The 3-year-old TraPac terminal and improving chances of another put the Florida port back on its strategic track. It’s taken three years, but the opening of MOL’s TraPac international container terminal is turning the Port of Jacksonville into a growing import gateway and distribution center for retail companies serving Northeast and Central Florida. With plans for a second big international terminal for Hanjin Shipping awaiting permits for deepening the St. John’s River, it may take another six years before the port can realize its goal of becoming a hub for the Southeast and beyond.

Last month’s announcement that Walt Disney Parks and Resorts plans to channel most of the imports it sells at its Orlando theme parks through Jacksonville is the latest example of the container volumes the port has gained since MOL opened the terminal on Dames Point in 2009. In the process, MOL became the only Asian container line with an East Coast terminal.
Retailers are using TraPac to handle imports for their stores in the region on 11 container services that have started calling the terminal in the last three years. “Before 2009, we had just one of the top 15 carriers that serve Asia — Mediterranean Shipping Co. — and we were clearly a port for the Puerto Rico trade,” said Paul Anderson, CEO of the Jacksonville Port Authority. “We were able to grow moderately throughout the recession, while almost every other port declined.”

In the three-plus years since the opening of TraPac, Jaxport’s container volume grew 8.9 percent, to 900,433 20-foot equivalent units in fiscal 2011 ending last Sept. 30 from 697,494 TEUs in fiscal 2008. “It wasn’t until 2009 that we got into the Asian trades,” said Raul Alfonso, Jaxport’s senior director of trade development and global marketing. “Since then, we are becoming the gateway for retailers to serve the Florida market.” Jaxport expects throughput to increase 5.5 percent to about 950,000 TEUs in the current fiscal year.

The port’s role as a retail import gateway will increase when and if the planned $300 million Hanjin terminal is built. The Taiwanese carrier first committed to operating a new terminal on 90 acres next to TraPac, but is waiting for the Army Corps of Engineers to approve deepening of the St. John’s River channel from 40 feet to as much as 50 feet. “It’s a matter of timing,” Anderson said. “When they made their commitment, the world was a different place.”

The timeline for deepening the channel got a big boost on July 18 when the Obama administration put the project on the list of infrastructure projects to get expedited reviews by federal agencies. It also fast-tracked a $45 million intermodal container transfer facility at Dames Point to serve the TraPac and Hanjin terminals.

Complicating Jaxport’s efforts to gain Southeast hub status, however, is the expedited review the administration also gave to projects at competitors — Savannah, Charleston and Miami — that very much have similar goals.

“It will be another game-changer for Jaxport when shippers are looking to move cargo off our ports,” Anderson said.

Even before the deepening project gets a go-ahead, Jacksonville’s potential is attracting interest from international port investors. Gulftainer, a port operator based in the United Arab Emirates, in March expressed interest in leasing 123 acres of space at Blount Island, where it would spend up to $250 million on a new container terminal. Jaxport’s board voted to defer consideration of the bid until the port completes a strategic master plan.
Jaxport will need the deeper draft not only to nail down the Hanjin terminal, but also to accommodate the deeper draft of ships laden with heavier loads of exports weighed down by such products as paper and pulp, lumber and grains. “We have limitations on exports because of the draft,” said Dennis Kelly, TraPac’s regional vice president and general manager.

He said CSX Transportation would be able to carry the heavier export loads to the TraPac and (planned) Hanjin terminals on a new rail line it’s building on an old track bed from its railyards. The rail line would take cargo north and west from the port and bypass downtown Jacksonville.

The Army Corps is working on a feasibility study to provide the cost-benefit analysis for the deepening project, which the Obama administration committed to finishing by next April. If the corps decides to go ahead with the project and gets the necessary federal government approvals and funding, it could be completed between 2016 and 2018. If the corps authorizes deepening the harbor only to 48 feet, the original target depth, Jaxport and the state would have to raise funding to take the channel to 50 feet.

Like other container ports in Florida, Jaxport wants to capture more of the roughly 60 percent share of the state’s containerized imports shipped by rail from West Coast ports or by truck from other East Coast ports. A 2010 study completed for the Florida Department of Transportation identified 8.8 million tons of imports from Asia going to other U.S. ports for rail or road shipment to the state. “Florida is one of the fastest-growing states and has 14 deep-water ports, but it is still dependent on other ports for its imports,” Alfonso said.

To attract more cargo and distribution centers to its hinterland, Jaxport this month expanded the foreign trade zone around the port to 2,000 acres.

The TraPac terminal also enables Jaxport to capture some of that out-of-state cargo. Two years ago, Rooms to Go, the largest importer of Asian cargo in Florida, started using the container services calling at TraPac. It now routes more than 75 percent of its container volume for the Florida market through Jacksonville. “The cost to us to service Central Florida is very minimal compared to shipping the cargo through Savannah or even Miami,” said Ali Hosein, the furniture importer’s vice president of merchandising and international freight.

Coach, the luxury leather goods retailer, maintained its distribution center for North America in Jacksonville even before the port had any Asian services, and its imports came in by landbridge from California or by truck from Savannah. Coach has expanded the distribution center by more than 800,000 square feet since TraPac opened and is running out of space. “They are using the new service for 100 percent of their imports for the region,” Alfonso said.