Helping Keep the State’s Economy Afloat

Economic Impact of Wisconsin’s Commercial Ports

December 2010
WisDOT Study objectives

- Develop a resource guide for public & private fund advocacy for port facilities operations & expansion
- Consolidate information from earlier studies
- Update port statistics on estimated employment, wages & salaries, and output
- Update port profiles and contacts
- Review capabilities and disadvantages of water transportation
Wisconsin’s International connections are made through the St. Lawrence Seaway via the Great Lakes.
The Mississippi River provides access to the Gulf of Mexico

Historical data

2008
- 44 million tons of cargo valued at over $8 billion pass through Wisconsin’s commercial ports

2001
- 44 million tons of cargo valued at over $7 billion pass through Wisconsin’s commercial ports
Major commodities shipped (by tonnage)

- Coal
- Iron ore
- Wood pulp
- Cement
- Road salt
- Grain
Highest volume port in US:
  • Port of South Louisiana
  • 223,987,363,000 tons (2008)

Wisconsin cargo transported via ports:
  • 44 million tons (2008)

Highest volume Wisconsin Port:
  • Duluth-Superior (includes Minnesota cargo)
  • 45 million tons (2008)
Advantages

• Waterborne transportation is:
  • Fuel efficient
  • Environmentally friendly
  • Safe
Fuel Efficiency

Safety

RATE OF SPILLS IN GAL/M TON-MILES
4-Year Average (2001-2004)

<table>
<thead>
<tr>
<th>Mode</th>
<th>Gal/M Ton-Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway</td>
<td>6.06 (168%)</td>
</tr>
<tr>
<td>Rail</td>
<td>3.86 (107%)</td>
</tr>
<tr>
<td>Inland Marine</td>
<td>3.60</td>
</tr>
</tbody>
</table>

WisDOT Harbor Assistance Program

Grants assist harbor communities maintain and improve waterborne commerce

64 projects-- $67 million since 1980

Dock reconstruction
Mooring structure replacement
Dredging
Construction of facilities for dredged material
1. Freight tonnage & value data

2. Surveys

3. IMPLAN software
Methods I- data

- Freight tonnage data
  - U.S. Army Corps of Engineers--Institute for Water Resources--Navigation Data Center

- Freight value ($$) data
  - TRANSEARCH (Global Insight)
Methods II-Surveys

- Questionnaires of businesses:
  - Private
  - U.S. Coast Guard
  - Data on:
    - employment
    - wages
    - operations and expenditures


**Methods III-Economic Model**

**IMPLAN®** *(IM)pact analysis for **PLAN**ning)*

**Software & data**

§ Model contains input-output information for 425 Wisconsin industries

§ Contains spending and consumption patterns for private and public entities
Other Models Considered

REMI

MARAD Port Kit
Can evaluate output of each industry and how that output is related to every other industry in the state, a county, or any combination of counties.

Enables analyst to evaluate the commodity and employment needs of each of the industries in the model.
Total Economic Impact = direct + indirect + induced impacts
Example: Port Direct Economic Impact

A ship manufacturer
US Coast Guard
Terminal operator

Cruise company
Ship repair
US Army Corps of Engineers
Example: Port Indirect Economic Impact

The goods and services of the suppliers to the direct impact businesses

Supplier of steel to shipbuilder
Office Supplies business
Engineering (example: for port improvements)
Repairs, construction
Example: Port Induced Economic Impact

Shipbuilding company employee spends wages in grocery store
Coast Guard Employee pays rent

Total Economic Impact = $\Sigma$ direct + indirect + induced impacts
<table>
<thead>
<tr>
<th>2008 Economic Impact</th>
<th>Jobs</th>
<th>Output</th>
<th>Personal Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>4,164</td>
<td>$939,276,110</td>
<td>$237,753,790</td>
</tr>
<tr>
<td>Indirect &amp; Induced</td>
<td>5,386</td>
<td>$685,809,200</td>
<td>$224,233,745</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,550</td>
<td><strong>$1,625,085,300</strong></td>
<td><strong>$461,987,530</strong></td>
</tr>
</tbody>
</table>

_Source: IMPLAN_
## Historically...

<table>
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<tr>
<th>Total Ports Economic Impact</th>
<th>Jobs</th>
<th>Output</th>
<th>Personal Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>11,387</td>
<td>$1,351,458,710</td>
<td>$376,857,580</td>
</tr>
<tr>
<td>2008</td>
<td>9,550</td>
<td>$1,625,085,300</td>
<td>$461,987,530</td>
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*Source: IMPLAN*
Additional Impact Ferries:

2 of Wisconsin’s 5 ferries are located at ports
Unique services
Independent, privately operated
Impact is mostly tourism-related
For two communities, the ferry is the main transportation link to mainland
Conclusions

- Ports are major centers of:
  - Commerce (domestic & international)
  - Intermodal
  - Environmental
  - Industrial/Manufacturing
  - Recreational facilities
On the web

Questions/Comments

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