



P R E S S R E L E A S E

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P O R T E X E C U T I V E D I R E C T O R P A U L A U C O I N U S E S O P - E D I N N A T I O N A L P U B L I C A T I O N T O E D U C A T E W A S H I N G T O N P O L I C Y M A K E R S A B O U T T H E I M P O R T A N C E O F D R E D G I N G T H E M O U T H O F T H E M I S S I S S I P P Y R I V E R

Today, in an [opinion editorial](#) in a national publication, Port of South Louisiana Executive Director Paul Aucoin said dredging the mouth of the Mississippi River is “the most important infrastructure project in America.” The piece, incorporated below, was published by Real Clear Policy, a highly influential online journal read by Washington, D.C., insiders including members of Congress, congressional staff, administration officials and policy experts. Aucoin and the Port leadership believe it is essential to educate policymakers across the United States about the importance of the Port of South Louisiana to the economic well-being of the nation and the need for Congress to allocate more federal resources to the U.S. Army Corps of Engineers to perform the dredging.



July 29, 2016
The Most Critical Infrastructure Project In America

By Paul Aucoin

In 2007, the tragic collapse of a bridge in Minneapolis kicked off a national discussion about the importance of maintaining roads and bridges in the United States. Little concern has been expressed, however, about a critical component of this nation’s infrastructure: America’s ports, arguably the economic lifeblood of the nation, connecting us to export opportunities across the globe.

Today, the greatest issue facing the nation’s ports is the need for dredging, the process of removing sediment from the bottom of shipping channels so vessels can pass through safely. In the United States, the most important dredging priority is the Mississippi River Ship Channel.

The Port of South Louisiana —which uses the Mississippi River Ship Channel—is the largest port in the Western Hemisphere by tonnage, and it connects 31 states to shipping lanes capable of reaching ports all over the world.

Dredging the Mississippi has become an ever-greater priority because the newly expanded locks on the Panama Canal now support the movement of the larger neo-Panamax ships. The use of these ships is growing, because larger vessels reduce transportation costs.

If these new supercargo ships abandon the Port of South Louisiana, there is no guarantee they will return. American farmers would be cut off from the global marketplace; this would send economic shockwaves through rural economies. Consider that 60 percent of all grain exported from the United States is shipped via the Mississippi River Ship Channel. Indeed, the Mississippi River Basin produces 92 percent of the nation's agricultural exports and 78 percent of the world's exports of feed grains and soybeans.

Currently, the goal is to get the U.S. Army Corps of Engineers to dredge the Mississippi River Ship Channel to 50 feet. This would allow passage of cargo ships with a draft of up to 50 feet, as opposed to 45 feet, which is the maximum draft today. The draft of a ship's hull is the vertical distance between the waterline and the bottom of the hull (keel) and determines the minimum depth of water a ship can safely navigate.

Five feet of draft might not seem like a lot, but every foot of draft on a Panamax or neo-Panamax vessel equates to \$1 million in cargo value or more. This translates into roughly \$5 million in lost revenues for each ship — and nearly 4,000 ships a year go through the Port of South Louisiana. This year the losses will be staggering.

The biggest hurdle faced by America's ports is that the U.S. Congress does not appropriate enough money for the Army Corps to do all the essential dredging. The Louisiana Congressional delegation and those of other states along the Mississippi River Basin are battling for increased federal funding. But they face serious challenges.

The funding mechanism to pay for the dredging is fundamentally flawed. Known as the Harbor Maintenance Tax (HMT), it puts a small levy on all imports entering the country, taking in around \$2 billion dollars a year. Unfortunately, only about half of this is spent on port and harbor maintenance, while most is allocated to non-harbor maintenance or to pay down our national debt. In fact, since 2003, HMT collections have far exceeded the amounts appropriated for harbor maintenance, resulting in a large and growing surplus in the fund that will swell to over \$9 billion by 2017.

If the HMT funds were fully dedicated to improving and maintaining American ports, the Army Corps confirms it would be able to fully maintain authorized channel dimensions on all of the nation's deep-draft harbors. Fixing the HMT is a common-sense solution that would increase economic output for most of the nation. If Congress and the White House can come together on this soon, our nation's deep-water ports can be fully dredged and open for business.

Paul Aucoin is the Executive Director of the Port of South Louisiana, the largest foreign trade zone for merchandise received in the U.S. with \$75 billion in cargo and the number one Grain Exporter in the nation.

Link:

http://www.realclearpolicy.com/articles/2016/07/29/the_most_critical_infrastructure_project_in_america_1676.html

About the Port of South Louisiana

The Port of South Louisiana is a 54-mile port district on the Mississippi River between New Orleans and Baton Rouge, encompassing the parishes of St. Charles, St. John and St. James. The facilities located within the port's district consistently handle over a quarter billion short tons of cargo annually, ranking it the largest tonnage port district in the Western Hemisphere, the nation's greatest grain exporter, and the number one energy transfer port in the United States. Along the 108 miles of deep-water frontage on both banks of the river there are seven grain transfer facilities, four major oil refineries, 11 petrochemical manufacturing facilities and several other facilities for a total of more than 50 docks owned and operated by an impressive group of resident tenants such as ADM, ArcelorMittal, Dow, Cargill, DuPont, Motiva Enterprises, Marathon, Shell, Nucor Steel., Occidental, Valero, and Occidental Chemical. To learn more, visit us at www.portsl.com, like us on [Facebook](#), and follow us on [LinkedIn](#).

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