

River of Trade flows through here

Import shift from Asia raises Mid-South's value
By Jane Roberts
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In the first 200 years of the nation's existence, trade with Europe created the major U.S. nodes of commerce, starting with New York, Chicago and Kansas City.

With the new order now based on trade with Asia, the corridor of influence begins in Long Beach, Calif., and travels east across a ribbon of interstates, including I-40 in Memphis.

Memphis' place on the route makes it a pearl in a 3,300-mile strand of cities -- from Los Angeles to Detroit -- that stand to benefit the most from Asian trade, according to the River of Trade Coalition.

"It means you are on the map, literally on the corridor," said David Dean, president of the coalition and former Texas secretary of State. "If it were a railroad, you would have a stop on the route."

The 225-member coalition -- which includes 30 state legislators -- held its quarterly meeting in West Memphis Friday, a nod to the region's role in supply chain management and a push to educate people "about where Memphis sits in all of this," Dean said.

"This trade is a recent phenomenon. We're not teaching it in schools. We

have to let people know the significance."

Besides an overview of the regional infrastructure, speakers included state Sen. Mark Norris, R-Collierville; Adsinar Cajar, Consul General of Panama; Mario Cordero, member of the Long Beach Harbor Commission; and Scott Davis, head of Environmental Protection Agency Air Quality Modeling in the Southeast.

The coalition, which started two years ago in Dallas, is working to improve the economic viability of the whole route and lobbying for recognition in 2007 as one of five congressionally funded high priority corridors.

Some along the proposed I-69, which Memphis also straddles, are also lobbying for this thoroughfare to have that high priority distinction.

The two put Memphis in a particularly enviable spot of being on the route between the most populated regions of Mexico and Canada and on the import route from the Far East.

"The difference is, the river of trade corridor is already built," Dean said. "What we need is money to improve the infrastructure for all that business coming into this country from Asia."

By 2010, 16.4 million containers are projected to pass through the Long Beach port alone, Cordero said.

"By 2020, we expect 36.1 million containers. When people are stuck in traffic and see all those containers on the highways, they're not thinking of the much-less expensive Nike shoes they bought or that their new suit cost less."

What they see is the blinding congestion that annually costs Americans 3.7 billion hours of travel delay and more than 2 billion gallons of wasted fuel.

The coalition stresses the importance of collectively "seeing the chokepoints" along the entire route and working out joint solutions, Dean said.

One of the largest here is the vulnerability of the Mississippi River bridges. If an earthquake or terrorist act took them out, the national cost to divert the freight traffic would easily exceed \$11 billion a year.

Who should pay to add infrastructure that benefits the whole nation is part of the coalition's agenda.

"We've got to move goods efficiently to keep prices down," said Dexter Muller, senior vice president of community development at the Memphis Regional Chamber. "With all the congestion in the West Coast ports, one of the things being looked at is how you move in the most efficient manner."

Because Memphis is one of only three cities in the nation with five Class I railroads, the issue has fundamental

implications here where railroad investment rivals any city in the nation.

In the past year, both Burlington Northern Santa Fe and Canadian National have announced investments of \$100 million apiece to improve capacity here.

BNSF will break a record here this year by transferring 310,000 containers at its yard off Shelby Drive and Lamar. But by 2011, it will have enough infrastructure to handle a million, thanks in part to the construction that is totally altering the intersection.

Canadian National held its annual meeting in Memphis, the first time in the railroad's history that the shareholders met outside Canada. The move was a nod to Memphis, which has fast become CN's second most important U.S. city behind Chicago.

The reason is clear. When CN acquired the Illinois Central in 1999 -- to take advantage of the NAFTA agreement -- business began booming for CN.

Today, traffic on its north-south route through Memphis is growing 8 to 10 percent a year, more than twice its growth across Canada.

"If we realize what's happening, we work together collaboratively," Dean said. "Many of the containers coming through the corridor arrived two weeks ago in Los Angeles. If we don't take time to stop and think where they're coming from and where they are going, we lose opportunity."