

Deep Water Port *notes*

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

Designating a New Dredge Material Disposal Site in Eastern Long Island Sound Critical to Businesses



U.S. Senator Richard Blumenthal, U.S. Congressman Joe Courtney, Mr. Adam Wronowski Owner Cross Sound Ferry Services, Inc. and William Gash Executive Director CMC discuss options to designate a long-term dredge material disposal site to serve eastern Long Island Sound. Recent closure of the New London Disposal Site to projects over 25,000 yards has put businesses at a competitive disadvantage.

These businesses are facing a doubling in dredging costs associated with transporting materials to disposal sites south of New Haven. One business sited a \$1M increase in costs to dredge its facility. Without dredging waterways silt up and are not deep enough to support maritime vessels such as cargo ships, tankers, ferry boats, barges and tugs, effectively placing these commercial activities out of business. In order to designate a new site the Environmental Protection Agency and the U.S. Army Corps of Engineers will need \$5 Million to complete an Environmental Impact Study to locate the proper disposal area in eastern Long Island Sound.

CMC Featured in AP Article Apr. 24, followed by NBC TV Spot Apr. 25, 2011

Stephen Singer, AP Business writer featured CMC's work on behalf of Connecticut's Maritime industry in "Connecticut Ports Struggle" April 24th, followed by an NBC News spot April 25th. NBC interviewed CMC Ex. Dir. William Gash and Cross Sound Ferry's Stan Mickus. The story spoke to CT's dredging needs and the negative impact of closing sediment disposal sites. NBC: "CT has three deep-water ports, but lately, those ports have seen about 30 percent less traffic. Shippers are taking their business elsewhere, because they don't think CT can accommodate their shipping needs, according to the CMC."

AP Article Link: <http://hartford.cbslocal.com/2011/04/24/connecticut-ports-struggle/>

NBC News Link: <http://www.nbcconnecticut.com/news/local/Connecticuts-Ports-Struggling-120661054.html>

NBC Video Link: <http://youtu.be/5ewnmMTPZb0>

DEEPWATER NOTES

WATER-95 and The Future of Connecticut Deep Water Ports

by Don Frost, Deputy Editor



Dredging allows international cruise ships to visit CT ports

Much has been written about investment in CT's port infrastructure, but simply dredging will not make things happen in our ports or get the trucks off our highways. The answer to highway congestion requires a coherent transportation infrastructure plan that includes rail, highway, pipe lines and ports. None of these modes can do the job alone.

The idea that our highways would be better off if all the sea-containers were moved to the water is popular, but misleading. Those who only see trucks that carry sea-containers are not counting all the trailer truck traffic. According to Seaworthy System's Bridgeport water-borne barge feeder study, trucks carrying sea-containers make up no more than 8-13% of all the truck traffic on I-95 in Connecticut. If we narrow that to just trailer trucks the Fletcher School's (TUFTS University) "DEEP BLUE HIGHWAY" report of September 2008 found that the ratio of domestic trailers on I-95 to trailer trucks with sea-containers was 9:1 (i.e.- sea containers represent about 11% of our trailer truck traffic). I have not seen data for local delivery trucks or "less than full truckload" units. These vehicles do not travel long distances and their presence on I-95 is closely related to the delivery schedules of retail stores and supermarkets. However, whatever their numbers, they will not be diverted from our highways.

In summary, if you could take every truck moving sea containers off I-95 in Connecticut there still would be congestion. Clearly the answer is to deal with the long haul domestic traffic if Connecticut's highway congestion is to be solved. Once we have a system to deal with them the relatively few sea containers with cargo that can stand some time delays (*) will gradually transition to the domestic system.

This domestic system logically must be water borne (call it Water-95), the cargo box must be kept on wheels so as to eliminate intermodal delays on route as well do away with using the ports as free warehousing that chokes the ports and local access roads. The cargo must be kept moving if the system is to work.

Time in-transit and the reliability of deliveries dictate that the Water-95 system must circumvent

congested HUB ports like New York, whose access roads are already choked with sea-container traffic. "CONNECTIVITY" (to rail and highways) is another key to the success of such a system, once again because time is the most important element. For now diverting goods to the rails in CT is not possible because the rail lines are more or less dedicated to passenger traffic. In other markets along the Atlantic coast the rail system can complement Water-95 and extend the system's inland reach.

To avoid congestion induced by the Water-95 system itself requires using ports outside the mega ports (call them satellite ports). Besides the congestion found in and around HUB ports, HUB ports also have long established work rules (**) which tend to slow the movement of traffic already on trailers. Satellite ports can be operated delay free 24/7 with fewer interruptions than seen in older/larger ports. Cargo operations must be flexible and operate more or less like FEDEX's air hub in Memphis.

Governor Malloy's wish to see Connecticut's ports dredged is a worthy goal, but it will take some time after the work is complete before there is a demonstrable return on that investment. In the interim it would be good if legislators and the public consider the following quote from the past Commandant of the Coast Guard, Admiral Thad Allen USCG (ret) regarding the closing of New York Harbor immediately after 9/11:

"The attack happened on a Tuesday morning and by Thursday there was so much pressure to reopen the Port of New York that we had to do it because so much petroleum is shipped up the Hudson River to places around Albany as well as places in New England. We really saw the impact of what is was like to close New York Harbor and the impact on redistribution of oil and energy around New England."

Connecticut residents should keep in mind that Bridgeport, which has not been dredged for about 46 years, is no longer able to accept even normal sized tankers at the terminals serving its tank farms. The

only alternative is to source product from New Jersey refineries using smaller barges which increase the cost of transport as well as the number commercial transactions each of which raise the price of the product. I refer to crude oil supplier, merchant who buys the crude, physical trader(s) who actually take ownership of the cargo, refiner, jobber (s) who sells the refined products, the buyer of the product, terminal owner/operator in Bridgeport, the jobber that sells the product to the heating oil or gasoline distributor and the heating oil or gasoline distributor, the trucker who delivers the product to the consumer or gasoline station and the gasoline station. If the terminals in Bridgeport could accept direct shipment from a foreign source the number of middlemen could be reduced by half or more and the transport cost significantly reduced. The deeper the draft the greater the economy of scale of the transport function.

With Bridgeport's tank terminals so shallow, New Haven has been taking up some of the slack by using some of their tanks usually filled with heating oil, to handle some of the gasoline historically handled by Bridgeport. However, if there were to be even a small disruption in New Haven harbor the entire south western part of Connecticut would go cold in weeks and cars would remain in their garages within days.

Why take the risk when dredging both ports would provide redundancy to our energy supplies, help lower the state's energy bills and possibly return some competitiveness to our manufacturing and process industries?

Footnotes:

**The contents of those sea-containers include some high value electronics, fashion and consumer goods that have a very sensitive time to shelf. Competition among retailers to get the latest fashion goods and technologies to the consumer first transcends, in many cases, the cost of transportation. Many parts of Connecticut are so close (in terms of distance as well as time) to the container terminals in New Jersey and New York that they will never travel by other than truck.*

*** Of course labor costs are important but time is critical.*

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.

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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
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*please contact: William Gash, CMC Executive Director
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4

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In this issue: Designating a New Dredge Material Disposal Site in Eastern Long Island Sound Critical to Businesses

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Advocating for Connecticut's Maritime Industry