

# STAFF SUMMARY

Date: July 14, 2016

File # GM-672



TO:		FOR:		FROM:	
	General Manager		Vote	Dept.:	General Manager
				Author:	Wayne C. Lamson
X	Board Members	X	Information	Subject:	Public Comments Received in Response to the Staff's Preliminary Report dated April 12, 2016 on the Feasibility of Providing Freight Service between New Bedford and Martha's Vineyard

## PURPOSE:

To present all of the comments received from public officials and other interested parties in response to the staff's preliminary report on the feasibility of providing freight service between New Bedford and Martha's Vineyard.

## BACKGROUND:

At the April 19, 2016 Authority meeting, the Board asked the staff to provide copies of the staff's preliminary report to appropriate public officials of all of the municipalities that could be affected by a freight ferry service between New Bedford and Martha's Vineyard, and to solicit their comments and suggestions. See the attached cover letter dated April 21, 2016 and a list of recipients who received the report by e-mail. The letter and report were posted to the Authority's website, as well as on the homepage of the Town of Falmouth's website. The letter asked members of the public to e-mail their comments and suggestions to me at [wlamson@steamshipauthority.com](mailto:wlamson@steamshipauthority.com).

Since then, the Authority has received 3 e-mails about the staff's preliminary report, copies of which are attached.

At their meeting on July 6, 2016, the Port Council members discussed the staff's preliminary report in general terms, including the staff's recommended route by way of Quick's Hole instead of going through Woods Hole passage, the possibility of barging trash off-island instead of by truck on board the Authority's ferries and the need to look at things from a reasonable business perspective.

## RECOMMENDATION:

The staff recommends that the comments, information and suggestions received to date be considered during the preparation of the final report. The staff is also interested in hearing from the Authority Members as to what comments and suggestions they would like to make about the preliminary report and/or any potential freight service between New Bedford and Martha's Vineyard before the staff continues to work on the report over the next several months so that it can then be considered by the Board.

  
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Wayne C. Lamson  
General Manager



## Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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April 21, 2016

Dear Members of the Public:

At the regular monthly meeting of the Steamship Authority's governing Board on April 19, 2016, the SSA's staff provided the Board with the following Preliminary Report on the Feasibility of Providing Freight Service between New Bedford and Martha's Vineyard, dated April 12, 2016. We expect that both the Board and the SSA's Port Council will be discussing this report at their meetings over the next several months.

Also at their April 19, 2016 meeting, the Board asked the staff to provide copies of the report to the appropriate public officials of all the municipalities that could be affected by a freight ferry service between New Bedford and Martha's Vineyard, as well as all other interested persons who might be affected by the service, and to solicit their comments and suggestions.

If you would like to comment on the report, or make any suggestions about any potential freight ferry service between New Bedford and Martha's Vineyard, we encourage you to do so at your earliest convenience. Please feel free to send your comments and suggestions by email to me. My email address is [wlamson@steamshipauthority.com](mailto:wlamson@steamshipauthority.com). We will make certain to forward your comments and suggestions to the Port Council and the Board for their consideration.

Very truly yours,

Wayne C. Lamson  
General Manager

**Distribution of the Preliminary Report on the Feasibility of  
Providing Freight Service Between New Bedford and Martha's Vineyard**

<u>Date Emailed</u>	<u>Recipients</u>	<u>Entity</u>	<u>Additional Comments</u>
April 20, 2016	Martina Thornton Connie Andrade	Dukes County Commissioners	Asked them to also forward the report to the Dukes County Commissioners
April 20, 2016	Jonathan F. Mitchell	Mayor of the City of New Bedford	
April 20, 2016	Robert Whritenour Sheetal Grande	Town of Oak Bluffs	Asked them to also forward the report to the Oak Bluffs Board of Selectmen
April 20, 2016	John Grande Jessica Burgoyne	Town of Tisbury	Asked them to also forward the report to the Tisbury Board of Selectmen
April 20, 2016	Julian Suso Heather Harper	Town of Falmouth	Asked them to also forward the report to the Falmouth Board of Selectmen
April 21, 2016	Thomas K. Lynch Cynthia A. Lovell	Town of Barnstable	Asked them to also forward the report to the Barnstable Town Council
April 21, 2016	Adam Turner	Martha's Vineyard Commission	Asked him to also forward the report to the members of the MV Commission
April 21, 2016	Paul Niedzwiecki	Cape Cod Commission	Asked him to also forward the report to the members of the CC Commission
April 21, 2016	Craig Johnson	Flagship Management	
April 21, 2016	James Barker Thomas M. Wynne	SeaStreak, LLC	
April 21, 2016	Ralph Packer	Tisbury Towing & Transportation, Inc.	
April 21, 2016	Patricia Harris	Tisbury Planning Board	Asked her to also forward the report to the Tisbury Planning Board
April 21, 2016		Oak Bluffs Planning Board	Emailed to: planningboard@oakbluffsma.gov
April 21, 2016	Jonah Mikutowicz	AGM Marine Contractors, Inc.	
April 21, 2016	Matthew R. Sisk Douglas Rice Norman J. Orrall	MA Department of Conservation and Recreation	



## CITY OF NEW BEDFORD

JONATHAN F. MITCHELL, MAYOR

April 25, 2016

Wayne Lamson  
General Manager  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority  
P.O. Box 284  
Woods Hole, MA 02543

Dear Mr. Lamson,

I would like to express my gratitude for the diligent work by you and your staff on the recently-released freight service study. It was a thorough and illuminating analysis of alternatives in light of the important goals of reducing truck traffic on Cape Cod, reliably making available necessary goods and services to the islands, and adding economic activity in the Port of New Bedford. Over the last few years, the Steamship Authority and the City of New Bedford have forged a strong and productive working relationship, and we appreciate your effort to strengthen it.

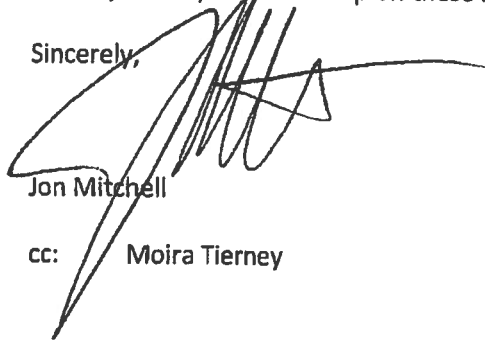
As you well know, the Port of New Bedford remains the main export port to the Islands for sand, aggregate and other dry bulk cargoes, and thereby effectively removes hundreds of trucks off of Cape Cod roads. Our neighbors across the harbor in Fairhaven host the Steamship Authority's maintenance facility, which is consistently increasing capacity and expanding the maintenance the SSA is able to perform in-house. The Port of New Bedford is interested in developing certain freight opportunities out of our harbor in areas that make sense for the Authority, the Port and the City.

While there are many facilities in the Port that could handle this freight in the future, it is important that any investment in facilities or infrastructure is consistent with the recently-released *New Bedford Waterfront Framework Plan*. As that plan outlines, an effort has been underway to connect the City's downtown and Central Waterfront, including the establishment of areas of public accommodation and expanded ferry service on the State Pier. Certain cargoes, such as municipal solid waste from the Islands, would be incompatible with these uses in that area of the port.

Nevertheless, the City and the New Bedford Harbor Development Commission remain open and eager to work with the SSA on other facilities within the Port that might suit the needs of freight haulers. We agree with the report's assessment that state infrastructure investments on the North or South Terminals could build the Port's cargo capacity, take trucks off of Cape Cod roads, and lower costs for freight to and from the Islands. This is worth exploring.

Thank you for your leadership on these matters, and I look forward to our continued conversation.

Sincerely,

A handwritten signature in black ink, appearing to be 'Jon Mitchell', written over the word 'Sincerely,'.

Jon Mitchell

cc: Moira Tierney

## Wayne Lamson

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**From:** A.J. Clarke <AClarke@jpnoonan.com>  
**Sent:** Friday, April 29, 2016 7:47 AM  
**To:** Wayne Lamson  
**Subject:** New Bedford Propasal

Good morning, after having read the proposal my gut reaction is that it will NOT work on a voluntary basis because of the additional time required to make these trips. Any situation that increases time required will result in reduced productivity of the trucks involved and increase costs by a factor of this extra time resulting in increased cost to the ultimate consumer of these products, or island residents. I feel that the reduced productivity will require additional trucks to continue with the same level of service.

Thank You A J Clarke/J P Noonan Transportation

June 28, 2016

Dear Wayne,

Thank you for having asked for public comment on the "Preliminary Report on the Feasibility of Providing Freight Service Between New Bedford and Martha's Vineyard." You also asked for any suggestions about potential freight ferry service between New Bedford and Martha's Vineyard.

Please see below my specific comments on the Report and suggestions.

1. The Preliminary Report does not state explicitly many of the underlying growth trends, motivations, and arguments for re-launching a New Bedford-Martha's Vineyard freight service.
  - Information about overall population growth of Martha's Vineyard (including numbers for on and off season, including visitors), including future population projections, are absent from the report; those numbers are fundamental to the entire project of a New Bedford – Martha's Vineyard freight ferry proposal; one can imagine those numbers tell a story of continuing growth and simple necessity to add more freight capacity to the island in the coming years and decades. The question only then arises about how to meet that demand.
  - Current statistics and projections of future truck traffic growth through Woods Hole SSA Terminal, should be made clearer in the Report; overall, the public deserves less ambiguity in the SSA's presentation of its annual truck statistics and trends in the SSA's reports and public presentations; questions about those statistics and decade-level trends were also raised at the June 6 Falmouth Board of Selectmen meeting when Betsy Gladfelter and Rob Munier presented the Preliminary Report.

The truck statistics on the SSA website (see [https://www.steamshipauthority.com/writable/versioned\\_downloadable\\_forms/pat\\_h/web\\_traffic\\_infomation\\_1991-2015\\_.pdf](https://www.steamshipauthority.com/writable/versioned_downloadable_forms/pat_h/web_traffic_infomation_1991-2015_.pdf)) indicate two-fold growth in the truck category in the last 15 years between Woods Hole and Martha's Vineyard, yet it appears such growth in fact may not have taken place; a past change in the SSA's definition of the truck category makes the SSA's annual truck statistics and trends

unclear (an explanation of note of that change of definition is not always included with the SSA statistics).

- The potential economic advantages and multipliers for the City of New Bedford and its residents in terms of hiring of a small number of new employees, daily refueling, and repairs in New Bedford with a new freight service are not presented in detail in the Report.
- There is no discussion in the Report of the potential economic benefit of an increase in competition and possibly lower price of sourcing of materials/supplies from the New Bedford direction; that is, there would be the possibility for new shippers and new suppliers to emerge on a NB-MV route as a result of new freight ferry service; there are likely new shippers who would appear and thrive on a new NB-MV route and thereby create new competition for Vineyard clients; this arrangement would require adjustments for some of the existing largest current shippers (it also seems very likely that existing shippers could resist the addition of the NB route for this reason).
- The report makes no mention of the growing public opposition to the 5:30AM freight ferry out of Woods Hole, that is, SSA Terminal-bound truck traffic on Woods Hole Road beginning at 4:45AM and the 5:00AM opening of the SSA Terminal in Woods Hole with its accompanying noise; this early morning scheduling development is unacceptable to an increasingly large number of Falmouth and Woods Hole residents; as the SSA continued to expand its 5:30AM freight service out of Woods Hole in 2015 (by 11 more weeks than in 2014), the problem has led to increasing tension between town residents and the Steamship Authority.
- If the SSA is the “Lifeline to the Islands,” then a viable backup ferry route such as New Bedford in case of serious traffic problems/accident/repair of the Canal bridges and or Cape roads could be a strategic addition in planning for the possibility of disruption of truck freight and/or automobile service of any kind to Martha’s Vineyard and Nantucket.
- As the freight proposal project is coming at the same time as the beginning of the WH Terminal six-year-long reconstruction, it would seem precisely the time for a New Bedford route to be launched; undoubtedly the reconstruction work will impact daily operations in Woods Hole and a New Bedford route could help relieve pressure on Woods Hole Terminal during that period.



2. A survey of existing and potential future shippers' perspectives on the proposed freight service would be very useful for the Report.
  - What in general do existing shippers think of the proposed service? Will it work for them? For how many of them? Only asking them directly/surveying them, even in a preliminary way, will likely provide the answer to these questions. For example, time lost with Cape traffic and canal bridge delays, especially in summer, are not considered in the Report from the perspective of shippers; how long and how often are current delays at the time of day or days of week for shippers (only shippers would likely know the answer to many of these questions)?
  - Could drivers be taken off the clock during the ferry ride? Again, one would have to speak directly with the shippers to know if this is possible.
  - Could one determine in a preliminary way the number of possible shippers who might agree to sending a truck without driver on the NB-MV ferry?
  - As Mark Rozum pointed out when we met, predictability of the proposed service is a critical factor for attracting shippers to a new ferry route and schedule; for this reason, might a five-year rather than three-year guaranteed schedule be more appropriate in order to match shippers' own planning timeframes? Have shippers been asked what guaranteed number of years of service (and schedule overall) would assist them in their planning?
  - The Report does not examine the existing mix/proportion/number of trucks that already originate in New Bedford, go past New Bedford already, or for whom going to Woods Hole or New Bedford is equidistant; this information seems fundamental for evaluating the NB route; if necessary, this information could be presented in aggregate numbers in order not to reveal current shippers' freight operations (information that is in fact easily discernable on truck labels at the SSA terminals with few exceptions); for example, my observation is that four (Sid Wainer and Son, Stop and Shop, All-American, US Foods) of the possibly five largest current food shippers going to the Vineyard already originate in New Bedford or go directly by New Bedford; many of those operations involve multiple trucks.

3. Traffic discussion conclusions should be revisited.

- The Report observes “Finally, even if the New Bedford freight service is successful and there is the equivalent of a 40-truck-per-day reduction in ferry-related traffic between Woods Hole and Martha’s Vineyard, the staff does not know whether the Woods Hole community or the rest of Falmouth will notice it.” (Preliminary Report, pg. 34).

If 10 trucks of that 40-truck-per-day truck reduction were to take place during the very early morning, I can assure the SSA that that reduction would be noticed (as a neighbor of the SSA WH Terminal and also near-Woods Hole Road resident, I write this with some confidence).

As a Falmouth Selectman commented at its June 6 meeting, the conclusion that Woods Hole Road residents may not notice a reduction of 20 out of 80 trucks daily, or a reduction in 25% of truck traffic, seemed questionable to him.

- The Report relies on daily averages in drawing its conclusion; in reality, the truck traffic on Woods Hole Road varies widely by day of the week and by time of day; study of potential truck reduction should focus on specific days of the week and specific times of day.

Betsy Gladfelter described to Falmouth Selectmen 80 large truck round-trips as a summer daily average on Woods Hole Road. But on a specific summer workday, such as on a Tuesday, Wednesday, or Thursday, that number can grow to 125 large truck round-trips, that is, 250 large truck single trips (this number comes from the daily capacity reports for July 7, July 8, and July 9, 2015 and is for large trucks only; the total number of trucks is closer to 500 single trips on each of those days if one includes all truck categories).

Are 250 large truck single trips on certain days an acceptable number of large trucks for the SSA to have on windy Woods Hole Road and through WH SSA Terminal and Woods Hole Village? Is this number not expected to grow, even slowly, in future?

- Could the New Bedford service help delay/alleviate the need for a \$350 million third bridge? It seems unlikely, but worth including more information about traffic and any other road/transportation initiatives in the Report, from the perspective of a state entity. Please note that a third bridge solution may also involve additional shipper/trucker bridge fees, according to current plans.

- A number of automobile drivers and their passengers (especially summer residents and tourists) may give preference to the New Bedford route over the Woods Hole route for a variety of reasons (are going in the RI, CT, NY direction anyway, prefer to avoid the risk of Cape traffic, like longer ferry rides, scenic reasons via Quicks Hole, etc.).
4. New Bedford State Pier and Marine Commerce sites, costs of improvement, and timeframe deserve more detailed study in the Report.
- More specific cost estimates are needed for varying levels of repair of the relevant portions of State Pier (it seems likely that there are less, as well as more, expensive solutions available for preparing the Pier for freight operation); does the \$20-30 million repair of State Pier represent the minimal repair possible to begin a 4-trip/day freight service to the Vineyard or is a complete repair of State Pier necessary?
  - The timeframe needed to complete a New Bedford terminal repair, after funding is secured, is not clearly specified.
  - Specific funding sources to which the SSA would apply are not explored in detail (the recent \$3.5 mln state grant for a refrigeration upgrade at the State Pier is evidence that State Pier infrastructure investments from different sources are indeed available).
  - Information from the recently completed Regeneration Project study of the State Pier is not included in the Preliminary Report (see <http://www.nbedc.org/wp/wp-content/uploads/2016/05/ReGenPortPolicy-1.pdf>).
5. More detail is needed about fuel/wear-and-tear costs vs. distance and externality costs.
- There is a widely recognized fuel/wear-and-tear advantage of shipping by boat rather than by truck; transportation by boat is simply significantly less expensive.
  - Exactly how much more expensive is it to send a semi-trailer from New Bedford, over the Bourne bridge, into Falmouth, and then load it onto a Vineyard ferry in terms of fuel/wear-and-tear on trucks and highways/driver labor costs? The Report should give specific numbers for this comparison on a per truck basis. (Again, it would be very useful also to have statistics about the mix of freight traffic going to the Vineyard that is already going by or near New Bedford.)

- As a state entity, the public would expect the SSA to be thinking more broadly about the costs to the state of SSA operations, especially in terms of road repair costs, due to the SSA-associated truck usage of Cape highways and roads; for example, if the SSA were itself responsible for paying for a portion of road repair of roads used by SSA-associated trucks out of its own budget, would this change a financial comparison of advantages and disadvantages of the proposed NB-MV freight service?

6. More information is needed from the private shipping sector

- Hvide (later named Seabulk) is reported to have made more than \$1 million on the NB-MV freight run in 2000-2001; the overall operation was a financial loss to the Steamship Authority, but the route was profitable to the operator; the fact that the operator returned with a business proposal to the SSA to operate the service independently is perhaps best indicative of a private sector view of the financial viability of the route (the document "Analysis of the Application by Seabulk International, Inc., for a license to provide year-round ferry service between New Bedford and the Islands of Martha's Vineyard and Nantucket," 2001, is recommended reading, as many of the logistical considerations proposed by Seabulk remain relevant today); ultimately, the SSA did not give approval to that proposal, but that decision was based largely on the basis of concern over Seabulk's financial well-being.
- Craig Johnson's expertise is indeed highly relevant and needed; it was very good to read in the Report that his consultation is being/will be actively sought in future.

7. Timeliness of launching a new freight route should be considered.

- The very low-cost availability of leasing ships in the current surplus market (for example, from the many ships in the Gulf of Mexico today that are available for work) is not specifically examined in the Report.
- The current low-cost of fuel would also appear to create a favorable period in time for the Steamship Authority to implement the proposed NB-NB service.
- The SSA's apparently healthy financial balance sheet (to be further strengthened in 2016 if the SSA gross revenue of 2015 proves to be an indicator) suggests that at least a small amount of financial risk might be acceptable for the SSA (it should also

be repeated that it has been nearly a half-century since the SSA ran entirely in the red).

8. Basic assumptions of the Report render an overly pessimistic viewpoint in favor of a SSA business-as-usual approach.

- The report assumes that a NB route should be cost neutral to the SSA from the first day and that any extra costs for any period of time to the SSA are unacceptable. It is difficult to agree with either of those assumptions.

New initiatives require financial investment and a time period for that investment to pay for itself and for the new operation to become profitable.

- The SSA is a capable and experienced organization and it should be able to manage two or more initiatives at once; for example, the planned reconstruction of the WH Terminal should not be a reason to delay the proposed New Bedford freight service.
- The Report should present more of a “can do” image of the SSA in terms of it being eager and willing to take on a new initiative.
- The reader should not be left with the impression that “if the SSA had wanted this, they would have found a way to make it happen.”

The Steamship Authority until now has dealt with increasing freight volume to Martha’s Vineyard and Nantucket by three basic approaches: 1) purchasing and adding additional boats, 2) expanding and/or reconstructing its existing terminals, and 3) running more boats earlier and/or later in the day through its existing port towns.

It is time that the Steamship Authority gave equal attention to the fourth solution of adding (or more accurately, returning to) a port city.

New Bedford appears to offer a “win-win-win,” that is, the SSA can gain more freight capacity, New Bedford would likely benefit economically in the long run, and Falmouth, Woods Hole Road, and Woods Hole Village would experience less SSA-associated truck traffic.

It is good to see that the SSA is considering a return to a modern-day version of its former entity when its name was the "New Bedford, Woods Hole, Martha's Vineyard and Nantucket Steamship Authority."

I am grateful for the opportunity and time you gave us to meet with you in person to discuss the Report.

I believe that no one can or should doubt the earnestness of the SSA in pursuing the New Bedford freight option.

Many parts and discussion of the Preliminary Report are excellent in their detail and thoroughness.

Yet the more I have discussed the Preliminary Report with shippers, Vineyard businesses and others, the more I found relevant sections of the Report to be largely or entirely missing. I hope those incomplete or missing sections can be addressed.

Thank you.

Sincerely,

Nat Trumbull

11 Church St., Woods Hole, MA 02543

[nat@cape.com](mailto:nat@cape.com); 508 444-9357

The Town of Falmouth Board of Selectman's recent comments on the Report might also be considered by the SSA; please see the video of their June 6 meeting (<http://www.fctv.org/v3/vod/board-selectmen-june-6-2016-part-1-2>)