

Rethinking US Gateway Strategy

Why supply chain leaders are turning to Mobile, Alabama

A data-driven examination of how the Port of Mobile is reshaping global trade flows, infrastructure priorities and the expectations of BCOs (beneficial cargo owners) in a post-congestion era.

Contents

The American South: A region in 'go' mode	1
A port staying ahead	2
Building the future of rail at Mobile	3
Next stop: Montgomery	5
How is Mobile expanding	7
Why does channel depth matter for port performance and sustainability?	8
Is Mobile ready to compete as a primary US gateway?	9



The American South: A region in 'go' mode

A quiet logistics revolution is underway in the American South. Economic tailwinds are shifting US supply chains south and Mobile is catching the updraft. The region has become the country's fastest-growing economic engine, drawing new people, new industry, and new investment at a historic pace.

According to a 2024 analysis by the Federal Reserve Bank of Atlanta, the South accounted for more than half of all net domestic migration in the US last year — welcoming nearly 1.8 million new residents between 2023 and 2024, more than all other regions combined. This population surge is no accident. The South offers lower living costs, pro-growth policies, and an expanding role as a manufacturing and distribution hub. Housing affordability — particularly when compared to coastal metros — is pulling both talent and businesses into the region.

Infrastructure is at the center of this shift. Public-private investments are helping ports, highways, and rail networks stay ahead of demand. States like Alabama are investing aggressively, recognizing that logistics infrastructure is the foundation for sustained growth and supply chain resilience.

And the Gulf Coast is delivering. Major companies are selecting the Port of Mobile and Alabama as a hub for global logistics supply and distribution, as well as manufacturing. According to the [Alabama Port Authority's 2022 Economic Impact Study](#), the ports of Houston, New Orleans, and Mobile collectively handle nearly 30% of US waterborne trade by tonnage — with Mobile's role growing significantly in recent years.

The [2016 expansion of the Panama Canal](#) to handle larger vessels and rising congestion at traditional East and West Coast gateways has only

accelerated the Gulf's momentum. Over the next decade, this shift is expected to continue.

For supply chain decisionmakers, the takeaway is clear: The South is no longer an emerging market. It's an essential one and ports like Mobile are becoming vital links in national and global trade.

A port staying ahead

Investing ahead of the Gulf Growth Curve

The Port of Mobile isn't just expanding — it's preparing. As the American South grows rapidly, Mobile's infrastructure investments are designed not just to handle more cargo, but to support the region's broader economic ascent.

Backed by more than \$1 billion in statewide capital projects for containerized cargo, Mobile's momentum is built on strong partnerships. Through federal grants, legislative support, and a public-private alliance between the Alabama Port Authority and APM Terminals, long-range plans are now taking shape. Beyond operating costs, the Port reinvests all revenue into improvements and future growth.

With its **Mobile Harbor Modernization Project** to deepen the harbor and channel to prepare for larger vessels all but complete, the Port has also made significant progress on several other major infrastructure projects. It has broken ground on the new **Montgomery Intermodal Container Transfer Facilities** in partnership with CSX and is expanding terminal and rail capacity with APM Terminals.

"This is a growth-ready strategy," said Doug Otto, interim director and CEO of the Alabama Port Authority. "We're building capacity before congestion forces it. Our goal is to ensure that when companies choose Mobile, the infrastructure is already in place to move their freight quickly and efficiently."



Doug Otto was named Interim Director and CEO of the Alabama Port Authority in August 2025.

That future-focused mindset is also guiding APM Terminals, which is on track to double terminal capacity to 1 million TEUs (twenty-foot equivalent containers) by the end of 2025. The terminal has committed \$75 million to triple its rail throughput, in addition to a recent \$40 million investment for two new super post-Panamax ship-to-shore cranes, which arrived in August 2024.

As the port's sole container terminal, APM Terminals Mobile has grown with purpose. Launched in 2008 with two cranes and less than 10,000 annual lifts, the terminal now operates with two post-Panamax and four super post-Panamax cranes. These 290-foot machines can service the largest vessels transiting the Panama Canal, moving containers at an industry-best 35 moves per hour – with rail dwell times consistently under 24 hours.

"When I arrived 15-years ago, we had two cranes, limited yard space, and a regional focus," said Brian Harold, Managing Director of APM Terminals Mobile. "Today, we're handling some of the world's largest vessels and growing in every direction. But in many ways, we're just getting started. Every investment we make is about positioning Mobile to realize its full potential as a premier national gateway with global connectivity."



Brian Harold, Managing Director of APM Terminals Mobile, takes in the view on top one of the tallest cranes on the US Gulf Coast at the Port of Mobile.

Building the future of rail at Mobile

Tripling throughput with on-dock rail expansion

In August, APM Terminals Mobile finalized its decision to double the working track at its Intermodal Container Transfer Facility (ICTF) – from 6,000 feet today to 12,000 feet by the end of 2027. This upgrade will triple the terminal's rail container handling capacity.

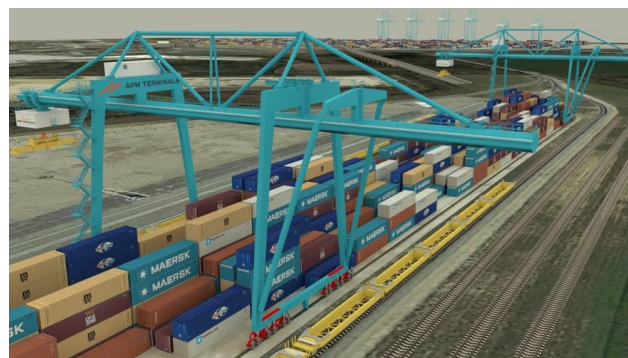
The project will also include expanded container storage and the addition of two manually operated electric rail-mounted gantry (RMG) cranes from Kuenz. Purpose-built for high-volume container handling in ports and intermodal terminals, these fixed-rail cranes deliver precision movement, strong lifting capacity, and environmental advantages over diesel alternatives. They're ideal for terminals aiming to move more cargo, faster — and with lower emissions.

"This isn't just a capacity project — it's a capability leap," said Harold. "By extending our rail footprint and bridging directly to the terminal, we're eliminating friction in the system. It means faster turnarounds, tighter connections to inland markets, and a more resilient supply chain that's built for what's coming, not just what's here. When a container comes off a vessel here in Mobile, we can guarantee it leaves on rail within 24 hours. That won't change — even as we triple throughput."

A flyover bridge to speed and scale

To fully enable "on-dock" rail operations, the Alabama Port Authority and APM Terminals Mobile are jointly advancing a \$200 million federally funded inter-terminal connector bridge — known locally as the "flyover" bridge. Set for completion by the end of 2026, the elevated bridge will directly connect the container terminal to the ICTF, allowing cargo to flow between ship and train. This direct connection will cut congestion, improve safety, and enhance velocity by enabling uninterrupted rail access beneath the elevated structure.

"With the flyover bridge we're integrating connectivity with the expanded ICTF," said Otto. "Mobile is becoming a fully integrated logistics hub — one designed to meet future volumes with greater agility."



As part of a major expansion of the APM Terminal Mobile rail facility, two new Rail Mounted Gantry Cranes (RMGs) will be operational by 2027 and will more than double its throughput capacity. (Concept illustration)

Strategic rail access with national reach

Mobile's rail connectivity is a competitive edge. Five Class I railroads serve the port directly. **Canadian National** (CN), CSX, Norfolk Southern (NS), CPKC, and BNSF all use the Alabama Port Authority's switching service.



This network extends the port's reach far beyond the Gulf, offering direct double-stack intermodal service to key Midwest hubs like Memphis, Chicago, Indianapolis, and Detroit. CN and CSX both run scheduled services to these destinations, giving shippers a clear alternative to coastal congestion.

Beyond Mobile, the Port Authority is investing in off-dock rail infrastructure statewide — enabling modal shifts from truck to rail and supporting both efficiency and sustainability across the network.

Next stop: Montgomery

In February, the Alabama Port Authority and CSX broke ground on the new **Montgomery Intermodal Container Transfer Facility** (ICTF). This

inland rail hub is designed to strengthen freight mobility across the region – and it's already doing so. Since the project was announced in 2022, the surrounding area has attracted more than \$3 billion in private-sector investment.

Located on a 272-acre site with direct access to major interstates, the Montgomery ICTF will move up to 30,000 containers annually, linking Central Alabama directly to the Port of Mobile. Operations are expected to begin by 2027.

"This is a game-changer for freight in Alabama and beyond," said Otto. "It gives more businesses streamlined access to global markets and boosts the resilience of our statewide supply chain."

CSX will operate the rail service to and from the port, providing fast, reliable inland connectivity. Each train eliminates up to 250 truck moves, relieving pressure on highways and cutting emissions. The service will include express daily runs between Mobile and Montgomery – home to Alabama's growing automotive and manufacturing sectors.



Montgomery ICTF Groundbreaking Ceremony in February 2025 hosted leaders from across the state, including Governor Kay Ivey..

How is Mobile expanding

Terminal capacity to meet demand?

With \$104 million in strategic investment, APM Terminals Mobile and the Alabama Port Authority have launched Phase IV of the terminal's expansion — transforming a retired vessel slip and adjacent land into 33 acres of new operational space. This will grow the terminal's footprint to 167 acres and add capacity for over 100,000 additional containers annually.

Some of that acreage — already graded — will come online in 2025 to meet immediate demand. The remainder, including the infilled slip, is scheduled for completion by 2027.

"This is more than reclaiming land," said Harold. "Phase IV gives us room to grow alongside our customers, reinforcing Mobile as a high-performance trade gateway for what's next."

This phased approach helps APM Terminals Mobile stay ahead of the congestion facing larger coastal ports — ensuring flexibility, speed, and reliability as volumes grow.



APM Terminals Mobile Managing Director Brian Harold surveys the Phase IV terminal expansion site from atop of the terminal's new super post-Panamax cranes.

Why does channel depth matter for port performance and sustainability?

Waterside capacity is advancing in lockstep. The \$365 million Mobile Harbor Modernization Project is deepening and widening the federal channel. Upon project completion, Mobile becomes the deepest container port in the Gulf — with a 50-foot main channel. There are no air-draft restrictions due to bridges.

These enhancements will allow for two-way vessel traffic and accommodate ultra-large container ships, offering three miles of passing lane for safer maneuvering and faster turnarounds. APM Terminals Mobile routinely handles 9,000–10,000 TEU vessels. Post-deepening, the terminal expects calls from ships carrying 12,000–16,000 TEUs with the option to handle even larger vessels as needed. The ability to call with larger vessels unlocks economies of scale that drive down shipping costs and reduce per-container emissions.

“Handling bigger ships isn’t just about depth — it’s about readiness,” said Harold. “With the deeper channel, we’re giving carriers what they want: speed and scale. That’s how Mobile stays ahead of the growth curve.”

Beyond economics, the deepening project advances environmental goals. Fewer, fuller ships mean lower emissions and fuel consumption. Once complete, Mobile will stand ready to serve as a first-call gateway for global carriers and a strategic anchor for supply chain leaders.

“This isn’t just a deeper channel — it’s a deeper commitment to the future of US trade,” said Otto. “We’re building infrastructure that keeps pace with global shipping trends while creating long-term value for our customers and communities.”



The deepening of the harbor to 50 feet began in 2021. Alabama held a ribbon cutting celebration to mark project completion in October 2025

On the horizon:

A new 1,300-foot berth

APM Terminals Mobile is working with the Alabama Port Authority as it plans a potential third berth at the south end of the container terminal. Construction on a 1,300-foot berth could begin as early as 2026, with completion targeted for 24 months after groundbreaking. A new berth could enable the terminal to handle more vessels simultaneously, reduce wait times, and offer added flexibility as ship sizes and service demands continue to grow. Directly behind the berth area lies 25 adjacent acres that could serve in various capacities to meet terminal and port needs for more efficient cargo management.

With ship calls on the rise and a 50-foot channel deepening nearing completion, the berth expansion is a timely investment — backed by a shared commitment between APM Terminals and the Port Authority to scale with precision, not guesswork.

Is Mobile ready to compete as a primary US gateway?

The Port of Mobile stands as proof that the future of US trade is no longer anchored to the traditional coasts alone. With more than \$1 billion in infrastructure investments, sub-24-hour rail dwell times, and direct access to global trade lanes for some of the largest container vessels in operation, Mobile has matured into a high-performance Gulf gateway built for velocity and resilience.

Mobile's evolution is not speculation. Container volumes have grown over the last decade. Terminal productivity has scaled in step, supported by new berth capacity, five Class I railroads, and a 50-foot-deep channel. These are not aspirational metrics — they're operational realities.

This transformation signals a broader shift in how supply chain leaders must think about optionality, reliability, and strategic placement.

As congestion persists and demand patterns evolve, the Gulf is no longer a secondary route. It's central.

"Mobile is no longer a hypothetical alternative — it's already happening," said Harold. "We've built the infrastructure and we're building more. Our message is simple: look again. The Gulf has changed."

Mobile doesn't demand abandonment of the familiar. It offers something more valuable: a new axis of flexibility and performance in an unpredictable global landscape.

The infrastructure is built. The services are moving. The results are measurable. For those re-evaluating gateway strategies — Mobile is no longer a port to watch. It's a port to use.

Global trade connections

Which global trade routes does Mobile connect to?

APM Terminals Mobile is the second-largest US Gulf port for containerized cargo, driven by expanding global service coverage from 11 different carriers and ongoing strategic infrastructure investments.

- **Asia**
Busan, Shanghai, Ningbo, Xiamen, Yantian & Shekou (Shenzhen), Hong Kong, Kaohsiung, Vung Tau, Singapore
- **Europe**
Antwerp, Rotterdam, Bremerhaven
- **Latin America & the Caribbean**
Freeport, Altamira, Veracruz, Rodman, Balboa, Cristobal, Cartagena, Lázaro Cárdenas
- **Middle East & India**
Abu Dhabi, Jebel Ali (Dubai), Jawaharlal Nehru Port (Mumbai), Mundra, Colombo