



Marine Transportation System Capacity:

Bulk Liquid Terminal Issues

Kendra L. Martin

API Director-Marine Transportation

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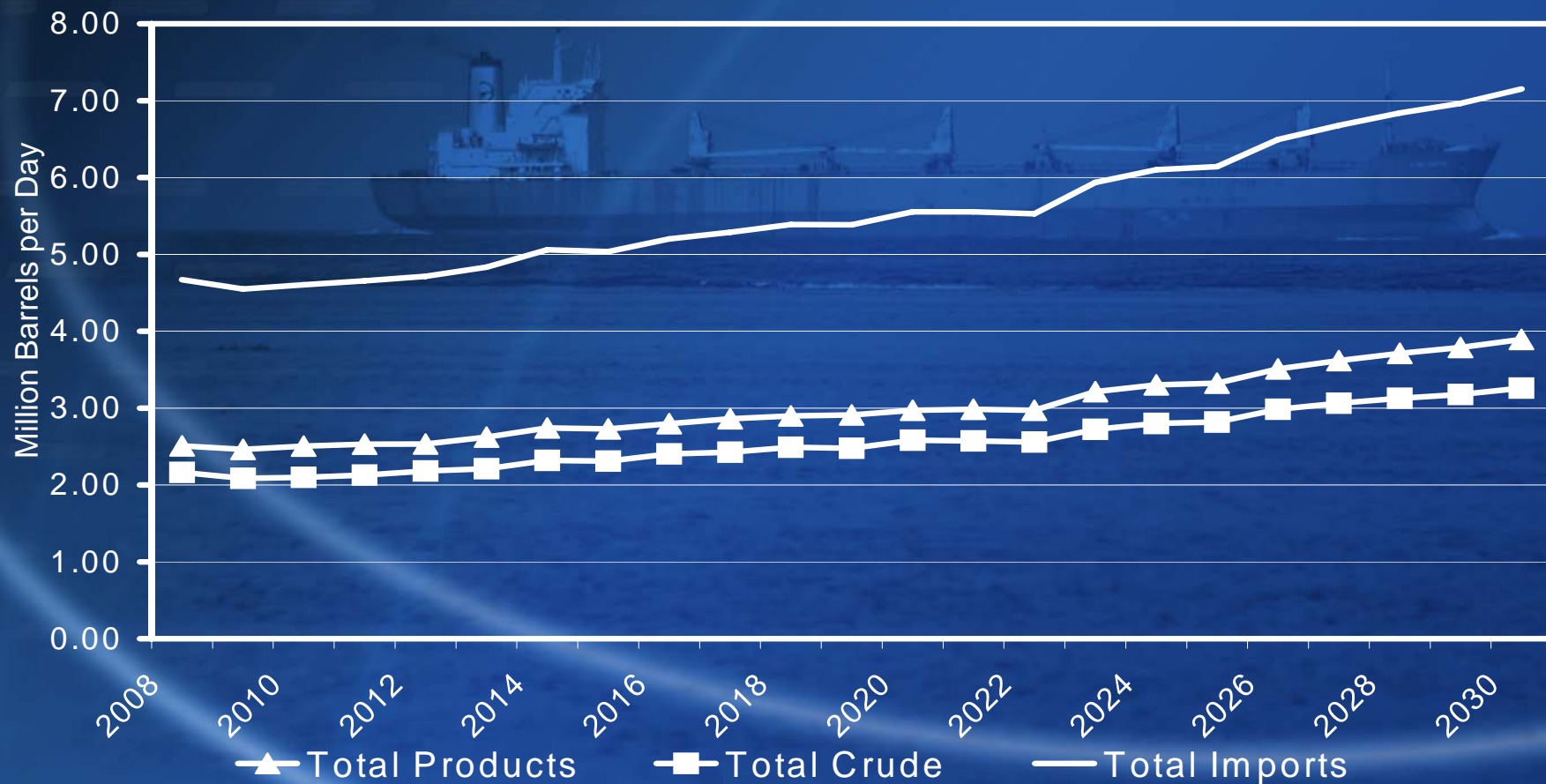
Trends: More Calls by Larger Tankers

- Over the past 6 years (2001-2006):
 - Number of Calls by Tankers has increased 16%
 - The number of calls by crude tankers is up by 20%
 - Average DWT of calling tankers has increased by 4%
 - Largest increase in calls in Gulf of Mexico (1,782 extra calls or 20%)

Top 10 Busiest Ports

	Port	Tanker Calls	% of All Tanker Calls
1	Houston	3597	17
2	Philadelphia	1678	8
3	New York	1491	7
4	New Orleans	1303	6
5	Port Arthur	1238	6
6	LA/Long Beach	1155	5
7	Texas City	995	5
8	Corpus Christi	818	4
9	San Francisco	778	4
10	Freeport (Texas)	555	3

Rising Waterborne Import Volumes



Will we have the capacity to handle these larger volumes?

Depends on

- Maintaining current capacity
- Expanding capacity in critical areas

Maintaining Current Capacity

- 8.5 million barrels of capacity lost in Port of LA
- Facilities in R.I. and CT. at risk

Expanding Capacity

Crude Oil Import Marine Facility Project (Port of LA)

- Critical to maintaining capacity
- Spare capacity could be exhausted within 3 – 5 years otherwise
- Refinery production could be curtailed without

Where are the constraints?

- Expansion Constrained on East and West Coasts
- Gulf Coast not experiencing difficulties
 - Supply of prime land very limited but second tier land plentiful

What are the constraints?

- Dredging
- Competition from other waterbased activities
- Competition from non-waterbased uses

Dredging

- Arthur Kill (New Jersey)
- Pinole Shoal (San Francisco Bay)

Competition from other water-based commerce

- San Pedro Harbor (Port of LA)
- New Haven, CT

Competition with non-waterbased uses

- San Pedro Harbor (Port of LA)
- Providence, R.I.



Questions and Answers

Kendra L. Martin
Director – Marine & Corporate Affairs
American Petroleum Institute
1.202.682.8517
martink@api.org