

# S.C. Delivers

ISSUE 2, 2010

PORTS, LOGISTICS & DISTRIBUTION IN S.C.



## Wide open

S.C. State Ports Authority leaders hope the Panama Canal's expansion will open the floodgates to Far East trade

Page 42

*Photo/Panama Canal Authority*



## S.C. DOT's plans for \$10 million grant receive federal approval

COLUMBIA - The S.C. Department of Transportation has received the go-ahead to use the \$10 million grant it received from the U.S. Department of Transportation for the Interstate 73 project.

The S.C. DOT applied for \$300 million in Transportation Investment Generating Economic Recovery grant money for the project in 2009. The department received \$10 million at that time.

S.C. DOT staff members submitted plans to the Federal Highway Administration for improvements to U.S. Highways 501 and 301 that will eventually tie in to I-73 when construction on that road begins. The modified plan for the TIGER grant will meet the \$10 million budget approved for I-73.

The project involves the widening of about one

mile of U.S. 301 and approximately 1.25 miles of U.S. 501 near Latta from two lanes to three, as well as the realignment of the existing U.S. 501/U.S. 301 intersection. Also included will be the replacement of the Catfish Church Road bridge over Interstate 95 and associated frontage road relocation.

Interstate 73 is designed to connect South Carolina and Michigan.

S.C. DOT Commission Chairman Danny Isaac of Myrtle Beach welcomed the green light from the highway administration.

"I think the public will be pleased to see some actual work begin on I-73," Isaac said. "The improvements that will be made to U.S. 501 and U.S. 301 will bring about immediate benefits until more funding for I-73 can be secured."



## Belgian knitting company opens facility in York County

YORK - Lava USA Inc., a manufacturer of knitted fabrics for mattress covers, has located its new operations in York County.

The company invested more than \$3.8 million to renovate a former plastics manufacturing facility and expects to add 30 new jobs over the next five years.

"We are pleased to have our new plant up and running and look forward to adding more production capacity over the next few years. York County had an excellent building available that suited our needs and provides us with ample space to grow," said Robert Jones, plant manager for Lava USA.

Lava USA has located its new textile production and warehouse facility in the former Sattler Plastics building on Railroad Avenue in York. The company has already begun operations at the new facility and plans to continue adding machinery to the 100,000-square-foot facility over the next few years.

"It is refreshing to see a globally competitive manufacturing operation added to York County's rich textile history. We welcome

the new jobs and investment from Lava USA in western York County," York County Council Chairman Buddy Motz said.

The company has already begun hiring and is accepting applications. The company plans to add at least 10 new employees this year, with more positions coming open as equipment is added to the facility.

Lava is a family-owned and -operated knitting company that has been in business since 1925. The company specializes in the production of knitted fabrics for mattress covers and has offices in Belgium as well as the United States.

The S.C. Department of Commerce and York County joined in the announcement.



## Southwest Airlines announces S.C. routes

GREENVILLE - Chicago, Baltimore/Washington, Nashville, Tenn., and Houston.

Those are the destinations to which Southwest Airlines will fly nonstop each day from Charleston International Airport, the company recently announced.

The discount airline made a simultaneous announcement in the Upstate but added Orlando, Fla., to the mix of destination cities for Greenville-Spartanburg International Airport.

The company will be flying Boeing 737s, which hold 137

passengers, out of South Carolina. Southwest also plans to add about 40 employees at the airport.

Bob Montgomery, vice president of properties for Southwest Airlines Co., said previous traffic patterns helped the airline decide how it wanted to launch in South Carolina.

"It's all based on research, and we found that more people are coming from these places than others," Montgomery said.

The destinations are not set in stone, however; Southwest could change routes and

likely will expand service. When asked, company representatives said there are no direct flights between Greenville and Charleston because the goal, at least initially, was to connect the S.C. markets with existing networks, not with each other.

"Southwest Airlines is delighted to bring our special brand of low-fare, high-quality customer service to travelers in Greenville-Spartanburg and Charleston," said Dave Ridley, Southwest Airlines' senior vice president of marketing and revenue

management.

The Greenville-Spartanburg International Airport plans to expedite facility upgrades to have space ready for Southwest Airlines by the end of the first quarter of next year.





# State of the Port: Full steam ahead

By Daniel Brock, Staff Writer

In his first State of the Port address, in 2009, S.C. State Ports Authority President and CEO Jim Newsome said that the best years of the port lay ahead of it, rather than in the past.

It was bold rhetoric from the new head of an agency that had fallen off its once lofty perch in the maritime world — the port tumbled from fourth to ninth nationally in container traffic between 2004 and 2009. And Newsome admitted during this year's oration on Nov. 16 that his assertion wasn't totally confidence-based.

"After barely two months into the job, I have to be honest with you that I sincerely hoped that I was right," he told the crowd of nearly 500 people at the annual event hosted by the Propeller Club of Charleston on Nov. 16.

Having overseen a marked

**"We have a clear message for our customers and our stakeholders — that being that we are aggressive and will compete for business everywhere in the world."**

**Jim Newsome**

*S.C. State Ports Authority President and CEO*

turnaround during the past 12 months, Newsome told the audience — this time without reservation — the port's future is bright.

Newsome said a new culture has taken hold at the SPA, one in which "a sense of urgency and decisiveness are critical."

"We have a clear message for our customers and our stakeholders — that being that we are aggressive and will compete for business everywhere in the

world," Newsome said.

He checked off a list of accomplishments from the past year that included the attraction of several major new shipping lines, the port's position at 16% ahead of its volume plan in fiscal 2011 and the ongoing construction of a new container terminal at the former Navy base in North Charleston.

Newsome didn't shy away from a point of concern that has arisen

in recent months: the proposed deepening of Charleston Harbor. The project would allow the port, already the deepest in the Southeast with a 45-foot channel at low tide, to accommodate giant post-Panamax containerships without tidal restrictions.

At its current depth, the port in the first nine months of the year hosted more than 90 ships with capacity of more than 8,000 20-foot equivalent units. That would increase significantly if the shipping channel is deepened.

But progress on the years-long dredging process has been slowed by some federal lawmakers, led by U.S. Sen. Jim DeMint, R-S.C., who want to do away with the earmark system that would fund a crucial study on the deepening.

Newsome was adamant about the need for the money — and

## G.S. CARTER LUMBER CO.

LUMBER  
•  
PLYWOOD  
•  
TIMBERS  
•  
DUNNAGE

*Heat Treated Lumber A Specialty*



**843-577-6641**  
**FAX 843-723-7612**

Heriot Street, Charleston, SC

*US Water Recovery, LLC is a licensed & permitted physical/chemical non-hazardous wastewater pretreatment facility*

- Marine bilge water and cleaning water
- Petroleum tank cleaning wastewater
- Tank bottom water from petroleum storage tanks
- Wash water from tank cleanings, auto, truck and railcar cleaning
- Contact water, diesel fuel, kerosene, jet fuel
- Used oil
- Contaminated groundwater and stormwater
- Industrial accident contaminated water
- Discarded water from industrial, auto and truck cleaning

**US Water Recovery, LLC**

435 Old Mt. Holly • Road Goose Creek, SC 29445

Tel: 843.797.3111 • Fax: 843.797.1884

[www.uswaterrecovery.com](http://www.uswaterrecovery.com)



"Logistics is a cost game," Newsome said.

At minimum, post-Panamax ships need 40 feet of draft to enter a harbor. Charleston, which leads the Southeast with a 45-foot-deep shipping channel, can accommodate up to 48 feet, depending on the tide. Port leaders say that's Charleston's primary advantage as the Panama Canal expansion is completed.

As of mid-October, the port had hosted 80 ships with 40 or more feet of draft.

It's paying off: July was the busiest month volume-wise at the port since October 2008, and volume is above budget for the first part of the fiscal year. Newsome said the port was trying to get back its "natural share of the market."

The harbor's width, which allows for two-way traffic; the container terminal under construction at the former North Charleston Navy Base; and continued distribution center growth



A ship passes through the Panama Canal. (Photo/Panama Canal Authority)

also are keys for future success, Newsome said.

In recent months, a furor has arisen over a \$400,000 federal earmark that would fund part of a study that would examine deepening the harbor beyond 50 feet.

Business leaders at the Developers Council event were appreciative of the chamber's efforts to keep them up to date.

Daniel Hiers, a senior manager at the accounting firm Elliott Davis, said that his company works with an array of businesses associated with the port.

"Five years ago, you didn't hear as much about the port," he said. "There's a lot more emphasis on how important it is to the economy."

Later in the afternoon, Newsome addressed the Charleston County Legislative Delegation's SPA Ad Hoc Committee.

There, he touched on the big-ticket items that the port has dealt with in the past year, including the cruise industry; new container terminal; and harboring deepening.

"Quite frankly, there has been

some sensationalism," he said, referring to environmental concerns that have been raised over the cruise industry.

Newsome said that, although competitor ports might need more than \$600 million to dredge to Charleston's current depth, deepening Charleston Harbor to 50 feet — or deeper — would likely come at a price of about \$310 million.

"We're the best value in this region for harbor deepening," he said.

The meeting eventually turned toward a discussion of rail access to the new terminal before Senate Transportation Committee Chairman Larry Grooms, R-Bonneau, said that discussion was best left for another time.

Grooms said his committee was continuing to work on a report about rail access that likely would include such findings as the opinion that any rail plan "had better not give one line advantage over the other." ●



**HEROES CAN DO WONDERS WITH WAREHOUSING.**

You need one item from one crate in a warehouse in South Carolina. Our staff will get it. Fast. Need help with consolidating, deconsolidating, pick and pack, distribution, transportation or anything else? No problem. While your goods rest comfortably in our warehouses, our employees are ready to tackle your needs.

**Rogers Brown**  
Heroes. Everyday.

COMPLETE SERVICES AND MORE STORIES ON ROGERS BROWN.COM OR CALL OUR WAREHOUSE EXPERTS 843-527-1743

**LIBERTY**



**TERMINALS**

[www.liberty-terminals.com](http://www.liberty-terminals.com)

**STEVEDORING  
WAREHOUSING  
& TRANSPORTATION**

<b>Perry R. Collins</b> President <a href="mailto:pc@liberty-terminals.com">pc@liberty-terminals.com</a> 843-527-1743 Fax 843-527-1179	<b>Eugene (Gene) Baker</b> Chief Operating Officer <a href="mailto:gha@liberty-terminals.com">gha@liberty-terminals.com</a> 843-554-8640 Fax 843-554-8642
--	---

1415 Viaduct Rd. Charleston, SC 29405



from where it should come.

"This is, without question, the best value in harbor deepening in the South Atlantic and is the clear responsibility of the federal government," Newsome said.

U.S. Sen. Lindsey Graham, R-S.C., who recently joint Demint's earmark moratorium push, addressed the crowd earlier in the evening by phone from Washington, D.C. Graham said he would ask President Barack Obama's administration to include funding for the project in its next budget or try to amend legislation to acquire the money.

Either way, Graham said, the \$400,000 needed for the study wouldn't be seen this year.

Gov.-elect Nikki Haley spoke briefly as well, at one point taking a swipe at Georgia, South Carolina's chief maritime rival.

"You now will have a governor that does not like to lose," she said. "Georgia has had their way with us for just way too long, and I don't have the patience to allow

it to happen anymore."

As for Newsome, his message was simple: full steam ahead.

"Charleston has been a port since 1670 — it is the reason there is a historic Charleston, by the way," he said. "And it will be a successful port long after all of us are gone."

### **Rising tide raises some wages**

Some port employees could be receiving a 3.5% pay raise, if they meet performance-based criteria.

SPA Human Resources Committee Chairman David Posek made the announcement during the maritime agency's November board meeting.

The increases are available to most of the authority's nearly 450 employees and will be awarded based on a computer matrix.

A further pair of variable compensation plans could be paid out to crane operators and the general work force after the current fiscal year ends June 30. Those programs will be "totally based on

meeting financial and productivity measures," Posek said.

"If we don't meet our minimum cash-flow requirements, there is no raise," he said.

Port officials credited increased volume for the raises; port volume is 16% over budget for fiscal 2011. Container cargo was up 11% year over year in October and 15% ahead of September.

### **Terminal developments**

Also at the meeting, the board awarded Collins Engineers a \$160,533 contract to perform an underwater inspection and draw designs for a seismic upgrade of the warehouse where it plans to move its cruise operations.

Charleston-based Collins performed similar work on the 1940s naval building that now houses Fleet Landing restaurant.

Bringing the new cruise building up to seismic code could cost \$6 million, officials said. The entire project is slated at \$25 million, and the SPA is slated to send

out design requests for proposals early next year. The new terminal is scheduled to open in late 2012.

Meanwhile, Newsome said the proposed move of BMW Manufacturing's Union Pier operations to the Columbus Street Terminal could begin in January. The shift will remove rail traffic from the Union Pier area.

Board Chairman Bill Stern reported that the S.C. Budget and Control Board approved the sale of the SPA's Port Royal to Gramling Brothers Real Estate & Development Inc., which is finalizing its land-use plan.

Transportation Secretary H.B. "Buck" Limehouse, who played a key role in recent weight increases for containerized cargo on S.C. roads, said he has received assurances from Georgia officials that they would not re-up their limits.

Both states now have 100,000-pound caps.

"We won't have to go through any more escalations with that," he said. ●



## **Moran Environmental Recovery**

**Servicing South Carolina's Marine Transportation & Petroleum Industry, Utilities & Heavy Manufacturing, and Consultants & Engineers:**

- **Industrial and Marine Cleaning**
- **Decontamination and Abatement**
- **Site Remediation**
- **Emergency Spill Response**



**511 Old Mount Holly Road • Goose Creek, SC • 29445  
(877) 477-4557 • [www.moranenvironmental.com](http://www.moranenvironmental.com)**

# Allowing heavier trucks could give S.C. advantage

By Daniel Brock, Staff Writer

**A**ll international shipping containers hauled by truck in South Carolina will be allowed to weigh up to 100,000 pounds under new permit rules unveiled in November by the S.C. Department of Transportation.

Officials with the S.C. State Ports Authority applauded the move and said it will make the Port of Charleston and other S.C. industries, including agriculture and recycling, more competitive.

SPA Chief Commercial Officer Paul McClintock said the new permit structure could increase export business at the port by 30% or 40%.

Previously, shipping containers in South Carolina were allowed to weigh only 90,000 pounds, while limits in neighboring states were higher than that. North Carolina allows for 94,500 pounds,



Trucks travel along Interstate 26 in the Upstate. (Photo/James T. Hammond)

while the Georgia restriction was 100,000 pounds, and included no route regulations.

The announcement followed a pilot program launched earlier this year by the S.C. DOT that al-

lowed refrigerated containers up to 100,000 pounds to be permitted for truck transport.



**Don't Let The Name Fool You...We Pull Anything!**

**OVERWEIGHT & LEGAL CONTAINERS**  
**ISO TANK HAULING AND STEAMING AVAILABLE**

**liquidbox.us** **843-745-0023**