



# NoPort News

A newsletter of the North Carolina International Terminal

*All the news that prints to fit.*

July 14, 2010

*State legislatures cannot mandate prosperity.*

*There are no guarantees. Today's supply chains have too much flexibility built into them that a "build it and they will come" mentality is not reliable.*

–Statewide Logistics Plan for North Carolina

## ***Will They Come?***

As the port of dreams promulgated by the Ports Authority fades in and out like the Cheshire cat, we should look at the experience with something more realistic—the container terminal at the Port of Wilmington.

In the world of container terminals, the Port of Wilmington is quite small, handling less than 1.5% of the container traffic on the US Atlantic coast. In its best year, 2009, the terminal handled 225,000 twenty-foot equivalent units (TEU), while almost 2 million TEU moved through Hampton Roads and 4.5 million TEU moved through Port Elizabeth/Port Newark in New Jersey.

The small share enjoyed by the Port of Wilmington (“enjoyed” is used loosely here—the port operates at a loss and is subsidized by the State) is not due to capacity restraints. The container terminal has a capacity of 350,000 TEU and room to expand to 500,000 TEU. The terminal can be reached by the largest ships able to transit the Panama Canal.

The restraint is geography. Wilmington is just not as close to major markets as other ports. Moffatt & Nichol, in a study for the State Ports Authority earlier this year, examined the alternate routes from foreign trade sources to 179 business economic areas in the United States. The firm found that Wilmington was on the most efficient route to five of those areas—all within North Carolina. The firm concluded that increasing market share would prove difficult, and indeed is more likely to diminish as more capacity is added at other ports.

The business plan for the North Carolina International Terminal requires annual movements of 3 million TEU, about thirteen times the current movements at Wilmington and six times the movements projected for 2030 at the historical rate of growth. The plan also requires higher rates to achieve economic viability. The stuff of dreams.

## ***Oak Island Opposition***

Yesterday evening, the Town Council of the Town of Oak Island unanimously adopted a resolution of opposition to the North Carolina International Terminal. The unanimity now extends to a higher level—all six municipalities in southeast Brunswick County oppose the port.

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