

a barge canal leading into that area at a cost of \$450,000.00. In the course of procuring land right-of-way for the barge canal, the State Docks at the same time purchased the much larger and necessary land right-of-way for the proposed ship channel at a total cost of \$600,000.00, making a total of over \$1 million already spent by the State Docks in right-of-way and dredging expenses at Theodore.

The State Docks has funds in the amount of \$3 million set aside for the construction of a modern bulk handling plant to be located along the proposed Theodore ship channel. The Theodore site was selected for this new bulk handling facility because it is some 18 miles nearer the Gulf of Mexico than is our present facility for handling bulk materials at Mobile, and because the proposed ship channel could be deepened further, if necessary, as is not the case with the present Mobile ship channel in connection with our Mobile bulk facility, due to a 40-foot limitation over Bankhead Tunnel near the mouth of Mobile River.

However, we cannot finalize the new Theodore Bulk Plant until status of deep water accessibility is determined.

Unlike a single dock or transit shed, a bulk plant requires considerable waterfrontage and back up area. This is, of course, readily apparent to anyone visiting our existing facility. And, frankly, there is no such adequate space left available in connection with the present Docks properties in downtown Mobile.

Our conclusion to construct and locate our new and modern public bulk facility on our Theodore properties, and which will require an enlargement of the so-called Theodore Channel in order to accommodate the big colliers that will bring in these materials, is also premised on the availability of large back up areas at Theodore.

Upon completion of our new public facility at Theodore we expect immediately to transfer handling of all iron ore from our present facility at Mobile to the new facility. Our handling of iron ore has increased materially in the last five years from 157,000 tons in 1962 to 650,000 tons in 1967. This means that, in round figures, the new facility at Theodore will immediately have available substantial tonnage from our Mobile facility.

It is my feeling at this time that the transfer of handling of iron ore to Theodore will not result in any reduction in the handling of bulk cargoes at Mobile. A number of items besides iron ore have shown a marked increase in movement in the past five years. Our bauxite movement has increased over 900,000 tons. Ferro-Manganese and Ferro-Phosphorus have increased substantially. We are handling pig iron over our bulk facility and that handling has shown a remarkable growth.

In fact, in my opinion, based on the relative increase in tonnage over the past five years that I have just recited, immediate transfer of iron ore tonnage to Theodore will have little marked effect on the continuing growth of bulk cargo moving through our Mobile plant.

McWane Cast Iron Pipe Company has a new iron making facility under construction at Theodore which, at this time, is about 60 percent completed and will be served by the facilities to be operated by the Alabama State Docks at Theodore. I understand that the raw materials required by McWane in its first year of operation will exceed 300,000 tons, and that this tonnage will increase to over 1,000,000 tons within five years.

The McWane tonnage and the tonnage to be transferred from our Mobile operation permit me to project—and I believe this is conservative—that improvements sought in the Theodore channel should generate in the next five years not less than total of 3 million tons annually of dry bulk cargo for handling through our facility at that location.

Our Theodore plant upon completion will provide immediate employment of from 40 to 60 additional people in operating and supervisory capacities. This means an immediate increase in annual payroll in the Mobile area of about \$100,000.00 and an immediate increase in gross revenues to the State Docks of over \$400,000.00.

On the basis of projection of 3 million tons annually through the facility within the next five years operating personnel should increase to about 85 employees. Estimated annual revenues to the State Docks from increased operation of its plant at that time can be expected to exceed \$1 million, of which about \$150,000 will be disbursed in the form of wages.

In addition to responsibility for the promotion and development of seaports and harbors that Alabama State Docks is also authorized under the Code of Alabama to engage in the operation of a line of railroads at ports. For forty years our Terminal Railway has provided the rail link between the port's facilities at Mobile and the four line haul railroads serving the city.