

# Identification of NAFTA-Induced Opportunities for Louisiana's Ports and Waterways

*Starting date:* 6/01/95  
*Duration:* 12 months  
*Completion date:* 5/31/96  
*Funding:* State  
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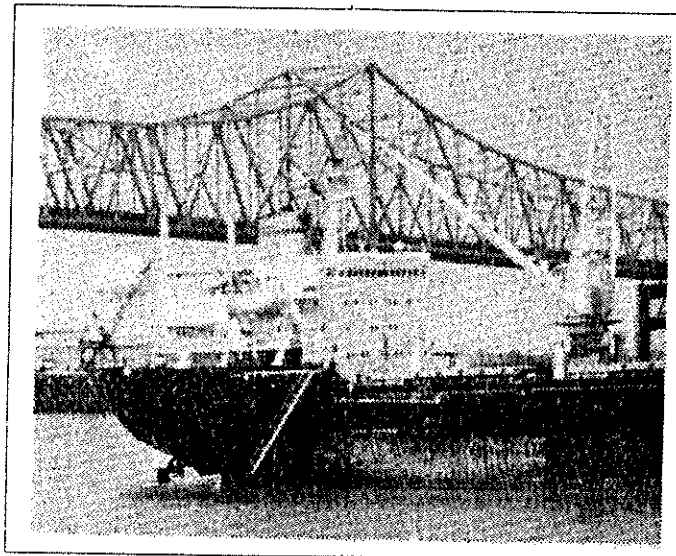
## Problem

The North American Free Trade Agreement (NAFTA) offers significant potential for Louisiana with its port capacities to accommodate expanded water transport trades. Congestion at the U.S.-Mexico land borders will most likely not be resolved in the near future. The restructuring of the region's trade dynamics NAFTA will induce can lead to meaningful expansion of current levels of Louisiana-Mexico trade. In order to capitalize on NAFTA-related opportunities, Louisiana should develop strategies required for the state's ports to

play a role in capturing the impending growth of water-based trade and diverting land-based trade to water transport.

## Objectives

The primary objective of this research is to define the NAFTA-induced market opportunities for Louisiana's maritime sector and identify the strategies required to exploit them, including recommendations for port infrastructure requirements.



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Sponsored jointly by the  
Louisiana Department of  
Transportation and  
Development and  
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## Description

Market opportunities and strategies in terms of port type and port ranges will be explored in this study. If an individual port wishes to apply the research findings to its marketing program and facilities, the information from this study will assist in that effort.

The LSU National Ports and Waterways Institute (NPWI) will consider opportunities related to the five types of maritime services currently operating or being considered for U.S. Gulf Coast/East Coast Mexico trades. These include:

- Deep Sea/Conventional
- Coastal/Short-Sea
- Feeder
- River/Ocean
- Water Bridge

Five major tasks will be used to determine market opportunities and strategies in terms of port type and port ranges:

- Development of existing, emerging, and potential market profiles with respect to both water and land transportation modes

- Analysis of transportation networks, logistics, and costs
- Evaluation of the competitive position of Louisiana ports in the U.S. Gulf/East Coast Mexico trade
- Formulation of recommendations for market opportunities, strategies, and infrastructure requirements
- Organizing and conducting a workshop presenting the preliminary findings of the analyses
- A port-specific analysis addressing needs of individual ports (on a request basis).

If proven viable for Louisiana's ports, the innovative water-based strategies can be implemented in a relatively short term, placing Louisiana in the enviable position of establishing trade patterns before competing states have broken ground for their land mode improvements. The proposed research will identify opportunities and measures that can be implemented for Louisiana's ports to capitalize on the NAFTA-induced opportunities.

## Implementation Potential

The intent of this research is to focus on the feasibility of Louisiana's ports to capitalize on these opportunities and to define requisite strategies. This will not only benefit ports, but virtually all businesses associated with logistics and transport in Louisiana's ports, including shippers, rail/truck/intermodal services, and freight forwarders/customs house brokers.

Moreover, the benefits will be extended in terms of the impact normally associated with expanded economic activity, including increased jobs, expanded sales of Louisiana based industry products, reduced transportation costs, reduced costs of consumer products, and increased tax revenues.

To increase the likelihood that strategies can be implemented, discussions will be held with responsible authorities (including public agencies and key private organizations) to insure that required actions are practical and that commitments of the necessary staff and capital resources are probable. Detailed implementation plans for port-specific opportunities will be addressed if an individual port sponsors the effort during or following the study.