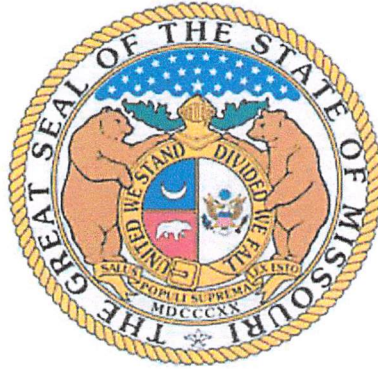


MISSOURI HOUSE OF REPRESENTATIVES



Report of the Interim Committee on the Development and Improvement of Missouri Ports

December 7, 2015

Becky Ruth
State Representative
District 114

DISTRICT ADDRESS

1205 Alexander Drive
Festus, Missouri 63028
Tele: (314) 288-6995



CAPITOL OFFICE
State Capitol
201 West Capitol Avenue
Jefferson City, MO 65101-6806
Tele: (573) 751-4451
Email:
becky.ruth@house.mo.gov

**MISSOURI
HOUSE OF REPRESENTATIVES**

December 7, 2015

The Honorable Todd Richardson
Speaker of the House of Representatives
State Capitol, Room 308
Jefferson City, MO 65101

Dear Mr. Speaker:

The Interim Committee on the Development and Improvement of Missouri Ports has met, taken testimony, and held the first Ports Summit. On the committee's behalf, I am pleased to present this Strategic Plan.

Yours Truly,

A handwritten signature in blue ink that reads "Becky Ruth".

Rep. Rebecca Ruth
CHAIR

COMMITTEES

Appropriations Health, Mental Health and Social Services
Health and Mental Health Policy
Local Government
Elementary and Secondary Education
Select Committee on Insurance
Chairman, House Port Caucus

Interim Committee on the Development and Improvement of Missouri Ports

Strategic Plan

Summary:

This committee has consistently met and listened to testimony concerning ports in our state. As a result, a need to bring all the stakeholders to the table and come up with an inclusive focus to move Missouri forward with our ports as a driving engine for economic development was discovered. In September, the committee had a work session, performed a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, and came up with both long term and short term goals. In October, this committee successfully held the first Ports Summit with over 30 stakeholders in attendance. There are currently 14 public port authorities in the state of Missouri on both the Mississippi and Missouri Rivers. Missouri is uniquely positioned with 3 major highway corridors that provide easy access for freight transportation and has more than 1,000 miles of inland waterways with the Mississippi and Missouri rivers combined. Our port authorities are made up of public/private partnerships and have seen a steady growth in jobs. From 2014 to 2015, we have seen a 6% growth in jobs. This does not take into consideration the job growth indirectly supported from ports, i.e., construction, trucking, rail, agriculture, industry. Currently there is an average of a 7-1 return on investment from our ports.

Agriculture makes up about 40% of what is shipped on our rivers. In order to maintain and improve this there needs to be a reliable infrastructure and transportation system with an increase in draw and delivery zones near ports, enhancement of rail access, flood protection, and dredging of slack water harbors.

The rest of the river shipments are from industry such as cement, sand aggregate, coal, petroleum, and fertilizer. It is noted that transportation by river barge/container on vessels is an economic advantage for companies, especially with the availability of the multimodal transportation system. 15 barges equal approximately 870 large semi-trucks. A 15-barge tow can hold 22,500 tons,

787,500 bushels, or 6,804,000 gallons. There is an interest from retailers to begin to ship seasonal product and lumber via containers on vessels.

In 2016 we will see the expansion of the Panama Canal which is expected to increase the river traffic exponentially. It is imperative that Missouri be positioned and ready for this added traffic and the growth in jobs, business, and industry that will come with it. In addition, there is the potential for a growth in the exportation of agricultural products from Missouri via possible trade with Cuba, and shipping by barge down the Mississippi River to the Port of New Orleans and over to Cuba is the quickest and most cost effective way to get the product exported. Illinois, our closest competitor, is already taking steps to be ready for this influx of river traffic and economic growth.

Concerns that have been identified are that currently, traffic on the Mississippi can travel from St. Louis to New Orleans without a backlog from locks and dams and no major issues of ice. North of St. Louis river traffic begins to be affected by an aging lock and dam system which can cause delays in river traffic. The lock and dams that are in poor condition need to receive priority in terms of repair or replacement in order to ensure river traffic flows smoothly. The Missouri River poses issues with dredging and is not available for traffic year round. In addition, the Missouri River has competing interests that impact water levels on both the Missouri and residually the Mississippi. There is also no sustainable funding mechanism in place for our ports, and we need to improve the marketing and development of the ports in our state. Many of our ports need funding for land acquisition, terminal improvements, construction, engineering and site plans.

In FY 2015 \$3,000,000 was budgeted for ports which the governor withheld until April of 2015. In FY 2016 \$6,000,000 has been budgeted with \$3,000,000 going directly to the Port of Kansas City. The Missouri Department of Transportation ("MoDOT") and the Missouri Port Authority Association ("MPAA") have met and discussed project priorities for FY 2017. They are asking for \$7,500,000 for funding in the budget for FY 2017. Attached is the State Fiscal Year ("SFY") 2017 MPAA Port Capital Improvement Program ("CIP") Project Recommendations.

Mission Statement:

To guide and influence the development and improvement of Missouri ports in order to increase statewide economic development

Vision Statement:

To achieve a revitalization and sustainability of Missouri's port systems thereby attracting new business and industry, and to elevate both imports and exports which will have a lasting positive impact on our economy

SWOT (Strengths, Weaknesses, Opportunities, Threats)**Strengths**

Unified voice from MPAA
Effects economy statewide
Motivation for expansion
Good return on investment
Community support
Economic Development Advantage
Low cost transportation

Weaknesses

Funding/Budget
Infrastructure
Public Relations
Public/Private Structure
Community support
Lack of vision
Coordination
River Tourism
Land acquisition
Lack of accurate tonnage reporting
Lack of a portal for development opportunities
Lack of tools available to ports for planning
Lack of Marketing & Developing global outlook

Opportunities

Panama Canal Expansion
Possible Trade with Cuba
Containers on Vessels
More Port Facilities
Increased Agriculture Exports
Momentum to reduce highway wear and tear

Threats

Funding
Timing
Competition with other states
River navigability and dependability
EPA Regulations
Regulation on River Usage

Different types of exports
Cost effective location
Center of nation/ease of access
Consider partner w/Port of New Orleans

SHORT TERM GOALS

1. Identify viable projects through MPAA Budget Request (see attached summary)
2. Present to House Leadership the importance and need of our Ports Committee to continue outside of the interim
3. Request the Department of Economic Development, the Department of Tourism, and MoDOT to work together to outline a plan for river tourism and ports in our state
4. Educate members of the legislature on the impact and importance of Missouri ports to their districts
5. Ports Committee members need to actively meet with the port directors within their districts to identify and verify the needs of the individual ports
6. Have at least 2 committee members at each MPAA meeting
7. Identify and work with all stakeholders to assess future projects, business/industry, and necessary legislation

LONG TERM GOALS

1. Obtain sustainable funding
2. Establish a Special Committee on Ports
3. Educate lawmakers, business and industry, and the general population about the benefits of our ports and promote our ports, agriculture, industry, manufacturing, and river tourism
4. Establish an ongoing line of communication with all stakeholders

5. Work in partnership with MPAA to continue to identify needs and priorities of ports
6. Improve infrastructure and intermodal transportation
7. Attract new business and industry to our state which will utilize our port system
8. Improvement of aging lock and dam systems
9. The legislature will work with the Governor's office to have input on U.S. Army Corps of Engineer projects and decisions on locks and dams, water levels, and dredging.

The project list is in order of prioritization as recommended and presented by the MPAA to MODOT.

SFY 2017 MPAA Port CIP Project Recommendations

Port	Project	Total Cost	Amount Requested	Notes
Jefferson County	JCPA Freight Port	\$240,000,000	\$2,000,000	Property acquisition and update of port Master Plan
Mississippi County	Improvements to Dorena II and Hickman II	\$109,200	\$87,360	Rebuild engine on Dorena II and address other needs to boat and barge
St. Joseph	Dry Bulk Storage Hoop Barn	\$1,117,524	\$971,760	20,000 sq ft hoop barn, including upgraded electrical, water and sewer service
New Bourbon	Upgrades to the Ste. Genevieve - Modoc Ferry	\$70,000	\$56,000	Engine replacement
Sub Total:		\$241,296,724	\$3,115,120	

Port	Project	Total Cost	Amount Requested	Notes
Lewis County	Sheet wall extension	\$1,500,000	\$1,200,000	Install 400' of additional sheet wall
Pemiscot County	Land Acquisition and rail construction	\$5,680,000	\$1,700,000	\$1.7 million is for land acquisition
Pike/Lincoln	Pike Lincoln Industrial Park	\$500,000	\$400,000	Land acquisition, engineering, site preparation and Phase I study
SEMO	Main Track Raise	\$370,000	\$296,000	Raise 2700' of track 4', above normal flood levels
St. Louis City	Rail Gate Improvements	\$500,000	\$400,000	Raise sill at rail flood gate 1'
Howard Cooper	Development of port	\$486,100	\$388,880	Engineering
Sub Total:		\$9,036,100	\$4,384,880	

Port	Project	Total Cost	Amount Requested	Notes
Howard Cooper	Development of port	\$1,165,400	\$562,620	Construction
New Bourbon	2017 Capital Improvement Project - Infrastructure	\$1,718,668	\$1,374,934	Improve dock, install sheet pile, paving roadway and improve RR crossing
New Madrid	Land Acquisition	\$2,655,300	\$2,124,240	Land acquisition, fill and improvements
SEMO	Loop Track 2016	\$1,400,000	\$1,120,000	Phase I: Embankment fill and haul road
Sub Total:		\$6,939,368	\$5,181,794	

Grand Total: \$257,272,192 \$12,681,794

Committee Members

Rep. Becky Ruth, Chair
Rep. Craig Redmon, Vice Chair
Rep. Bob Burns
Rep. Kevin Corlew
Rep. Lyndall Fraker
Rep. Ben Harris
Rep. Delus Johnson

Rep. Bart Korman
Rep. Michele Kratky
Rep. John McCaherty
Rep. Charlie Norr
Rep. Don Rone
Rep. Dan Shaul
Rep. Rob Vescovo

Witnesses

August 12, 2015

Cheryl Ball
Timmie Hunter
Dan Overbey

MoDOT, Freight & Waterways Administrator
New Madrid County Port Authority, Executive Director
Southeast Missouri Regional Port Authority (SEMO
Port), Executive Director
Missouri Soybeans Association
Missouri Corn Growers Association
Port Authority of Kansas City
Port Authority of Kansas City

Dan Engenann
Samantha Davis
Brent Hemphill
Mark Coulter

Ports Summit
October 1 and 2, 2015

Kristine Neeley
Ron Steele
Cheryl Ball
Bryan Ross
Susan Taylor
Dan Engemann
Jaci Winship
Jennifer Hoskins
Jeff Brooks
Mary Mulhearn

U.S. Coast Guard
New Bourbon Port
MoDOT, Freight & Waterways Administrator
MoDOT, Waterways & Freight Manager
St. Louis Port Authority
Missouri Soy Bean Association
Congresswoman Ann Wagner
Senator Roy Blunt
Gamble and Schlemeier
Missouri Department of Natural Resources

Jim Wild	East-West Gateway Council of Governments
Andy Schimpf	U.S. Army Corps- St. Louis
Brendan Fahey	Senator Claire McCaskill
Ralph Martin	Lewis County Port Authority
Mandi Brink	SEMO Port/ MPAA
Mark Coulter	Port Authority of Kansas City
Janice Luchan	Jefferson County Port Authority
Lisa Lemaster	MoDOT, Government Relations
Tami Holliday	Posinelli
Chris Klenklen	Missouri Department of Agriculture
Sara Clark	TranSystems
Barb Frost	TranSystems
Ashley McDonald	Missouri Farm Bureau
Mary Lamie	Bi-State Development Freight District
Tom Crawford	Missouri Trucking Association
Jim McNichols	Congressman Blaine Luetkemeyer
Colin Wellenkamp	Mississippi River Cities & Towns Initiative (MRCTI)
David Madison	Pemiscot County Port Authority

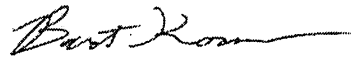
November 4, 2015

John Pickard	U.S. Corps of Engineers
Bryan Ross	MoDOT, Waterways & Freight Manager
Mandi Brink	SEMO Port/MPAA

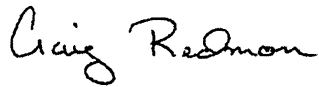
Approval of "Report of the Interim Committee on the Development and Improvement of Missouri Ports" given by:



Rep. Becky Ruth, Chair



Rep. Bart Korman



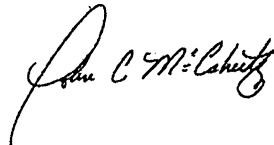
Rep. Craig Redmon, Vice Chair



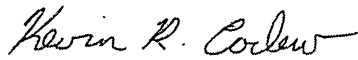
Rep. Michele Kratky



Rep. Bob Burns



Rep. John McCaherty



Rep. Kevin Corlew



Rep. Charlie Norr



Rep. Lyndall Fraker



Rep. Don Rone

Rep. Ben Harris



Rep. Dan Shaul



Rep. Delus Johnson



Rep. Rob Vescovo