

# Gulf Coast Ports and Rail Must Be Rebuilt

by Mary Jane Freeman

Sixteen days before Hurricane Katrina hit the Gulf Coast states, Mississippi's Port of Gulfport announced that it had set an annual tonnage-shipped record in 2005, thus securing its position as the "3rd busiest container port" on the U.S. Gulf of Mexico. Then Katrina hit on Aug. 29, and five days later, on Sept. 3, the port's executive director Don Allee sent an e-mail: "We took a direct hit. . . . Our east pier facilities have basically been gutted. Total loss of dry cargo facilities ([for] forest products, aluminum, paper). [They] are nowhere to be found." He found port materials strewn three to four miles away in the next town.

Although not yet one of the top 40 U.S. ports measured by throughput of commodities, Gulfport's mid-August milestone, moving to become a bigger port, came as a result of a \$250 million port improvement plan begun in 2004. Gulfport was one of the worst-hit ports along the Gulf Coast, but by no means the only one. The Port of New Orleans, the fifth-largest bulk cargo U.S. port, took a big hit; only by marshalling state and Federal resources has it been restored to 20% of its pre-storm capacity (see accompanying interview).

Core infrastructure of the coastal area has been severely disrupted, and will take months to repair and be made operable. Rail lines have been displaced or submerged; stretches of highways made impassable; bridges torn out; hospitals and schools levelled.

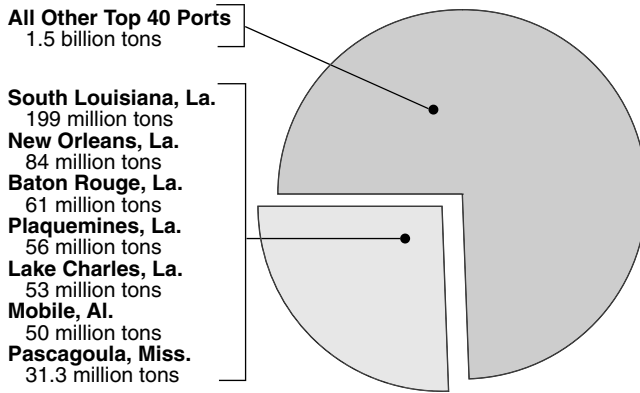
The ports, and the region's infrastructure for rails and roads form a critical nexus facilitating the movement of goods into and out of America. The shoot-up in diesel fuel costs to a new record of \$2.898 per gallon, as of mid-September, compounds the cost to fix the critical transport links.

In Mississippi, the ports of Gulfport, Biloxi, and Pascagoula were severely damaged. Louisiana's Port of New Orleans had a preliminary damage estimate of \$1.6 billion. The Port of Mobile in Alabama had the least damage, and

FIGURE 1

# Gulf Coast Ports Shipped 26% of U.S. Imports and Exports in 2003

(Tons)



Sources: U.S. Army Corps of Engineers; EIR.

although no monetary estimate is available yet, it is operating at only 80% of pre-storm capability, while shipments are curtailed because of overall infrastructure and economic disarray and disruption in the region. Limited operations have begun at most Gulf Coast ports, but estimates are that it will be three to six months, and in some cases a year, before full operations can be restored.

As of 2003, more than 25% of all U.S. imports and exports, by tonnage, were shipped through the major ports located in Alabama, Mississippi, and Louisiana (see **Figure 1**). The nation's top 40 ports, by tonnage shipped, had a throughput of more than 2 billion tons. Of those 40 ports, the seven in these three Gulf Coast states handled over 535 million tons that year. Each of these ports had embarked on upgrade and

expansion projects in the last five years.

Shipments of U.S. commodities such as grain, poultry, and coal for export, get to the ports via rail, truck, or barge. But Katrina crippled these modes of transport too. Of the six Class I railroads serving the region, four were damaged by Katrina, two of them significantly. CSX railroad's 110 miles of mainline track on the coast between New Orleans and Mobile, Ala. will take months to restore at a cost of at least \$250 million. Its yard in Louisiana was under water. Six miles of Norfolk Southern's (NS) track, washed from atop a rail bridge into New Orleans, required nine cranes on barges to lift the track out of water and back onto the bridge; while another nine miles of its track, running into the city, were washed out and need extensive repairs.

Amtrak's CEO David Gunn said of passenger rail service, "Rail lines and facilities are pretty badly beaten up." Most Amtrak routes run on tracks owned by freight railroads. Damage assessments continue, as service remains curtailed in the three Gulf Coast states.

But Amtrak service to these states was already limited, as passenger rail miles, nationally, went from 65,842 in 1967, to 22,453 by 2004, a 66% loss. You see the loss to these states in particular on the rail maps, **Figures 2a** and **2b**. Yet, ironically, Amtrak, which the Bush Administration seeks to bankrupt, pre-staged two trains in Lafayette, La. to aid in evacuation of New Orleans residents after Katrina hit. Its services were only used for one trip.

Ship and barge access to the Mississippi River, impaired by Katrina, has slowly resumed because of the combined efforts of the Army Corps of Engineers, the U.S. Coast Guard, and other Federal agencies. These agencies' removing debris (such as sunken vessels), dredging, and restoring aids to navigation have made the river available for some traffic. But the three-week river closure and damage to barges from the storm, before the Fall harvest, bodes ill. "There's going to

FIGURE 2a

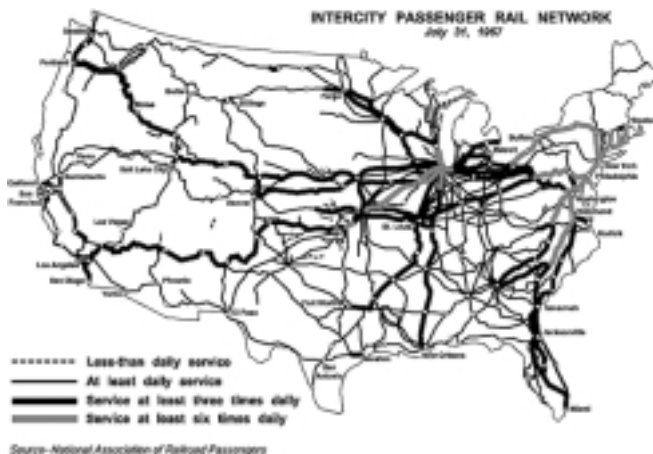


FIGURE 2b



be a big impact,” a University of Minnesota farm extension specialist said. “We’re losing three weeks of shipping out of the Gulf. [Now with] lost barges, we’ve got grain backed up with the disruption of rail service in the entire Gulf Coast area.” These realities have already led to a 43% hike in river freight charges, from a pre-Katrina \$23 a ton to \$33 a ton.

To avoid future hobbling of our food, fuel, commodities supply chain, and commerce in general, infrastructure redundancy must be built back into our economic backbone. Upgrading the interface between U.S. inland waterways, ports, and the rails requires full Federal funding of the U.S. Army Corps of Engineers and the Marine Transportation System to ensure critical dredging and intermodal connector projects, and the upgrading of our inland waterways, locks, and dams.

Since the halt of the post-Civil War plans for Reconstruction of the South, and with the 1960s post-industrial turn away from a production-based economy to one of consumerism, more and more the Gulf Coast region was left to poverty. Now in the aftermath of Katrina, the nation has the great task of building its future infrastructure.