



MARITIME EXCHANGE
for the Delaware River and Bay

Press Release

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Statement by Dennis Rochford
Delaware Department of Natural Resources and Environmental Control
Public Hearings – July 13 and 14, 2010

US Army Corps of Engineers' Application
Subaqueous Lands Permit; 401K Certification

Delaware River Main Channel Deepening Project

The Maritime Exchange for the Delaware River and Bay (the Exchange) is a non-profit trade association representing the interests of approximately 280 port and related businesses from the tri-state region of Delaware, Pennsylvania, and New Jersey. As the single advocate for the entire Delaware River port community, the Exchange is deeply engaged in local, state, and national issues affecting the maritime industry. Because of the singular nature of our perspective, the Exchange is uniquely qualified to provide comment on issues of import to the maritime community in this region.

The Exchange fully supports the deepening of the Delaware River main navigational shipping channel from 40 to 45 feet. This project, which was first authorized by Congress in 1992, is critical to the future economic viability of the tri-state regional port complex.

The Delaware River port complex is the fourth largest port in the United States and the largest fresh water port in the world. In 2009, over 2,300 cargo vessels arrived at port facilities along the Delaware and its tributaries. On an annual basis, the tri-state port complex contributes over \$4 billion to the regional economy, \$1.5 billion in wages and salaries, and \$150 million in state and local taxes. The port complex supports over 75,000 direct, indirect and induced jobs.

The Port of Wilmington is an important economic engine for the State of Delaware. A 2006

economic report completed by John Martin and Associates determined that the economic impact of the Port included: \$500 million injected into the local economy, 6,000 direct and indirect jobs (44% residing in New Castle County and 36% in Wilmington), total business revenues of \$212 million, and over \$22 million in state and local taxes.

Despite the current economic downturn, industry experts recognize that we can expect significant long-term demand for container capacity among East Coast ports. If this project were not to be completed, the Delaware River port complex would be competitively disadvantaged among other East Coast ports. The fact is that every other major East Coast port enjoys shipping channel depths from 42 to 50 feet as shown in the below graph. The Delaware River would be the only port complex restricted to a forty foot navigational shipping channel.

This project must be completed for two reasons: first, to protect the business our regional port experiences today; and second, to allow port facilities along the Delaware River to compete for the larger container vessels from the Far East that are diverting from West to East coast ports through the Panama and Suez canals.

It should surprise no one that container, bulk and break-bulk cargo vessels are getting larger. Major shipping lines, including those serving the Port of Wilmington, have indicated that the existing forty foot shipping channel is not sufficient to guarantee long term commitments of traffic for containerized, bulk and break-bulk cargoes. If the main shipping channel is not deepened, over time, current port customers will shift their business to the other East Coast ports whose shipping channels can accommodate deeper draft vessels.

The business model for long term economic growth among East Coast ports is twofold: first, be prepared to capitalize on the resurgence of the global international trade marketplace; and second, be positioned to compete for the diversion of Far East cargo through the Panama and Suez Canals. The urgency to be prepared to deal with the diversion of cargos from the Far East is driven by the fact that the Panama Canal expansion is scheduled to be completed in 2014. The deepening of our main shipping channel to 45 feet will level the playing field and allow the ports along the Delaware River to compete for this traffic.

Significant investments have been made by port authorities, businesses, and labor to make our ports competitive. As example, under the current labor contract, terminal operators, stevedoring companies, and the International Longshoremen's Association have agreed to terms that make our port one of the most competitive in the United States. With these productivities and efficiencies in place, the deepening of the main shipping channel will level the playing field and provide the opportunity for regional port operators to go head to head with any competitor along the East Coast.

It is as true for the Port of Wilmington as it is for other ports along the Delaware River that the deepening of the main shipping channel will attract private sector interest to invest in port infrastructure projects. In point of fact, the Port of Wilmington's 20 year Strategic Master Plan calls for development of new ship berths on the Delaware River.

With over \$15 million expended in economic and environmental studies over the past 20 years resulting in conclusive evidence of this project's environmental fitness, it is time to

ensure that this project is finally completed in a timely and environmentally sound way.



The Maritime Exchange for the Delaware River and Bay is a non-profit trade association representing the interests of approximately 280 port and related businesses from the tri state region of Pennsylvania, New Jersey, and Delaware. As the premier advocate for the Delaware River port community, the Exchange works to provide a unique slant on local, state, and national issues affecting the maritime industry. In addition, the Exchange operates a comprehensive port automation network that provides its members with 24-hour a day, 365-day a year electronic ship and cargo information.

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