

Morgan Rees Notes from Economic Working Group Meeting of January 29, 2004.  
Subject: Presentation of the Economics Technical Work Plan

Plan was published in advance of the meeting on the Harbor Deepening Web Site.

Plan was presented by GEC, contractor to the Corps of Engineers.

Concern about relative future values, i.e., assuming environmental resources are scarcer in the future than they are currently, their relative value will increase more than other economic factors. Such a change in relative values should be captured in the economic analysis.

Will savings on shipping costs actually be passed on to consumers or will they be retained by the shippers?

Will ballast water be used that will affect the tonnage shipped with respect to immersion factor calculations.

Discussion of effect of Panama Canal improvements – one view was to include potential improvements in the future “wit project condition” another view was that improvements are so uncertain as not to warrant consideration. This could be resolved by literature research.

Should review the GAO evaluation report of the Delaware River Project to ensure we do not make the same errors.

Shipping is changing rapidly, shippers are dividing cargo, labor considerations and infrastructure are changing, etc. How do we get an accurate picture of future conditions?

Multiport/regional port analysis – how many and what kind of assumptions are needed versus how much hard data? Could end up recommending a separate study for a regional port.

Multiport/regional port analysis should include a west coast port in the comparison.

Do not limit evaluation of regional ports to just one regional port. Two regional ports could be preferable to all ports being deepened.

How deep would a regional port have to be to accommodate the future fleet?

Consider the relative security risks of a regional port compared to individual ports.

Throughput increases may not require deepening – see NY/NJ recent experience.

Waterborne transportation actually has the least environmental costs, so regional ports with long rail or truck legs would have more environmental impacts by comparison.

Costs of throughput can vary depending on comparison of cost of tidal delays and cost of calling out work crews to avoid a tidal delay.

Consider air emissions from vessels.

Good outline, but “the devil is in the details.”