

Planning and Environmental Division

**Economic
Analysis Update
For
Stakeholder Evaluation
Group
6 June 2006**



Mobile/Savannah Planning Center

Purpose

Planning and Environmental Division

To provide an update on the progress of ongoing deep-draft navigation economic analyses



Mobile/Savannah Planning Center

Topics to be Discussed

Planning and Environmental Division

- Status of Economic Efforts
- Additional Economic Evaluations
- Reviews
- Questions and Answers



Mobile/Savannah Planning Center

Status of Project Economic Efforts

Planning and Environmental Division

- Commodity Forecast
- Fleet Forecast
- Benefits Calculation Methodology and Model
- Multiport Analysis
- Regional Port Analysis



Mobile/Savannah Planning Center

GEC Final Reports

Planning and Environmental Division

- Commodity Forecast – March 2005
- Vessel Fleet Forecast – August 2005
- Benefits Calculation Methodology and Model – May 2006



Mobile/Savannah Planning Center

Interim Reports

Planning and Environmental Division

- **Multiport Analysis**
 - Interim Report - March 2006
 - Independent Technical Review - Underway
 - Final Report
- **Regional Port Analysis**
 - Final Report – Scheduled for September 2006



Mobile/Savannah Planning Center

Need for Additional Evaluations

Planning and Environmental Division

- Project Uncertainties
- New and/or Rapidly Changing Information
- Most Likely Future Condition – Sensitivity Analysis
- Potential for Benefiting Users not Included in Original Analysis



Mobile/Savannah Planning Center

Additional Economic Evaluations

Planning and Environmental Division

- Review and Update of Operational Changes
- Review and Update of Data Inputs
- LNG Evaluation

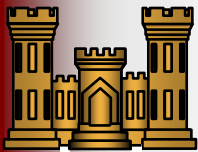


Mobile/Savannah Planning Center

Review and Update of Operational Changes

Planning and Environmental Division

- **Project Uncertainties**
 - Panama Canal
 - Vessel Routes (Suez Canal vs. Panama Canal)
 - Bayonne Bridge Constraint
 - Changes in Port Rotations with Project
- **Data Inputs**
 - Vessel Fleet Forecast
 - Vessel Operating Costs
 - Vessel Itineraries
 - Service Changes
 - Port Loadings

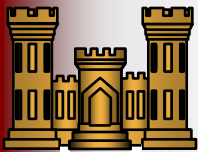


Mobile/Savannah Planning Center

Review and Update of Operational Changes (cont'd)

Planning and Environmental Division

- **Data Sources**
 - Interviews with Top Carriers (volume)
 - Panama Canal Authority
 - Industry Publications
- **Problem of Proprietary Data**



Mobile/Savannah Planning Center

Review and Update of Data Inputs

Planning and Environmental Division

- Benefit Model Assumptions (e.g., cargo density, crane moves per hour, etc.)
- Commodity Forecasts (updating forecasts for pre-project years with actual data)



Mobile/Savannah Planning Center

LNG Analysis

Planning and Environmental Division

- Determine whether LNG would benefit
- If yes, conduct economic evaluation of benefiting calls
- Evaluation of vessel interaction

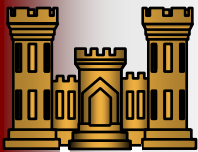


Mobile/Savannah Planning Center

Reviews

Planning and Environmental Division

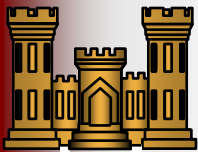
- Independent Technical Review
- External Technical Review



Mobile/Savannah Planning Center

Planning and Environmental Division

Questions P P P



Mobile/Savannah Planning Center

Mobile District

Planning and Environmental Division



We Autograph Our Work With Quality



Mobile/Savannah Planning Center