

0-6800: Impacts on Texas Ports from the Panama Canal Expansion

Background

The Panama Canal is currently undergoing a \$5.25 billion expansion, which is expected to be completed in late 2014 or early 2015. The canal expansion, along with population growth and energy development in Texas, provides opportunities to expand global trade through Texas ports. The Texas Department of Transportation (TxDOT) formed the Panama Canal Stakeholder Working Group (PCSWG) (Table 1) and initiated this project in early 2012 to assess the opportunities associated with the Panama Canal expansion and to examine the potential impacts on Texas ports and landside infrastructure, including roadways, railroads, and intermodal facilities.

What the Researchers Did

Led by Harris County Judge Ed Emmett as chair and Cameron County Judge Carlos Cascos as vice chair, the PCSWG held six information-gathering meetings. Researchers assisted with these meetings, obtaining information from shippers, carriers, ports, industry groups, and other organizations on their current operation and use of the Panama Canal, their perspectives on the future use of the expanded canal, planned improvements and infrastructure projects, and related activities. A review of previous studies and current plans was also conducted to identify roadway, rail, and port projects that may be impacted by the Panama Canal expansion or increases in global trade. The report presents the PCSWG findings, recommendations, and actions to better position Texas to take advantage of the Panama Canal expansion and other opportunities to enhance Texas' role in global trade.

Table 1. Panama Canal Stakeholder Working Group Members.

Name	Organization Represented
Judge Ed Emmett, Chair	Harris County
Judge Carlos H. Cascos, Vice Chair	Cameron County
Mr. Joseph Adams	Union Pacific (UP)
Mr. Steve Boecking	AllianceTexas
Mr. Aaron Demerson/ Mr. Amir Mirabi	Office of the Governor— Economic Development and Tourism
Mr. Kenneth Dierschke	Texas Farm Bureau
Mr. John Esparza	Texas Motor Transportation Association
Mr. Jim Greenwood	Texas Oil and Gas Association
Mr. James Griffin	East Harris County Manufacturers Association
Mr. John LaRue	Texas Ports Association
Mr. Fred Malesa	BNSF Railway
Mr. Carlton Schwab	Texas Economic Development Council
Mr. Jack Todd	Texas Association of Manufacturers
Mr. Rigoberto Villarreal	City of McAllen
Colonel Leonard Waterworth	Port of Houston Authority

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What They Found

The overarching finding from the study is that the Panama Canal expansion—coupled with continued population growth in Texas, energy sector developments, and the emergence of new trading partners throughout the world—represents opportunities to expand Texas' position as a global gateway for the nation. By providing a low-cost, reliable, safe, secure, multimodal, and environmentally sustainable supply chain, the state can increase its global trade, create new jobs, and expand the economy of the state and nation. The recommendations and actions address short-, mid-, and long-range TxDOT roadway projects, expanding freight and maritime planning at TxDOT, increasing

the use of the Gulf Intracoastal Waterway (GIWW), and continuing port, rail, and other related improvement projects. Another recommendation builds on the existing Texas Wide Open for Business™ initiative at the Office of the Governor—Economic Development and Tourism by developing and implementing a “Texas Global Gateway” marketing and information program.

What This Means

The Texas ports, GIWW, roadway system, rail system, and pipeline network are all critical elements of the transportation system supporting global trade (Figure 1). It is critical that Texas accelerate investments in freight transportation infrastructure to grow commerce and increase the tax base of the state.

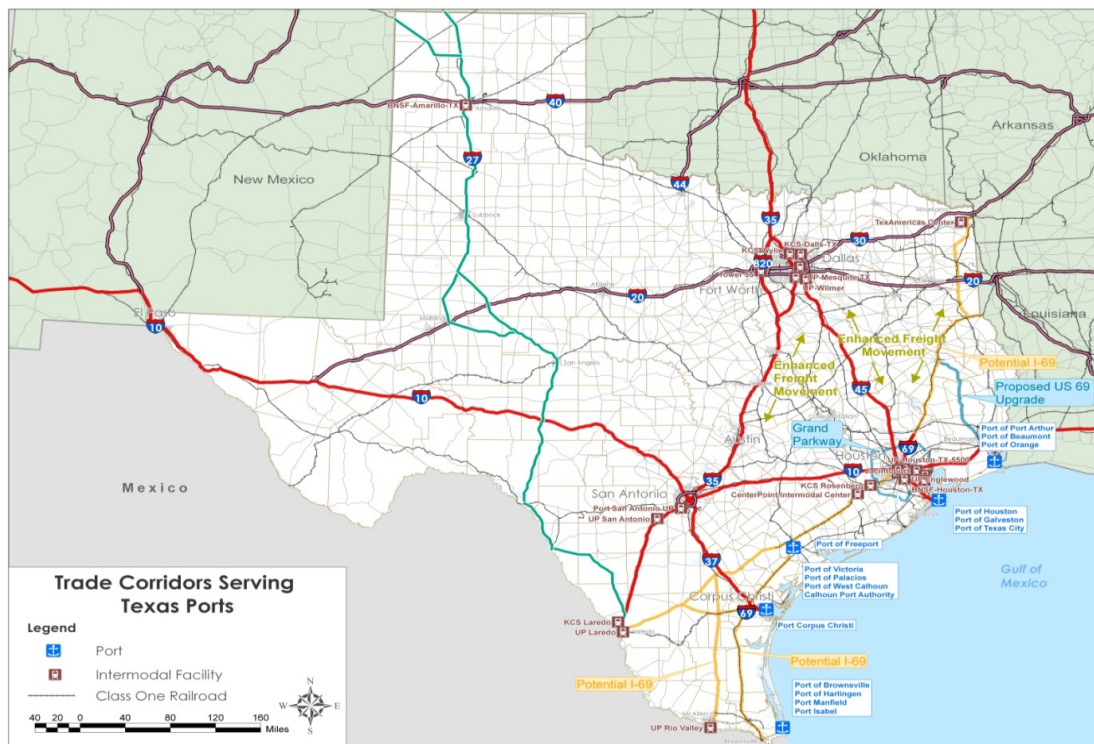


Figure 1. Major Interstate and State Highway Corridors Serving Texas Ports.

For More Information

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