

# flow



This year marks the 100-year anniversary of the completion of the Panama Canal. On August 15, 1914, the canal formally opened with the passage of the cargo ship *SS Ancon*. The Panama Canal Authority (ACP) has planned some activities to commemorate its centennial—including a new logo it rolled out this year—but mostly seems to be taking a restrained approach to the celebrations.

An article in the third-quarter 2010 issue of *EconSouth* described the expansion of the Panama Canal, which began in 2007. “Full Steam Ahead: Southeast Ports Prepare for Panama Canal Expansion” discussed how the prospect of the wider canal was spurring competition among the seven deepwater ports in the southeastern United States to obtain funding to do their own expanding. Each one was hoping to become large enough to accommodate the extra-wide post-Panamax ships, the largest container ships there are. Shipbuilders have been constructing ships that would have been too large to pass through the Panama Canal before the expansion.

At the time the article came out, the ACP had budgeted \$5.25 billion and planned for the construction to be complete in 2014, in time for the canal’s centennial. Construction is only about three-quarters done and is now scheduled for completion in late 2015. The expansion project filled the news early this year, when a dispute between the ACP and the construction company over a \$1.3

billion overrun halted construction. Work has resumed, but the authority has had to obtain stopgap financing, and the financial dispute is now under international arbitration for a resolution.

Meanwhile, in the Southeast, the Port of Savannah, Georgia, has been given the green light to dig deeper so it can accommodate those mammoth ships. On June 10, 2014, the federal government approved the Water Resources Reform and Development Act of 2014, which authorizes the Savannah Harbor Expansion Project. The Georgia Ports Authority estimates that the project will cost about \$706 million. The federal government will share that cost with the state government. (According to the *Atlanta Business Chronicle*, Georgia’s state government has already committed its entire \$266 million share.) Other ports are also making plans. The Port of New Orleans, at up to 47 feet deep, is already deep enough for the post-Panamax ships, but is hoping to dredge to 50 feet to accommodate more ships. The port has said that this project, which has not yet received funding, will take place in two phases, at a combined cost of about \$300 million. ■

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