

Race to the bottom is on for East Coast ports

Maryland Daily Record

February 7, 2011

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SAVANNAH, Ga. — When Savannah welcomed the largest cargo ship ever to call on its booming seaport, the visiting vessel barely fit. The Figaro had to sail in loaded at only half-capacity to avoid scraping the river bottom, and even then could navigate the shallow channel only at high tide.

East Coast ports from New York to Miami simply aren't deep enough to handle vessels as large as the CMA CGM Figaro, which is 1,100 feet long and has space for 8,500 cargo containers, which a tractor-trailer can haul only one at a time. With a major expansion of the Panama Canal projected to be finished by the end of 2014, these gargantuan vessels will be able to sail much more quickly between Asia and the U.S. East Coast.

The canal expansion is pitting seaports up and down the Atlantic coast in a race to dig deeper harbors capable of handling the post-Panamax ships.

"It's going to almost triple the size of the vessels that are going to be able to transit the canal," said Kurt J. Nagle, president of the American Association of Port Authorities. "I don't think it's overhyped to say it's a game changer."

The post-Panamax ships require water up to 50 feet deep when fully loaded. Only one East Coast seaport — Norfolk, Va. — is that deep. Other ports are scrambling for federal permits and hundreds of millions of taxpayer dollars to scrape and suck tons of sand and mud from their bays and river bottoms.

Maryland took a different tack — agreeing in November 2009 to lease the state-owned Seagirt Marine Terminal to a private port operator that is now responsible for the construction of a berth large enough to accommodate post-Panamax freighters.

Ports America Chesapeake is scheduled to finish the 50-foot berth — the Port of Baltimore already boasts a 50-foot channel from the Chesapeake Bay to the harbor — and install four extra-large cranes by August 2012. The state values the 50-year lease deal at up to \$1.8 billion.

The port of New York/New Jersey, the busiest on the Eastern Seaboard, has a \$2.3 billion project under way to deepen its harbor to 50 feet. But the Bayonne Bridge spanning the shipping channel is too low for the biggest ships, and port officials say at least \$1.3 billion more is needed to raise the span.

Savannah, the nation's fourth-busiest container port and No. 2 on the East Coast, wants \$588 million to dredge 6 feet from the Savannah River along 35 miles between the ocean and the city's port. The federal government would pay about two-thirds of the bill, but first the Army Corps of Engineers needs approval to start the project, which is expected within the year.

"This is a project that has significance not just for this area of the state or the state itself, but for the entire Southeast," Georgia Gov. Nathan Deal said during a Jan. 28 visit to the Savannah port.

Dock workers at the Savannah port, 240 miles from Georgia's state Capitol, are doing their part to help push for deeper water. When the Army Corps held a recent workshop in Savannah to gather public comment on the project, the local chapter of the International Longshoremen's Association had 600 port workers show up to voice their support.

Christopher Johnson, a second-generation longshoreman and one of the union's 1,700 Savannah workers, said larger ships carrying more cargo should translate to more workers needed to unload them. But Savannah could lose jobs, he said, if it doesn't dredge and its competitors do in nearby Charleston, S.C., and Jacksonville, Fla.

"If we don't get the project done, we're afraid the ships may go to other areas," said Johnson, 46. "Our workload depends on the ships coming up the river. If the ships don't come, we don't eat."

Meanwhile, South Carolina officials are seeking \$400,000 in federal money for a feasibility study by the Army Corps to determine if it can deepen the Charleston port from 45 to 50 feet. Charleston is the East Coast's fourth-busiest container port, and No. 12 nationally.

Miami's port already has permission to dredge and is asking for \$75 million to start the project's first phase. Studies are under way to deepen two other Florida ports, Fort Lauderdale's and Jacksonville's.

"Certainly every port is counting on it having a big impact," said Bernard Groseclose, former chief executive of South Carolina's seaports who now works as a private consultant. "Everyone is telling the same story: 'We're getting ready for the Panama Canal expansion.'"

But getting money may have just gotten tougher.

Federal dollars used for dredging and the studies required to approve those projects typically get added to congressional budget bills as "earmarks" — line items requested by individual lawmakers to benefit their districts back home. Yet earmark spending was widely denounced as government waste in the 2010 elections that swept Republicans back in control of the U.S. House.

As a result, GOP lawmakers in both the House and Senate have sworn off earmarks for the time being. It's not clear how else port projects would obtain federal money.

"It has the potential to have a dramatic impact," said Nagle, who insists port projects aren't wasteful. "There clearly is a distinction between these types of projects and what is typically the target of the ban."

Nagle and Groseclose agree that not all ports seeking to deepen their harbors will get approval — and neither thinks every U.S. port needs to be deep enough for the largest ships.

But some are questioning how the federal government decides which projects move forward.

In studies finished last November that recommend deepening Savannah's harbor, the Army Corps of Engineers concluded that the project would have economic benefits for the nation as a whole — the benchmark for the agency's approval.

But what the Army Corps hasn't done is take a comprehensive look at all East Coast ports to determine how many should be dredged to post-Panamax depths and which would reap the most benefits for the best price.

"The Corps is evaluating the cost and benefits of these individual proposals in a vacuum," said Chris DeScherer, an attorney for the Southern Environmental Law Center. "Where does it make the most sense on the East Coast to have a deepwater port? Where does the American taxpayer get the most bang for his buck with the least environmental impact?"

The Army Corps said it hasn't done a broader study to compare ports, in part because no one has asked.

The Corps doesn't have the authority to initiate port studies on its own.

"To date, there has been no request by the ports or Congress to undertake a comprehensive study," said Jim Walker, chief of the Navigation Program for the Army Corps of Engineers.