

Appalachian Transportation Institute (ATI) Research Project Description

Project Number: ATI TRP 99-19

Project Title: Public/Private Port Case Study

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Project Objective: 1900 Kanawha Blvd, Bdg 5, Rm 512

Abstract: Historically, both the public and private sectors have participated in the development of the infrastructures necessary to support commercial navigation on the nation's inland waterway system. Private sector entities, motivated by potential economic rewards, have often developed port and dock facilities, while the federal government has provided the navigation locks and other structures necessary to maintain navigable river channels. For state and local governments, involvement in the provision of navigation infrastructure has largely been motivated by a desire to secure the additional economic development that is generally associated with improved transportation systems. For the most part these latter efforts have focused on the development of public port facilities. The research that would be undertaken under the current proposal involves two distinct sets of tasks. First, the relevant micro-economic theories that govern efficient public sector involvement in private market activities would be specifically applied to the issue of public port development. The second phase of the proposed research would involve a case study, wherein, the principles developed during the first phase would be applied to a specific port development project - potentially, at least, the proposed port at Brown's Island near Weirton, West Virginia. The course of this investigation would follow the steps typical within the initial stages of a port planning study and would include an initial environmental investigation, cite assessment and planning work, and an economic market analysis. The chief distinction between the proposed Phase II efforts and a more typical

planning study would be the application of the more carefully developed justification criteria developed within the study's first phase

Task Descriptions:

1. There are, in fact, a number of market conditions that demand public sector intervention. The task here would be to determine which of these conditions apply to the case of port development. This phase of the investigation should not only identify the economic circumstances under which public port development is justified; it will also provide guidance regarding the actual magnitude and form of government involvement.
2. Case study analysis including detailed site reconnaissance and application of economic analysis tools developed in Phase I of this project.

Milestones, Dates, Schedule: Start Date: 07/01/00 End Date: 08/31/01

Budget: \$240,750.00

Student Involvement: The project will provide employment support for at least 1 undergraduate and 1 graduate student. The student workers will support the Principal Investigator as project assistants. This project is not anticipated to lead to a student thesis directly.

Relationship to Other Research Projects: None at this time.

Technology Transfer Activities: Final reports will be available on the ATI website. All, ATI Principal Investigators will present findings through the ATI Transportation Seminar Series to invited guests from WVDOT, USDOT, other ATI Principal Investigators, students and other invited guests. Other opportunities to present the project results will be explored including conferences and peer reviewed journals, etc.

Potential Benefits of this Project: The proposed study should yield a number of important benefits. First, the Phase I activities will yield a very clear set of criteria for justifying the involvement of the public sector in the provision of port facilities. These criteria will indicate when and to what extent public involvement is warranted, as well as the circumstances under which public activities are unjustified. The application of these criteria within the case study setting will help provide a template through which the appropriate economic principles can be more readily applied in other similar port studies. In this way, any resources dedicated to the current investigation would represent an investment in the development of methodologies that should yield more efficient planning studies in a variety of future settings. Not inconsequentially, the "on-the-ground" application of the clarified economic principles will also help

future researchers by identifying potential difficulties. Finally, the proposed research would provide a clear and readily defensible assessment of the proposed port development at Brown's Island. In this way, the study would provide a usable and necessary product, while advancing the public's knowledge regarding efficient public sector involvement in port development.

TRB Keywords: Public Ports, Economic Impact