The South Carolina Ports Authority is planning to build a second facility at the same time that the Port of Virginia boosts investments at its two inland ports. Strong volume increases, such as 29 percent in South Carolina and 38 percent at a Virginia terminal, are fuelling the development. The Georgia Ports Authority is planning to add a second inland facility as well, and New York/New Jersey port officials are working to build inland partnerships.

Joe Harris, a spokesman for the Port of Virginia, outlined multiple advantages for the state’s two inland ports, located in Front Royal and Richmond. Front Royal, the nation’s first inland port, has been open since 1989.

“They help to reduce emissions. They help to reduce traffic congestion and wear-and-tear on the roads. They can provide a savings to shippers and cargo owners,” he said, while also serving as catalysts for regional commerce and encouraging growth in discretionary markets beyond the state.

“We continually assess needs and possibilities and keep open the option of further development, but we will expand capacity before we build a new inland facility,” Harris said, citing planned expansion in Front Royal.

Front Royal is on I-66 and is near I-81, one of the nation’s busiest truck routes. Norfolk Southern trains connect Front Royal with Norfolk International Terminals and the Virginia International Gateway in Portsmouth. Shipments through Front Royal reached nearly 35,000 in the 2017 fiscal year that ended on June 30. Richmond utilizes barge moves from the deep-water ports to a facility adjacent to I-95. Its fiscal year 2017 volume rose 38 percent.

Michael Hoffman, general manager of intermodal operations for South Carolina’s port agency, said the state’s first inland port, in Greer, was developed at the request of automaker BMW in 2013 to support inland moves from Charleston.

“A Lot of Potential’

“We knew the cargo was there [at Greer],” Hoffman said. “And we knew there was a lot of potential.”

Greer handled 29 percent more cargo in the first 10 months of 2017 than the comparable 2016 period. An inland port also is planned along the CSX lines in Dillon, South Carolina, with domestic freight as a greater focus. The target date for construction to start is April 1.

Greer is served by Norfolk Southern, and is located along I-85 and near I-26.

BMW sought a route for 25,000 containers annually, and became the anchor tenant. The Greer facility’s presence has attracted construction of automotive, tire and other retailers’ distribution centers in the area.

Greer has also attracted international customers in eastern Tennessee, whose truckers’ productivity has been improved by

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using the inland port. Drivers now can make two round trips in a day to Greer instead of needing two drivers to make one run to and from Charleston, Hoffman said.

“Inland ports serve as a valuable extension of a deep-water port,” said Bethann Rooney, assistant director in the Port Department at the Port Authority of New York and New Jersey. “International maritime ports are always pursuing strategies that improve regional truck flows associated with the container trade.

Committed to Collaboration

The Port Authority of New York and New Jersey is committed to collaborating with local entities and supply chain partners on the development of additional inland port facilities wherever there are clusters of ocean container freight.”

The New York/New Jersey agency is barred by law from creating its own inland port because its jurisdiction is limited to a 1,500 square mile area around the Statue of Liberty.

Inland ports such as Front Royal and Greer are more than 200 rail miles from the docks. Those inland ports are relatively close to the waterfront, but the approach literally can be applied thousands of miles from shore.

Dean Wise, a former BNSF Railway and Conrail executive who now heads his own consulting firm, said the inland port label is a complicated one because the concept can be applied in so many different ways and locations.

For example, logistics parks located along BNSF lines in the Chicago, Kansas City, Dallas/Fort Worth and Memphis, Tennessee areas serve effectively as inland ports, offering the same in-bond international cargo moves as the ones located closer to the deep-water docks.

Other similar intermodal facilities handle bonded cargo far inland as well, he added.

‘Freight Magnets’

“These inland port facilities are big freight magnets and are very important to the railroads and intermodal,” he said, because they help to provide more seamless service to customers. At the same time, it helps ports to effectively add capacity by reducing dockside cargo handling on those inland moves.

GPA’s existing inland port is in Cordele, located in South Georgia about midway between Atlanta and Jacksonville, Florida, along I-75. Its rail service to Savannah also targets customers in parts of Alabama and Florida that largely ship exports such as cotton and peanuts.

An Appalachian Regional Port is being built in northwest Georgia, also near I-75, in Chatsworth. The opening is slated for 2018. It will serve industrial manufacturers of flooring and automotive products, according to a port statement.

In Georgia, the state’s ports authority approved $42.3 million as part of the effort to double the on-dock capacity at the Garden City Terminal in Savannah.

The Georgia project construction is scheduled to begin in December and take more than two years to complete. A separate project was approved to create more truck capacity and speed connections to I-95.

Rooney

Virginia’s Front Royal, shown in this aerial photo, was opened in 1989.

On the West Coast, commissioners at the Port of Oakland gave tentative approval to a deal with CenterPoint Properties to develop an on-terminal logistics center.

North Carolina also has inland terminal activity. One facility, offering a neutral chassis pool, is in Charlotte. Another facility is located in the Piedmont Triad area, near Winston-Salem and Greensboro, with service listed by dozens of motor carriers and 3PLs.

CSX also has announced plans to build a rail-served terminal for domestic and international freight in Rocky Mount, North Carolina, along its Northeast-Southeast main line.

There are no inland terminals in Florida, but Florida East Coast Railway emphasizes its ability to move freight to inland locations beyond the state, using an on-dock rail facility in Miami.

The advent of electronic logging devices may alter inland ports’ service capabilities.

Harris believes the shorter inland port trips compared to deep-water facility runs create an advantage for motor carriers and their customers after ELDs become mandatory.

Different Market

Rooney said inland ports’ longer runs represent a different market from port drayage.

“We believe inland ports will be boosted more by the Panama Canal, the Bayonne Bridge Navigational Clearance Project and ocean carriers deploying larger vessels to the East Coast and rates that are competitive with the West Coast,” she said.

On the West Coast, the inland port concept hasn’t taken hold yet, although it is being looked at with increasing interest.

“We have been exploring for the past year whether an inland port makes sense for us, but I can’t provide any specifics,” said Tara Mattina, a spokeswoman for the Northwest Seaport Alliance. “We’re not far enough along in the exploration.”

In Southern California, the Port of Los Angeles signed an agreement with Merced County California’s Board of Supervisors to encourage cargo investment and development supported by an inland facility called the Mid-California International Trade District, which is served by BNSF.

The Port of Long Beach doesn’t have an inland port partner, a spokesman said.

The Port of Oakland, which is developing an in-terminal trans-loading facility, offers an inland service in the form of a container yard in French Camp, California, operated by Shippers Transport Express, said port spokesman Mike Zampa.