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The MARITIME EXECUTIVE

INTEL CAPITAL FOR LEADERS



JOHN
PARROTT

PRESIDENT
& CEO,
FOSS

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Port Tampa Bay, on Florida's Gulf Coast, has a direct connection to the Class I railroad CSX. Working together with energy firm Kinder Morgan and CSX, the port built a large rail terminal to handle long "unit trains" for shipping ethanol. Its construction also gave Tampa Bay the first unit-train-capable, on-dock intermodal terminal in Florida.

Tampa Bay's container cargoes have historically been a small part of its business, but the segment has grown since the port purchased new gantry cranes in 2016. Now it's ready to attract even more container services, ranging from the regional feeder vessels that serve Mexico's Gulf Coast all the way up to the megaships arriving via the Expanded Panama Canal. Tampa's fast, onsite intermodal connection with the rest of the Southeast is an additional selling point for potential customers.

TRANSCONTINENTAL CONNECTIONS

Halfway around the world, in China, intermodal rail carries only a small percentage of domestic containerized freight. China's rail network is extensive and well-developed. But intermodal facilities are limited, and few of China's giant container ports are equipped with on-

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The Port of Nansha, located across the Pearl River Delta from Shenzhen and Hong Kong, is among the first Chinese ports to fully integrate intermodal into its development. When completed in 2020, the Guangzhou Nansha On-Dock Railway will be the first of its kind in South China. Its 50-mile rail link will connect the port with Guangzhou manufacturers, the national railway network and the New Eurasian Land Bridge, an increasingly popular rail route from China to Europe.

→ dock or on-terminal rail facilities. For example, the nearest rail terminal to Shanghai's new megaport, Yangshan, is on the far side of a 20-mile-long sea bridge.

Despite these challenges, intermodal volumes in China are poised to grow. Beijing is encouraging Chinese manufacturers and shippers to move away from truck transport to reduce pollution from diesel exhaust, especially during the smog-prone winter months. Its Ministry of Ecology and Environment recently announced a push to increase rail freight capacity by 30 percent over the next two years to meet this mandate.

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Eurasian Land Bridge, an increasingly popular rail route from China to Europe. For a small number of westbound, high-value cargoes, the trans-Eurasian rail service is a good "middle option" between ocean shipping and air freight.

Once Nansha finishes its intermodal facility, the interconnections could open up novel possibilities. According to John Painter, President & CEO of Guangzhou Port America, one major footwear importer is thinking about shipping Vietnamese-made goods by sea to Nansha, then loading the containers onto rail cars and moving them overland to Europe.

The extra land-side connections will further support Nansha's ocean freight business, which is growing eight to ten percent annually. Nansha is rapidly moving up the ranks of the world's busiest container ports, buoyed by regional changes.

"When Hong Kong grew more congested in the 1990s, many businesses moved out to the Shenzhen area," says



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Nansha's value proposition is simple. Producers on the west side of the delta can keep trucking their containers to the Port of Shenzhen, two hours away, or they can use the Port of Nansha, which is closer and less costly to reach. According to Painter, many U.S. retailers save 30-50 percent on their Guangzhou-origin drays when they switch to Nansha, helping the port generate rapid growth in cargo to North America.

➔ Painter. "Now that Shenzhen has become crowded too, many of those businesses are migrating out to the western side of the Pearl River Delta where costs are lower. Strategically, we are well-positioned to absorb these companies' cargoes, and with our on-dock rail capabilities we will help connect the hinterlands as manufacturing continues to push inland."

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The shift is reflected in the numbers. Today, Nansha has nearly 100 container services and 15 million TEUs of annual volume with busy routes to Europe, Asia and Africa. The port

has four services to the U.S. West Coast, and Painter says the market is ready for an East Coast call by early next year.

A GREEN SOLUTION

The container freight market is highly competitive, both for seaports and shipping companies, and small cost differences add up quickly when multiplied over thousands – or millions – of container moves. For ports with the right infrastructure, intermodal rail can change the equation for shippers and attract new business even if the final destination is far inland.

And since rail emits much less CO2 per mile than trucking, intermodal is a straightforward way to reduce the carbon intensity of door-to-door shipping. As the industry looks for ways to meet ambitious emissions reduction targets, every extra contribution helps.

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PAUL BENECKI is the magazine's Americas/Europe Editor.



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