

Rotary
Club of
Charlotte



REPORTER

March 04, 2014



Jack Ellenburg

Program: Jack Ellenburg South Carolina Ports Authority

There's no doubt about it. South Carolina wants the Port of Charleston to be the preeminent port on the East Coast and the state is investing some \$2 billion to make sure that happens, according to Rotary's speaker on Tuesday.

Jack Ellenberg, senior vice president for economic development and projects, for the S.C. Ports Authority, outlined significant efforts underway in the Palmetto State to distance Charleston from its competition on the eastern seaboard.

Describing the South Carolina ports as “the state’s most important strategic asset,” Ellenberg said for the ports, “It’s all about growth.” The ports are the state’s economic engine, he said. The key driver for the ports today is the tremendous growth in the size of container vessels and the growth of the ship sharing alliances.

Consolidation is driving the urgency for bigger ships that can operate at lower costs. “It’s all about economies of scale. There is potential for huge cost savings,” Ellenberg noted. Current container ships carry 4,800 TEUs (twenty-foot equivalent, meaning about half of a 40-foot trailer). That’s about 2,400 containers at a cost of about \$1,250 each. Larger 8,000 TEU ships carry 4,000 containers for 40 percent less and even larger 14,000 TEU ships now being built can carry 7,000 containers for 60 percent less.

How big is a 14,000 TEU ship? It’s 1,165 feet long, longer than three football fields. Its 165 feet wide at the beam. And, Ellenberg said, according to the folks at Adidas which has its only US distribution center in South Carolina, a vessel that big can hold 70 million pairs of running shoes!

The biggest challenge posed by these behemoths is that they draw 48 feet so harbor channels must be at least 50 feet deep to accommodate them. Charleston has only a few challengers on the east coast with the ability to meet that mark but, said Ellenberg, each has its own challenges.

The New York/New Jersey port will have a 50-foot channel by 2016 if the construction the raise the Bayonne Bridge stays on schedule. Even then, he said, most of the goods shipped to that port are inbound. Shippers do not like to carry empty containers when they leave. Baltimore also has the requisite channel depth but it’s a long way from the ocean, a real draw back.

Norfolk is a military port, Ellenberg said, and it will get what it needs from the federal government, but military comes first. Miami and Jacksonville also have the potential to have 50 foot channels but Miami is too far from U.S. and North American markets and Jacksonville’s port is small and downtown.

Charleston, on the other hand, is already a top 10 U.S. container port and among the top 100 globally. It has been the fastest growing port in the country since 2009. Business is up 22 percent from FY2010 to FY2013. In the Southeast which also includes Savannah, Jacksonville and Wilmington, Charleston “earned an amazing 70 percent of the growth that occurred in our port region,” the Asheville native said.

The Port of Charleston is within 500 miles of 94 million people in the Southeast, the fastest growing region in the country (46 percent between 2000 and 2030). There is strong manufacturing and exporting in the region so ships can unload and load – no empty containers leaving port. And the port, Ellenberg emphasized, is important to North

Carolina, noting that 25 percent of Charleston's usage comes from North Carolina destinations for imports or exports.

That is why South Carolina is making a \$2 billion bet on the its ports, most especially Charleston, so that by 2018 it will be capable of handling one of the 14,000 TEUs 24/7 365 days a year. Ellenberg made a special point twice of explaining that the S.C. Ports Authority owns and operates the ports, but does not receive state funds for operations. The enterprise needs to be self-sustaining. The state is, however, making investments in infrastructure "to ensure the viability of its biggest economic asset," he said.

The ports authority is making a \$700 million investment in a new container terminal at the old Navy yard. It is also investing \$600 million in other infrastructure and IT projects along with a \$50 million investment in the state's inland port in Greer, halfway between Charlotte and Atlanta. The legislature has already put \$300 million in the bank to deepen the harbor, even though the federal government is supposed to cover 40 percent of the cost.

"We're not sure the feds will have the money when we need it," Ellenberg said. That's how serious the state's bet is. The state will also spend another \$225 million on improvements to interstate access roads and \$130 million in a new dual access intermodal railhead where containers are off loaded or on loaded to rail cars.

The Clemson graduate who worked more than 15 years with the South Carolina Department of Commerce before joining the ports authority in 2011 summarized the authority's ambitious goals:

- Above market growth for multiple years;
- The preferred U.S. port for our clients;
- Ample and timely capacity in target market segments;
- Deepest harbor on the U.S. east coast;
- Innovation in everything we do; and
- Attracting new business for our state.

One got the distinct impression after Ellenberg's entertaining and fast-paced presentation, that the ambitious goals he outlined are not at all unattainable.

As he noted, the nation's success in global trading depends on an ability to move goods rapidly around the world and South Carolina ports will be a pivotal player for the U.S. moving forward.

Written by Henry Bostic

Rotary in St. Patrick's Day Parade

COME WALK WITH ROTARY
IN THE ST. PATRICK'S DAY
PARADE



Meet uptown at 10:30, Parade starts at 11:00.

Bring your family if you like!

When was the last time you were in a parade?

Let Sandy know if you would like to participate?

Upcoming Events

PEACE CENTER
CONFERENCE
Saturday
April 12th



Saturday, April 12, 2014 from 8:30 AM to 4:00 PM (EDT) at the Nelson Mandela Auditorium, FedEx Global Education Center (301 Pittsboro St. Chapel Hill, NC 27516) to register, [click here](#).

HARLEM AMBASSADORS Friday March 14th



Friday, March 14, 2014 at 7:00 PM at Northwest Cabarrus High School Admission: \$5 in advance Game day - Students - \$5; Adults - \$7 (Kids 4 and under are free)
For more information, [click here](#).

Seeking VOLUNTEERS

We have several needs that could use some volunteers. If you are interested in doing more, please let Sandy and President John know.

Photos from the Luncheon







Other Club News and By The Numbers

- Advice from **Tom Bartholomy** in the BBB Minute – check bank and credit card statements/balances daily!
- **Bill Allen** thanked those that volunteer at Classroom Central on a monthly basis and presented the club's donation of \$2000 to executive director, **Jill Dineen**. In addition, the Allen family also made a personal donation.
- The club expresses condolences to **Jessica Brasington** following the death of her mother, Helen Perkinson over the weekend. Also remember **Mike Crum**, who also lost his mother this week.
- Charlotte Business Journal recognized Governor **Luther Moore** with a Lifetime Achievement Award through the recent Corporate Counsel Awards for 2014.
- **Tony Zeiss, Chase Saunders** and **John Galles** and leading the way to make Charlotte a global center for creating, making and moving products. Join the discussion at the March 12 global competitiveness summit. Additional information: global@cpcc.edu or 704-330-4286.

- **Meg McElwain** and family are working closely with a team of doctors to find the next step in Mitchell's treatment. How can you help?? Consider making a donation to the Mitchell Turner Benefit Account (a fund that supports Mitchell's needs and is separate from the Mitchell Bays Turner Pediatric Fund). If you are so inclined, your check is payable to Meg McElwain with "Mitchell Turner Benefit Account" in the memo section. Checks may be mailed to the Rotary office for handling.

UPCOMING BIRTHDAYS

03/12 Bill Bartee
 03/13 Dumont Clarke
 03/13 Sam Ryburn
 03/15 Tony Lathrop
 03/16 Bill Loftin
 03/17 John Stedman

UPCOMING ANNIVERSARIES

03/11 Bonnie and Wes Jones
 03/14 Sandi and Hank Donaghy
 03/15 Cathy and Martin Grable

ATTENDANCE

Visitors & Guests	18
Club Members	172
Total Attendance	190
Percentage	61.7%

MEMBERSHIP

03/04/2014	316
07/01/2013	316
Net Increase	---
New Members:	
Resignations:	

MEETING PARTICIPANTS

Head Table: L. J. Satmbuk, Nancy Roberson, John Tabor, Chase Saunders, Greg Sizemore; Invocation: Karen Calder, Visitors & Guests: Lynn Wheeler; BBB Minute: Tom Bartholomy; Health, Happiness & History: Chase Saunders; AV: Jessica Dupree; Photos: Bert Voswinkel

UPCOMING LUNCHEONS

March 11, 2014 – Sam Wazan, Author, Speaker and Middle East Expert
 Location: Charlotte Plaza Uptown

March 18, 2014 – Tony Zeiss & Chase Saunders, Charlotte's Long Range Economic Plan
 Location: Charlotte Plaza Uptown

March 25, 2014 – Eric Steigerwalt, President, MetLife
Location: Charlotte Plaza Uptown



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