



# Select Committee on Strategic Transportation Planning and Long-term Funding Solutions

March 28, 2016

# Agenda

- **Current Status of Performance**
- **Morehead City Update**
- **Infrastructure Investment**
- **Intermodal Rail Capability**
- **Summary**

# Current Status of Performance



# Banner Year in FY 2015

- Broke Authority record in terms of number of containers handled (just under 300,000 TEU, 18% increase year-over-year)
- One of the fastest growing ports on the U.S. East Coast by container volume growth percentage
- New services, diversions, and lack of congestion have led to banner year
- Most profitable year in Authority history

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[JOC » Port News » U.S. Ports » North Carolina Ports Authority](#)

## Diversions, new services put Wilmington port on track for record year

Reynolds Hutchins, Associate Editor | Apr 22, 2015 3:16PM EDT

Wilmington port is on track for a record year in container volume, due in part to a slew of new services connecting North Carolina to Asian markets and some diversions from the U.S. West Coast.

Port congestion on the East Coast — the kind seen in Virginia, for example, over the past two months — could also be playing a hand, driving traffic to the port in southeast North Carolina.

In the third quarter, from January to March this year, Wilmington's container volume rose 16.8 percent increase year-over-year to 72,142 TEUs. In March alone, the port handled 27,606 TEUs, a 34 percent increase year-over-year.

Asia imports are driving that growth, according to data from PIERIS, a sister company of JOC.com within IHS Maritime & Trade. Imports from the Far East were up 89 percent in March year-over-year, and 49 percent higher than in February.

This fiscal year the port has already handled 223,332 TEUs, just 67,000 TEUs shy of the port's 2011 record.

Despite surging volumes, the port said it has also managed to remain congestion free. That could make it an attractive alternative to some shippers frustrated with delays at Virginia, where harbor truckers have reported hour-long waits at gates.

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China's JLL head bursts talk of warehouse supply bubble [International Logistics](#)

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Zim revises Gulf-East Coast of South America routes [Zim Integrated Shipping Services](#)

Cambodian port raising funds for new terminal as export demand builds [Asian Ports](#)

After 2014 boom, US heavy truck orders falling [Trucking Equipment](#)

Marine terminal operators risk losing automation race to outsiders [Terminal Operators](#)

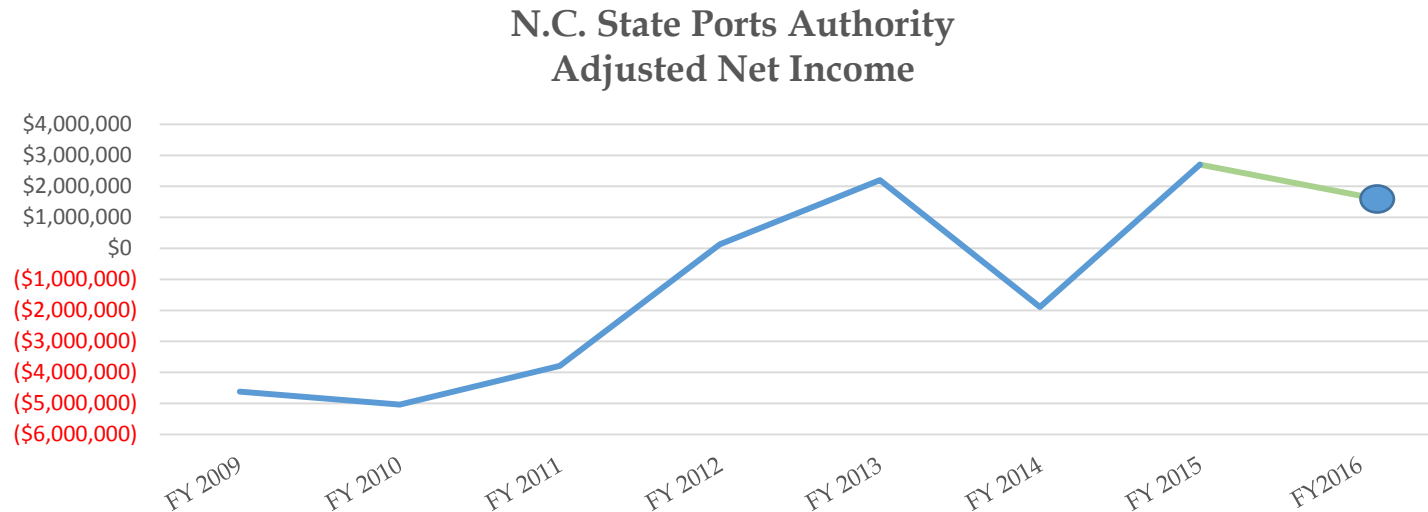
ILA-USMX 'exploratory' talks may become more tangible next month [International Longshoremen's Association](#)

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# Current Status of Performance

- Profit Driven



## Year to date

- **Forecasted Net income :** \$2.2M FY16 (\$2.4M prior year)
- **Volume:** Exports are decreasing due to affects of global economy – strong dollar
  - Containers: Same vs. last fiscal year, 8% higher in calendar YTD
  - General Cargo: 5% over prior year
- **Asset Sale:** Southport Marina

An aerial photograph of a large container ship docked at a port. The ship is filled with stacks of colorful shipping containers. In the background, a large gantry crane with the words "PORT OF WILMINGTON" is visible. The water is calm, and the surrounding landscape includes some trees and land. The entire image is covered with a semi-transparent blue filter.

# Morehead City Update

# Port of Morehead City

- Bulk, breakbulk, roll-on roll-off
- 128 acres, plus an additional 150 acres on Radio Island
- Navigation channel: 45' ft. M.L.L.W.
- 9 Berths with 5,366 ft. of wharf frontage
- One bridge crane, two gantry cranes, and one mobile crane
- NC Ports employees perform terminal operations
- More than 1 million sq. ft. of storage space
- Rail served by Norfolk Southern



## Fast, Efficient, & Low Cost

- Vessel reliability
- Crane productivity
- Gate productivity
- Favorable rates
- Overweight permits



# Port of Morehead City Commercial Advancements

- Total tonnage up 26% year-over-year (through February)
- Volume up 36% the year before



## Total Tonnage FY 2016

Month	Breakbulk	Bulk	Total
Jul-15	9,099	148,331	157,430
Aug-15	17,638	125,309	142,947
Sep-15	19,993	158,112	178,105
Oct-15	16,534	197,108	213,642
Nov-15	23,526	53,788	77,314
Dec-15	22,941	195,420	218,361
Jan-16	18,903	112,758	131,661
Feb-16	21,793	84,457	106,250

## Primary Cargoes

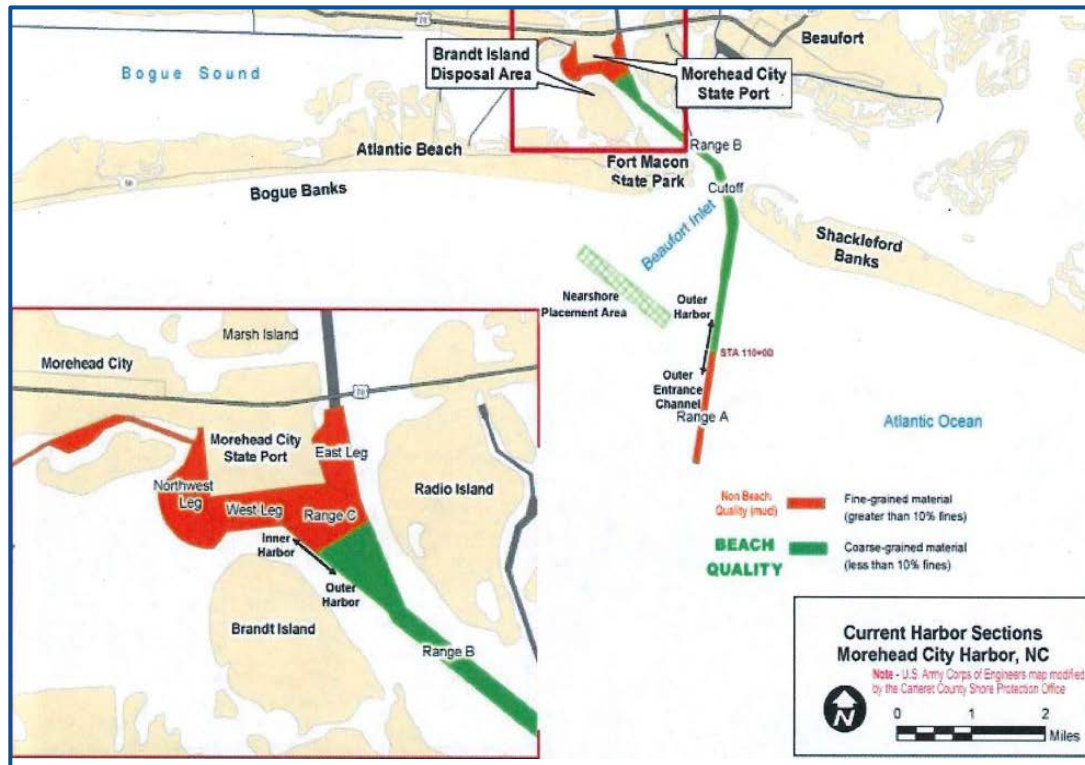
- Phosphates
- Woodchips
- Fertilizer (liquid and dry bulk)
- Natural Rubber
- Steel Products (finished and raw materials)
- Grain

# Port of Morehead City Moving Forward





# Morehead City Dredging



## Current

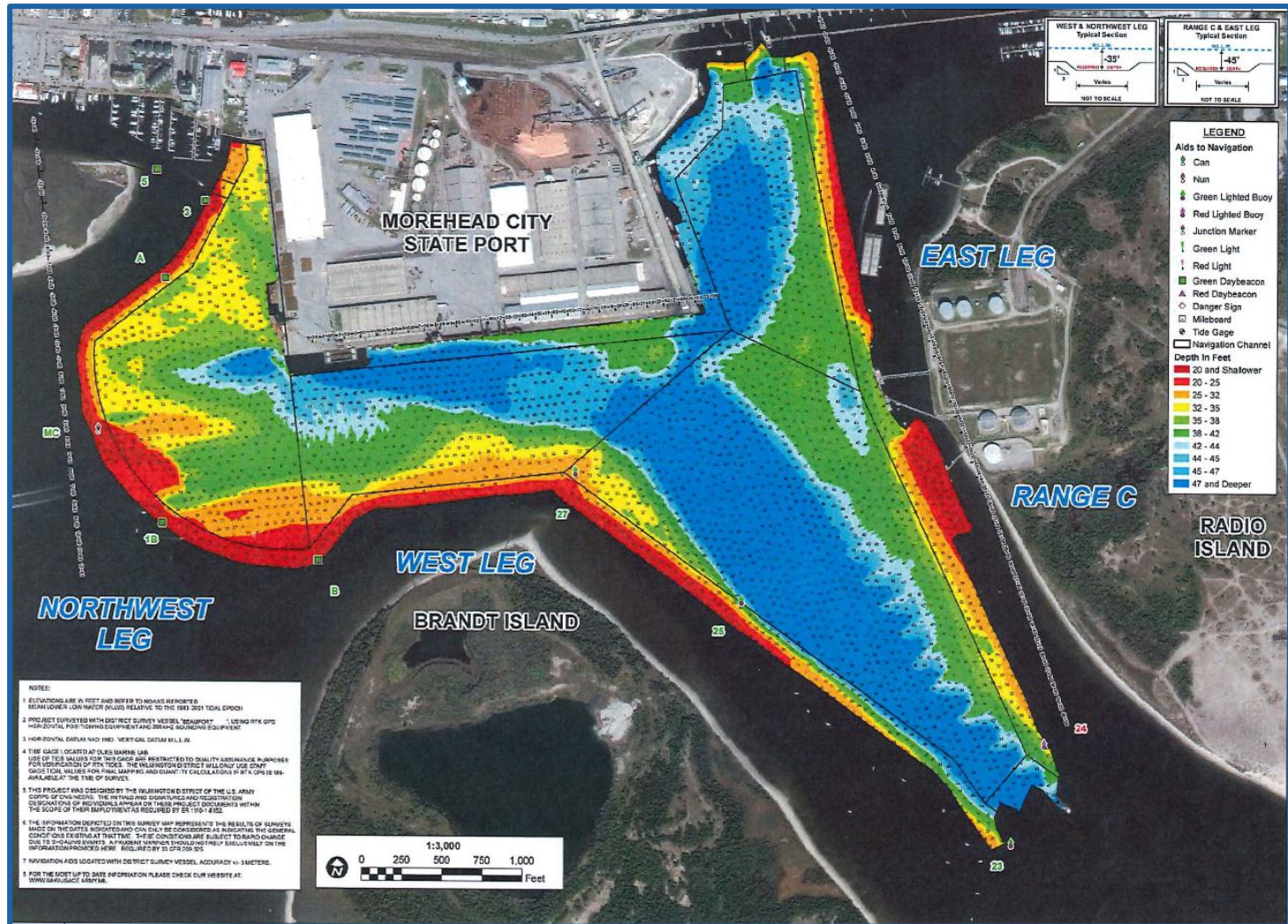
- Federal funding shortfall for required dredging
- N.C. Ports will fund inner harbor dredging (\$3.1 - \$3.5 million)
- Enables COE to utilize federal funds for outer harbor dredging

## Future

- COE forecasts shortfall based on current federal funding levels
- Longer term state involvement is necessary to cover shortfall



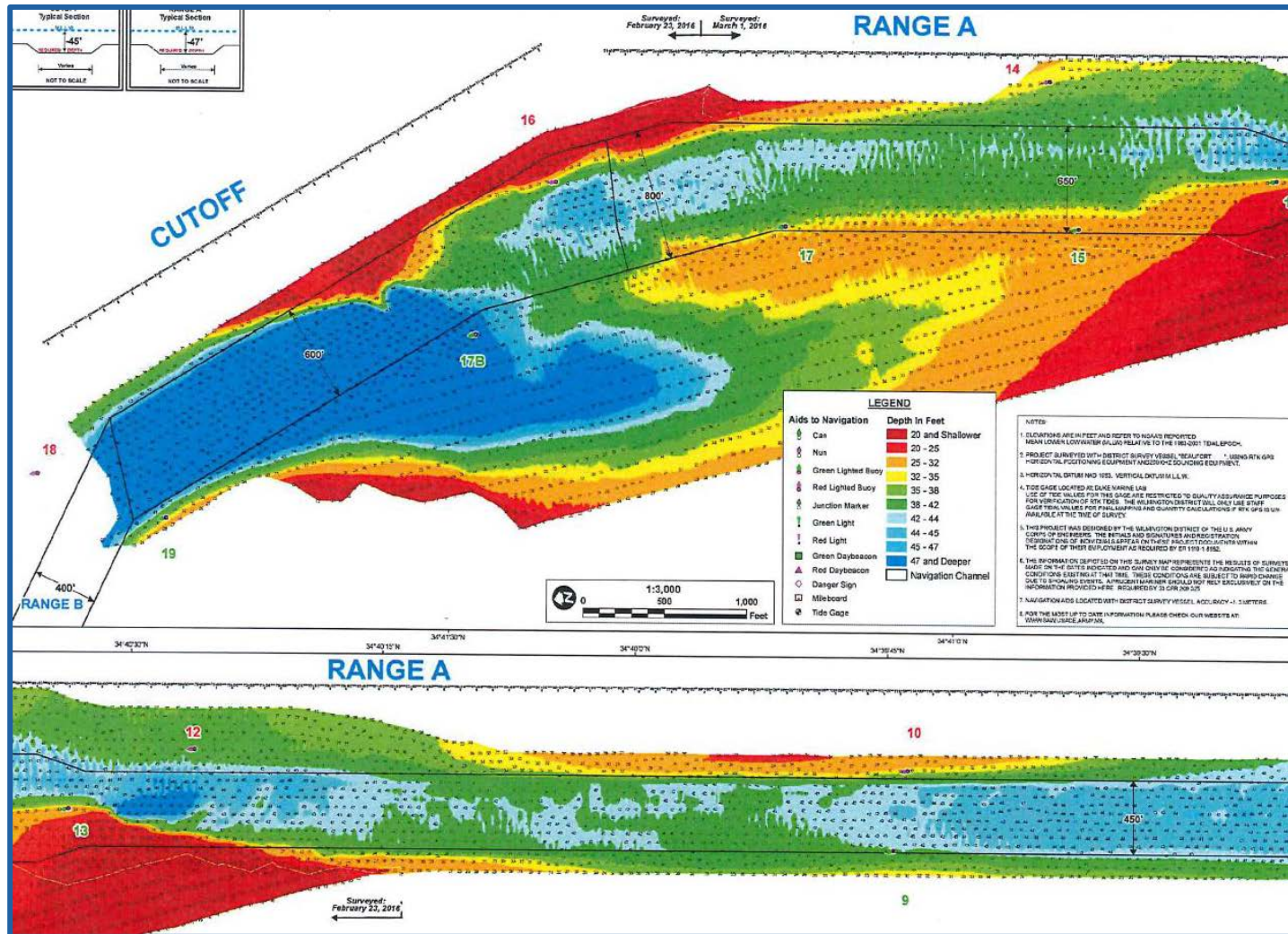
# Morehead City Inner Harbor Conditions



\* Source: U.S. Army Corps of Engineers Condition Survey 2/26/2016

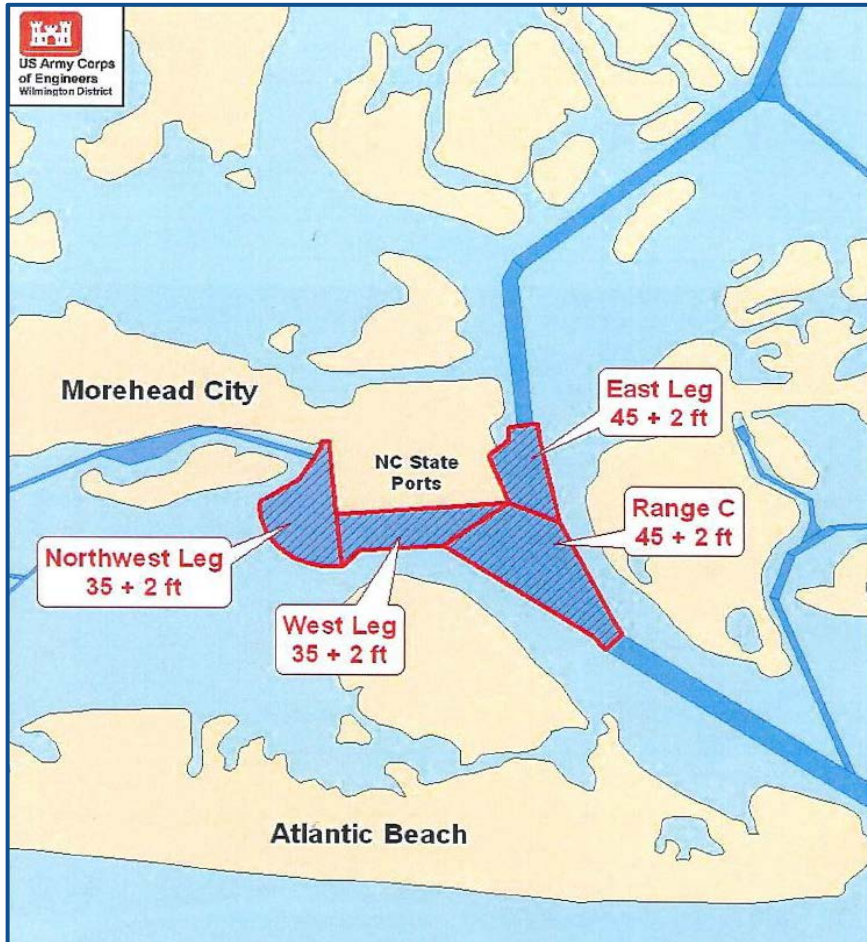


# Morehead City Cutoff & Range A Conditions



\* Source: U.S. Army Corps of Engineers Condition Survey (Feb/March 2016)

# Morehead City Dredging Funding Forecast



FY 16 Appropriations:  
\$8.7 M

FY 16 Work Plan:  
\$5.0 M

Non-Federal Funds (NCSPA  
MOA):  
\$3.1 M

**Total FY 16 Funding:**  
**\$16.8 M**

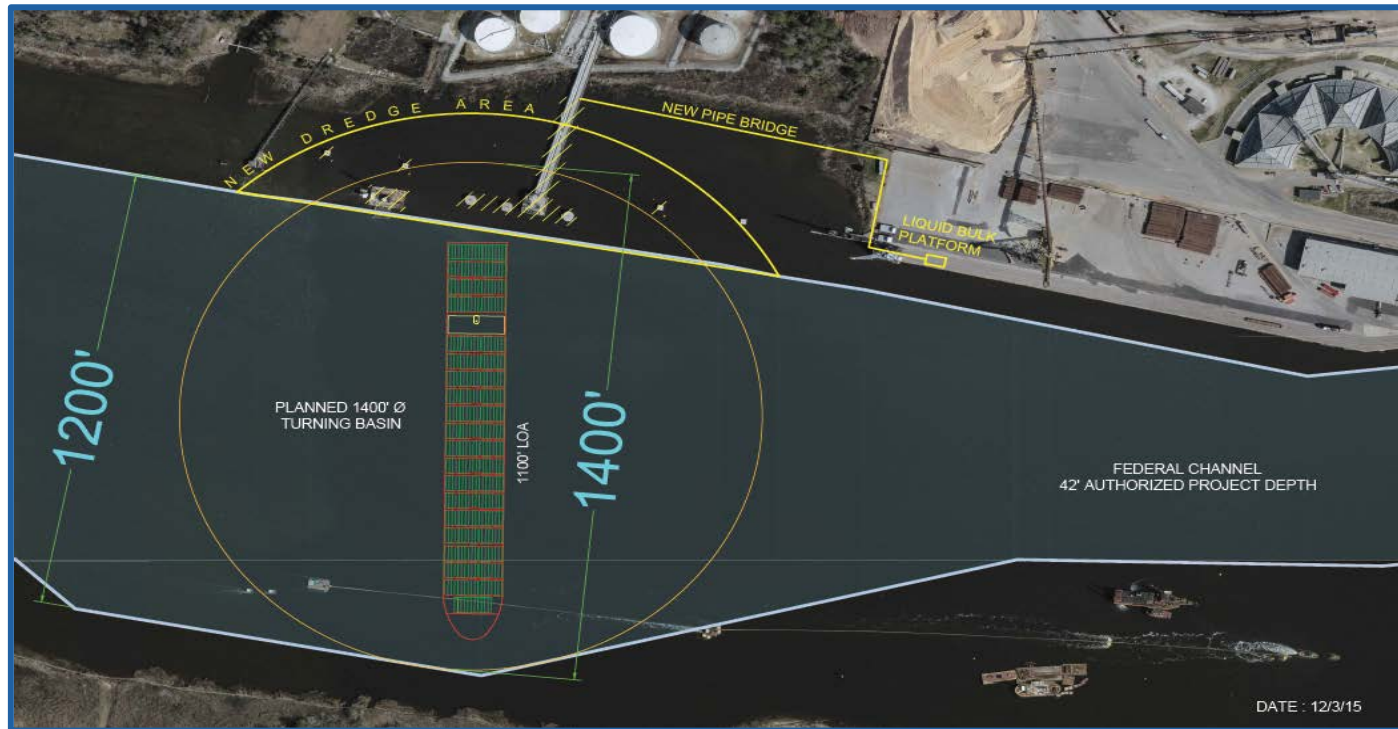
FY 2017 Appropriations:  
\$5.9 M



An aerial photograph of a large cargo ship docked at a port. A massive gantry crane, with "PORT OF WILMINGTON" written on its side, is positioned over the ship. The ship's deck is filled with numerous stacked shipping containers. The surrounding area includes a body of water and some land with sparse vegetation. The entire image has a blue color overlay.

# Port of Wilmington Infrastructure Investment

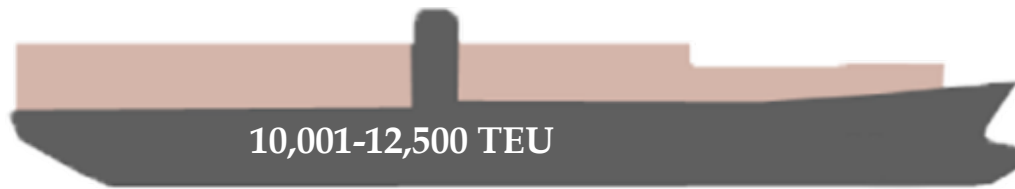
# Turning Basin Expansion Project



- All major regulatory permits obtained
- Construction bid awarded – Burgess Corp. (Jacksonville, NC)
- Panama Canal opening allows completion date to June 30, 2016



# Container Shipping Specifications



10,001-12,500 TEU

Length: 1,200+ ft (366+ m)  
Beam: 161-170 ft (49-52 m)  
Designed Draft: 45-50 ft (13-15 m)



8,001-10,000 TEU

Length: 984-1,100 ft (300-335 m)  
Beam: 158-161 ft (48-49 m)  
Designed Draft: 41-48 ft (12-14m)



4,501-8,000 TEU

Length: 965-984 ft (294-300 m)  
Beam: 141 ft (43 m)  
Designed Draft: 41-45 ft (12 -14 m)



3,400-4,500 TEU

Length: 951-965 ft (290-294 m)  
Beam: 105 ft (32 m)  
Designed Draft: 41 ft (12.5 m)

\* Most vessels that arrive at the Port of Wilmington do not arrive at designed draft

# Port of Wilmington Infrastructure Investments

- Berth 8 replacement project
- Purchase new post-Panamax container cranes
- Capability to operate two post-Panamax vessels simultaneously
- Estimated completion December 2017





# Cape Fear River Channel



- Study underway with U.S. Army Corps of Engineers to complete navigational improvements to the channel, including deepening the Cape Fear River basin
  - Long-term viability requires channel improvements
    - Neighboring ports well underway

# Infrastructure Investment

## **Berth 8 Reconstruction & Related Upgrades (\$53 - \$58 million)**

- Replace 645 ft x 200ft of dock structure
- Includes 645 ft of new landside crane rail
- 272 ft extension of 50 ft gauge rail
- Rail extension to Berth 6 with partial removal of T-7
- Structural improvements to waterside crane rail on Berths 7 and 9

## **Post-Panamax Container Cranes (\$32 - \$36 million)**

## **Turning Basin Expansion (\$21-25 million)**

- Relocate liquid bulk pier and dredging at east side of turning basin

## **Morehead City Dredging (\$3.1 - \$3.5 million)**

- NCSA funding current year's inner harbor dredging

## **Wilmington Harbor Study (\$1.4 million)**



# Intermodal Rail Capability

# CSX's Central Carolina Connector (CCX)

CCX will be a transformational, state-of-the-art intermodal rail terminal in Eastern North Carolina which will serve as a major transportation hub in the Southeast





# Central Carolina Connector benefits to N.C.



## Economic Development Opportunity

### A transportation “hub” in the mid-atlantic region

- Catalyst for distribution centers, warehouses and logistics consolidators
- Manufacturers near CCX – competitive advantage
- Reduce traffic on interstates and highways (I-95/I-85/I-40)
- Improves safety and reduces emissions for freight traffic

### N.C. Ports Advantages – Intermodal

- Direct rail to Charlotte
- Direct access to CCX hub – premiere service over southeast ports

Recent N.C. Ports  
Customer Survey –  
90% want intermodal  
service



# Summary

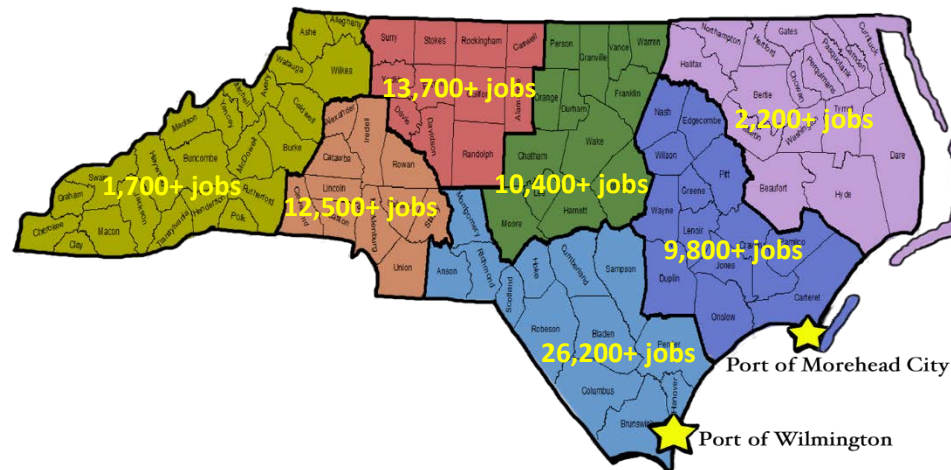


# Part of an Integrated Transportation Network





# Ports Support N.C.



North Carolina jobs provided directly or indirectly by the ports statewide  
76,700 +

Annual tax revenues gained through the ports for the statewide economy  
\$707 million +

Annual economic contribution to the state's economy associated with goods moving through N.C. Ports  
\$14 billion +

*Economic Contribution of the North Carolina Ports*  
Institute for Transportation Research and Education, N.C. State University

# North Carolina Ports Advantages



## Unmatched Performance

- One of the highest crane productivity rates in the South Atlantic
- Second to none truck turn times



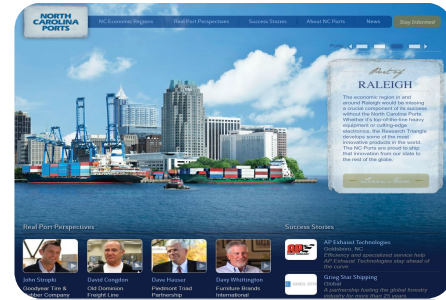
## Velocity Leader

- Fast, seamless service from the berth, to the yard, to the gate
- Lack of congestion



## Cost Efficient

- We offer cost competitive solutions to our customer base



## Impeccable Service

- Accolades from customer base

# Imagine Your Future Here







# NORTH CAROLINA PORTS