing an Intermodal System

Major Railroads, Interstates and Airports Provide Transportation



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Prepared By: OFFICE OF PLANNING & PROGRAMMING - Data Collection & Analysis Section  
Research Center, 2002



# Louisiana Ports...

## Goals for the Future

**Preserve  
the  
industry's  
positive  
impacts**

**Position the  
industry for  
future  
opportunities**

**Provide a  
solid  
funding  
base**

# Preserve Positive Annual Impacts

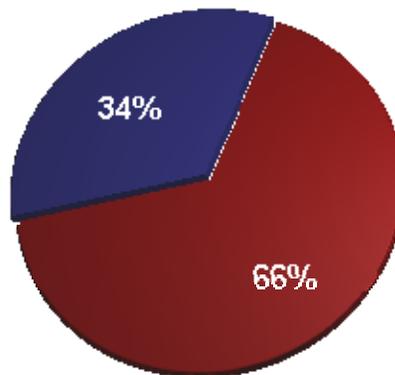
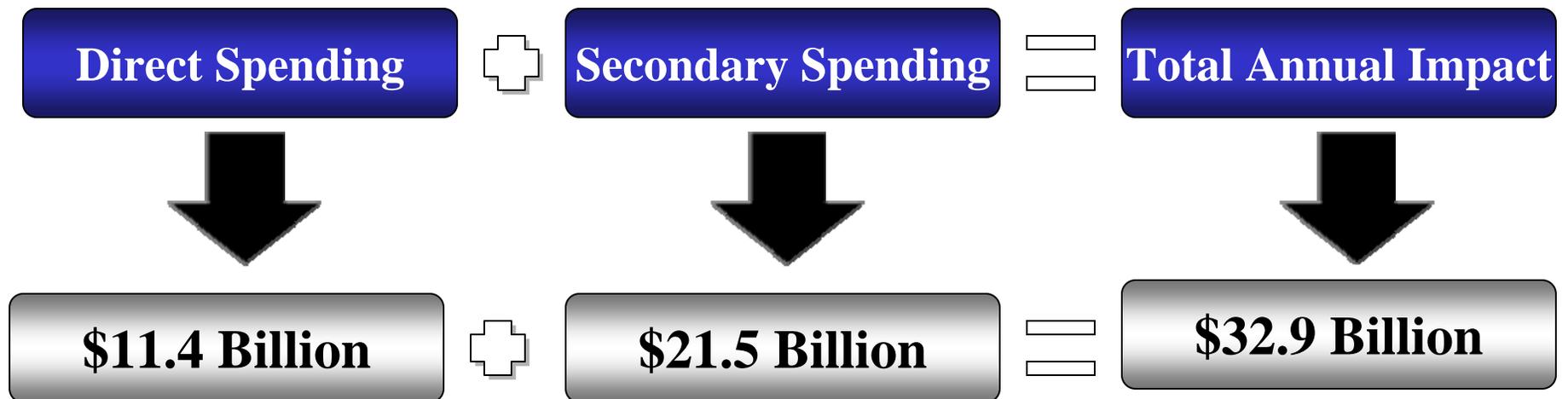
Economic	
Total Impact	\$32.9 Billion
Jobs Impact	\$5.66 Billion
Recurring Tax Revenue	\$467 Million
Industry Impact	22.5% of Gross State Product
Employment	
Permanent Jobs	270,000
	<i>One in Eight Jobs</i>
Environment	
Reduces Air Pollution and	2 Barge Tow=300 Trucks
Is Fuel Efficient	<i>Note: "Ports" includes the Maritime industry</i>



# Louisiana Ports Deliver...

## Economic Impacts

### Total Spending \$32.9 Billion

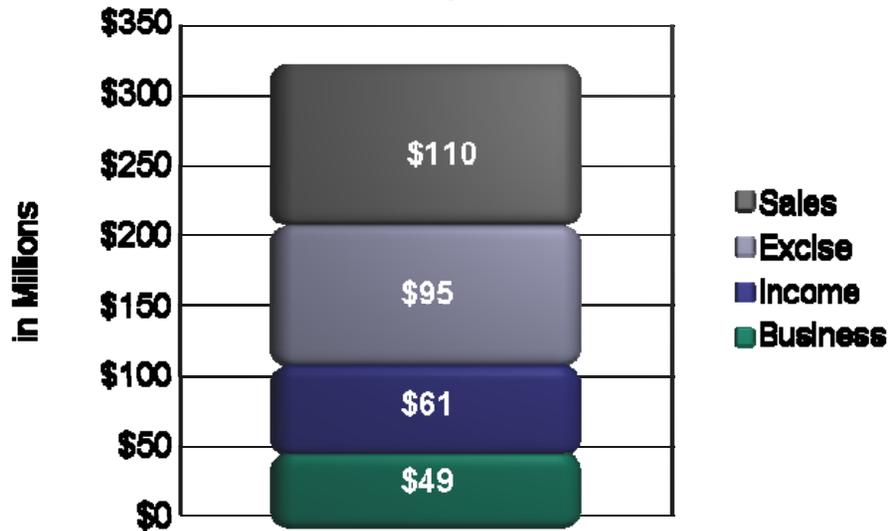


■ Port Users  
■ Port Industry

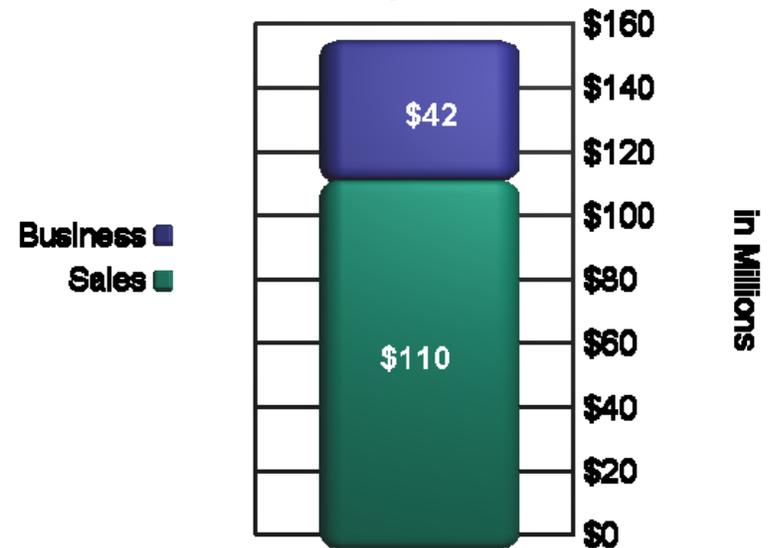
# Louisiana Ports Deliver... Tax Revenues

**Total - \$467 Million**

**State Taxes - \$315 Million**



**Local Taxes - \$152 Million**



# Louisiana Ports Deliver... Tax Revenues

**Fuel Taxes Paid to Transportation Trust Fund  
Total - \$32.8 Million\*\***



\*\* Broken Out of Total Tax Revenue

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Dr. Tim Ryan, UNO, August, 2002

# Position for Future Opportunities

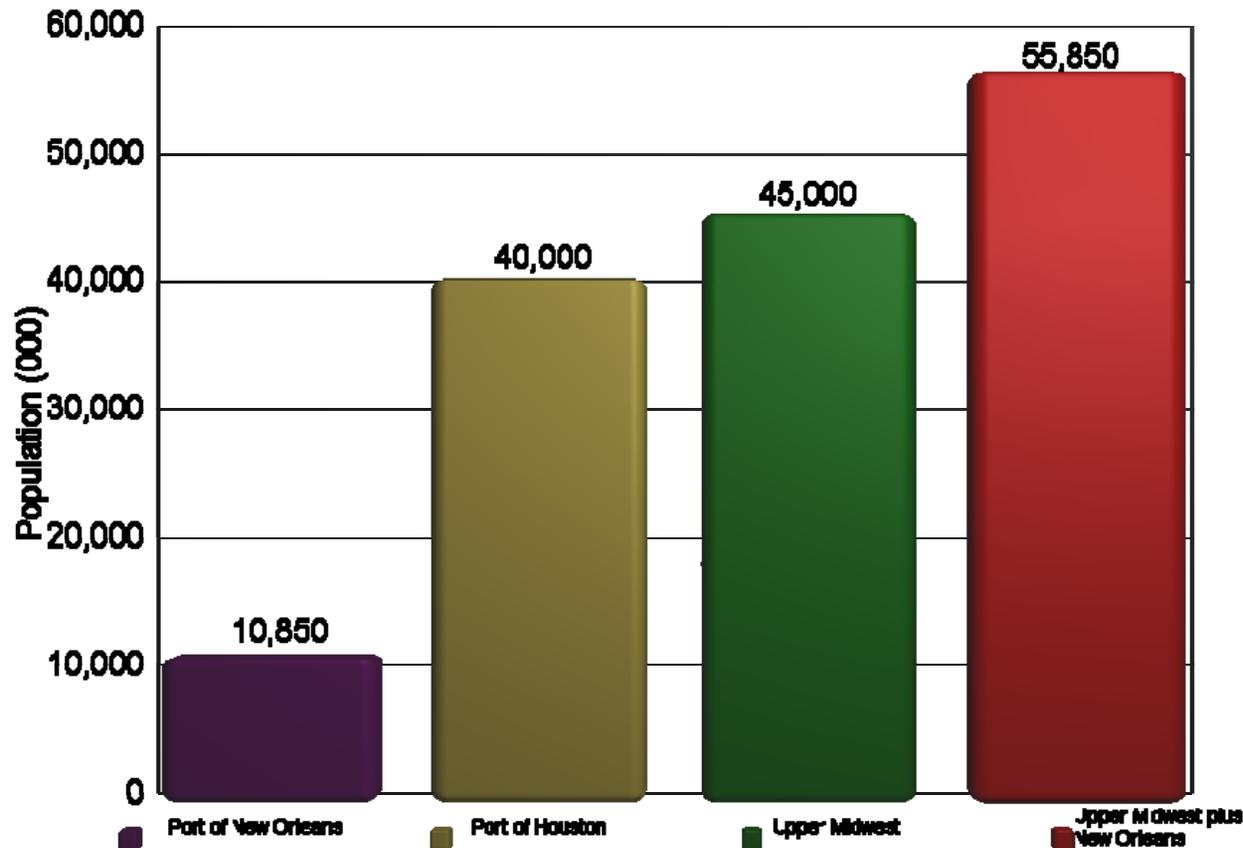
## Maximize Our Competitive Position

- **Petrochemical industry**
- **Export grain and agriculture products**
  - 42% estimated increase by 2020
- **Cruise industry**
  - 500,000 passengers embark in New Orleans
  - Five Million people cruise annually
  - Retired “baby boomers” will grow demand

# Position for Future Opportunities

## Capitalize on Inland Market Potential

**Comparative Market Size**



Source: Millennium Post Symposium, 2002



# Position for Future Opportunities

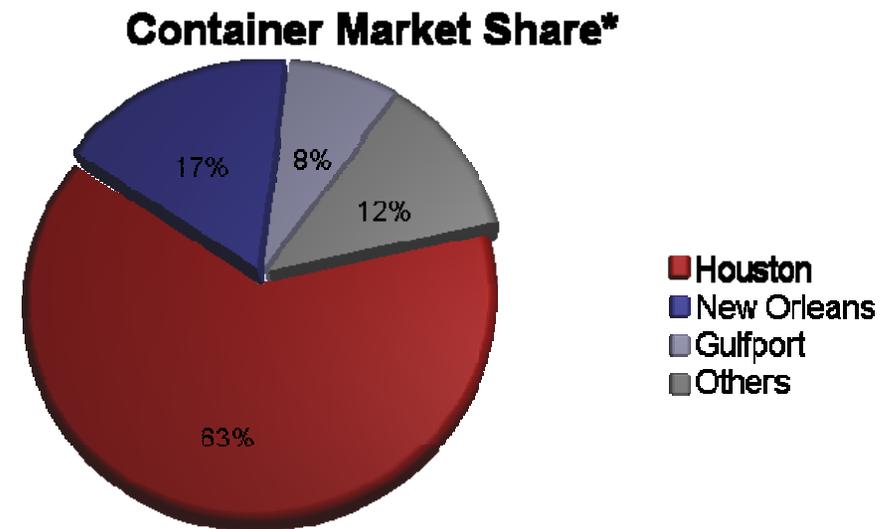
## Increase Trade with Latin America

- **Significant potential when economy recovers**
- **Natural trading partner for Louisiana**
- **NAFTA has increased trade from the region**
- **70% of Latin American goods are from U.S.**

# Position for Future Opportunities

## Increase General and Containerized Cargo Business

- Need efficient, state of the art facilities
- Strong intermodal transportation system
- Must compete effectively for the business



*\*Source: Latin America Trade and Transportation Study, 2002*

# Provide Solid Funding Base

## Current State Funding

- **State provides funding through the Port Priority Program**
- **Projects are selected by experts from UNO and DOTD**
- **Local Boards are accountable for the funds**
- **Current annual funding is \$20 M for 26 ports**
- **Return on \$250 M invested was \$1.8+ billion, 7,200 jobs**
- **Publicly funded projects attract private investment**

*Source: Dept. of Transportation and Development*



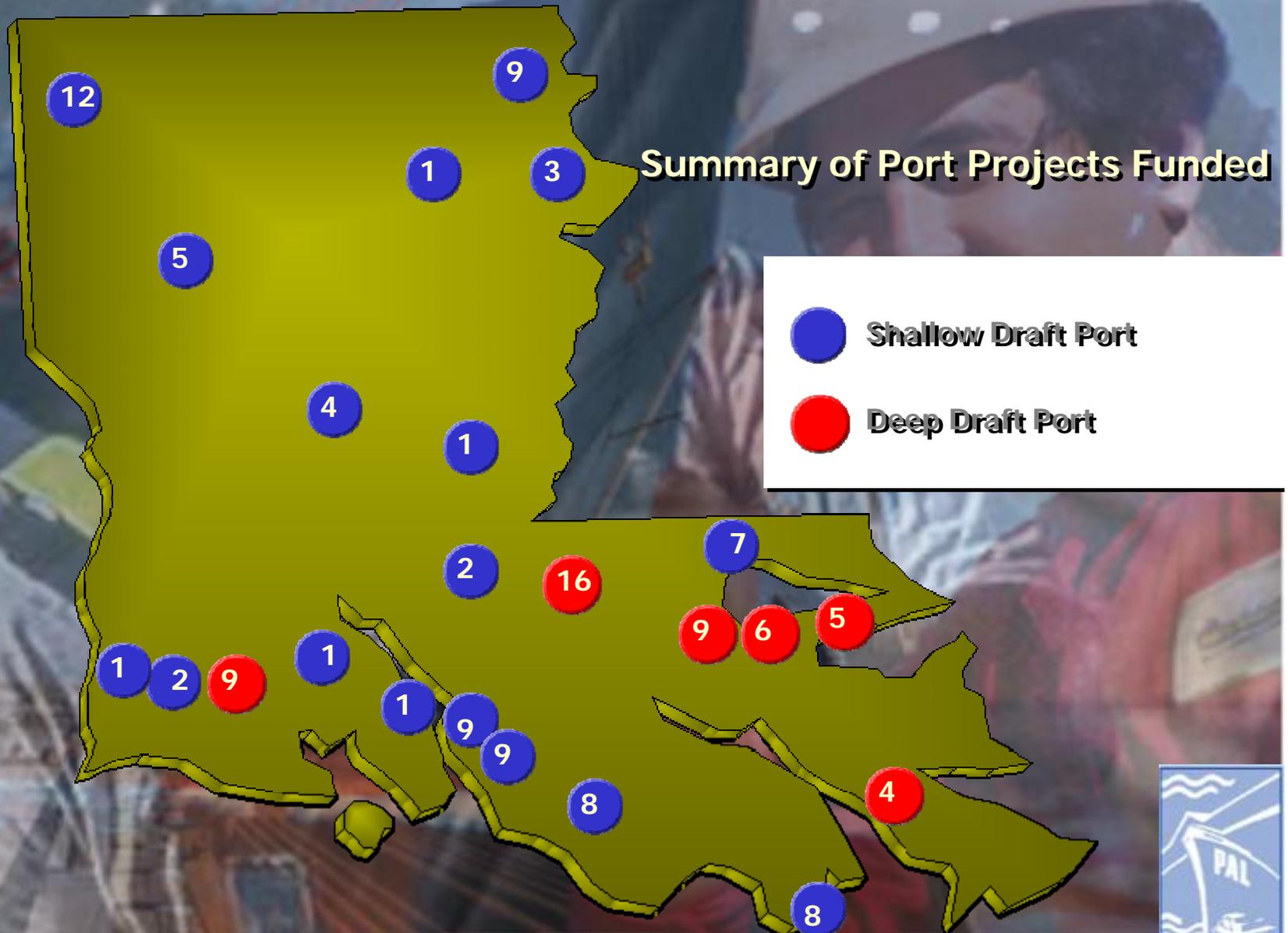
# Provide Solid Funding Base

<b>Project Ranking Criteria</b>			
<b>Feasibility Measure</b>	<b>Feasibility Indicator</b>	<b>Maximum Points</b>	<b>Scoring Method</b>
Technical Feasibility	Capable of being built	45	To qualify must score a minimum of 15 points
Economic Feasibility	Benefit-cost ratio	100	Project with the highest B-C score 100, others are prorated
Economic Impacts	# of jobs created or saved	20	Project with highest job potential score 20, others prorated
Environmental Impacts	No adverse impacts or enhance environment	15	Project with no adverse impacts score 10, if it enhances the environment, 15
Management of Port	Return on Investment	20	Port with highest ROI for the last five years scores 20, others prorated
<b>Total Points Possible</b>		<b>200</b>	

Source: Port Priority Program

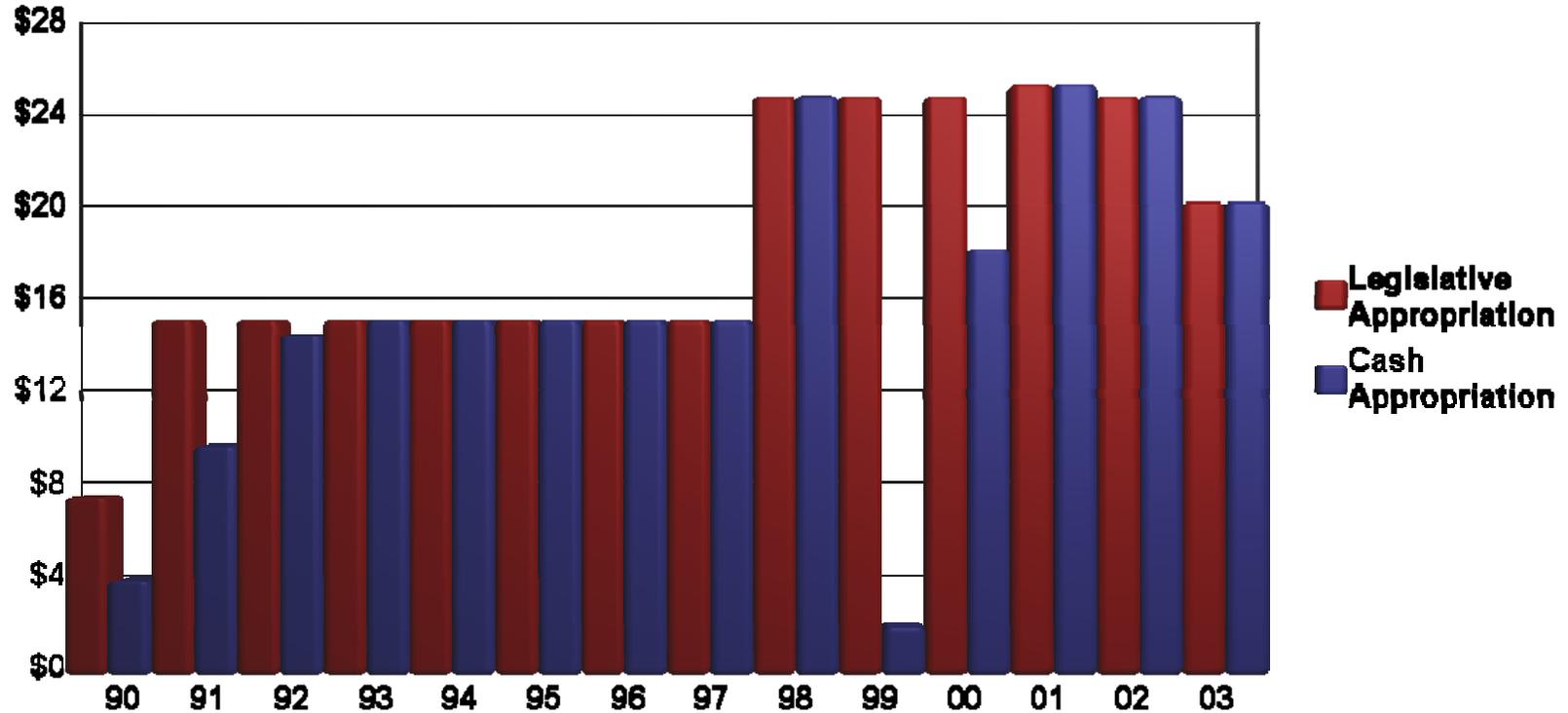


# Provide Solid Funding Base



# Provide Solid Funding Base

**Port Construction and Development Priority Program**  
Dollars In Millions



Source: LA Dept of Transportation and Development

# Provide Solid Funding Base...

## State Comparisons

### Mississippi

Legislature funds specific projects i.e., \$20 M in state bond funds for channel and harbor improvements at Pascagoula. Gulfport has a \$500 M Development Program and receives \$9 M annually in Casino leasing fees.

### Alabama

State supports its ports with a \$100 M in Port Revitalization Plan, approved by voters in November 2000

**Texas** — Texas ports are empowered to fund capital projects with property tax levies. Harris County recently invested \$387 M from property taxes in the Houston Port producing 28,000 permanent jobs and \$633 M in economic impact .

### Florida

State funds port transportation projects through the Florida Seaport Transportation and Economic Development Program. Program is a 50-50 matching program. Miami currently has \$170 M in projects for the Cruise Industry.

# Provide Solid Funding Base...

## Estimated Investment Needs

Source of Funds	Year 2002		Year 2007	
	\$000s	Share	\$000s	Share
Port Priority Program	\$24.5	7%	\$50.0	9%
Capital Outlay Program	\$17.0	5%	\$17.0	3%
Self Generated Funds	\$91.0	24%	\$127.0	24%
<b>Subtotal</b>	<b><u>\$132.5</u></b>	<b><u>35%</u></b>	<b><u>\$194.0</u></b>	<b><u>36%</u></b>
Private Investments	\$244.0	65%	\$341.0	64%
<b>Total</b>	<b><u>\$376.5</u></b>	<b><u>100%</u></b>	<b><u>\$535.0</u></b>	<b><u>100%</u></b>

*Amounts in millions*

Source: Statewide Transportation Plan Update, Oct. 2002



# Invest in Louisiana's Future Economic Development

- **Establish Port Priority funding at \$50 M Annually**
- **Support funds for connecting roads and bridges**

A background image showing three construction workers wearing hard hats and safety harnesses, working on a large structure, likely a port or bridge. The workers are in the foreground, and the background is slightly blurred, showing more of the construction site.

# Louisiana Ports Can Deliver Economic Growth and Jobs in the Future

**\$32.9 Billion Annual Spending Impact**

**\$5.66 Billion Annual Income**

**270,000 Permanent Jobs**

**\$467 Million in Annual Recurring Tax Revenue**

**Environmentally Clean Industry**

A photograph of a boat on the water, spraying water into the air in three distinct jets: a large blue jet on the left, a white jet in the center, and a red jet on the right. In the background, a cityscape is visible, including a prominent cathedral with multiple spires. The sky is a clear, deep blue.

# **Ensure the Future of Louisiana's Ports**

**Invest in the Industry that  
Delivers Results**

**Support Effective State  
Funding of Our Ports**



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