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DESIGNING TODAY FOR TOMORROW

Sustainable Footprints Pg 12

Port Financing Trends Pg 17

Bringing Technology into the Fold Pg 21

Port Mastery Pg 24



How Changing Federal Port Rules Create New Opportunities in Inland Shipping

By Col. (Ret.) Robert Sinkler

United States policy has traditionally treated a “port” as a single geographic location, usually identified with a town or city. Occasionally, a port could also refer to a natural harbor or side channel, or even a river section with a natural bank or shoreline conducive to loading and unloading.

Unfortunately, many communities and local governments along inland waterways are limited by this thinking. For example, Iowa is America’s second largest agricultural exporter with \$10.6 billion in total exports according to 2018 U.S. Department of Agriculture figures (<http://bit.ly/IowaTradeStats>, <http://bit.ly/2018USDOTfigures>). But Iowa is also the only major exporting state on the inland waterway system that is not served by a federally recognized port.

With a federal port designation, port areas are in a much better position to attract public and private investment and be more competitive when it comes to state and federal grants. The designation supports regional marketing and economic development objectives. It increases regional, national and global visibility. It also enhances competitiveness and creates an important regional identity.

When I commanded the Army Corps of Engineers Rock Island (IL) District, I worked with several riverfront communities that had no appreciation for the quantity and value of goods shipped from nearby barge terminals just outside city limits. Residents were aware of the extensive barge traffic, but they did not know whether cargo originated from in-state or another state. In several cases, roads servicing these barge terminals were not appropriately planned and maintained. In short, the larger regional port identity just did not exist.

But this traditional way of viewing ports is rapidly changing. First, our roads and

rail lines increasingly intersect with narrow inland rivers and waterways. Second, large industrial and agricultural terminals, particularly in the U.S. Midwest, are being built along narrow waterways outside of nearby communities. As a result, functioning ports have evolved into extended infrastructure operations, sometimes reaching more than 200 miles like the Ports of Cincinnati and Northern Kentucky.

Regional planning authorities are carefully designing road, rail and barge terminal infrastructure and facilities to maximize the value of this integrated transportation network over large areas. This means overcoming significant institutional challenges, including governance, the role of private industry, financing the transportation system, and infrastructure development to realize regional capacity improvement.

Among the states leading this effort are Illinois and Iowa, and what these two states have done recently to improve their inland waterways system is instructive for port officials elsewhere. In early 2020, a report from the Illinois Marine Transportation System highlighted major inefficiencies in Illinois and Iowa port operations. Nearly one-third of Illinois’ barge terminals were identified to be outside of a designated port area. This prevents optimizing many aspects of the integrated multi-modal transportation network.

This has led Illinois and Iowa to partner to create a 220-mile “port,” officially called the Mississippi River Ports of Eastern Iowa and Western Illinois. The two states have proposed combining 50 barge terminals in Iowa (approximately 90% of the state’s port infrastructure that is concentrated in 7.5 counties) with about 20 Illinois terminals.

If approved by the Army Corps of Engineers, this would become the United State’s 20th largest inland port based on

tonnage handled. Illinois is evaluating the creation of a 175-mile section of the Illinois River near Peoria and Ottawa, Ill., called the Illinois Waterway Ports and Terminals Region. If approved, this would become one of the top 50 U.S. ports.

A third extended port that appears close to Corps of Engineers recognition is the proposed 240 river mile Mid-America Port at the confluence of the Mississippi and Illinois Rivers. This area handles enough tonnage to be the largest port area north of St. Louis on the Mississippi River.

Federal policy is already moving in a better direction. For example, the 225-mile Ports of Cincinnati and Northern Kentucky, which earned Corps of Engineers recognition in 2015, has become the busiest inland port district in the nation. Officials in the Corps of Engineers and other agencies see this as a successful example of their more regional approach to designations. These linear inland ports directly support the U.S. Department of Transportation’s 1999 Marine Transportation System report to Congress recommendation of creating regional systems to address local concerns.

Similarly, the Ports of Huntington, W.Va. (199 river miles); Pittsburgh, Pa. (200 river miles); St. Louis, Mo. (70 river miles); and South Louisiana (54 river miles) have all taken this multi-county approach to inland ports.

These examples are the necessary beginning of an important transformation of U.S. policy toward inland ports and multi-modal transportation networks. Be assured there will be more to come. ●

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