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Collaboration and Investment Produce Cargo Growth on the Inland Waterways

[ST. LOUIS, MO/May 14, 2024] Investments being made at key ports located along the Mississippi River and Missouri River continue to drive cargo growth and reinforce the importance of America’s inland waterways in adding optionality to the global supply chain. Those were among the highlights shared by representatives from the Port of New Orleans, America’s Central Port and Port KC in a virtual panel discussion during FreightWeekSTL focused on how these investments and the connectivity and collaboration between the three regions will help support continued cargo growth.

Brandy Christian, President & CEO of the Port of New Orleans and CEO of the New Orleans Public Belt Railroad, discussed the container-on-barge service that, in partnership with Ingram, moves on average 30,000 TEUs (twenty-foot equivalent units) on the Mississippi River between New Orleans, the Port of Baton Rouge, Memphis and St. Louis. Last year, the Port of New Orleans celebrated its highest year of movement since the service started in 2016, with 20,500 total containers moved.

“That service really is the largest network in the U.S. moving containers by barge all the way from New Orleans up into the heartland,” said Christian. She added she is excited about how the service has expanded over time, delivering both an alternative route for shippers and environmental benefits. “With the ocean carriers really taking attention and shippers beginning to understand that it’s a real alternative to intermodal services -- not just rail and trucking -- the Mississippi River really is an option for moving containers.”

Dennis Wilmsmeyer, Executive Director of America’s Central Port (ACP) located on the Mississippi River in Illinois just north of St. Louis agreed. He discussed the many commonalities between the ports and how the various facilities along the river system benefit from partnerships with other ports or their operators. He said that SCF, recently purchased by Ingram, also provided container-on-barge (COB) services at America’s Central Port prior to the COVID-19 pandemic. He said he hopes to work with Ingram to get those COB operations re-established at ACP.

“There are a lot of commodities that move out of and into the St. Louis market that can go by the river system. It’s just a matter of educating the shippers,” said Wilmsmeyer. “That’s really where we’ve worked with the Port of New Orleans in the past.”

Wilmsmeyer also highlighted the continuing investments being made at America’s Central Port on roadways, the infrastructure system, and the two river harbor facilities to further enhance efficiency. “The more efficient we can be here at the port, the more opportunities there are for shifting some of that transportation of goods from rail or truck over to the River system.”

Additional collaborations between Port KC and the port authorities in the St. Louis region that share supply chain connectivity via Interstate 70 and the Missouri River were highlighted by Jon Stephens, President and CEO of Port KC, located on the Missouri River in Kansas City, Missouri. He talked about how Port KC helps “raise the tide” by sharing great ideas and the value of waterborne logistics, and how important the Mississippi and Missouri Rivers are to connecting through the Port of New Orleans. Stephens shared some of the major

successes Kansas City has achieved this past year with logistics – mostly rail and trucking – but also setting record tonnage with its agriculture commodities and products on the river.

“Being able to share that story and have our partners in St. Louis continue to amplify that story has led to things such as the State of Missouri this past session, awarding record breaking grants and funding for ports,” said Stephens. “We were the recipients of a grant to build a new dock and new roadways to really open up what we think will be an incredible piece of the puzzle here with the Missouri River Terminal having the truly large scale, water-based intermodal for the first time in Kansas City. Those ideas and collaboration with St. Louis, we wouldn't be where we are without that partnership.”

Wilmsmeyer said it is important for America's Central Port and other ports in the Midwest to support federal funding for the new Louisiana International Terminal in New Orleans. He said enhanced facilities at the Port of New Orleans will benefit Midwest ports like America's Central Port because commodities flow in cost-effective manner both up and down the Mississippi River between the Port of New Orleans and the inland ports.

“It's very much a hand-in-glove relationship there,” he said. “America's Central Port is located just south of the confluence of the Illinois, Missouri and Mississippi Rivers. We're the first public port located just below that confluence, and because of that, we're really the mouth of the funnel. All those commodities come from the Midwest to one point right here, and then make their way downriver to the Port of New Orleans. So, it's only natural for us to support what they're doing, especially from a container and cargo commodity perspective.”

Christian said the Louisiana International Terminal has received \$300 million in funding for the development of its container facility, which marks the largest federal grant ever awarded to a container terminal in the history of the U.S. Department of Transportation. Christian said this speaks volumes to the need for another gateway in the country and the role the Mississippi River plays for the agricultural communities in the heartland of America that rely on one another to be successful. She said the widespread support was integral to the success of the grant application.

“The project has been decades in the making and much needed for a long time, so we're very excited about the progress,” said Christian. She said the port is about two-thirds of the way through the permitting process. If the U.S. Army Corps of Engineers approves the permit in 2025, construction would begin with the first berth expected to open in 2028.

“The facility is designed at about 400 acres, and we're very excited to be able to handle the largest vessels here in the lower Mississippi,” said Christian. “The project is budgeted at \$1.8 billion, which we have successfully raised in partnership with Ports America and TiL, an operating arm of MSC Shipping. We have the support of the state and now the federal government, and key operators and ocean carriers that I think believe in the vision, not just in the lower Mississippi, but the opportunity in the Midwest and the St. Louis Regional Freightway.”

Stephens provided details regarding recent funding received and investments underway at Kansas City ports, highlighting a \$7 million state grant captured earlier this year that is supporting growth of key dock facilities and a MARAD Grant for improvements at Port KC's Missouri River Terminal, which is its larger facility. He said \$30 million is being invested in bridge and roadway construction underway and the acquisition of additional acreage to bring the total acreage within the facility footprint to 500 acres. Those investments will allow a former steel mill site to come back to life as a true intermodal facility. An additional \$50 million is being spent to improve a recently reopened barge and bulk goods facility to facilitate continued growth on the inland waterways.

The rail connectivity of the Kansas City area is also something Port KC plans to capitalize on. “We're in the late stages of STB application to establish Port KC as a short line railroad here in the region, so that we're able to continue to move our facilities as open yards and have those partnerships- – be it any one of the Class I's,” said Stephens. “We're excited to time that where we believe we'll be getting, if not the waterborne side, the rail side, coming online in late 2025 or early 2026 as sort of the first phase of the Missouri River Terminal.”

Stephens also highlighted a \$4 billion Panasonic electric battery plant currently under construction in the Kansas City area that is one of many springing up across the nation as automakers race to ramp up domestic battery production to comply with the new EV tax credit rules.

Looking at some of the challenges impacting the supply chain today, all three panelists reiterated the importance of continuing to invest in resiliency and diversity to help keep supply chain disruptions from occurring, or if it does, to have available alternatives to keep things moving and keep containers rolling.

“The investments being made and the connectivity and collaboration between the three ports will help support continued growth in both traditional barge traffic and container-on-barge services and intermodal operations in the Ag Coast of America,” said moderator Mary Lamie. “All of these efforts are helping to connect the dots between manufacturers, growers, markets and shippers in ways that will grow cargo on the inland waterways.”

Lamie hosted the virtual panel session. She leads the St. Louis Regional Freightway and is Executive Vice President of Multimodal Enterprises for Bi-State Development. Bi-State Development operates the St. Louis Regional Freightway as one of its enterprises.

FreightWeekSTL 2024 is presented by the St. Louis Regional Freightway and continues through May 17. Other virtual panel sessions with industry experts and leaders in freight, logistics, transportation are offered as part of the annual expo. To learn more or to register for panel sessions or to view the videos from today’s FreightWeekSTL 2024 sessions, visit FreightWeekSTL.com.

About St. Louis Regional Freightway

A Bi-State Development enterprise, the St. Louis Regional Freightway is a regional freight district and comprehensive authority for freight operations and opportunities within eight counties in southwestern Illinois and eastern Missouri, which comprise the St. Louis metropolitan area. Public sector and private industry businesses are partnering with the St. Louis Regional Freightway to establish the bi-state region as one of the premier multimodal freight hubs and distribution centers in the United States through marketing and advocacy for infrastructure development that supports the movement of freight. To learn more, visit thefreightway.com.