Ohio Maritime Transportation Study

Overview of Ohio’s Maritime Transportation System

Ohio Maritime Strategy

What’s Next?
Ohio Maritime Strategy seeks to leverage Ohio’s maritime transportation system to best enable Ohio’s economic competitiveness and growth.

Strategy to guide Ohio’s Department of Transportation, other State and local agencies.

Strategy available at www.maritime.ohio.gov
Three key questions:

1. What assets and services comprise Ohio’s Maritime Transportation System (MTS)?

2. Who are the existing and potential users of Ohio’s MTS and what are their needs?

3. What should be the State of Ohio’s role in the MTS?
SEVEN WORKING PAPERS (WPS) INFORM STRATEGY

WP 1 - Ohio’s Maritime Transportation System (MTS)
WP 2 - Governance of Ohio’s MTS
WP 3 - Role of MTS in Ohio’s Economy
WP 4 - MTS Demand and Associated Requirements
WP 5 - Options for Expanding Use of Ohio’s MTS
WP 6 - MTS Support Programs in Other Jurisdictions
WP 7 - Ohio MTS Strategy

Working Papers available online:  
www.maritime.ohio.gov
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What’s Next?
MARITIME KEY PART OF A MULTIMODAL TRANSPORTATION SYSTEM
OHIO TRANSPORTATION SYSTEM ASSETS

2 MAJOR WATERWAYS:

Lake Erie
Ohio River

736 NAVIGABLE MILES OF WATERWAY, including 264.6 coastal miles along Lake Erie, 11 navigable miles along the Maumee River, 9 navigable miles along the Cuyahoga River, and 451.4 river miles along Ohio’s portion of the Ohio River.

736 MILES

8 PRINCIPAL PORTS on Lake Erie, including the Ports of Cleveland and Toledo, and dozens and docks and terminals

162 COMMERCIAL DOCKS, the majority of which are along the Ohio River

162 DOCKS
BULK COMMODITIES COMPRISE OVER 95% OF TRAFFIC BY VOLUME

Source: CPCS Analysis of WCSC Data
Notes: Flows carried between Ohio and Pennsylvania, Illinois, Minnesota, or Indiana can either transit on the Great Lakes or on the Ohio River. These flows are categorized as “Undetermined.” We have requested more detailed data from the US Army Corps of Engineers (USACE) to refine these figures.
Total traffic on Ohio’s MTS has declined from 120M tons in 2001 to 83M tons in 2015, in large part due to decline in coal and iron ore shipments.
2015 data per USACE
Tons - 35.3 million
Value - $3.6 billion
2015 data per USACE
Tons - 48.4 million
Value - $8.5 billion
WHY SHIPPERS USE MARITIME

SHIPPER/RECEIVER TRANSPORTATION PERFORMANCE NEEDS:

- Total Logistics Cost
- Risk/Reliability
- Transit Time
- Service Level

Most shippers using Ohio’s Maritime Transportation System seek low cost transportation, rather than speed and high service levels.

Source: CPCS
Ohio’s steel plants are responsible for more than 12% of the nation’s value-added output for steel products from purchased steel.
THERE ARE FEW CAPACITY LIMITATIONS ON LAKE ERIE

...But, there are capability limits to handling different types of cargo at specific ports and terminals and a range of other physical and operating constraints:

- Landside oversize/overweight cargo access limitations
- Last mile rail connections and other landside access issues
- On-dock capabilities and capacities (cranes)
- Draft issues at certain Lake Erie facilities
BARRIERS TO MTS COMPETITIVENESS ARE LARGELY INSTITUTIONAL

Examples include:

- Fees and charges (pilotage, and other fees, Seaway tolls, etc.)
- Seasonality of Great Lakes/Seaway System
- Institutional barriers to improved modal connectivity
- Limited recognition and integration of MTS in State and regional transportation and economic development plans
- Insufficient funds or funding mechanisms to address aging infrastructure

The role of the State of Ohio is largely limited to broader transportation policy and planning efforts and making targeted MTS-related investments (connectors, cranes, etc.)
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What’s Next?
The low-cost maritime transportation option provided by Ohio’s MTS remains critical to enabling the competitiveness of many of Ohio’s key economic sectors – without which Ohio’s economy would suffer.

**Bottom Line:** The maritime option in Ohio needs to be protected and made as competitive as possible. Near term focus should be on enabling better connectivity where maritime provides a competitive advantage and is in line with market needs.
1. Leverage and build on the Ohio Maritime Study in policy and planning
2. Provide leadership and coordination
3. Engage with federal stakeholders to remove institutional barriers to MTS performance
4. Promote the Marine Transportation System.
5. Improve access to existing funding programs and agencies
6. Prioritize State investment in Ohio’s MTS in accordance to clear principles.
5. Improve access to existing funding programs and agencies

Promote and leverage the full range of existing state and federal funding programs and agencies that can bolster the performance and use of Ohio’s MTS.

Specific actions include:

- Develop a comprehensive list of existing programs, agencies and related tools that can be accessed by Ohio MTS stakeholders and related eligibility criteria (Federal and State).
- Continue to be reactive and flexible when large economic development opportunities arise in order to secure large private sector investments by companies that need Ohio MTS access.
Two Marine Highway Systems Support Ohio’s Economy:
1. Great Lakes and St Lawrence Seaway
2. Ohio River and US Inland Waterways
COMPARISON OF CARGOES TO & FROM OHIO PORTS BY WATER IN 2016 (USACE)

- **Millions of Tons of Cargo via Ohio Ports**
  - Ohio River: 45.4 million tons
  - Lake Erie: 34.3 million tons
  - 57% of Ohio’s waterborne freight moves via Ohio River

- **Billions of $ of Cargo Value via Ohio Ports**
  - Ohio River: $8.7 billion
  - Lake Erie: $2.8 billion
  - 76% of waterborne cargo value moves via Ohio River
VALUE OF CARGOES TO & FROM OHIO BY WATER IN 2016 (USACE) IN $ BILLIONS

On Lake Erie, 71% of value is iron & steel.

On the Ohio River, 55% of value is petroleum & chemicals.
## 2016 USACE PORT STATISTICS

(FOR ALL US PORTS, OCEAN AND RIVER)

<table>
<thead>
<tr>
<th>Principal Port Statistical Area</th>
<th>Millions of Tons</th>
<th>Overall Rank in USA</th>
<th>Inland River Port Rank</th>
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<tr>
<td>Cincinnati - N KY</td>
<td>43</td>
<td>#14</td>
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<tr>
<td>Huntington Tri-State</td>
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<td>#17</td>
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</table>
“When all is said and done, more is often said than done.”

So, What’s next?
STEERING COMMITTEE

- Governor’s Office
- Lt. Governor’s Office
- ODOT
- ODOT J&C
- Ohio Development Services Agency (DSA)
- JobsOhio
- Ohio Rail Development Commission (ORDC)
Message to the Steering Committee

✓ The maritime option in Ohio needs to be protected and made as competitive as possible, given its economic importance to Ohio

✓ Enhance use of Ohio’s MTS to support state economic development strategies.

Message from the Steering Committee

“Organize and speak with one voice”
TWO USER GROUPS: LAKE AND RIVER

- Lake Erie and Ohio River have different fundamental characteristics, different issues.
- Lake Erie ports/harbors/terminals - physical and geo-political characteristics.
- Ohio River ports/terminals physical and geo-political characteristics.
- State officials are ok with two user groups: Lake Erie and Ohio River.
CHALLENGES ON OHIO RIVER

- Geography - over 451 miles of river frontage
- 118 river terminals, 2 of which are owned by public port authorities, all others are privately owned
- 19 general purpose, 99 captive single purpose river terminals
- So - how to organize?
Number of Terminals and Tons moved though Ohio Counties on Ohio River in 2015

Upper Ohio River
- In Ohio
- 32 Terminals
- 12.1 Million tons

Mid Ohio River in Ohio
- 24 Terminals
- 7.3 Million tons

Cincinnati Area
- In Ohio
- 44 River Terminals
- 18.7 million tons
OHIO RIVER PRIORITIES

- Full time maritime rep in state gov’t
- Economic impact assessment for communications and awareness
- Connectivity (road and rail connections between river and industries, ag, etc)
- Modify existing programs or create new programs for financial assistance
<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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<tbody>
<tr>
<td>Jobs</td>
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<td>Personal Income</td>
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<tr>
<td>Taxes</td>
<td>$0.8 billion</td>
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</tbody>
</table>

Source: “Economic Impacts of Maritime Shipping in the Great Lakes - St Lawrence Seaway Region”, Martin Associates, July 2018

**A similar Impact Assessment is needed for Ohio River commerce in Ohio**
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