

Mandatory Evaluation Components

Report 2019-07: Evaluation of Efficiency and Effectiveness of State Ports at Wilmington and Morehead City

N.C. Gen. § 120-36.14 requires the Program Evaluation Division to include certain components in each of its evaluation reports, unless exempted by the Joint Legislative Program Evaluation Oversight Committee. The table below fulfills this requirement and, when applicable, provides a reference to the page numbers(s) where the component is discussed in the report.

N.C. Gen. § 120-36.14 Specific Provision	Component	Program Evaluation Division Determination	Report Page
(b)(1)	Findings concerning the merits of the program or activity based on whether the program or activity		
(b)(1)(a)	Is efficient	Overall, operations of the North Carolina State Ports Authority are efficient because of improvements in productivity performance measures and declining unit costs , all of which are consistent with improved efficiency. However, increased efficiencies are entirely attributable to operations in Wilmington and not Morehead City.	Page 19
(b)(1)(b)	Is effective	Analysis of these performance measures indicates the North Carolina State Ports Authority is effectively managing the state ports—the ports as a whole have increased throughput both in terms of tonnage and containerized cargo, and the quality of cargo handling also has improved . However, improved effectiveness has been driven by operations at the Port of Wilmington.	Pages 19
(b)(1)(c)	Aligns with entity mission	The mission of the North Carolina State Ports Authority is to provide a gateway to global markets and enhance the economy of North Carolina by supporting and improving the State's logistical network. This mission aligns with the Department of Transportation's mission to connect people, products and places safely and efficiently with customer focus, accountability, and environmental sensitivity in order to enhance the economy and vitality of North Carolina.	Page 6
(b)(1)(d)	Operates in accordance with law	The North Carolina State Ports Authority does not operate in accordance with all state law . Statute requires the Authority to maintain container shipping operations at both ports, yet the Port of Morehead City does not conduct container operations nor is it situated to develop such operations without investments in improved truck mobility.	Page 30-31
(b)(1)(e)	Does not duplicate another program or activity	The Program Evaluation Division found that no duplication exists as a result of the North Carolina State Ports Authority operating two coastal ports at Wilmington and Morehead City because each port processes different cargo and commodities. Furthermore, although overlap of certain positions at both port locations does exist, the overlap is necessary.	Page 27-29
(b)(1a)	Quantitative indicators used to determine whether the program or activity		
(b)(1a)(a)	Is efficient	The Program Evaluation Division determined efficiency of the North Carolina State Ports Authority and the individual operations of the Ports of Wilmington and Morehead City based on measures of productivity and unit costing that demonstrate operational efficiency . The following performance measures were collected from Fiscal Year 2013–14 to Fiscal Year 2017–18:	Page 13

		<ul style="list-style-type: none"> • ship turnaround time, • dwell time, • container moves per hour, • truck turn and gate times, and • unit costing. 	
(b)(1a)(b)	Is effective	<p>The Program Evaluation Division determined effectiveness of the North Carolina State Ports Authority and the individual operations of the Ports of Wilmington and Morehead City based on measures that examined utilization of resources, throughput, and quality of cargo handling. The following performance measures were collected from Fiscal Year 2013–14 to Fiscal Year 2017–18:</p> <ul style="list-style-type: none"> • ship calls, • berth occupancy rate, • crane hours, • container moves, • tonnage, and • claims value. 	Page 13
(b)(1b)	Cost of the program or activity broken out by activities performed	<p>In Fiscal Year 2017–18, total operating costs of the North Carolina State Ports Authority were \$48.6 million. Activities at the ports support the mission of stimulating import and export commerce throughout the state. Commerce is measured in terms of tons of cargo for general cargo and container moves for containerized cargo.</p> <p>From Fiscal Years 2013–14 to 2017–18 the cost of general cargo fluctuated between \$6.26 and \$7.57 per ton, falling by 5% from the beginning to the end of that timeframe. Costs per container move fell 12% from \$51.17 to \$44.96 per container move in that span.</p>	Page 13
(b)(2)	Recommendations for making the program or activity more efficient or effective	<p>To improve the administration of North Carolina’s ports, the report’s Recommendations advise the General Assembly to direct the Authority to do the following:</p> <ul style="list-style-type: none"> • establish strategies to address deficiencies at the Port of Morehead City, • more comprehensively measure service quality, and • report on the implementation of an environmental management system. 	Page 40-41
(b)(2a)	Recommendations for eliminating any duplication	The Program Evaluation Division did not find evidence of duplication in the operations of the North Carolina State Ports Authority.	Page 27-29
(b)(4)	Estimated costs or savings from implementing recommendations	There are no costs or savings from implementing this report’s recommendations.	