



**Governor's Task Force on Transportation Infrastructure Investment**

Re: Louisiana Port Infrastructure and Channels Requirements

Louisiana Ports are located throughout the state from the 6 Deep Draft Ports along the Mississippi and at Lake Charles to the Coastal Oil/Gas Service Ports and the Inland River Ports, providing services to the local economies in which they are located.

Ports are a part of the Louisiana transportation system and a connection between the producers of products and providers of services in Louisiana and the buyers throughout the United States and the entire world. More than 1 in 5 Louisiana jobs, 525,000, depend on International Trade, and industries have located in LA to have access to our ports and waterways. They generate \$4.2 billion in state & local taxes.

Exports increase jobs by generating new business for Louisiana manufacturers. The U.S. Department of Commerce estimates that 80% of all products or raw materials from which they are manufactured, and consumed by Americans, are imported through U. S. Ports. A Harbor Maintenance Tax is imposed on all imports and generates \$1.6 billion, however, only 60% is appropriated to the U.S. Army Corps for channel/harbor maintenance.

Louisiana's Coastal Oil/Gas Ports support and service 90% of the Gulf of Mexico production, and are vital to Louisiana's economy.

Louisiana's Inland River Ports are vital to the local economy by supporting the agriculture and local industries.

Louisiana Ports recognize that a modern and efficient transportation system of roads, bridges, ports, airports and rails are vital to the shipment of cargo to and from ports. Additionally, if ports and the businesses they serve are to remain competitive, Louisiana must consider increasing investments in port infrastructure and channels as well as roads and bridges.

**NOTE: LA Ports collect tenant rents and vessel dockage & cargo wharf fees, which are used to build infrastructure and channels, and cover operational salaries and cost. Ports do not receive any operational funding from the state.**

Ports appreciate the 2016 increased appropriations from \$19.7 to \$39.4 million for the Port Construction and Development Priority Program, proposed by Governor John Bel Edwards and DOTD and approved by the Legislature. The 2017-18 Program is comprised of 16 projects with a Total Project Cost of \$411 million and Construction Cost of \$266 million. Louisiana's Balance of Funding will be \$114 million, with an estimated Economic Benefit of \$1.2 billion, supporting 2,255 jobs. La. receives \$8 in benefits for each \$1 of investment in the Program.

Since the Program's inception in 1991, \$606 million, an average of \$25 million per year, of state funds have been invested in 224 port projects, which continue to operate today, supporting 77,000 tenant jobs at port owned facilities, and generating \$530 million in state/local taxes. This success is tempered with the fact that 21 Louisiana ports have developed Capital Improvement Plans for 92 infrastructure and channel projects, estimated to cost \$1.8 billion, requiring Port, Private, State/Federal funding and Port Infrastructure Tax Credits, if they are to be constructed.

The 2015 Louisiana Transportation Plan recommends \$7.6 billion in port infrastructure and channels, which recognizes the need for additional infrastructure, deeper and well maintained channels for ports on the Mississippi and Calcasieu to serve the Panama Canal driven expansion of trade and Natural Gas/LNG driven industrial expansion, deepening of Coastal Port channels to serve the larger deep water drilling/production vessels and to compete for building production structures, and at Inland River Ports to serve increased barge traffic resulting from expanding industrial, agricultural and minerals industries.

Thank you for the opportunity to provide the forgoing information relative to Louisiana ports.

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Executive Director