



Economic Impacts of the Tennessee-Tombigbee Waterway

the Tennessee-Tombigbee Waterway



The Tennessee-Tombigbee Waterway

From the Port of Mobile to the confluence of the Mississippi, Ohio, and Tennessee Rivers in Kentucky, the Tennessee-Tombigbee Waterway corridor provides unlimited opportunities for investors and local communities. With waterway access to 17 states, 14 river systems, and over half of the nation's population, the Tenn-Tom plays a vital role in waterborne transportation, in manufacturing, and in the lives of its region's citizens.

Because water transportation is the most cost-efficient, safe, and environmentally friendly mode, the Tenn-Tom has attracted numerous types of industries to the region. Since 1996, the nation has realized a direct, indirect, and induced economic impact of nearly \$43 billion due to the existence and usage of the Waterway.

Industries that have heavy inputs and/or products have found utilizing waterborne transportation to be highly advantageous. Steel companies such as SeverStal, ThyssenKrupp, U.S. Steel, Dynasteel, and G&G Steel have all located near the Waterway since 2005. The Tenn-Tom also provides access to over 34 million acres of commercial forests and approximately two-thirds of all recoverable coal reserves in the nation. Industries that utilize these natural resources have found the Waterway to be their most cost-efficient mode of transportation.

The presence of the Tenn-Tom Waterway, its enviable business climate, and its people continue to create jobs and provide opportunities for increased industrial growth and greater standards of living.



Economic Impact 1996-2008 (in Millions)

State	Direct	Indirect	Induced	Total
Alabama	\$15,217.1	\$550.3	\$718.8	\$16,486.2
Kentucky	\$887.2	\$163.1	\$559.1	\$1,609.4
Mississippi	\$6,854.7	\$1,333.0	\$1,276.6	\$9,464.3
Tennessee	\$2,361.6	\$38.1	\$47.1	\$2,446.8
Regional	\$25,320.5	\$2,093.3	\$2,641.1	\$30,054.9
United States	\$25,320.5	\$5,822.6	\$11,380.6	\$42,523.7

This table shows the impact from private investment and ports operating in the Tenn-Tom Waterway region.

Employment Impact 1996-2008

State	Direct	Indirect	Induced	Total
Alabama	8,384	3,879	7,567	19,830
Kentucky	8,046	1,201	5,850	15,097
Mississippi	12,145	7,858	13,440	33,443
Tennessee	507	271	493	1,271
Regional	29,191	13,292	27,806	70,289
United States	29,191	29,001	79,471	137,663

This table indicates the number of jobs that were directly and indirectly created based on industry-to-industry transactions, as well as the number of jobs that were created based on employee spending in the local economy.

Labor Income Impacts 1996-2008 (in Millions)

State	Direct	Indirect	Induced	Total
Alabama	\$481.1	\$166.6	\$223.3	\$871.0
Kentucky	\$297.6	\$55.9	\$172.3	\$525.8
Mississippi	\$829.3	\$357.6	\$396.7	\$1,583.6
Tennessee	\$41.8	\$11.7	\$14.5	\$68.0
Regional	\$1,649.8	\$594.8	\$820.7	\$3,065.3
United States	\$1,749.9	\$1,705.8	\$3,544.3	\$7,000.0

The direct payroll expenditure within the Tenn-Tom region creates industry-to-industry transactions and induced impact from employee spending as shown in this table.

Tax Revenue Generated 1996-2008 (in Millions)

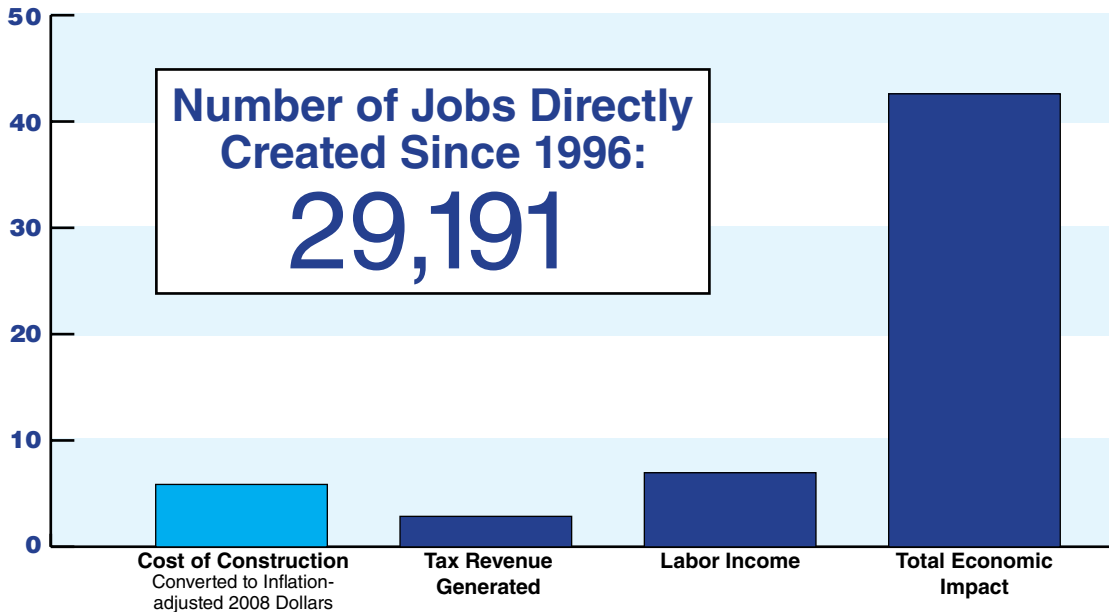
	Federal	State	Total
Alabama	\$176.9	\$101.6	\$278.5
Kentucky	\$100.3	\$55.9	\$156.2
Mississippi	\$372.9	\$285.3	\$658.2
Tennessee	\$13.8	\$8.9	\$22.7
Regional	\$667.6	\$454.1	\$1,121.7
United States	\$1,737.5	\$1,130.0	\$2,867.5

Tax revenues generated by Waterway investments and opportunities have provided state and federal governments with nearly \$2.9 billion since 1996, as shown in this table.





Economic Impact 1996-2008 (in Billions of Dollars)



The original cost of waterway construction was approximately \$2.0 billion. Converting this cost to today's inflation-adjusted values reveals a contemporary benefit-to-cost ratio of greater than seven to one.

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One of the nation's most complex public works projects at the time of its construction, the Waterway has proven to have been a wise and profitable investment for the region and the nation. Without the Waterway as a viable source of transportation, an average of 284,000 additional truckloads per year would be required to handle the materials currently being shipped. The presence of the Waterway, as an additional source of competition to rail and truck transport, also provides significant shipper savings each year. With volatile fuel costs affecting the movement of overland commerce, industries are seeking both alternative transportation and an ample and eager workforce. Both have been found in the Tenn-Tom corridor.

High fuel costs and congestion within traditional routes continue to highlight the advantages of the Tenn-Tom and waterborne transportation. Changing trade routes and the expansion of the Panama Canal uniquely position the Tenn-Tom for increased trade with Latin America and new international markets. The future of the Tenn-Tom region can be closely linked to its vital resource – the Waterway – and today's level of investment is just the beginning.

Material for this publication was obtained from an

Analysis of the Economic Impact of the Tennessee-Tombigbee Waterway: 1996-2008

February 17, 2009

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