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Abstract: This article reports that Georgia's two deepwater ports, Savannah and Brunswick, with a \$35-billion impact, have boon consistent bright spots in the state's economic picture. It is reported that technological innovations have made the ports efficient enough to speed up the works considerably. The rapid transfer of container cargo reduces turnaround time and ensures carriers their ships will not have to leave the port empty, both important cost considerations. Such efficiency is just one factor in the complicated formula that has made Savannah one of America's most successful ports.

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Safe Harbors

Georgia's two deepwater ports, Savannah and Brunswick, with a \$35-billion impact, have boon consistent bright spots in the state's economic picture.

On a sunny fall morning, the 720-foot cargo ship Zim Florida rested in a berth at the Ocean Terminal in the Port of Savannah. The Liberian-registered vessel was taking on cargo at its stern while at the bow hundreds of large metal containers filled with goods were being off-loaded by giant cranes.

"When I first came to work 28 years ago, it would have taken us three to five days to unload that ship," says Greg Lamb, operations manager at the Ocean Terminal. "Now we can do it in about eight hours."

The rapid transfer of container cargo reduces turnaround time and ensures carriers their ships will not have to leave the port empty, both important cost considerations. Such efficiency is just one factor in the complicated formula that has made Savannah one of America's most successful ports.

"Speed is certainly one thing your customer is looking for, no doubt about it," says Doug Marchand, executive director of the Georgia Ports Authority (GPA). "Without that and the efficiency of the cranes, the modern yard equipment, trained work force and good technical assistance, we couldn't have the traffic we have." That traffic — the ships of the ocean, the trucks of the highways — has vaulted Georgia's ports to a position of prominence and value as a premier revenue and jobs source for a state that has struggled with a slumping economy.

Making Ripples

The public relations mantra of the Georgia Ports Authority is a simple one: "We make jobs everywhere in the state." It would be difficult to challenge that claim. In April, the University of Georgia's Selig Center for Economic Growth issued a report stating the state's two deepwater ports at Savannah and Brunswick, "directly and indirectly supported 275,069 jobs" in Georgia; jobs that land quietly in all corners of the state.

Last year Fulton County (Atlanta) recorded \$3 billion in export and import trade tied directly to the docks and vehicle boarding ramps of the ports in Savannah and Brunswick, according to a survey by the Georgia Chamber of Commerce. The import/export trade was worth \$1.3 billion to Cobb and Gwinnett counties. Augusta's Richmond County accounted for \$112 million in imports alone brought through these deepwater ports, the survey said. The more than \$16 million in food and fabrics exported by Southwest Georgia's Early County (Blakely) created jobs there.

Follow the money generated by the state's ports and you will find \$35.4 billion in sales, some 7 percent of all Georgia sales, according the UGA report. The ports provided \$10.8 billion in income and produced \$1.4 billion in state and local taxes last year, continuing a growth trend reaching back more than a decade. Year by year, and in every category, Georgia's deepwater ports are growing and setting new records in volume. And the future is laden with promise.

On the fall day the Zim Florida was about to leave port, the GPA's Marchand was delivering his State of the Port Address and telling 600 members of Savannah's business and government communities that studies were projecting growth of 150 percent at the Savannah port alone within the next 15 years. Construction of a new container berth is under way and will add 11,000 jobs in Georgia and increase the port's capacity by 20 percent, Marchand says. New business is coming, he notes. But then, the port at Savannah has always been busy and important.

The Port of Savannah was established in 1733 to export wire, hemp, flax, potash and silk to England. A century later, the Army Corps of Engineers began dredging the Savannah River to accommodate the deeper drafts of ships. By 1855, Savannah was seeing exports of \$20 million, most of it cotton. By the end of the 19th century, Savannah was an important multi-modal hub. A popular 1891 print of the port shows more than 20 ships in the river or docked, with nine trains serving the warehouses along the shore.

In 1945, the legislature established the Georgia Ports Authority "to operate state owned facilities" and "...to do any other things necessary or proper to foster or encourage the commerce of the state..." Since then, the two deepwater ports and the river ports of Bainbridge and Columbus have played significant roles in statewide commerce.

Today, the Port of Savannah stays busy with imports of shoes, televisions, lounge chairs and pottery, and just about anything that might be found in a Wal-Mart or Home Depot.

The port saw nearly \$3 billion worth of minerals, metals, ores and chemicals arrive during FY 03-04.

The Port of Savannah's recent string of record-breaking years is due in large part to continued investment in portside shipping technology, like the cranes used to load and unload cargo containers. The GPA headlines the new equipment as "the biggest cranes in the world" and "the first port cranes of their kind." With 2,261 ships calling on Savannah and Brunswick last year, and more expected this year and next, such machinery delivers the speedy cargo handling that permits traffic here to grow.

Far Horizons

And there are other opportunities on the horizon. Marchand estimates that by 2007, 33 percent of the world's fleet will be Post-Panamax size — that is, too large to pass through the Panama Canal. Such ships traveling from Asia to a U.S. East Coast port would only be able to use the Suez Canal, a longer and more expensive route. The GPA is now studying the means of accommodating these seagoing giants.

Still, according to the GPA, traditional vessels that can use the Panama Canal are under construction now in a kind of cargo capacity boom. With the greatest growth in shipping expected to come from the emerging economies of Asia, led by China, Georgia is set to take a leading role in snaring those markets thanks to another GPA asset, aggressive marketing.

Last year, Savannah hosted the first U.S.-China Conference ever held on the East Coast. It made sense for Savannah to play such a role; the port is after all the second largest U.S. East Coast port serving the Asian trade, with only the Port of New York/New Jersey handling more of the cargo from that region. The largest part of

the Asian cargo is from China and the country is a handsome target for GPA marketers eager to reroute that business away from the West Coast through the Panama Canal and to Georgia ports.

"I want to get that Los Angeles and Long Beach cargo and bring it to Georgia," Marchand says. "And we're doing that." But there is a problem; the Panama Canal needs improvements to handle the new generations of larger ships. "The Panama Canal locks need to be deepened, widened and lengthened," Marchand says.

"The Canal is 100 years old and needs to be modernized and we think that will happen in the foreseeable future."

And before that happens, the, deepwater ports will need improvements as well. The lengthy process of taking the Savannah River six feet deeper to 48 feet is now under way.

Savannah services 12 major distribution centers for retail giants like Home Depot, which has a 1.4 million-square-foot warehouse with 100 truck bays sitting just three miles from the Savannah port. With the specter of continued growth looming real and large, Marchand sees the need for an increase of up to 40 million square feet of warehouse space to be added to the Port of Savannah's present access to storage areas totaling 9 million square feet.

The history of the Savannah port's success has taught local economic developers to run ahead of the growth. "We have about 18 million square feet in Savannah and Chatham County right now, and we're continuously working on locating [other] sites and briefing

local politicians on anticipated needs," says Rick Winger, president of the Savannah Economic Development Authority. "We need warehousing to match the port's growth and we've been handling that end of the equation." Warehouses and distribution centers are magnets for shipping lines and their clients.

Winger says recent investments in road improvements, such as an interchange and overpass near the port, will also spur local economic development. "The average citizen doesn't notice these things or connect them to the port, but they are out there and they are important to the port," Winger says. "These roads connect the port to a collection of [industrial] parks and warehouse facilities where there are jobs."

The Big Picture

Few economic developers see the statewide picture of the ports' impact better than George Israel, president and CEO of the Georgia Chamber of Commerce, who often joins the GPA and Savannah and Brunswick leaders at the state capitol to lobby on behalf of the state's two ports.

"In Georgia, 15 of the top 20 counties most affected by imports and exports are in the 'Other Georgia,' the rural areas," he says. "That makes you see how important the ports are to our economy."

And it is an economy where time has become a valuable commodity, Israel adds. "First, the ports' facilities and an excellent system of interstates and secondary roads make it easy to get products to market," he says. "And for businesses with just-in-time inventories, time is critical."

To stay up to speed, Marchand sees the need for a range of improvements as a key to handling the cargo from ships of all sizes. "You have to make yourself ready," he says. "We have to have all the things necessary to accommodate those ships."

Such improvements cost money. "Ongoing is the concern with getting the source of capital," Marchand says. "It is extremely expensive building docks and buying cranes — and we have to have the deeper water." The ports authority has several sources of financing to turn to. "All internal capital is put back into equipment," Marchand says. "We're plowing profits into improvements. That's Business 101."

The GPA can issue revenue bonds with state approval. But major capital funds like the \$110 million Container Berth 8 project send Marchand to the governor's office and the Georgia General Assembly. At a time when state agencies are scrambling to find ways to meet the governor's orders to shrink personnel and expenses, it must take some chutzpah to ask for money to fund expansion.

"There is a competition for funds but we have a record of success — 14 years of consecutive growth," Marchand says. And because so much of the money — and so many of the jobs — generated by Georgia ports is sent in such a wide arc through the state, political capital is banked as well.

"There is no question the ports have been a great investment for our state," says Republican state senator Jack Hill, chairman of the Senate Appropriations Committee, whose district neighbors Savannah's Chatham County. "But we do have to sometimes remind the folks in DeKalb and Fulton [counties] that they are linked to the world via the ports just as they are linked to the world via the [Hartsfield-Jackson] airport."

Much of the ports' economic benefit can be difficult to recognize, Hill says. "We have, for instance, a whole industry of short haul trucking built around the ports," he says. "They might not be noticed but there are people who work eight hours a day just hauling from the port to distribution centers."

The economic promise brought by ships arriving at the Georgia deepwater ports has been tempered by the threat of dangerous cargo sent by terrorists. In the three years since the Sept. 11 attacks, the GPA has received \$5 million in federal grants to purchase cameras, fencing and lighting, and to assist in port access control and explosives detection. These new security measures carried unfunded federal mandates requiring additional personnel — and their cost has fallen on the Ports Authority.

"We have been most concerned about the new personnel costs," Marchand says. "We have had to pass those costs on to our customers and they are not too happy about it. And this is a very competitive business."

Brunswick Uptick

While the Port of Savannah's prosperity is often hidden in the long metal containers in the holds and on the decks of the ships arriving and departing each day, economic well-being at another port just south of Savannah is about to become downright gaudy.

Porsche Motor Cars North America has announced it will send 600 of its Carrera GT models off the ships and down the ramps at the Port of Brunswick. The Carreras carry a sticker price of \$440,000 — each. The wildly expensive cars will add \$264 million to commodity values loaded and unloaded in Brunswick, currently the fourth largest auto port on the East Coast. Porsche was already shipping \$650 million in cargo through Georgia ports; the German automaker has 150 employees working in the Atlanta area alone.

Brunswick is deepening its harbor channel by six feet to allow larger vessels access to the port's facilities. If the past is a measure, the port is correct in assuming growth will come as naturally as the tides. In less than 15 years, the Port of Brunswick has seen the number of vehicle and machinery units climb from 48,202 to 322,115, an increase of 550 percent.

Brunswick leaders are hoping a planned \$5 million rail connector on the mainland linking the Norfolk Southern and CSX lines will be completed by the end of 2005. The connector's tracks are only 7,500 feet long, but they are expected to trim two days in travel time for the car carriers bringing in Mercedes and Fords from Alabama and Atlanta for export.

The new rails will also cut costly train logjams and delays, and that's important say local leaders. "The improved rail transportation will speed up the process and make shipping here more economical and thus more attractive," says Tony Sammons, chairman of the Brunswick-Glynn County Economic Development Authority and an executive with the Georgia Power Company.

For Sammons, the Port of Brunswick is the beginning of a journey of economic development that stretches across America. "Geography works in our favor," he says. "We're closer to the West Coast than New York by 480 miles and that makes us more economical for ships coming from Europe and stopping on both the East and West Coasts. When I see these ports, I see opportunity that not only helps us but also helps Georgia and the whole country."

The Port of Brunswick is about to get a boost in the shipping of agricultural products, thanks to developments up the Atlantic Coast. "We understand the Ports of Baltimore, Norfolk and Charleston are closing their grain export facilities," says Phil Overton, executive director of the Brunswick and Glynn County Development Authority. "And that means we stand to become the largest grain export port on the East Coast."

Recent improvements at the Bainbridge port's grain storage and transfer facilities will also serve to improve the volume of imported grain as well, Overton says.

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PHOTO (COLOR): Laden with promise: The future is bright for Georgia ports, which bring billions of dollars in goods — and thousands of jobs — into the state

PHOTO (COLOR): Rainmaker: Under Doug Marchand's leadership, Georgia's ports support more than 275,000 jobs statewide

PHOTO (COLOR): The right stuff: Savannah's port boasts new, timesaving technology to load and unload faster

PHOTO (COLOR): Truckin': An entire industry revolves around transferring cargo from port to warehouse

PHOTO (COLOR): No substitute: Development Authority Chair Tony Sammons says Brunswick — a major auto port — is about to get a boost from Porsche

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