

Deep Water Port *notes*

The News Portfolio of The Connecticut Deep Water Port Community
New London . New Haven . Bridgeport

A Viable Short Sea Shipping Industry (A.K.A. Marine Highway)

by Don Frost, Deputy Editor



Marine Pilot Captain Charles Jonas boards the M/V GREAT LEGEND freighter underway from State Pier, New London bound for Camden, New Jersey to discharge balance of steel products. The M/V GREAT LEGEND is 623 feet long and displaces 30,046 Gross tons.

MARINE LOG MAGAZINE ran their annual Tug & Barge event in Stamford, CT May 10-11, 2011. This year it featured a panel that discussed the pros and cons of the 1920 Merchant Marine Act, part of which is known as the Jones Act. The stage was set when the Congressional Research Service's report of January 14, 2011 told Congress that the Jones Act is a barrier to America's Marine Highway program.

The 90 year old law, always controversial, has

become entrenched in American politics. Somehow the trump card in maintaining the status quo remains national defense, but while the ships must be US built and owned, US ship yards may be foreign owned - as many are. One of the May 10th panelists, Robert Kunkel of Norwalk, CT and technical adviser to Coastal Connect Inc. described a compromise that could bring the US shipping into the 21st Century while avoiding wholesale changes in the law.

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The following comments are excerpts from Mr. Kunkel's presentation:

The New York Times (Offshore Wind Power Line Wins Backing – October 12, 2010) outlined details of Google's investment in a "superhighway for clean energy" located on the mid-Atlantic coast. The project dubbed the 'Atlantic Wind Connection' will be capable of supplying electrical power from offshore wind farms to approximately 1.9 million homes along the Eastern seaboard. We believe this will also help to rebuild U.S. ports and redefine the term "infrastructure". If we are correct, America's new energy epicenter may well be the mid-Atlantic and northeast Atlantic coasts. The maritime component of this new energy will help to create new clean energy jobs and a revitalized coastal shipping industry.

Based on the many NIMBY disputes on land, placing industry where it cannot be seen or heard seems to be the public's path to embracing renewable energy technologies. Unfortunately the effect is to gentrify our coasts with the consequent loss of working waterfronts. Once industrial land and port access is lost it cannot be recovered and America needs that working waterfront to develop the coastal connection to new energy.

Liquid natural gas terminals, and near-shore wind farm projects, have recently experienced a new element NOMB or "Not On MY Beach". Infrastructure projects placed offshore yet within sight of the population center fail to be approved. Therefore moving new energy technologies offshore avoids the political road blocks or project delays recently experienced by Deepwater in Rhode Island, Capewind in Massachusetts, and Broadwater LNG in Connecticut.

An equally frustrating situation exists with the respect to highway congestion along our coasts. The idea behind short sea shipping is simple: take freight off the highways and move it by water on new "roll on – roll off" ships ("RoRo's"). The benefits are many: reduced highway congestion, reduced harmful air pollutants, increased highway safety, and redundancy of our coastal transport system, to name just a few. Unfortunately, there are

no modern RoRo's registered under the U.S. flag with coastwise privileges needed by law to move cargo from US port to US port. The cost to build them in the United States is prohibitive. The marine highway must be cost competitive with other transportation modes to exist. It is a new market that requires a soft entry.

In August of 2012 North America will be required to meet transportation emissions standards that have been in force in northern Europe since 2005. Europe is using LNG as a marine fuel to meet these emissions requirements. It is our opinion that North America must now make the same decision.

Offshore wind energy has similar maritime component problems. The construction and operation of an offshore wind facility requires specialized ships called turbine installation vessels (TIVs). These are very sophisticated vessels that employ large crews and require substantial shoreside services. Unfortunately, there are none of these specialized vessels under U.S. flag. By law they must be registered under the U.S. flag if they are going to go from U.S. ports to the offshore site and back.

Not only do we lack the technologies and experience to build TIVs in the U.S., the cost of construction here is prohibitive. As a result, wind energy per kilowatt-hour costs will make the offshore wind industry in this country uncompetitive and unable to create jobs ashore, for U.S. seafarers and those who service these ships and facilities. There are those that will argue this point. However, we believe it is time to determine what our shipbuilding market SHOULD be and where our U.S ports can look for growth.

This is where Coastal Connect's opinion differs from other U.S. operators. Our discussions with the offshore wind developers have determined that new smaller maintenance vessels will be required at the offshore sites on a daily basis. These vessels can be built in second tier U.S shipyards at competitive prices. However, in order for the actual construction projects to materialize the wind farms must be built efficiently and that efficiency is dependent upon European TIV

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technology. The investment in one modern installation ship will lead to the construction of many smaller sized repair and maintenance vessels. The availability of this tonnage will also assist the development of a US manufacturing base of offshore modules involving a significant number of well paid shore side jobs.

If we are serious about establishing a viable short sea shipping (a.k.a. marine highway) industry, then we need to follow a creative path to jump start these industries. Coastal Connect believes a "pilot program" developed under existing law to permit the construction of TIV vessels and modern LNG-powered RoRo's in foreign yards and then registered under the U.S. flag is needed. The ships would employ hundreds of seamen and create thousands of jobs within our ports. The pilot program would last for just so long as it takes for the technology to be shared with U.S. shipyards, and for the U.S. construction costs to be reduced through competitive market forces. Many describe the initiative as a "sunset waiver"

Without such a pilot program, the growth of the offshore wind industry in the U.S. will languish as the kilowatt -hour costs will not be competitive with existing power plants, and short sea shipping will remain a dream as our highways become more and more congested. And worst of all, the much needed jobs we see available in this maritime component will not be created.

About Robert Kunkel

Mr. Kunkel served as the Federal Chairman of the Short Sea Shipping Cooperative Program under the Maritime Administration and U.S. Department of Transportation from 2003 until 2008. He is a past Vice President of the Connecticut Maritime Association, a contributing writer for Marine Money Magazine and the Technical Manager for Coastal Connect (www.coastal-connect.com) a U.S. company actively developing the maritime component of short sea shipping and offshore wind along the coasts of United States.

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Statewide Dredging Update

by Mr. Joseph R. Salvatore, Dredging Project Coordinator

The second meeting of the Long Island Sound Dredge Material Management Plan (LIS DMMP) Working Group met on April 26th in Port Jefferson, New York. The agenda included; workshop overview, background on LIS DMMP, suitability process, Multi Criteria Decision Analysis (MCDA), and worksheet review.

The MCDA is used to structure the decision making process and analyze the priority and weight of conflicting values in a way that is fair and equitable to all stakeholders. The analysis will integrate stakeholder opinions into a decision model. This approach overcomes the limitations of unstructured individual and group decision-making by providing decision transparency and focusing discussion on the weights and scores. The next meeting will be held June 7th in Bridgeport. For more info, visit www.lisdmmmp.org.

Dredging Needs Facts:

- 38.5 million cubic yards of dredge material produced in 30 years
- Majority of dredge material from Connecticut
- Federal projects account for 51% of maintenance dredging needs and 42% of improvement dredging needs

Economic Output Facts:

- Gross State Product (GSP) \$5.5 billion per year, 55,720 jobs, \$1.6 billion in taxes
- Related GSP; 59% marine transportation, 1% commercial fishing, 22% recreational boating, 1% ferry dependent tourism, 17% US Navy Base NLON
- 20 years without any dredging, 9,655 jobs lost and lower GSP \$853 million

Dredging of Connecticut Waterways, Channels and Harbors Timeline

The Army Corps of Engineers will be dredging the Patchogue River, Westbrook, and Clinton Harbor, Clinton starting in mid May for two weeks, and returning the last two weeks in June with disposal to a near shore site off Hammonasset State Park Beach. The plan is to dredge 20,000 cy from the entrance channel and a shoal in the area of Brewers Pilots Point Marina, Westbrook and 10,000 cy in the Clinton Harbor entrance channel. The Army Corps will use a Government owned hopper dredge The Currituck to do this work. The Currituck was used last year to dredge Clinton Harbor and Patchogue River. Due to the Federal Government not having a budget Clinton Harbor will not have funds this year to dredge.

CMC Membership Includes Diverse State Maritime Interests

Organized in 2000, the Connecticut Maritime Coalition is a non-profit trade association advocating for Connecticut's Maritime Industry. Our members include:

Briarpatch Enterprises, Inc.

Joseph Gilbert, 203.876.8923, hiddenemp@aol.com

The Bridgeport & Port Jefferson Steamboat Company

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Buchanan Marine LP

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Adam Wronowski, 860-443-7394, adam@longislandferry.com

Connecticut Maritime Association, Inc.

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Capt. Charles Jonas, 516-319-5069, cpjonas@optonline.net

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Gateway Terminal

Tom Dubno, 203-467-1997, tdubno@gatewayt.com

GZA GeoEnvironmental, Inc.

Dan Kinard, 860-286-8900, dan.kinard@gza.com

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Captain Louis Bettinelli, 732-787-5554, loubett@optonline.net

Moran Towing Corporation

Aislinn Pitchford, 203-442-2800, aislinn@morantug.com

New England Shipping Company, Inc.

David Pohorylo, 203-467-2423, dpohorylo@newenglandshipping.com

New Haven Port Authority

Judi Sheiffele, Ex.Dir., 203-946-6778, JSheiffe@newhavenct.net

New Haven Terminal

Michael Vasaturo, 203-468-0805, vpusec@aol.com

Port Security Services

Ralph Gogliettino, 203-410-5085, Ralph@portsecurity.us

Santa Energy Corporation

Thomas Santa, 203-362-3332, SantaT@santaenergy.com

Underwater Construction Corporation

James Swiggart, 860-853-8956, jswiggart@uccdive.com

Submit to Deepwater Port Notes

We welcome your ideas, news, thoughts and comments about the revitalization of Connecticut's deep water ports and the ability to vastly improve on commercial and personal transportation to the economic benefit of this state. Please contact deputy editor W. T. S. Butler at usarbitrator@hotmail.com, or 860-478-8972, or at PO Box 43, Mystic, CT 06355.

DEEP WATER PORT notes is published quarterly by the *Connecticut Maritime Coalition, Inc.*, designated organizational center for the *Connecticut Maritime Industry Cluster*.

For more information, please contact:

William Gash, *Executive Director*

P.O. Box 188, Stonington, Connecticut 06378

Phone: 860-941-0044 Fax (888) 436-5413

Email: ctmaritime@msn.com Visit us at: www.ctmaritime.com

Graphic Design by Casey C.G., contact: 860-941-8413.

CONNECTICUT MARITIME COALITION



The Connecticut Maritime Coalition

is a non-profit trade association facilitating the competitiveness of Connecticut's maritime industries. Our cluster network is mostly composed of small and medium-sized businesses.

The Connecticut Maritime Coalition's mission is to advocate for Connecticut's maritime industry.

To join the Connecticut Maritime Coalition or to advertise your business in

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please contact: William Gash, CMC Executive Director at ctmaritime@msn.com or call 860-941-0044.

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