Politics of sports and ports

It is time for baseball’s annual midsummer All-Star break. This year it will be in Atlanta, in a stadium originally built for the 1996 Olympic Games.

Baseball teams use public money to build state-of-the-art facilities. Many cities, feeling the pressure to build new stadiums or risk losing their teams, are building new facilities long before the end of the physical life of the existing ones.

"Public-private partnership" is a phrase much used to justify these expenditures. This term is a bit misleading, but a partnership implies a deadly serious sharing of risk. And the reality is that they are unevenly distributed.

Consider the Texas Rangers. In less than 20 years, their owners increased the value of their franchise by over 300%. Certainly a large part of this increase was the new stadium, The Ballpark at Arlington, which was built with $135 million in public financing, yet the public received no return on their investment.

As privatization spreads around the world, the question of public funding for transportation infrastructure will face growing scrutiny. Ports and airports should pay attention.

In the last 20 years, transportation has seen steady development of hubs. A carrier would sign a long-term contract facilitating both financing and infrastructure construction. The subsidy underwritten by the taxpayers was rationalized as economic development.

Recent studies cast doubt on the real economic benefit. While there is little doubt that the local community benefits, some economists believe the level of subsidy and investment could have achieved even greater benefit.

The conventional thought of becoming an airline hub has been challenged by the success of non-hub airports such as Kansas City and Indianapolis, where the lack of a dominating carrier has resulted in more competition and lower fares. Meanwhile, the maritime community is closely watching three situations that could ultimately change the manner in which marine infrastructure develops.

The most public episode has been in the Northeast, where the creation of the Maersk Sealand terminal at the Port of New York and New Jersey was for a long time held hostage by the political posturing of the governors of the two states.

Events are even more newsworthy in Charleston, S.C., where local politicians and environmentalists oppose the port’s plans to build a 1,300-acre container facility. The Army Corps of Engineers’ draft environmental impact statement has been criticized for deficiencies. In addition to the obvious environmental issues such as harbor hydrology and wetlands, other consequences — displaced residents, more growth and increased traffic, for example — have been cited.

This controversy points to a common problem in the development of maritime infrastructure. If the terminal is built, significant highway issues emerge. Questions abound about how the sole interstate serving the port will be accessed — and then handle the increased volume. Railroads serving the area also will need to accommodate increased volume from a point heretofore viewed as a spur line feeding traffic to the mainline network.

While intermodal is alive in industry, the federal and state governments are still modal stovepipes, with each organization following its own unique mandate. Nowhere is this more clearly demonstrated than with a current conflict surrounding the Army Corps of Engineers.

The Corps’ mandate is to build and maintain. The more it builds, the larger its portfolio. Today’s Corps is embroiled in a controversy involving a proposed $1 billion expansion of seven barge locks on the upper Mississippi and Illinois Rivers.

An economist familiar with the study for this plan alleges that the expansion of the 60-year-old structures is unnecessary. Additionally it raises significant environmental concerns. But agribusiness concerns — with numerous political connections — maintain that only modernization will guarantee faster, cheaper transit.

An independent review, released in May, contends that estimates for future grain exports were overstated. With less traffic, there is less justification for expansion. Further research will be forthcoming. It should cover not only the transportation issues but also the outlook for agribusiness.

A recent Transportation Research Board conference included a presentation showing that soybean production in Brazil could eliminate the U.S. export market in the next 10 to 20 years.

The desire to build is a natural one born of civic pride and boosterism. But proper planning of what we build is critical. We must design transportation infrastructure that will fit optimally within that of our nation’s. The industry should continually think in terms of operating a network, not a series of unrelated points.

Maybe the federal government should lead the way. Otherwise, in less than a generation, we may be building all over again.

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