

# Clogging our ports with rules

By [George F. Will](#), Published: January 13, 2012

CHARLESTON, S.C.

Thanks to globalization, and to containerized shipping [that began in 1956](#) and makes globalization work, commodities swiftly move vast distances around the planet. Wal-Mart alone imports 400,000 containers a year. Trade flows can, however, be deflected or even defeated by a distance of just five feet. Herewith a story of the high costs of a few feet and of too many years required for our nation's increasingly sluggish public processes to move.

This city's port, the East Coast's fourth busiest (1.38 million shipping containers a year), is 45 feet deep. But in two years the Panama Canal will open a larger set of locks capable of handling ships 50 percent wider and with deeper drafts than today's "Panamax" ships — the largest that can currently transit the canal.

The first container ship reached Charleston in 1966, carrying 600 containers. Today the port receives ships carrying more than 9,000. By 2014 there will be 1,200 "post-Panamax" ships — marvels of naval architecture, floating mountains — built for commerce after the canal widening. They will carry up to 18,000 containers. The widening, says Jim Newsome, CEO of the South Carolina State Ports Authority, will be "the biggest game-changer in the history of containerization."

Charleston could be out of the game, with huge anti-competitive consequences for the burgeoning manufacturing and exporting industries of the Southeast — affecting BMW, Michelin, General Electric (turbines) and others in South Carolina alone. By 2014, two-thirds of the world's container capacity will be carried by ships bigger than the unwidened canal could handle. Some things are moving rapidly.

There are four southeastern ports along 400 miles of Atlantic coast — Wilmington, N.C., Charleston, Savannah, Ga., and Jacksonville, Fla. — but none is 50 feet deep, which would give post-Panamax ships easy access. The [Army Corps of Engineers](#), which must do the dredging, says that, on the basis of preliminary studies of other harbors, the harbor in Charleston "would probably be the cheapest South Atlantic harbor to deepen to 50 feet."

Determining the feasibility of such projects typically takes five to eight years even if expedited (10 years or longer if not). Perhaps Congress could require globalization to pause while America studies things. Or perhaps post-Panamax vessels will be willing to loiter offshore a decade or so.

The federal government would pay \$120 million, South Carolina \$180 million. The \$300 million — a sum equal to a rounding error on the General Motors bailout — would be quickly recouped as the deepened port delivered more than \$100 million in net benefits annually. Today, 70 percent of imports from Asia arrive at West Coast ports and are distributed inland by truck and

rail. But shipping is the cheapest transportation per mile and will become cheaper with post-Panamax ships, including those coming here.

Newsome says the study for deepening Savannah's harbor was made in 1999. It is 2012, and studies for the environmental impact statement are not finished. When they are, the project will take five years to construct. "But before that," he says laconically, "they're going to be sued by groups concerned about the environmental impact." A Newsome axiom — that institutions become risk-averse as they get challenged — is increasingly pertinent as America changes from a nation that celebrated getting things done to a nation that celebrates people and groups who prevent things from being done.

Newsome says that because of labor costs — in constructing and crewing ships — America has essentially no deep-sea shipping industry. This is a facet of the de-industrialization of the nation. But the nation is currently enjoying a [renewed export boom](#), which accelerates the need for deep harbors.

The huge project of [widening the Panama Canal](#) began in 2006; it will be completed in eight years. Newsome, who is unstinting in his praise of the Army Corps, knows it must comply with ever-thickening layers of laws. But even if we stipulate that all these laws are wonderful, we should also stipulate that surely things would move faster if the nation faced an emergency. Such as economic enfeeblement.

The Empire State Building was built in 14 months during the Depression, the Pentagon in 16 in wartime. The [aircraft carrier USS Yorktown](#), which earned 11 battle stars in the Pacific and now is anchored here, was built in less than 17 months, back when America was *serious* about moving forward. Is it necessary to take eight years — just two years less than it took to *build* the Panama Canal with yellow fever and without computers — to deepen this harbor five feet?

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