

# KNOW YOUR PORT:

## The Ins & Outs of Barging at the Port of Port Angeles

*Barging has been a topic of interest for many years at the Port of Port Angeles because it is an efficient means of moving goods by water.*

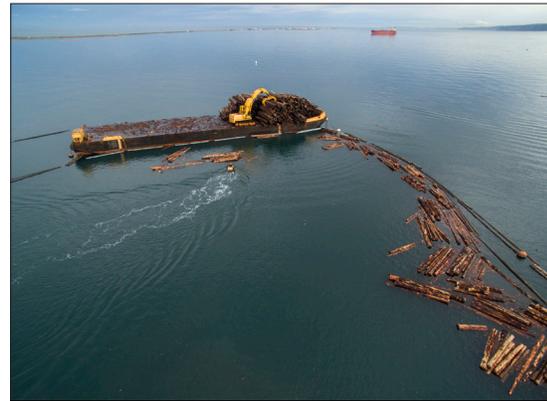
Feasibility studies have been conducted at intervals as market conditions have changed over the years. Although barging seems at first glance to be an obvious fit for our Port given its deep-water harbor and strategic location, it is not as simple as it seems.

The advantages of barging include cost efficiencies for moving different kinds of products (cost per ton transported), and the ability to get more trucks off the roads, thereby reducing congestion and emissions. There is also potential for additional jobs and business for Clallam County. However, different products have different shipping, distribution and cost requirements.

In order for barging to be feasible, three elements are needed: large volumes, the proper infrastructure and reasonable distances. It must also be financially competitive with existing transportation modes such as trucking. There are different categories of barging based on product types and their specific needs.

One category that our Port already offers successfully is log barging. This fits well with the Port's waterfront log yard to create an efficient, seamless way to ship logs to markets in Oregon and regional lumber mills located on the I-5 corridor. Logs originating from Canada, Alaska and areas within Puget Sound are also received at Port facilities and are utilized by wood products companies including Port Townsend Paper, Nollen Trading and Port Angeles Hardwoods. Revenue from these activities has funded a majority of the infrastructure the Port has provided to our community over the decades, and supports many jobs throughout the region.

Eric and Debra Haller of NW LOG-istics, located in Port Angeles, bring logs in by barge from Canada to be used locally. In addition, NW LOG-istics also facilitates shipping locally harvested logs to mills in Oregon. "I really appreciate the synergy our company has developed with the Port – it's a great working relationship," says Eric. "We help supply local mills, which is a win-win for us, the Port and the county."



*An Al-Can barge takes on a shipment of logs bound for mills in the Puget Sound region.*

Other forms of barging have been considered, such as shipping finished products in containers or truck transfer trailers. However, finished products require specialized packaging and temporary warehousing, making barging for these shipments more expensive than other transportation modes. To make barging cost effective, most shippers would need a back-haul (a returning cargo to take going back). Also, shipping finished products would require additional waterfront facilities to accommodate its different infrastructure needs.

To justify those development costs, an anchor cargo (one that ships out regularly) would need to be identified with a firm customer commitment to use the facility for a number of years. This is needed to justify the sizable investment required to develop a barge handling facility and guarantee a reasonable rate of return. The last barging feasibility study conducted in 2000 indicated that even with a committed customer and cargo, a successful barge operation requires large, predictable cargo volumes; cargo velocity (getting time-sensitive products to markets quickly); and a shipping distance that ensures competitive transportation rates when compared to trucking.

Mike Nimmo, Operations Manager, feels that the efficient movement of goods and services will always be a priority of the Port. "I firmly believe that at some point in time, the efficiencies of barging will become apparent when our surface transportation corridors become overburdened. One has to only look north to Vancouver Island, with a growing population, and realize that essentially all of the goods that arrive and leave the island do so by barge or ship."

In its Strategic Plan, the Port has the goal of "aggressively marketing the Port and investing in strategic infrastructure to foster living wage jobs." At this time, market conditions do not support the establishment of non-log barging at the Port's terminals. However, the Port will continue to monitor barging potential for future opportunities.