NORTH CAROLINA
MARITIME Strategy

North Carolina Maritime Strategy Public Information Meetings

March 6, 2012	Supply, NC
March 7, 2012	Wilmington, NC
March 8, 2012	Morehead City, NC

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Study Goal and Outcome

Goal

- Analyze and investigate how ports can help with job creation and improve the economic situation for all of North Carolina.

Outcome

- The study will present a menu of options to the State so the best opportunities for future maritime development can be chosen.

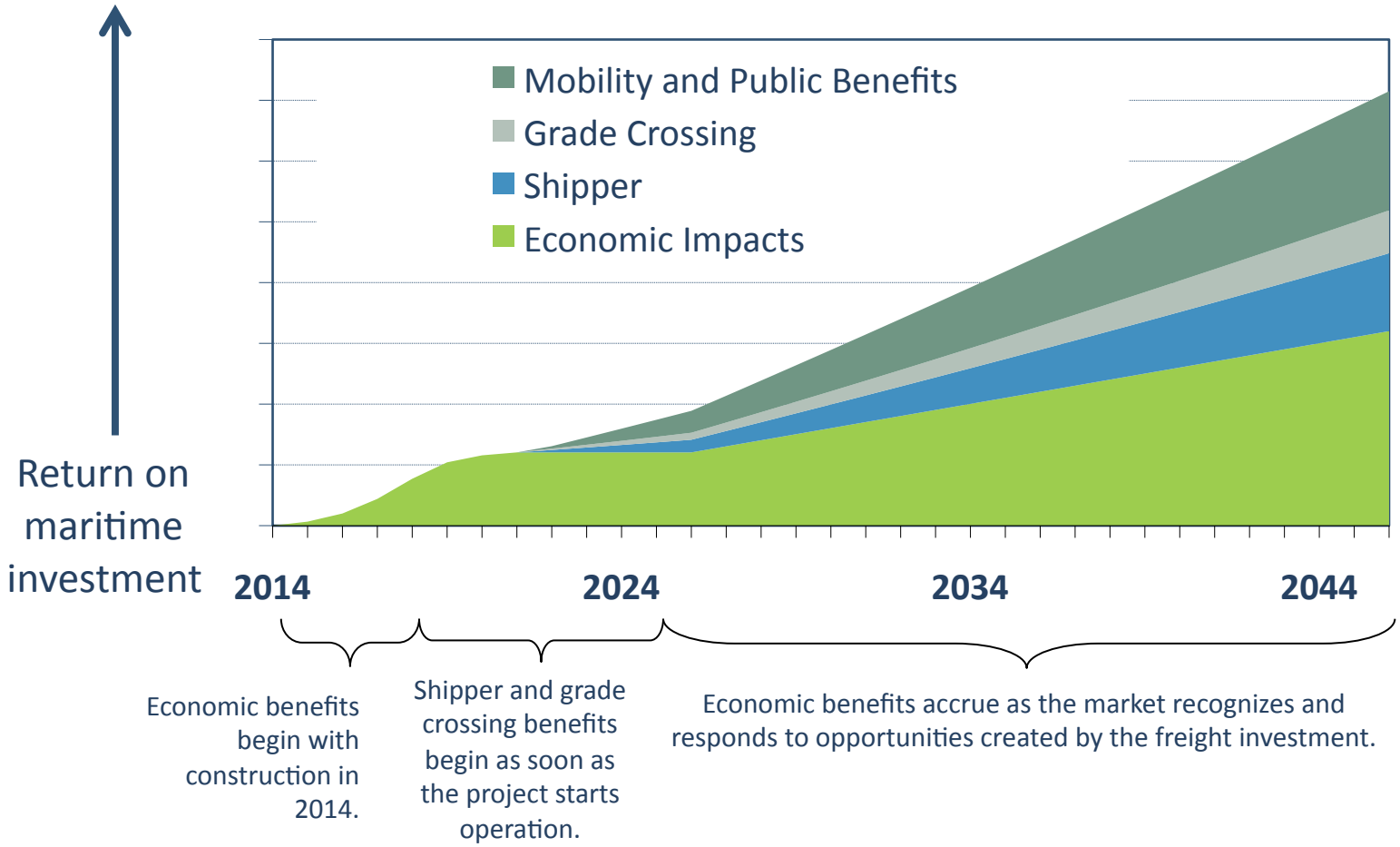
Maritime Study Scope

- Evaluate North Carolina's position, opportunities and challenges as a portal for global maritime commerce;
- Examine the role of North Carolina ports in sustaining and strengthening the State's economy;
- Obtain input from freight transportation, economic development, and community interests, and
- Identify specific strategies to optimize benefits received from the State's investments in port and associated transportation infrastructure.

Economic Role of NC Ports

- Despite presence other ports, NC Ports are an important portal for export and import of the state's goods
- NC agricultural producers, in particular, rely on NC ports
- Port of Wilmington and Port of Morehead City are designated as US Military strategic seaports
- The availability of import containers is important to exporters
- NC Ports and nearby private marine terminals offer strength in handling of bulk and breakbulk cargos
- NC Port operations are supported by revenues generated from shippers; the State does not subsidize its operation

Illustrative Timeline of Benefits and Impacts



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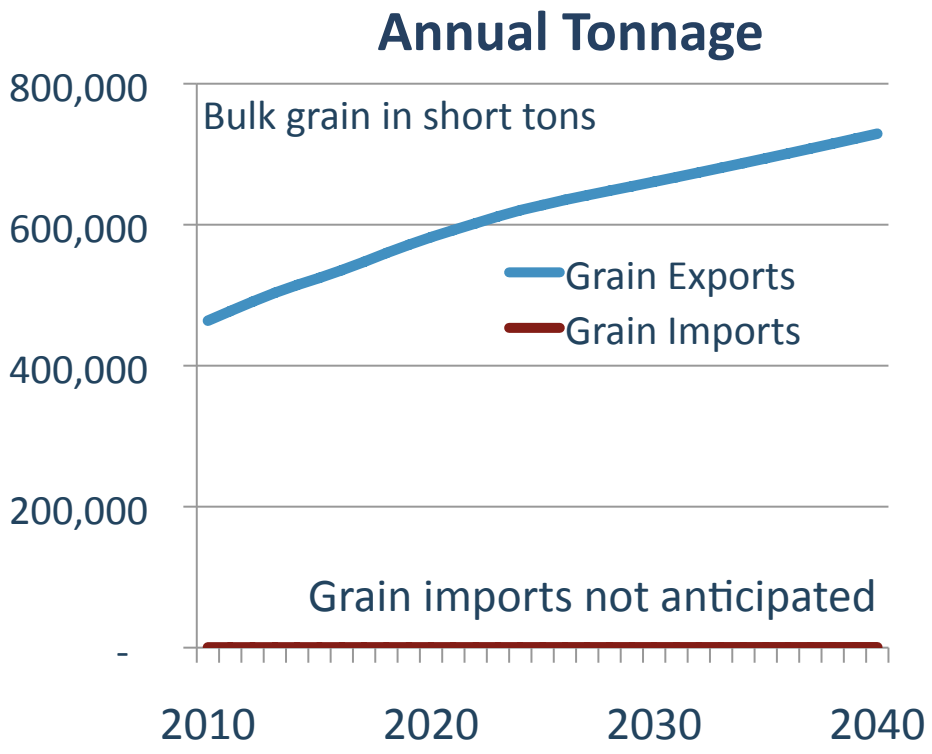
Grain and Soybeans



Source: AECOM, from IHS Global Insight projected growth and PIERS historical data

- Greater capacity to export grain and soybean through North Carolina ports would support State's existing strength.
- World demand for grain and soybean is projected to grow strongly, so increased exports would attract more income to the State.
- Potential for grain and soybean producers to export more at lower cost if closer in-state ports became an option.
- Currently there is no bulk grain terminal at either port to handle exports of grain and soybeans.

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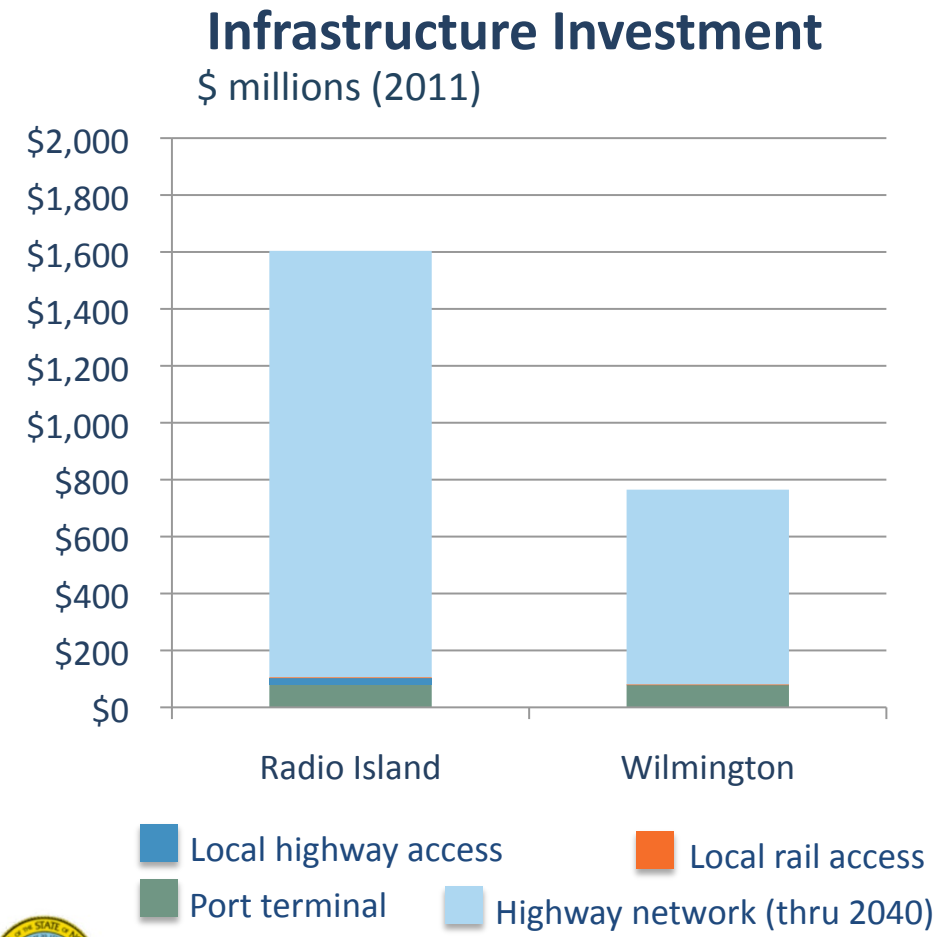
Grain and Soybeans

- Investments could realize economic benefits including:
  - $100 million in shipper savings and related supply chain benefits
  - $2.1 billion in travel time savings to non-freight users of improved highways
  - More than $56 million in savings due to reduced accidents, air emissions, and highway maintenance
- Economic impacts include:
  - 6,800 construction jobs (in job-years)
  - 140 permanent jobs statewide
  - Increased profitability of grain production to promote and retain food processing industry



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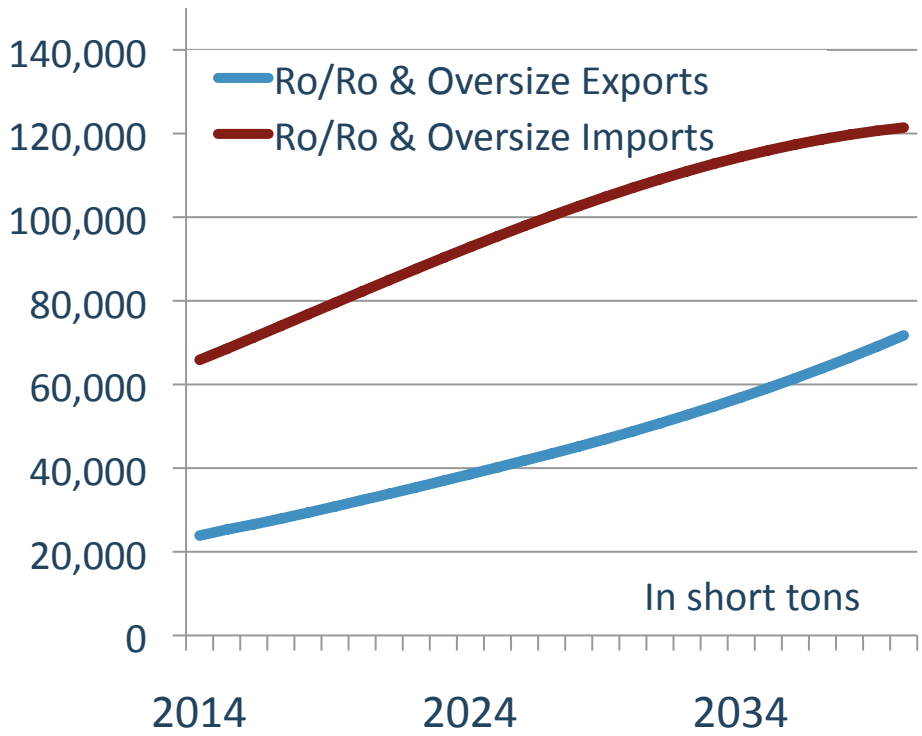
Ro/Ro and Oversize Cargo

Annual Tonnage



Source: AECOM, from IHS Global Insight projected growth and PIERS historical data

- Producers of manufactured goods, especially those who make large bulky products such as Caterpillar and Spirit AeroSystems, rely on port access to receive parts and to deliver products to customers.
- Opportunity includes wind power
- These are attractive employers because they not only hire workers directly, but they also make large purchases of goods and services from the economy, which also indirectly supports jobs.
- Requires port, road, and rail facilities that can handle large/heavy goods.

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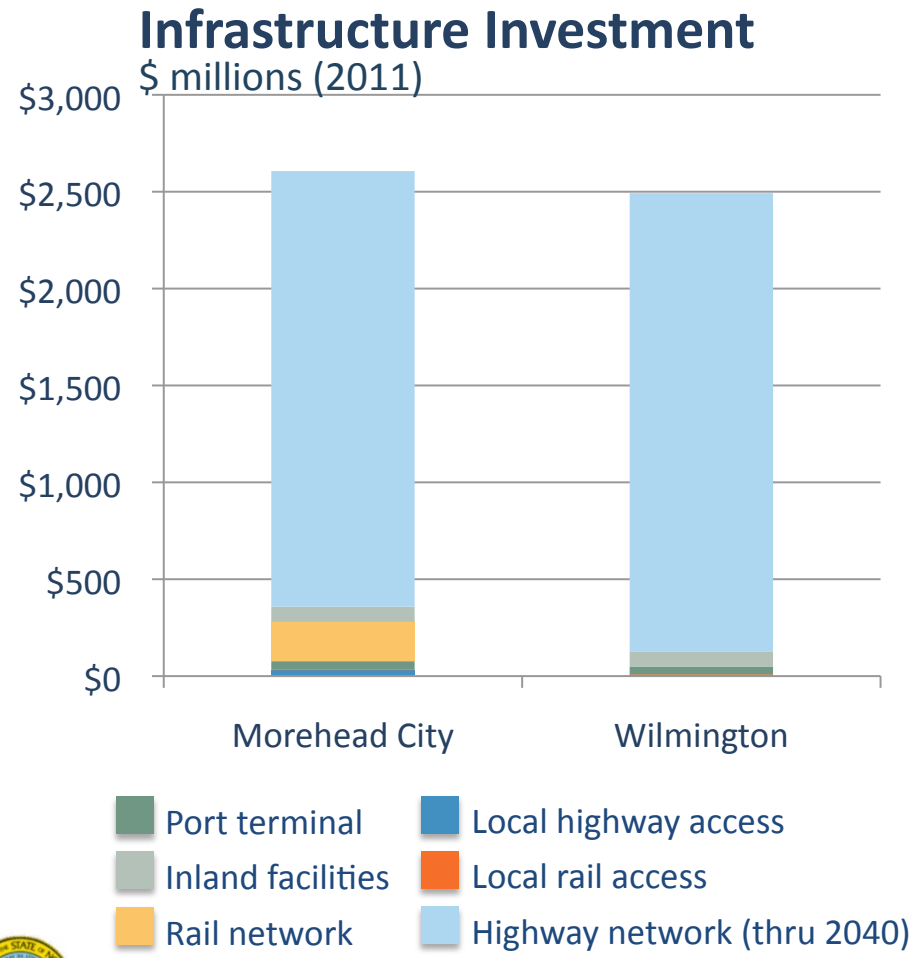
Ro/Ro and Oversize Cargo

- Investments could realize economic benefits that include:
  - $46 million in shipper savings and related supply chain benefits
  - $5.4 billion in travel time savings to non-freight users of improved highways
  - More than $60 million in savings due to reduced accidents, air emissions, and highway maintenance
- Estimated economic impacts include:
  - 10,000 construction jobs (in job-years)
  - 1,600 permanent jobs statewide



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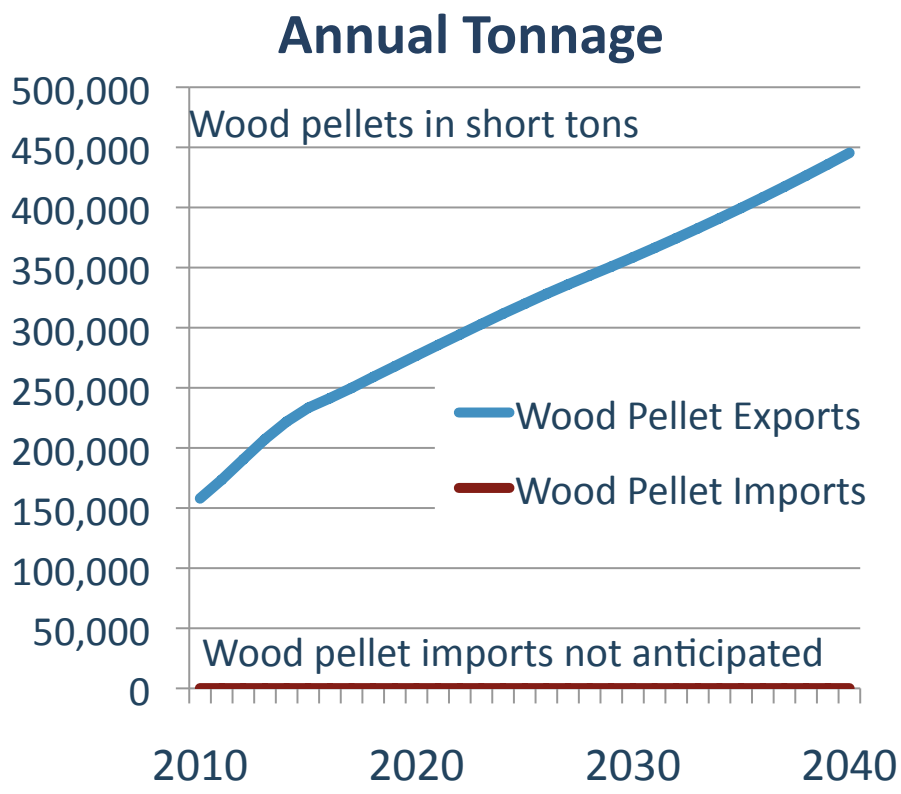
Wood Pellets



*Source: **AECOM, from IHS Global Insight projected growth and PIERS historical data***

- Assumes two small pellet facilities locate in the state and use in-state ports
- Industry input indicates significant upside opportunity for greater volumes
- World demand for wood pellets as a source of replenishable energy is expected to grow strongly in the next 10 years
- A new wood pellet export terminal would be required to support this market

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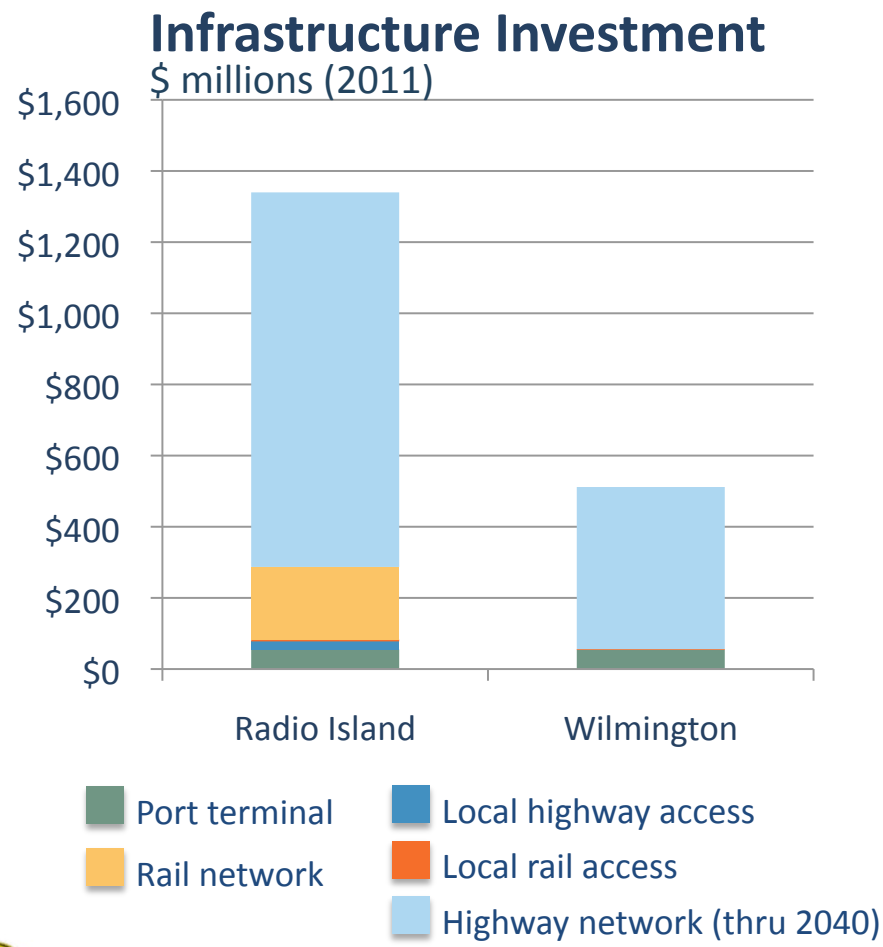
Wood Pellets

- Investments could realize economic benefits including:
  - $38 million in shipper savings and related supply chain benefits
  - $717 million in travel time savings to non-freight users of improved highways
  - More than $31 million in savings due to reduced accidents, air emissions, and highway maintenance
- Estimated economic impacts include:
  - 2,300 construction jobs (in job-years)
  - 175 permanent jobs statewide



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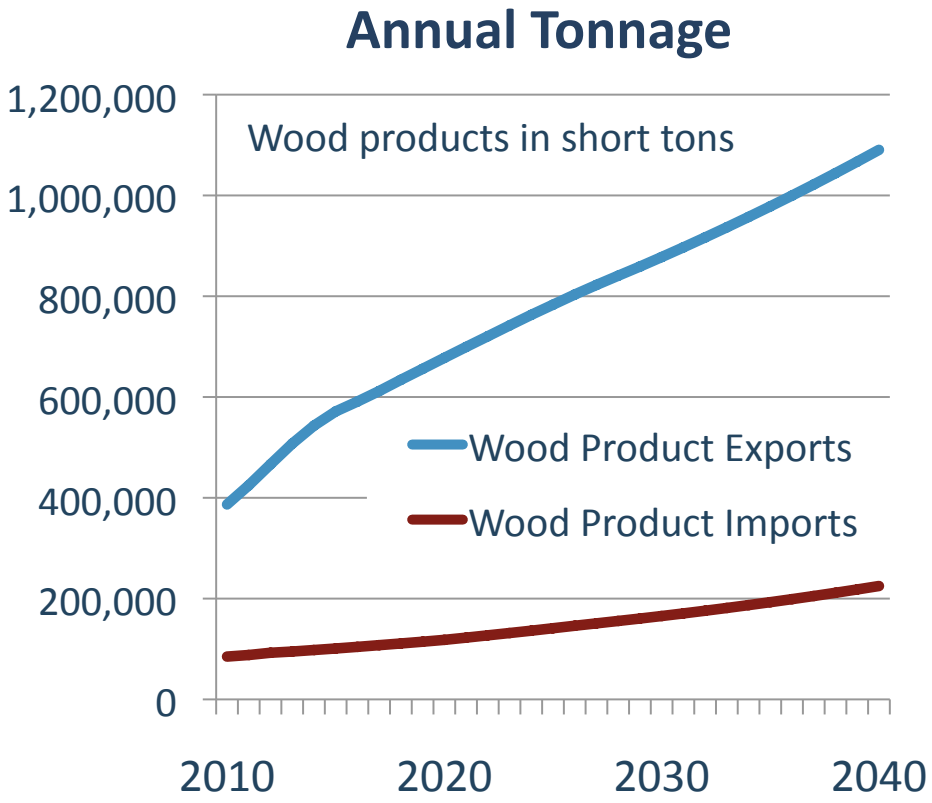
Other Wood Products



*Source: **AECOM, from IHS Global Insight projected growth and PIERS historical data***

- Increased export of wood products through North Carolina ports would support an important existing industry in the State.
- Projected demand could be handled within available terminal capacity at Port of Wilmington, or at Morehead City if on-terminal warehousing is relocated to nearby port property

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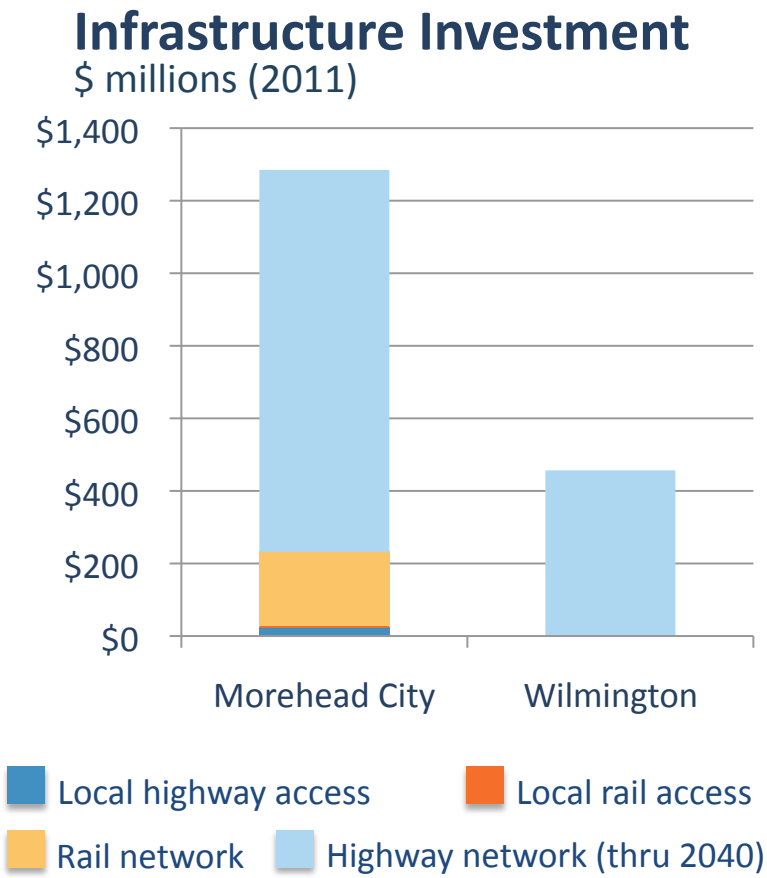
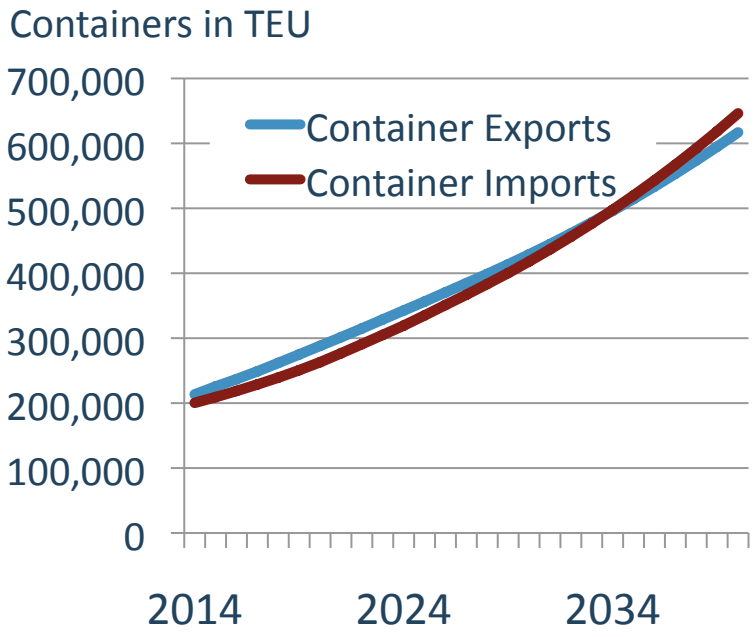
Other Wood Products

- Investments could realize economic benefits including:
  - $34 million in shipper savings and related supply chain benefits
  - $720 million in travel time savings to non-freight users of improved highways
  - More than $31 million in savings due to reduced accidents, air emissions, and highway maintenance
- Estimated economic impacts include:
  - 2,300 construction jobs (in job-years)
  - Support for jobs in existing wood products industry



Containers

Annual Volume



Source: AECOM, from IHS Global Insight projected growth and PIERS historical data

- Handling of containerized goods supports local export and import activities
- Existing Wilmington Container Terminal capacity is less than one-third of projected NC 2040 demand
- Attraction of increasingly larger container vessels would require channel depth of up to 51 feet to handle Neo Panamax ships
- Inland truck and rail access and distribution centers are import to meet shipper needs

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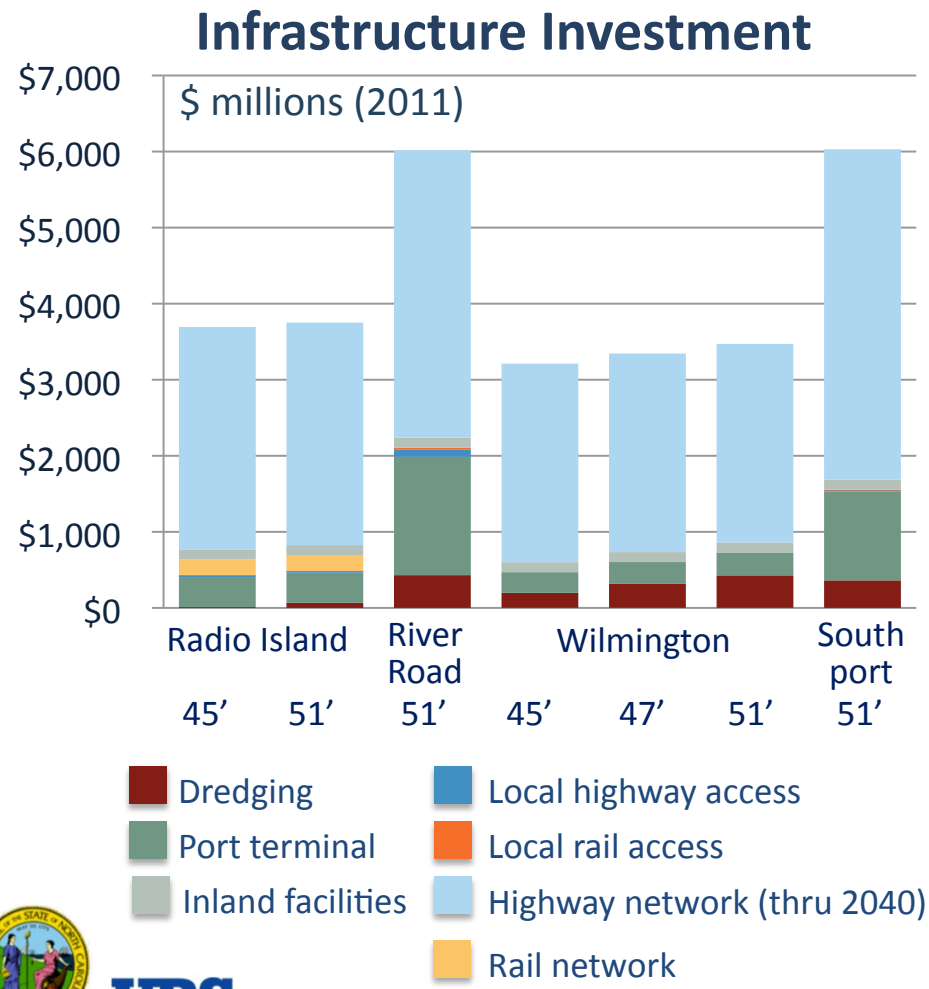
Containers

- Investments could realize economic benefits including:
  - $1.1 billion in savings to NC shippers that now use other regional ports
  - $78 million in additional supply chain benefits
  - $3.2 billion in travel time savings to non-freight users of improved highways
  - More than $253 million in savings due to reduced accidents, air emissions, and highway maintenance
- Estimated economic impacts include:
  - 24,000 construction jobs (in job-years)
  - 2,900 permanent jobs statewide



Source: ***AECOM/URS***

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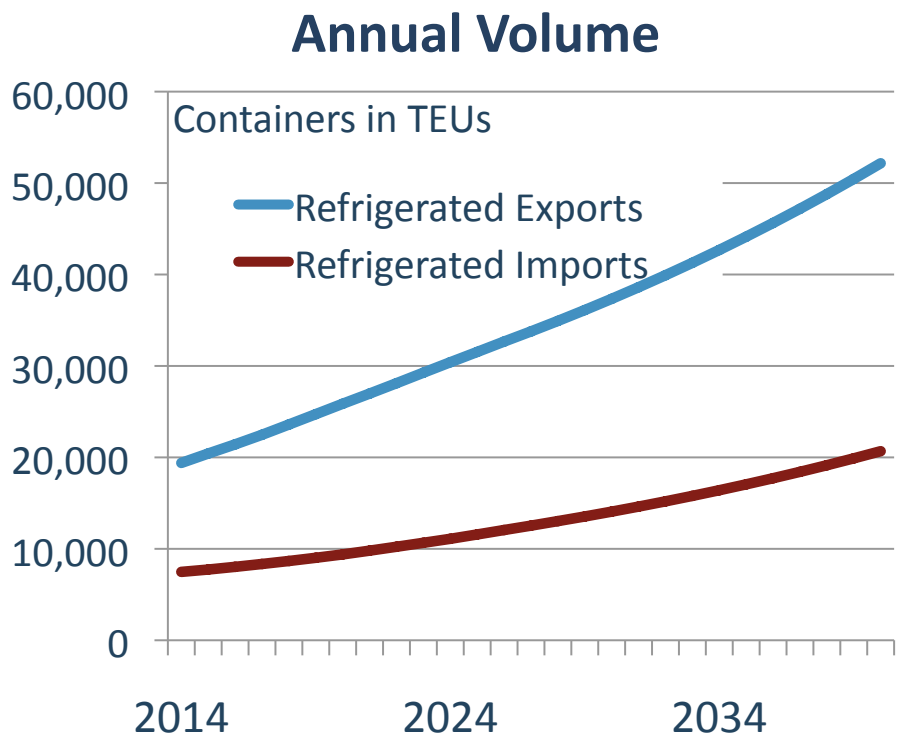
Refrigerated Cargo



Source: AECOM, from IHS Global Insight projected growth and PIERS historical data

- Serves a variety of markets—both agricultural and manufactured goods
- Requires cold storage facilities and plug-ins for refrigerated containers at or near the port
- Proposed **$24 million investment** in warehouse facilities could generate economic benefits and impacts including:
  - $136 million in shipper savings and related supply chain benefits
  - 1,000 permanent jobs statewide

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Next Steps

By the study team:

- Incorporate comments and input into final Maritime Strategy report.

By State of North Carolina:

- Integrate goals of the Maritime Strategy into statewide long range transportation planning
- Consider findings of the Maritime Strategy in updated strategic plan and near-term investment strategy for NC Ports
- Align proposed maritime investments with related State economic and environmental policies and objectives
- Advance one or more market opportunities in consideration of available funding and statewide priorities

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- For more information and to provide comments, please visit our website at www.ncmaritimestudy.com

- Please provide input by March 26, 2012

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